#### PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JANUARY 24, 2025

NEW ISSUE NOT RATED

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

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



# \$3,604,000\* CITY OF KYLE, TEXAS,

(a municipal corporation of the State of Texas located in Hays County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(6 CREEKS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #5 PROJECT)

Bond Date: February 27, 2025

Interest Accrual Date: Date of Delivery (defined below)

Due: September 1, as shown on the inside cover

The City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project) (the "Bonds"), are being issued by the City of Kyle, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons. Beneficial ownership of the Bonds initially may be acquired in principal denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof; The Bonds will bear interest at the rates set forth on the inside cover, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing September 1, 2025\*, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, Houston, Texas, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on February 4, 2025, and the Indenture of Trust dated as of February 1, 2025 (the "Indenture"), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the Actual Costs of the Improvement Area #5 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #5 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds. See "THE IMPROVEMENT AREA #5 AUTHORIZED IMPROVEMENTS" and "APPENDIX B – Form of Indenture."

The Bonds Similarly Secured, which term includes the Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Trust Estate (as defined herein), including the Pledged Revenues (as defined herein, which consist primarily of the revenue from the Improvement Area #5 Assessments (as defined herein) levied against assessed parcels in Improvement Area #5 of the 6 Creeks Public Improvement District (the "District") in accordance with a Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. The Bonds are not payable from funds raised or to be raised from taxation. The Improvement Area #5 Assessments are first and prior liens, on parity, against the Improvement Area #5 Assessed Property. See "SECURITY FOR THE BONDS SIMILARLY SECURED." The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption "DESCRIPTION OF THE BONDS — Redemption Provisions."

The Bonds involve a significant degree of risk and are not suitable for all investors. See "BONDHOLDERS' RISKS" and "SUITABILITY FOR INVESTMENT." The Underwriter is limiting this offering to Qualified Institutional Buyers and Accredited Investors. The limitation of the initial offering to Qualified Institutional Buyers and Accredited Investors does not denote restrictions on transfers in any secondary market for the Bonds. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D — Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, for the City by its City Attorney, and for the Developer by its special counsel, Armbrust & Brown, PLLC. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about February 27, 2025 (the "Date of Delivery").



# MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS, AND CUSIP NUMBERS $^{\star}$

CUSIP Prefix: (a)

# \$3,604,000\* CITY OF KYLE, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(6 CREEKS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #5 PROJECT)

\$	% Term Bonds, Due September 1, 20, Priced to Yield%; CUSIP No (a) (b) (c)
\$	% Term Bonds, Due September 1, 20, Priced to Yield%; CUSIP No (a) (b) (c)
(a)	CUSIP numbers are included solely for the convenience of Owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by 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 services provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City's Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.
(b)	The Bonds are subject to redemption, in whole or in part, before their scheduled maturity, at the option of the City, on any date on or after September 1, 20_, such redemption date or dates to be fixed by the City, at the redemption price of 100% of principal amount thereof, plus accrued interest to the date of redemption, as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
(c)	The Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."

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<sup>\*</sup> Preliminary, subject to change.

# CITY OF KYLE, TEXAS

## **CITY COUNCIL**

<u>Name</u>	Place	Term Expires (November)
Travis Mitchell	Mayor	2026
Robert Rizo	Mayor Pro-Tem, Council Member (District 2)	2026
Bear Heiser	Council Member (District 1)	2025
Miguel Zuniga, Ph.D.	Council Member (District 3)	2025
Dr. Lauralee Harris	Council Member (District 4)	2026
Marc McKinney	Council Member (District 5)	2027
Michael Tobias	Council Member (District 6)	2027

## **CITY MANAGER**

Bryan Langley

## ASSISTANT CITY MANAGER

Amber Schmeits

## ASSISTANT CITY MANAGER

Jesse Elizondo

# CITY SECRETARY

Jennifer Kirkland

## CITY FINANCE DIRECTOR

Perwez A. Moheet, CPA

## **ADMINISTRATOR**

P3Works, LLC

## FINANCIAL ADVISOR TO THE CITY

SAMCO Capital Markets, Inc.

## **BOND COUNSEL**

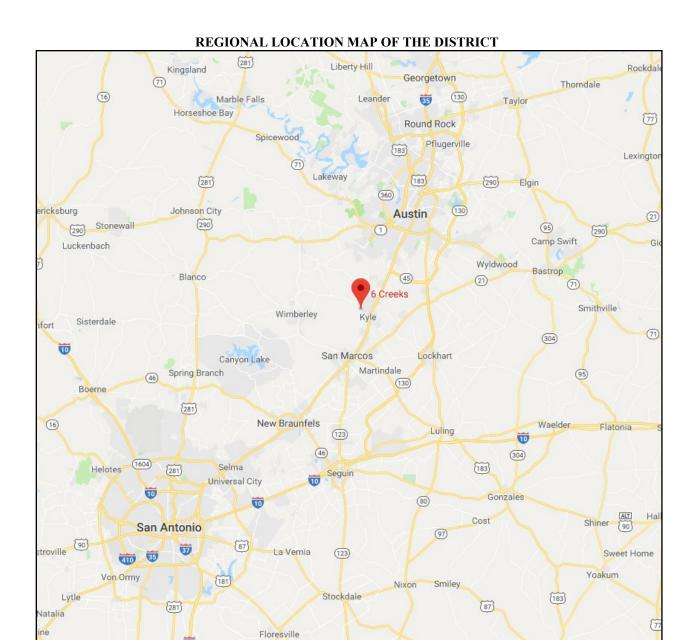
Norton Rose Fulbright US LLP

# UNDERWRITER'S COUNSEL

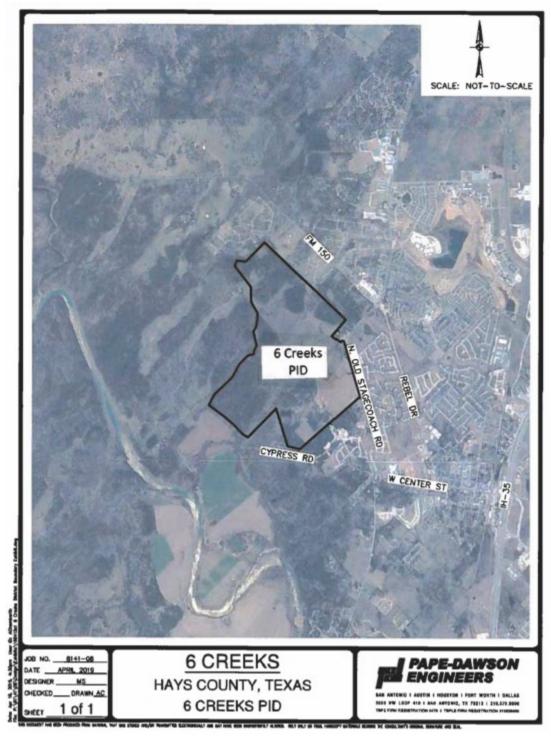
Orrick, Herrington & Sutcliffe LLP

For additional information regarding the City, please contact:

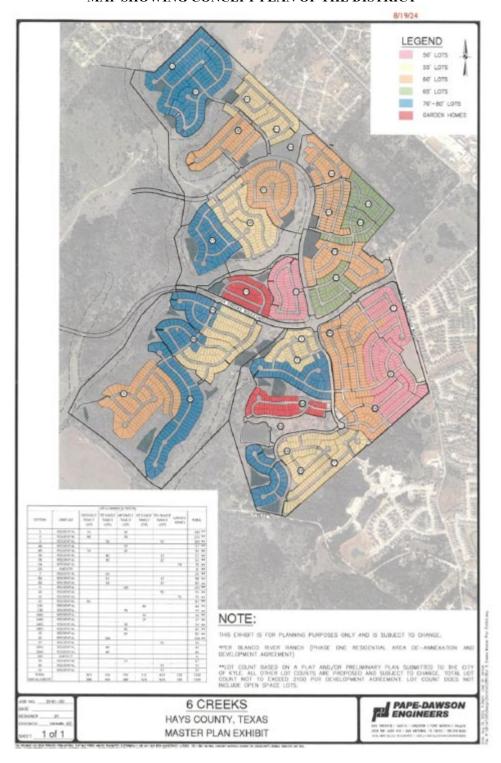
Perwez A. Moheet, CPA	Mark McLiney	Andrew T. Friedman
Director of Finance	Senior Managing Director	Senior Managing Director
City of Kyle, Texas	SAMCO Capital Markets, Inc.	SAMCO Capital Markets, Inc.
100 W. Center Street	1020 NE Loop 410, Suite 640	1020 NE Loop 410, Suite 640
Kyle, Texas 78640	San Antonio,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



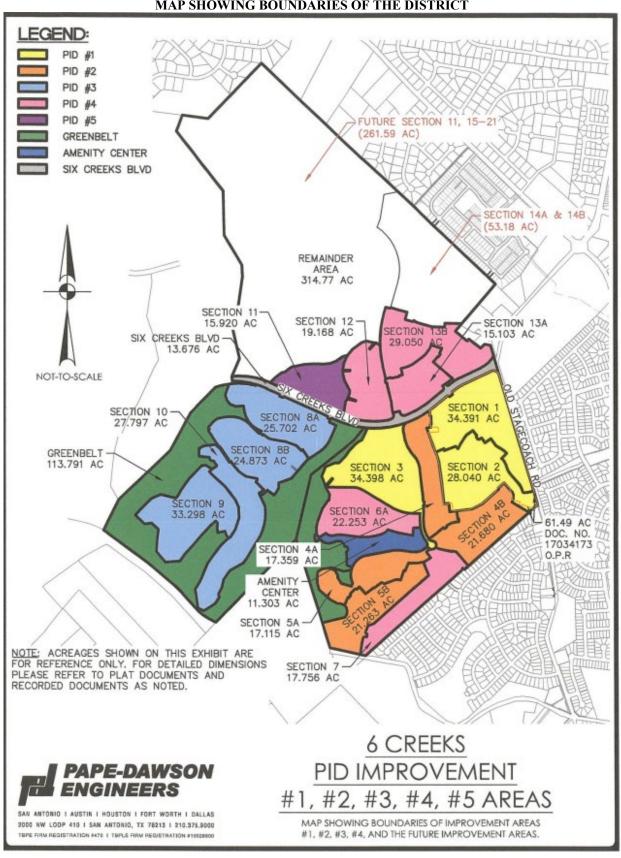
# AREA LOCATION MAP OF THE DISTRICT

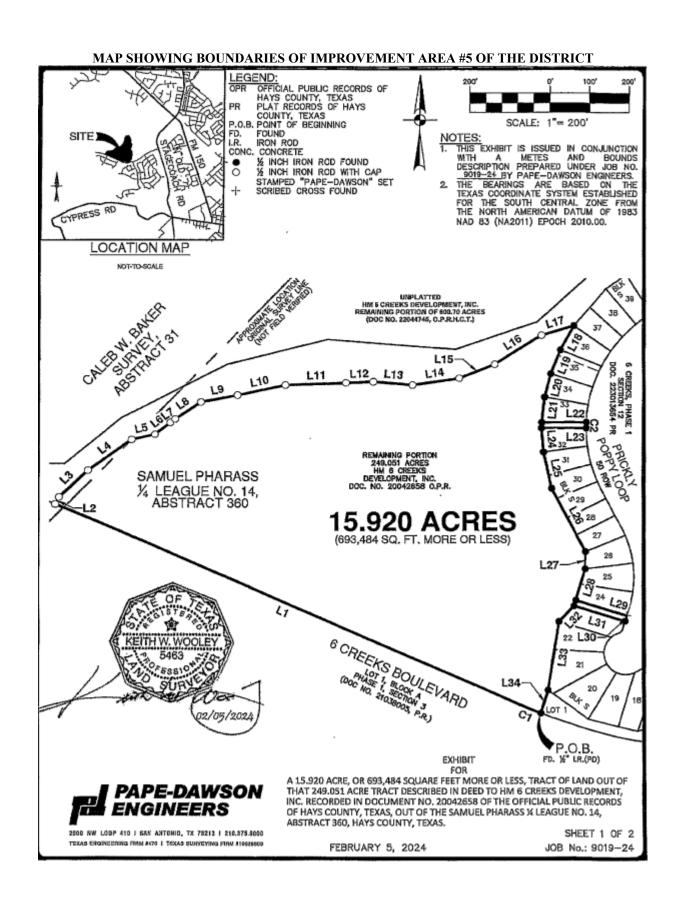


## MAP SHOWING CONCEPT PLAN OF THE DISTRICT



## MAP SHOWING BOUNDARIES OF THE DISTRICT





#### USE OF LIMITED OFFERING MEMORANDUM

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

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

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

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

NONE OF THE CITY, THE UNDERWRITER OR THE DEVELOPER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT OF 1933. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS AND DOES NOT PLAN TO REQUEST THAT THE DEVELOPER PROVIDE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

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

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

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#### PRELIMINARY LIMITED OFFERING MEMORANDUM

## \$3,604,000\* CITY OF KYLE, TEXAS,

(a municipal corporation of the State of Texas located in Hays County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(6 CREEKS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #5 PROJECT)

#### INTRODUCTION

The purpose of this Preliminary Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Kyle, Texas (the "City"), of its \$3,604,000\* aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the "City Council") on February 4, 2025 (the "Bond Ordinance"), and an Indenture of Trust, dated as of February 1, 2025 (the "Indenture"), expected to be entered into by and between the City and BOKF, NA, Houston, Texas, as trustee (the "Trustee"). The Bonds will be secured by a pledge and lien upon the Trust Estate (as defined in the Indenture), consisting primarily of revenue from special assessments (the "Improvement Area #5 Assessments") to be levied against assessed parcels (the "Improvement Area #5 Assessed Property") located within Improvement Area #5 (as defined herein) of the 6 Creeks Public Improvement District (the "District"), pursuant to a separate ordinance expected to be adopted by the City Council on February 4, 2025 (the "Assessment Ordinance"), all to the extent and upon the conditions described in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

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

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Financing Agreement (as defined herein), the Development Agreement (as defined herein), HM 6 Creeks Development, Inc., a Texas corporation (the "Developer" or "HM 6 Creeks Development"), and P3Works, LLC (the "Administrator"), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act.

All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof

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<sup>\*</sup> Preliminary, subject to change.

and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The Form of Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears in APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

## PLAN OF FINANCE

## **Development Plan**

Original Land Acquisitions. On September 20, 2017, HMBRR Development, Inc., a Texas corporation ("HMBRR Development"), HMBRR, LP, a Texas limited partnership ("HMBRR LP") and HMBRR LP #2, a Texas limited partnership ("HMBRR LP #2"), acquired approximately 61.49 acres, 188.51 acres, and 608.7 acres, respectively, totaling approximately 858.70 acres comprising the District. Subsequent to the initial purchases and through a series of sales and transfers, HMBRR LP sold the land it owned within the District to HMBRR Development and HMBRR LP #2 sold the land it owned within the District to HM 6 Creeks Development, an affiliate of HMBRR Development, HMBRR LP, and HMBRR LP #2. HM 6 Creeks Development is also referred to herein as the "Developer." See "THE DEVELOPER – History and Financing of the District."

<u>Development within the District</u>. The current development plans for the District consist of the development of approximately eight (8) improvement areas consisting of development of sections of local improvements necessary to serve each improvement area of the District, as well as certain other major infrastructure that will benefit more than one improvement area in the District (the "Major Improvements"). The improvements will consist of improvements authorized under the PID Act, including those improvements listed in the Service and Assessment Plan (the "Authorized Improvements"). See "THE DEVELOPMENT — Overview."

Improvement Area #1. Development in the District began in 2018 with the concurrent development of the Major Improvements and the internal infrastructure (the "Improvement Area #1 Improvements") to serve the initial residential improvement area of the District ("Improvement Area #1"), as well as Improvement Area #1's allocable share of the Major Improvements. Improvement Area #1's allocable share of the Major Improvements and the Improvement Area #1 Improvements are collectively referred to herein as the "Improvement Area #1 Projects." Construction of the Improvement Area #1 Projects was completed in May of 2020 and all 334 lots in Improvement Area #1 have been developed and sold to homebuilders. As of September 30, 2024, the homebuilders in Improvement Area #1 had 325 homes under contract or closed with homeowners. For more information, see "THE DEVELOPMENT – Development in the District – Development in Improvement Area #1."

The City issued its "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2019 (6 Creeks Public Improvement District Improvement Area #1 Project)" in the aggregate principal amount of \$7,495,000 and "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2020 (6 Creeks Public Improvement District Improvement Area #1 Project)" in the aggregate principal amount of \$4,420,000 to finance the costs of the Improvement Area #1 Projects (collectively, the "Improvement Area #1 Bonds"). As of December 1, 2024, the outstanding principal amount of the Improvement Area #1 Bonds was \$10,650,000.

Improvement Area #2. HMBRR Development began construction of the internal infrastructure (the "Improvement Area #2 Improvements"), necessary to serve the second improvement area of the District ("Improvement Area #2"), as well as Improvement Area #2's allocable share of the Major Improvements, in July of 2021. Improvement Area #2's allocable share of the Major Improvements and the Improvement Area #2 Improvements are collectively referred to herein as the "Improvement Area #2 Projects." Construction of the Improvement Area #2 Projects was completed in September of 2022 and all 260 lots in Improvement Area #2 have been developed and sold to homebuilders. As of September 30, 2024, the homebuilders in Improvement Area #2 had 254 homes under contract or closed with homeowners. For more information, see "THE DEVELOPMENT – Development in the District – Development in Improvement Area #2."

The City issued its "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2020 (6 Creeks Public Improvement District Improvement Area #2 Project)" (the "Improvement Area #2A Bonds") in the aggregate principal amount of \$6,465,000 and entered into an acquisition and reimbursement agreement with HMBRR Development relating to the reimbursement of the balance of the costs of the Improvement Area #2 Projects in the initial amount of \$4,510,000 (the "Improvement Area #2 Reimbursement Obligation"). The City issued its "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2023 (6 Creeks Public Improvement District Improvement Area #2B Project)" (the "Improvement Area #2B Bonds" and together with the Improvement Area #2A Bonds, the "Improvement Area #2 Bonds") in the aggregate principal amount of \$4,015,000 for the purpose of paying the outstanding balance of the Improvement Area #2 Reimbursement Obligation. As of December 1, 2024, the outstanding principal amount of the Improvement Area #2 Bonds was \$9,687,000.

Improvement Area #3. HM 6 Creeks Development began construction of the internal infrastructure (the "Improvement Area #3 Improvements"), necessary to serve the third improvement area of the District ("Improvement Area #3"), as well as Improvement Area #3's allocable share of the Major Improvements, in February of 2021. Improvement Area #3's allocable share of the Major Improvement and the Improvement Area #3 Improvements are collectively referred to herein as the "Improvement Area #3 Projects." Construction of the Improvement Area #3 Projects was completed in April of 2023 and all 357 lots in Improvement Area #3 have been developed and sold to homebuilders. As of September 30, 2024, the homebuilders in Improvement Area #3 had 220 homes under contract or closed with homeowners. For more information, see "THE DEVELOPMENT – Development in the District – Development in Improvement Area #3."

The City issued its "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2021 (6 Creeks Public Improvement District Improvement Area #3 Project)" (the "Series 2021 Bonds") in the aggregate principal amount of \$11,195,000 and entered into an acquisition and reimbursement agreement with HM 6 Creeks Development relating to the reimbursement of the balance of the costs of the Improvement Area #3 Projects in the amount of \$6,483,065. As of December 1, 2024, the outstanding principal amount of the Series 2021 Bonds was \$10,590,000. Concurrently, with the issuance of the Bonds, the City intends to issue its "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)" (the "Improvement Area #3B Bonds") in the aggregate principal amount of \$\_\_\_\_\_\_\_\_\_, which will, in part, refinance the outstanding reimbursement obligation.

Improvement Area #4. Development in the District continued with the construction of the internal infrastructure (the "Improvement Area #4 Improvements"), necessary to serve the fourth improvement area of the District ("Improvement Area #4"), as well as Improvement Area #4's allocable share of the Major Improvements. Improvement Area #4 Improvements (as further described herein), are collectively referred to herein as the "Improvement Area #4 Projects." Construction of the Improvement Area #4 Projects was completed in May of 2023 and all 354 lots in Improvement Area #4 have been developed and sold to homebuilders. As of September 30, 2024, the homebuilders in Improvement Area #4 had 144 homes under contract or closed with homeowners. For more information, see "THE DEVELOPMENT – Development in the District – Development in Improvement Area #4."

The City issued its Improvement Area #4 Bonds in the aggregate principal amount of \$17,563,000 in 2023 to finance the costs of the Improvement Area #4 Projects. As of December 1, 2024, the outstanding principal amount of the Improvement Area #4 Bonds was \$17,175,000. For more information, see "THE DEVELOPMENT – Development in the District – Development in Improvement Area #4."

Improvement Area #5. Development in the District will continue with the construction of the internal infrastructure (the "Improvement Area #5 Improvements"), necessary to serve the fifth improvement area of the District ("Improvement Area #5"), as well as Improvement Area #5's allocable share of the Major Improvements. Improvement Area #5 sallocable share of the Major Improvements and the Improvement Area #5 Improvements are collectively referred to herein as the "Improvement Area #5 Projects." HM 6 Creeks Development began construction of the Improvement Area #5 Projects in April of 2024 and is expected to complete such construction in February of 2025. For more information, see "THE DEVELOPMENT – Development in the District – Development in Improvement Area #5."

Remainder Area. HM 6 Creeks Development and Pulte Homes of Texas, L.P., a Texas limited partnership ("Pulte") own all the land within the Remainder Area. The Remainder Area will be developed in stages over time by HM 6 Creeks Development, or other related entities. The boundaries of the District, Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5, and the Remainder Area are shown in "MAP SHOWING BOUNDARIES OF THE DISTRICT" and "MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #5 OF THE DISTRICT" on pages v and vi, respectively.

#### Homebuilders in Improvement Area #5

Improvement Area #5 consists of Section 11 of the Development. In March of 2024, The Developer sold an undivided 50.7% interest in the land within Section 11 and an undivided 49.3% interest in the land within Section 11 to Highland Homes and PHAU [insert the rest of the full name] ("PHAU") and, collectively, with Highland Homes, the "Improvement Area #5 Landowners"), respectively. The homebuilders in Improvement Area #5 are Highland Homes and Perry Homes, LLC, a Texas limited liability company, an affiliate of PHAU ("Perry Homes" and, collectively, with Highland Homes, the "Improvement Area #5 Homebuilders"). Home construction in Improvement Area #5 will commence upon substantial completion of Section 11 which is expected to occur in February of 2025. For more information, see "THE DEVELOPMENT – Development in the District – Development in Improvement Area #5."

#### The Bonds

The proceeds of the Bonds will be used primarily for (i) paying a portion of the Actual Costs of the Improvement Area #5 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #5 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds. See "APPENDIX B — Form of Indenture."

Payment of the Bonds is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of revenue from the Assessments to be levied against the assessable parcels or lots within Improvement Area #5 of the District, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

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

## **Future Improvement Area Bonds**

HM 6 Creeks Development may make one or more requests to the City to issue one or more series of improvement area bonds (each such series of bonds are "Future Improvement Area Bonds") to finance the cost of Authorized Improvements to be developed to serve the Future Improvement Areas in the Remainder Area as the development proceeds. The estimated costs of such improvements benefiting Future Improvement Areas of the District will be determined as the Remainder Area of the District is developed, and the Service and Assessment Plan will be updated to identify the Authorized Improvements to be constructed within Future Improvement Areas of the District to be financed by each series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Areas in the Remainder Area of the District that benefit from the Authorized Improvements.

#### **Bonds Sold Pursuant to this Limited Offering Memorandum**

Only the Bonds are offered pursuant to this Limited Offering Memorandum. The Bonds, Improvement Area #3B Bonds, and any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The Bonds are also separate and distinct issues of securities from

any Refunding Bonds issued by the City in the future, but the Bonds and any Refunding Bonds (collectively, "Bonds Similarly Secured") issued under the Indenture will be equally and ratably secured by the Trust Estate. The Improvement Area #3B Bonds and the Future Improvement Area Bonds, if any, are not offered pursuant to this Limited Offering Memorandum.

#### LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

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

- 7. The Investor has made its own inquiry and analysis with respect to the Bonds and the security therefor. The Investor is aware that the development of the District involves certain economic and regulatory variables and risks that could adversely affect the security for the Bonds.
- 8. The Investor acknowledges that the sale of the Bonds to the Investor is made in reliance upon the certifications, representations and warranties described in items 1-7 above.

#### **DESCRIPTION OF THE BONDS**

## **General Description**

Capitalized terms not otherwise defined in this caption have the meanings assigned to them in the Indenture. 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 the Closing Date 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, 2025 (each, an "Interest Payment Date"), until maturity or prior redemption. BOKF, NA, Houston, Texas, is the initial Trustee and Paying Agent/Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons. Beneficial ownership of the Bonds may be acquired in principal denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof ("Authorized Denominations"). Upon receipt by the Paying Agent/Registrar of written evidence that the Bonds have received an Investment Grade Rating, beneficial ownership in the Bonds may be acquired in principal denominations of \$1,000 or any integral multiple thereof, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating. 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**

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

<u>Extraordinary Optional Redemption</u>. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem the Bonds before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund), transfers to the Redemption Fund, or as a result of unexpended amounts transferred from the Improvement Area #5 Projects Account of the Project Fund. The City shall notify the Trustee in writing at least forty-five (45) days before the scheduled extraordinary optional redemption date fixed by the City, or such other time period as the Trustee and the City shall mutually agree.

Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption unless it has at least \$1,000 available in the Redemption Fund with which to redeem the Bonds. In lieu of redeeming the Bonds with the funds described in this section, the City may purchase the Bonds in the open market of the maturity to be redeemed at the price not in excess of the purchase price provided in the Indenture.

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

## \$ Term Bonds due September 1, 20 \*

## **Redemption Date**

#### **Sinking Fund Installment**

†

† Stated maturity.

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction, the Trustee shall select 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.

The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least (45) days prior to the mandatory sinking fund redemption date, shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued 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 redemption shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

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

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

In selecting the Bonds Similarly Secured to be redeemed under the optional redemption provisions of the Indenture, the Trustee may conclusively rely on the directions provided in a City Certificate.

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

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

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<sup>\*</sup> Preliminary, subject to change.

<u>Notice of Redemption to Owners</u>. Upon receipt of written notice from the City of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book entry only form and held by the DTC as security depository, references to Owner in the Indenture means Cede & Co., as nominee for DTC.

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

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

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

#### **BOOK-ENTRY ONLY SYSTEM**

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and

municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are collectively referred to herein as "Participants." DTC has an S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

Principal, interest, and all other payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or Paying Agent/Registrar, on the

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

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

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

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

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

## Use of Certain Terms in Other Sections of this Limited Offering Memorandum

In reading this Limited Offering Memorandum it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

#### SECURITY FOR THE BONDS SIMILARLY SECURED

## General

THE BONDS SIMILARLY SECURED ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TRUST ESTATE CONSISTING PRIMARILY OF THE PLEDGED REVENUES AND OTHER FUNDS, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. NO

OWNER OF THE BONDS SIMILARLY SECURED SHALL HAVE THE RIGHT TO DEMAND ANY EXERCISE OF THE CITY'S TAXING POWER TO PAY THE PRINCIPAL OF THE BONDS SIMILARLY SECURED OR THE INTEREST OR REDEMPTION PREMIUM, IF ANY, THEREON. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO PAY THE BONDS SIMILARLY SECURED OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE. SEE "APPENDIX B — FORM OF INDENTURE."

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

The principal of, premium, if any, and interest on the Bonds Similarly Secured, including the Bonds, are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Improvement Area #5 Assessments levied against the Improvement Area #5 Assessed Property within Improvement Area #5 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. "Bond Similarly Secured" means all bonds or any bond authorized by a bond ordinance and issued in accordance with the Indenture, including the Bonds, Refunding Bonds and any bonds issued in exchange or replacement thereof as permitted by the Indenture. In accordance with the PID Act, on February 4, 2025, the City Council expects to approve and adopt the 2025 Amended and Restated Service and Assessment Plan (as may be updated and amended from time to time, the "Service and Assessment Plan"), which, among other things, will amend and restate the 2022 Amended and Restated Service and Assessment Plan (as defined herein), describe the special benefit received by the Improvement Area #5 Assessed Property, provide the basis and justification for the determination of special benefit on such property, establish the methodology for the levy of the Improvement Area #5 Assessments, and provide for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds. The Service and Assessment Plan is reviewed and updated at least annually (each an "Annual Service Plan Update") for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Improvement Area #5 Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners and developers within the District. See "APPENDIX C — Form of Service and Assessment Plan."

## **Pledged Revenues**

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #5 Projects by levying Improvement Area #5 Assessments upon properties in Improvement Area #5 of the District benefitted thereby. For a description of the assessment methodology and the amounts of assessments anticipated to be levied in each phase of the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of Service and Assessment Plan." The City will covenant in the Indenture that it will take and pursue all actions permissible under the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas (the "State") or of the United States (collectively, "Applicable Laws") to cause the Improvement Area #5 Assessments to be collected and the liens thereof to be enforced continuously. See "— Pledged Revenue Fund," "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

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

"Annual Collection Costs" mean the actual or budgeted costs and expenses relating to collecting the Annual Installments, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Improvement Area #5 Assessments and Annual Installments; (4) preparing and maintaining records with respect to Improvement Area #5 Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming the Bonds; (6) investing or depositing Improvement Area #5 Assessments and Annual Installments; (7) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of the Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with the Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

"Annual Installment" means, with respect to the Improvement Area #5 Assessed Properties, the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

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

"Pledged Revenues" means the sum of (i) Improvement Area #5 Assessment Revenue other than Delinquent Collection Costs; (ii) the moneys held in any of the Pledged Funds; and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

The PID Act provides that the Improvement Area #5 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 property assessed, superior to all other liens or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Improvement Area #5 Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein.

#### **Collection and Deposit of Improvement Area #5 Assessments**

The Improvement Area #5 Assessments on each parcel, tract or lot which are to be collected in each year during the term of the Bonds are shown on the Improvement Area #5 Assessment Roll. The Improvement Area #5 Assessments, together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of, premium, if any, and interest on the Bonds as and to the extent provided in the Service and Assessment Plan and the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund" and "APPENDIX B — Form of Indenture."

The Improvement Area #5 Assessments assessed to pay debt service on the Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds. An Annual Installment of Improvement Area #5 Assessments has been made payable in the Assessment Ordinance in each Fiscal Year preceding the date of final maturity of the Bonds which, if collected, will be sufficient to pay the portion of the debt service requirements attributable to Improvement Area #5 Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

Any sums collected for the payment of Annual Collection Costs shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

#### **Unconditional Levy of Assessments**

The City will impose Improvement Area #5 Assessments on the property within Improvement Area #5 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Improvement Area #5 Assessments are effective from the date, and strictly in accordance with the terms, of the Assessment Ordinance. Each Improvement Area #5 Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Improvement Area #5 Assessments. Pursuant to the Assessment Ordinance, interest on the Improvement Area #5 Assessments for each lot or unit within Improvement Area #5 and allocated to the Bonds, begins to accrue on the date specified in the Service and Assessment Plan and, bears interest at the rate of interest on the Bonds plus the 0.50% additional interest charged on Improvement Area #5 Assessments pursuant to Section 372.018 of the PID Act ("Additional Interest Rate"). Interest on the Improvement Area #5 Assessments shall bear interest at the rates set forth

in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of Improvement Area #5 Assessments, will be determined by September 30 of each year and billed on or around October 15 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.003(b)(14) of the PID Act, the City will levy, assess and collect each year while the Bonds Similarly Secured are Outstanding and unpaid, an assessment to pay the annual costs incurred by the City in the administration and operation of Improvement Area #5 of the District (the "Annual Collection Costs"). The portion of each Annual Installment of an assessment used to pay the Annual Collection Costs shall remain in effect from year to year until all Bonds Similarly Secured are finally paid or until the City adjusts the levy after an annual review in any year pursuant to Section 372.015(d) of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance, and shall be billed on or about October 15 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 Similarly Secured.

There will be no split payment of assessments or discount for the early payment of assessments.

The PID Act provides that the Improvement Area #5 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 property within Improvement Area #5, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Improvement Area #5 Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS — Assessment Limitations." There are currently no properties within Improvement Area #5 that have claimed a homestead exemption.

Failure to pay an Annual Installment when due shall not accelerate the payment of the remaining Annual Installments of the Improvement Area #5 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**

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

#### **Pledged Revenue Fund**

On or before February 20, 2026 and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited with the Trustee all Pledged Revenues, if any, other than the Pledged Revenues on deposit in the Project Collection Fund which

revenues shall be transferred into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Improvement Area #5 Assessment Revenues and other Pledged Revenues to be applied by the Trustee in the following order of priority:

- (i) *first*, to the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year;
- (ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the initial Reserve Account Requirement;
- (iii) *third*, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest to cause the amount in the Additional Interest Reserve Account to equal the Additional Interest Reserve Requirement;
- (iv) fourth, to the Improvement Area #5 Projects Account to pay the Actual Costs of the Improvement Area #5 Projects; and
  - (v) fifth, to pay other costs permitted by the PID Act.

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

From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account of the Bond Fund to the Principal and Interest Account of the Bond Fund, such that the amount on deposit in the Principal and Interest Account of the Bond Fund equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.

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

Notwithstanding the above-described flow of funds, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and within two Business Days after such deposit shall transfer such Prepayments to the applicable account within the Redemption Fund.

Notwithstanding the above described flow of funds, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and within two Business Days after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, *first* to the Reserve Fund to restore any transfers from the accounts within the Reserve Fund made with respect to the Improvement Area #5 Assessed Property or Improvement Area #5 Assessed Properties to which the Foreclosure Proceeds relate (*first*, to the Reserve Account of the Reserve Fund to replenish the Reserve Account Requirement, and <u>second</u>, to replenish the Additional Interest Reserve Account within the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in any Account of the Reserve Fund and transfer of funds pursuant to the Indenture, the City may direct the Trustee by City Certificate to apply Improvement Area #5 Assessments for any lawful purposes permitted by the PID Act for which Improvement Area #5 Assessments may be paid and benefitting those Assessed Parcels in the particular Section where the Improvement Area #5 Assessments

were levied. The Trustee may rely on such written direction of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

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

#### **Bond Fund**

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

If amounts in the Principal and Interest Account of the Bond Fund are insufficient for the purposes set forth above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in the Indenture. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

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

Date	Amount
September 1, 2025	\$

Any amounts on deposit to the Capitalized Interest Account of the Bond Fund after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #5 Projects Account of the Project Fund, or if the Improvement Area #5 Projects Account of the Project Fund has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem the Bonds, and the Capitalized Interest Account of the Bond Fund shall be closed.

## **Project Fund**

Pursuant to the Indenture, a Project Fund will be created to be used for the purposes described in "PLAN OF FINANCE – The Bonds."

Money on deposit in the Project Fund shall be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #5 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #5 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds. Notwithstanding any other provisions, money on deposit in the Improvement Area #5 Projects Account shall only be used to pay Actual Costs of the Improvement Area #5 Projects.

Disbursements from any of the Subaccounts within the Improvement Area #5 Projects Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates containing a properly executed and completed Certification for Payment. Disbursements from the Improvement Area #5 Costs of Issuance Account of the Project Fund shall be made by the Trustee pursuant to and in accordance with a City Certificate providing for the application of such funds to be disbursed (with the exception of fees and expenses initially incurred by the Trustee, which may be withdrawn by the Trustee).

If the City Representative reasonably determines that amounts then on deposit in a Subaccount of the Improvement Area #5 Projects Account of the Project Fund are not expected to be expended for purposes of such Subaccount due to the completion, abandonment, or constructive abandonment of the Improvement Area #5 Projects, such that, in the opinion of the City Representative, it is unlikely that the amounts in such Subaccount will ever be

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

Upon the filing of a City Certificate stating that all Improvement Area #5 Projects have been completed and that all Actual Costs of the Improvement Area #5 Projects have been paid, the Trustee (i) shall transfer, pursuant to written direction in such City Certificate, the amount, if any, remaining within the Improvement Area #5 Projects Account to the Redemption Fund and (ii) the Improvement Area #5 Projects Account of the Project Fund shall be closed. If the Improvement Area #5 Projects Account of the Project Fund has been closed pursuant to the Indenture and the Improvement Area #5 Costs of Issuance Account of the Project Fund has been closed, then the Project Fund shall be closed.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds Similarly Secured have been paid and the appropriate portion of the costs incidental to the organization of the District have been paid, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #5 Costs of Issuance Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #5 Costs of Issuance Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #5 Costs of Issuance Account of the Project Fund shall be transferred to the Improvement Area #5 Projects Account of the Project Fund and used to pay Actual Costs or to the Principal and Interest Account of the Bond Fund used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee, and the Improvement Area #5 Costs of Issuance Account of the Project Fund shall be closed.

The aggregate amount of funds that the Trustee may disburse from the Improvement Area #5 Projects Account shall not exceed the Unrestricted Amount except and until the Release Restriction has been satisfied. Until such time as the Unrestricted Amount has been disbursed from the Improvement Area #5 Projects Account, disbursements from the Improvement Area #5 Projects Account of the Project Fund to pay Actual Costs of the Improvement Area #5 Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. Once the Unrestricted Amount has been disbursed from the Improvement Area #5 Projects Account, the Trustee may make disbursements from the Improvement Area #5 Projects Account that exceed the Unrestricted Amount only when the Developer provides written certification to the Trustee and the City in a Certification for Payment in the form attached to the Financing Agreement that the Release Restriction has been satisfied. The first Certification for Payment that requests funds in excess of the Unrestricted Amount from the Improvement Area #5 Projects Account of the Project Fund and which evidences satisfaction of the Release Restriction shall be submitted to the City, the Trustee, and the Administrator for review and confirmation. Moneys may be disbursed from the Improvement Area #5 Projects Account in excess of the Unrestricted Amount only if the certificates of occupancy for at least 7 homes have been issued for completed homes within Improvement Area #5 of the District, as evidenced by a City Certificate delivered to the Trustee (the "Release Restriction"). The City may not approve a Certification for Payment from the Improvement Area #5 Projects Account of the Project Fund for any amounts that exceed the Unrestricted Amount until the Release Restriction has been satisfied. For the avoidance of doubt, in addition to a fully executed Certification for Payment, satisfaction of the Release Restriction as evidenced by a properly executed City Certificate shall be the only condition to the Trustee's release of funds from the Improvement Area #5 Projects Account of the Project Fund in excess of the Unrestricted Amount.

## **Redemption Fund**

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, as directed by City Certificate, shall cause to be deposited to the Redemption Fund or such appropriate Account within the Redemption Fund (as applicable) from the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured as provided in the provisions of the Indenture relating to optional redemption and extraordinary optional redemption on the dates specified for redemption as provided in the Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in provisions in the Indenture relating to redemption.

#### **Project Collection Fund**

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Improvement Area #5 Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Improvement Area #5 Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Improvement Area #5 Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Improvement Area #5 Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Improvement Area #5 Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in the Indenture. The City shall provide such City Certificate on or before February 20, 2026, and every August 20 and February 20 thereafter while the Bonds are Outstanding. The Project Collection Fund is not a Pledged Fund.

#### Reserve Fund: Reserve Account and Additional Interest Reserve Account

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund for the benefit of the Bonds and will held by the Trustee and funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Additionally, an Additional Interest Reserve Account will be created will be created within the Reserve Fund for the benefit of the Bonds and will held by the Trustee and funded from the deposit of Additional Interest in the amount of the Additional Interest Account Requirement. See "APPENDIX B — Form of Indenture" and "APPENDIX C — Form of Service and Assessment Plan."

The Reserve Account of the Reserve Fund will be initially funded with a deposit of \$\_\_\_\_\_ from the proceeds of the Bonds in the amount of the Reserve Account Requirement and the City agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits outlined in the Indenture, 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 the Indenture.

The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account of the Reserve Fund on March 1 and September 1 of each year, commencing March 1, 2026, to the extent that funds are available after application of the deposit priority in the Indenture, an amount equal to the Additional Interest in the Additional Interest Reserve Account of the Reserve Fund until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account of the Reserve Fund; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account of the Reserve Fund is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account of the Reserve Fund until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account of the Reserve Fund.

Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds. Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account of the Reserve Fund prior to redemption, and (ii) the Reserve Account Requirement after such redemption; *provided, however*, no such transfer from the Reserve Account of the Reserve Fund shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Fund toward payment of accrued and unpaid interest to the date of redemption on the Bonds Similarly Secured to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit

the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account of the Reserve Fund to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account of the Reserve Fund exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account of the Bond Fund to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless within 45 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under the Rebate Fund provision of the Indenture, (ii) to each of the Subaccounts of the Improvement Area #5 Projects Account of the Project Fund on a pro rata basis, if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve Account of the Reserve Fund exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount on deposit in the Additional Interest Reserve Account of the Reserve Fund shall be transferred by the Trustee to the Redemption Fund, and shall notify the City of such transfer in writing. In transferring the amounts to be transferred pursuant to this paragraph, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #5 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Additional Interest Reserve Account of the Reserve Fund to the Principal and Interest Account of the Bond Fund and second from the Reserve Account of the Reserve Fund to the Principal and Interest Account of the Bond Fund the amounts necessary to cure such deficiency. At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account of the Reserve Fund and the Additional Interest Reserve Account of the Reserve Fund shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured. If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency. If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured as of such Interest Payment Date.

## **Administrative Fund**

The City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with the Indenture. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered under the Indenture and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan. THE ADMINISTRATIVE FUND SHALL NOT BE PART OF THE TRUST ESTATE AND IS NOT SECURITY FOR THE BONDS SIMILARLY SECURED.

## **Bonds Similarly Secured Deemed Paid**

All Outstanding Bonds Similarly Secured shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds Similarly Secured

are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other third-party selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iv) if the Bonds Similarly Secured are then rated, the Trustee shall have received written confirmation from each Rating Agency then publishing a rating on such Bonds that such deposit will not result in the reduction or withdrawal of the rating on the Bonds Similarly Secured, and (v) the Trustee shall have received an opinion of Bond Counsel to the effect that (A) any Bond Similarly Secured having been deemed to have been paid as provided in the Indenture is no longer Outstanding under the Indenture and is no longer secured by or entitled to the benefits of the Indenture, (B) such defeasance is in accordance with the terms of the Indenture and (C) such defeasance will not adversely affect the exclusion of interest on such Bond Similarly Secured from gross income for purposes of federal income taxation. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. "Investment Securities" means those authorized investments described in the City's official investment policy as approved by the City Council from time to time, and eligible for the investment of public funds by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. 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 the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the City adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

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

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#### **Events of Default**

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

- (i) the failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- (ii) the failure of the City to enforce the collection of the Improvement #5 Assessments including the prosecution of foreclosure proceedings, in accordance with the Indenture;
- (iii) the failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and
- (iv) default in the performance or observance of any other covenant, agreement or obligation of the City under the Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of a Quarter in Interest of the Bonds Similarly Secured with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Bonds Similarly Secured requesting that the failure be remedied.

#### **Immediate Remedies for Default**

Upon the happening and continuance of any of the Events of Default described in the Indenture, the Trustee may, and at the written direction of Owners of a Quarter in Interest of the Bonds Similarly Secured then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that any action for money damages against the City shall be limited in recovery to the assets of the Trust Estate, including the Pledged Revenues.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due under in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

Whenever moneys are to be applied pursuant to the Indenture, irrespective of and whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, as the Trustee may deem appropriate, and as may be required by Applicable Laws and apply the proceeds thereof in accordance with the provisions of this subcaption. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be

necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

#### **Restriction on Owner's Actions**

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of a Quarter in Interest of the Bonds Similarly Secured have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers thereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers thereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Owners of a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided therein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided therein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy thereunder.

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

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

## **Application of Revenues and Other Moneys After Event of Default**

All moneys, securities, funds and Pledged Revenues or other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Indenture, during the continuance of an Event of Default, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

- (i) First: To the payment to the registered owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the registered owners entitled thereto, without any discrimination or preference; and
- (ii) Second: To the payment to the registered owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof

ratably, according to the amounts of principal due or redemption price and to the registered owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to the Indenture.

In the event funds are not adequate to cure any of the Events of Default, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of the Indenture. The restoration of the City to its prior position after any and all defaults have been cured, shall not extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

#### **Investment of Funds**

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee only as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment (or as directed below) in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; the City Certificate shall direct investment in such deposits and investments (which may include repurchase agreements for such investment with any primary dealer of such agreements) so that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account of the Reserve Fund may not be invested above the Yield (as defined in the Indenture) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by the Indenture or to prevent any default. In the event the City does not provide written investment directions, the Trustee is instructed to invest funds pursuant to the instructions in the Indenture.

The Trustee and its affiliates may act as sponsor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate and to ensure that an investment it is directed to purchase is a permitted investment pursuant to the terms of the Indenture. 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 and may conclusively rely on the City's written instructions of the directed investments.

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

The Trustee will furnish the City monthly cash transaction statements which include detail for all investment transactions made by the Trustee thereunder 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. The Trustee may conclusively rely on City Certificates that such an investment will comply with the City's investment policy and with the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

#### **Against Encumbrances**

Other than the Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues, the Pledged Funds, the Trust Estate, other than that specified in the Indenture, or upon any other property pledged under the Indenture, except any pledge created for the equal and ratable security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

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

## Additional Obligations, Other Liens, and Refunding Bonds

The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues or any portion of the Trust Estate. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds Similarly Secured.

Other than the Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured, the City will not create or voluntarily permit to be created any debt, lien or charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of the 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 the Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in the Indenture shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds Similarly Secured.

The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:

- (i) The principal of all Refunding Bonds must (i) be scheduled to be paid, (ii) be subject to mandatory sinking fund redemption or (iii) mature, on September 1 of the years in which such principal (i) is scheduled to be paid, (ii) is subject to mandatory sinking fund redemption or (iii) matures. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a supplemental indenture; and
- (ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under the Indenture shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a supplemental indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the supplemental indenture for such Refunding Bonds.

# SOURCES AND USES OF FUNDS\*

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

## Sources of Funds:

Principal Amount	\$
TOTAL SOURCES	\$
Use of Funds:	
Deposit to Improvement Area #5 Projects Account of the Project Fund	\$
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Reserve Account of the Reserve Fund	
Deposit to the Administrative Fund	
Deposit to Improvement Area #5 Costs of Issuance Account	
Underwriter Discount <sup>(1)</sup>	
TOTAL USES	\$

<sup>(1)</sup> Includes Underwriter's Counsel's fee.

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<sup>\*</sup> Preliminary, subject to change.

# DEBT SERVICE REQUIREMENTS\*

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

Year Ending			
(September 30)	<u>Principal</u>	Interest	<u>Total</u>
2025(1)			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
Total	\$3,604,000*		

To be updated and completed upon pricing.

Interest due on September 1, 2025 will be paid from amounts on deposit in the Capitalized Interest Account. (1)

<sup>\*</sup> Preliminary, subject to change.

# OVERLAPPING TAXES AND DEBT

The land within Improvement Area #5 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities. Such taxes and assessments are payable in addition to the Assessments.

# **Overlapping Taxes**

Hays County, Austin Community College District, Hays County Emergency Services District No. 5, Hays County Emergency Services District No. 9, and the Hays Consolidated Independent School District may each levy ad valorem taxes upon land in Improvement Area #5 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities. Pursuant to the terms of the Development Agreement and unless the Development Agreement is amended to provide otherwise, the City has agreed not to annex any portion of the District until all of the Improvement Area #1 Bonds, the Improvement Area #2 Bonds, the Improvement Area #3 Bonds, the Improvement Area #4 Bonds, the Improvement Area #5 Bonds, the Bonds Similarly Secured and Future Improvement Area Bonds, if any, have been repaid in full, and there are no further assessments against property within the District outstanding. The following table reflects the overlapping ad valorem tax rates currently levied on property located in Improvement Area #5 of the District. Improvement Area #5 is located entirely within the extraterritorial jurisdiction of the City and within Hays County, Austin Community College District, Hays County Emergency Services District No. 5, Hays County Emergency Services District No. 9, and the Hays Consolidated Independent School District.

	Tax Year 2024
	Ad Valorem
Taxing Entity	Tax Rate <sup>(1)</sup>
Hays County <sup>(2)</sup>	\$0.35000
Austin Community College District	\$0.10130
Hays County Emergency Services District No. 5	\$0.10000
Hays County Emergency Services District No. 9	\$0.05044
Hays Consolidated Independent School District	<u>\$1.15460</u>
Total Current Tax Rate	<u>\$1.75634</u>
Estimated Average Annual Assessment in Improvement	
Area #5 as a Tax Rate Equivalent	<u>\$0.92663</u> (3)(4)
Estimated Total Tax Rate and Average Annual Assessment	
in Improvement Area #5 as a Tax Rate Equivalent	<b>\$2.68927</b> <sup>(3)</sup>

<sup>(1)</sup> As reported by the taxing entities. Per \$100 in assessed value. Rounded to the fourth decimal place.

Source: Municipal Advisory Council of Texas and Service and Assessment Plan.

<sup>(2)</sup> Includes Hays County Special Road District Tax

<sup>(3)</sup> Preliminary, subject to change; Assumes completion of homes at values estimated by the Developer.

<sup>(4)</sup> Reflects the average of the estimated average annual assessment as a tax rate equivalent for each lot type in Improvement Area #5; See "ASSESSMENT PROCEDURES – Assessment Methodology – Expected Assessment Reallocation in Improvement Area #5" for tax rate equivalent for each lot type.

# **Overlapping Debt**

As noted above, Improvement Area #5 of 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 Improvement Area #5 of the District, and City debt to be secured by the Assessments:

	Gross		
	Outstanding	Estimated	Direct and Estimated
	Debt as of	Percentage	Overlapping
Taxing or Assessing Entity	December 1, 2024	Applicable <sup>(1)</sup>	Debt <sup>(1)</sup>
The City (Assessments – The Bonds)	\$ 3,604,000*	100.00%	\$3,604,000*
Hays County	475,118,993	0.05%	239,650
Austin Community College District	540,180,000	0.0061%	32,715
Hays County Emergency Services District No. 5	-	N/A	-
Hays County Emergency Services District No. 9	-	N/A	-
Hays Consolidated Independent School District	872,065,000	0.1431%	1,248,138
	\$1,890,967,993*		\$5,124,503*

<sup>\*</sup> Preliminary, subject to change.

## **Homeowners' Association**

In addition to the Assessments described above, the Developer anticipate that each lot owner in Improvement Area #5 of the District will pay a maintenance and operation fee and/or a property owner's association fee to a homeowner's association (the "HOA"), which was formed by HMBRR Development in December of 2018. The current HOA assessment for Section 11 is \$800 per year, at \$200 per quarter.

### ASSESSMENT PROCEDURES

### General

Capitalized terms under this caption and not otherwise defined in the Limited Offering Memorandum shall have the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area #5 Authorized Improvements through Improvement Area #5 Assessments, it must adopt a resolution generally describing the Improvement Area #5 Authorized Improvements and the land within Improvement Area #5 of the District to be subject to Improvement Area #5 Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the "Improvement Area #5 Assessment Roll"), which Improvement Area #5 Assessment Roll shows the land within Improvement Area #5 to be assessed, the amount of the benefit to and the Improvement Area #5 Assessment against each lot or parcel of land and the number of Annual Installments in which the Improvement Area #5 Assessment is divided. The Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area #5 Authorized Improvements and funding the same with Improvement Area #5 Assessments. The City expects to levy the Improvement Area #5 Assessments and adopt the Assessment Ordinance on February 4, 2025. After adoption of the Assessment Ordinance, the Improvement Area #5 Assessments will become legal, valid and binding liens upon the property against which the Improvement Area #5 Assessments were made.

Under the PID Act, the costs of the Improvement Area #5 Authorized Improvements to be defrayed through Improvement Area #5 Assessments may be assessed by the City against the assessable property in Improvement Area #5 of the District, so long as the special benefit conferred upon the Improvement Area #5 Assessed Property by the Improvement Area #5 Authorized Improvements equals or exceeds the Improvement Area #5 Assessments. The costs of the Improvement Area #5 Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Improvement Area #5 Assessed Property similarly benefitted. The allocation of

<sup>(1)</sup> Based upon certified valuations of Tax Year 2024 for the taxing entities and the Appraisal Value for Improvement Area #5.

Sources: Hays Central Appraisal District, Municipal Advisory Council of Texas and Hays County Emergency Services District No. 5.

benefits and assessments to the benefitted land within Improvement Area #5 of the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C — Form of Service and Assessment Plan."

### **Assessment Methodology**

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Improvement Area #5 Authorized Improvements, as applicable, provides the basis and justification for the determination that such special benefit exceeds the Improvement Area #5 Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #5 Project to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefitted.

As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #5 Authorized Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues and other funds comprising the Trust Estate.

Method of Apportionment of Assessments. As set forth in the Service and Assessment Plan, the City Council has determined to allocate the cost of Major Improvements between Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5, and a portion of the Remainder Area based on the total number of Lots in each area expected to be served by each Major Improvement. Certain Major Improvements (hereinafter defined as the "Remainder Area Authorized Improvements") benefit individual improvement areas and only a portion of the Remainder Area, while other Major Improvements benefit the entire District. See Exhibit L for maps of the Authorized Improvements, to "APPENDIX C – Form of Service and Assessment Plan." The Major Improvements described in the current form of the Service and Assessment Plan may not include all of the major infrastructure that will benefit all or a portion of the Remainder Area, and the Major Improvements may be expanded or modified as development in the District progresses.

<u>Method of Allocation of Assessments</u>. As set forth in the Service and Assessment Plan, the City Council initially allocated the Improvement Area #5 Assessment to the initial parcel in Improvement Area #5 (the "Improvement Area #5 Initial Parcel"). See Exhibit A, Authorized Improvements, and Exhibit L, Assessment Roll, to "APPENDIX C – Form of Service and Assessment Plan."

<u>Method of Reallocation of Assessments</u>. Upon division, the Improvement Area #5 Assessment allocated to the Improvement Area #5 Initial Parcel shall be allocated to the newly created Improvement Area #5 Assessed Property based on the ratio of estimated build out value of each Improvement Area #5 Assessed Property or Lot (upon recorded subdivision plat — estimated average build out value of all newly subdivided Lots with same Lot Type) to the estimated build out value for all Parcels or Lots within the prior Parcel.

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Improvement Area #5 Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

If, as a result of any replat, the sum of the Improvement Area #5 Assessments against the replatted Lot(s) exceeds the sum of the Improvement Area #5 Assessments before the replat, then prior to recording the replat the person(s) requesting the replat must prepay the amount by which the Improvement Area #5 Assessment for the replatted Lot(s) exceeds the sum of the Improvement Area #5 Assessments before the replat. The replat shall not be recorded without a letter from the Administrator confirming that the payment has been made.

The reallocation of an Improvement Area #5 Assessment against a Lot after the Lot has been designated as a homestead under Texas law may not exceed the Improvement Area #5 Assessment against the homestead Lot prior to the reallocation.

<u>True-up of Assessments if Maximum Assessment Exceeded</u>. Prior to the approval of a final subdivision plat, the Administrator will certify that the final plat will not cause the Improvement Area #5 Assessment for any Lot Type to exceed the applicable Maximum Assessment. If the subdivision of any Improvement Area #5 Assessed Property

by a final subdivision plat causes the Improvement Area #5 Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Improvement Area #5 Assessment for each Improvement Area #5 Assessment for such Lot Type in an amount sufficient to reduce the Improvement Area #5 Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Improvement Area #5 Assessments.

Mandatory Prepayment of Assessments. If Improvement Area #5 Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #5 Assessments, the owner transferring the Improvement Area #5 Assessed Property shall pay to the City the full amount of the Improvement Area #5 Assessment, plus Prepayment Costs and Delinquent Collection Costs for such Improvement Area #5 Assessed Property, prior to the transfer. If the owner of the Improvement Area #5 Assessed Property causes the Improvement Area #5 Assessed Property to become Non-Benefitted Property, the owner causing the change in status shall pay the full amount of the Improvement Area #5 Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

<u>Reduction of Assessments</u>. If as a result of cost savings or an Improvement Area #5 Authorized Improvement not being constructed, the Actual Costs of completed Improvement Area #5 Authorized Improvements are less than the Improvement Area #5 Assessments, the Improvement Area #5 Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Improvement Area #5 Assessments for all Improvement Area #5 Assessed Property equals the reduced Actual Costs. The Improvement Area #5 Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds. The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Improvement Area #5 Assessment Roll and corresponding Annual Installments to reflect the reduced Improvement Area #5 Assessments. See "APPENDIX C — Form of Service and Assessment Plan."

The following table provides the initial allocation of Improvement Area #5 Assessments.

## Assessment Allocation\*

Parcel <sup>†</sup>	Assessment
Improvement Area #5 Initial	\$3,604,000
Parcel	

The following tables provide the expected allocation of Improvement Area #5 Assessments based on Lot Type.

# Expected Assessment Reallocation in Improvement Area #5 (1)

							rax Kate	Tax Kate	
						Estimated	Equivalent per	Equivalent	
	Planned	Est. Finished	Projected	Estimated		Average Annual	\$100/AV	per \$100/AV	
Planned Lot	Number	Lot Value per	Home Value	Assessment	Total Value per	Installments	(Finished	(Completed	
Type (ft.)	of Units	Unit <sup>(2)</sup>	per Unit(3)	per Lot(4)	Lot Type <sup>(4)</sup>	per Lot(4)	Lots)(5)	Homes)(5)	
45' (Lot Type	17) 71	\$118,800	\$500,000	\$50,760.56	\$35,500,000	\$4,633.17	\$3.900	\$0.9266	_

<sup>(1)</sup> Estimates based on information available as of the date of this Limited Offering Memorandum. Actual unit counts and estimated unimproved land value may vary from the estimates shown above. The above estimates of value assume completion of the Improvement Area #5 Projects. The above estimate assumes an average of 5.875% interest rate and a 25-year term for the Bonds and Annual Collection Costs of \$30,000 increasing 2% per year.

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The lot values are as provided in the Appraisal.

<sup>(3)</sup> Estimate provided by the Developer. The homes constructed by Highland Homes are estimated to have a finished home value of \$500,000. The homes constructed by Perry Homes are estimated to have a finished home value of \$500,000.

<sup>(4)</sup> Preliminary, subject to change; Obtained from the Service and Assessment Plan; based upon projected home values provided by the Developer.

<sup>(5)</sup> Preliminary, subject to change; Beginning in 2026, the first full payment year after amounts deposited for capitalized interest have been used for the payment of interest on the Bonds. Includes Assessments securing the Bonds and the interest thereon, Additional Interest related to the Assessments securing the Bonds, and Annual Collection Costs.

<sup>\*</sup> Preliminary, subject to change.

<sup>†</sup> Highland Homes owns 50.7% undivided interest in the Improvement Area #5 initial parcel and PHAU owns 49.3% undivided interest in the Improvement Area #5 initial parcel.

## **Collection and Enforcement of Assessment Amounts**

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as regular ad valorem taxes of the City. The Improvement Area #5 Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Improvement Area #5 Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

The City will covenant in the Indenture to collect, or cause to be collected, Improvement Area #5 Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Improvement Area #5 Assessment Roll and a calculation of the Annual Installment for each Parcel. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

The City will covenant, agree and warrant in the Indenture that, for so long as any Bonds Similarly Secured are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #5 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Improvement Area #5 Assessments.

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #5 Assessment or the corresponding Improvement Area #5 Assessed Property.

The City will implement the basic timeline and procedures for Improvement Area #5 Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E-1 and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Improvement Area #5 Assessments.

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

Annual Installments will be paid to the City or its agent. Annual Installments are billed in each year, and become delinquent on February 1 of the following year. In the event Improvement Area #5 Assessments are not timely paid, there are penalties and interest as set forth below:

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

After July, the penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Improvement Area #5 Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

#### **Assessment Amounts**

The maximum amounts of the Improvement Area #5 Assessments have been established by the methodology described in the Service and Assessment Plan. The Improvement Area #5 Assessment Roll sets forth for each year the Annual Installment for each Parcel consisting of payment of (i) principal, (ii) interest, (iii) Annual Collection Costs, and (iv) Additional Interest (relating to Improvement Area #5 Assessments securing the Bonds). The Annual Installments for Improvement Area #5 may not exceed the amounts shown on the Improvement Area #5 Assessment Roll. The Improvement Area #5 Assessments will be levied against the parcels comprising the Improvement Area #5 Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

The Annual Installments shown on the Improvement Area #5 Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The Bonds are secured by a first lien on and pledge of the Trust Estate, including the Improvement Area #5 Assessments. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "APPENDIX C — Form of Service and Assessment Plan."

# **Prepayment of Improvement Area #5 Assessments**

Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a "Prepayment") all or part of any Improvement Area #5 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 Improvement Area #5 Assessment are not to be considered a Prepayment, but rather are to be treated as payment of the regularly scheduled installment of the Improvement Area #5 Assessments.

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Improvement Area #5 Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Improvement Area #5 Assessed Property by a final subdivision plat causes the Improvement Area #5

Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the respective Improvement Area #5 Landowner shall partially prepay the Improvement Area #5 Assessment for each Improvement Area #5 Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Improvement Area #5 Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Improvement Area #5 Assessments.

# **Priority of Lien**

The Improvement Area #5 Assessments or any reassessment, the expense of collection, and reasonable attorney's fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the Assessment Ordinance until the Improvement Area #5 Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Improvement Area #5 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 Improvement Area #5 Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in State district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

Any sale of property for nonpayment of an installment or installments of an Improvement Area #5 Assessment will be subject to the lien established for remaining unpaid installments of the Improvement Area #5 Assessment against such property and such property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent installments of the Improvement Area #5 Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Improvement Area #5 Assessment on the corresponding Improvement Area #5 Assessed Property.

The City will covenant in the Indenture to take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #5 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 Improvement Area #5 Assessments, provided that the City is not required to expend any funds for collection and enforcement of Improvement Area #5 Assessments other than funds on deposit in the Administrative Fund. Pursuant to the Indenture, Foreclosure Proceeds (excluding Delinquent Collection Costs) constitute Pledged Revenues to be deposited into the Pledged Revenue Fund upon receipt by the City and distributed in accordance with the Indenture. See "APPENDIX B — Form of Indenture. See also "APPENDIX E-1 — Form of Disclosure Agreement of the Issuer" for a description of the expected timing of certain events with respect to collection of the delinquent Improvement Area #5 Assessments.

# ASSESSMENT DATA

# **Collection and Delinquency History of Assessments**

<u>Improvement Area #1 Assessments</u>. On October 1, 2018, the City levied special assessments on assessable property in Improvement Area #1 of the District ("Improvement Area #1 Assessments"), through the City Council's adoption of an assessment ordinance and approval of the initial Service and Assessment Plan. Upon such adoption, the Improvement Area #1 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #1 Assessments are levied.

The following table shows the collection and delinquency history of the Improvement Area #1 Assessments.

# Collection and Delinquent History of the District (Improvement Area #1)

			Parcels		Outstanding	Outstanding		
			Subject		Quarterly	Quarterly		
Collected in			to	Delinquent	Payments	Payments	Delinquent	
Fiscal Year	Assessments	Parcels	Quarterly	Amount	Amount	Amount as	Amount	Assessments
Ending 9/30	Billed	Levied(1)	Payments <sup>(2)</sup>	as of 3/1	as of $4/1^{(3)}$	of 6/1 <sup>(3)</sup>	as of 9/1	Collected <sup>(5)</sup>
2024	\$855,588.38	331	2	\$11,530.03	\$1,167.29	\$0.00	\$2,814.65	\$855,588.38
2023	\$864,194.38	331	0	\$21,065.01	\$0.00	\$0.00	\$0.00	\$864,194.38
2022	\$744,880.54	332	1	\$22,416.34	\$1,279.82	\$582.09	\$0.00	\$744,880.54
2021	\$946,964.45	213	0	\$34,042.90	\$0.00	\$0.00	\$2,475.52	\$946,964.45
$2020^{(4)}$	\$68,075.00	112	0	\$399.77	\$0.00	\$0.00	\$0.00	\$68,075.00

- (1) "Parcels levied" is the total parcels on the Assessment Roll, which includes properties with a \$0 assessment.
- Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons ages 65 or older or the disabled, who qualified for an exemption under either Section 11.13(c), 11.132 or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Quarterly Payments").
- (3) Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the first Quarterly Payment is due before February 1, the second Quarterly Payment is due before April 1, the third Quarterly Payment is due before June 1, and the fourth Quarterly Payment is due before August 1. Each unpaid Quarterly Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
- (4) The initial annual installments of the Improvement Area #1 Assessments were billed in October of 2019 and were collected as of January 31, 2020 per the Hays County Tax Assessor-Collector.
- (5) As of December 1, 2024.

<u>Improvement Area #2 Assessments</u>. On December 15, 2020, the City levied special assessments on assessable property in Improvement Area #2 of the District ("Improvement Area #2 Assessments"), through the City Council's adoption of an assessment ordinance and approval of the initial Service and Assessment Plan. Upon such adoption, the Improvement Area #2 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #2 Assessments are levied.

The following table shows the collection and delinquency history of the Improvement Area #2 Assessments.

## Collection and Delinquent History of the District (Improvement Area #2)

Collected in Fiscal Year Ending 9/30	Assessments Billed	Parcels Levied <sup>(1)</sup>	Parcels Subject to Quarterly Payments <sup>(2)</sup>	Delinquent Amount as of 3/1	Outstanding Quarterly Payments Amount as of 4/1(3)	Outstanding Quarterly Payments Amount as of 6/1 <sup>(3)</sup>	Delinquent Amount as of 9/1	Assessments Collected
2024	\$752,460.09	260	1	\$70,101.53	\$2,013.88	\$1,342.59	\$5,736.52	\$748,066.16
2023	\$753,424.67	206	0	\$12,709.84	\$0.00	\$0.00	\$0.00	\$753,424.67
2022(4)	\$673,727.46	1	0	\$0.00	\$0.00	\$0.00	\$0.00	\$673,727.46

(1) "Parcels levied" is the total parcels on the Assessment Roll, which includes properties with a \$0 assessment.

- Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons ages 65 or older or the disabled, who qualified for an exemption under either Section 11.13(c), 11.132 or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Quarterly Payments").
- (3) Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the first Quarterly Payment is due before February 1, the second Quarterly Payment is due before April 1, the third Quarterly Payment is due before June 1, and the fourth Quarterly Payment is due before August 1. Each unpaid Quarterly Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
- (4) The initial annual installments of the Improvement Area #2 Assessments were billed in October of 2021 and were collected as of January 31, 2022 per the Hays County Tax Assessor-Collector.

(5) As of December 1, 2024.

<u>Improvement Area #3 Assessments</u>. On October 19, 2021, the City levied special assessments on assessable property in Improvement Area #3 of the District ("Improvement Area #3 Assessments"), through the City Council's adoption of an assessment ordinance and approval of the initial Service and Assessment Plan. Upon such adoption, the Improvement Area #3 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #3 Assessments are levied.

The following table shows the collection and delinquency history of the Improvement Area #3 Assessments.

# Collection and Delinquent History of the District (Improvement Area #3)

Collected in			Parcels Subject	Delinquent	Outstanding Quarterly Payments	Outstanding Quarterly Payments	Delinquent	
Fiscal Year	Assessments	Parcels	to Quarterly	Amount	Amount	Amount as	Amount	Assessments
Ending 9/30	Billed	Levied(1)	Payments <sup>(2)</sup>	as of 3/1	as of $4/1^{(3)}$	of 6/1 <sup>(3)</sup>	as of 9/1	Collected <sup>(5)</sup>
2024	\$1,252,205.01	184	0	\$10,335.10	\$0.00	\$0.00	\$0.00	\$1,252,205.01
2023(4)	\$806 571 23	102	0	\$0.00	\$0.00	\$0.00	\$0.00	\$806 571 23

(1) "Parcels levied" is the total parcels on the Assessment Roll, which includes properties with a \$0 assessment.

- Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons ages 65 or older or the disabled, who qualified for an exemption under either Section 11.13(c), 11.132 or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Quarterly Payments").
- (3) Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the first Quarterly Payment is due before February 1, the second Quarterly Payment is due before April 1, the third Quarterly Payment is due before June 1, and the fourth Quarterly Payment is due before August 1. Each unpaid Quarterly Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
- (4) The initial annual installments of the Improvement Area #3 Assessments were billed in October of 2022 and were collected as of January 31, 2023 per the Hays County Tax Assessor-Collector.

(5) As of December 1, 2024.

<u>Improvement Area #4 Assessments</u>. On January 17, 2023, the City levied special assessments on assessable property in Improvement Area #4 of the District ("Improvement Area #4 Assessments"), through the City Council's adoption of an assessment ordinance and approval of the initial Service and Assessment Plan. Upon such adoption, the Improvement Area #4 Assessments became legal, valid and binding liens upon the property against which the Improvement Area #4 Assessments are levied.

The following table shows the collection and delinquency history of the Improvement Area #4 Assessments.

# Collection and Delinquent History of the District (Improvement Area #4)

					Outstanding	Outstanding		
			Parcels		Quarterly	Quarterly		
Collected in			Subject	Delinquent	Payments	Payments	Delinquent	
Fiscal Year	Assessments	Parcels	to Quarterly	Amount	Amount	Amount as	Amount	Assessments
Ending 9/30	Billed	Levied(1)	Payments <sup>(2)</sup>	as of 3/1	as of $4/1^{(3)}$	of $6/1^{(3)}$	as of 9/1	Collected <sup>(5)</sup>
2024(4)	\$1 408 572 39	204	0	\$13,630,90	\$0.00	\$0.00	\$5.452.36	\$1 408 572 39

- "Parcels levied" is the total parcels on the Assessment Roll, which includes properties with a \$0 assessment.
- Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons ages 65 or older or the disabled, who qualified for an exemption under either Section 11.13(c), 11.132 or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Quarterly Payments").
- (3) Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the first Quarterly Payment is due before February 1, the second Quarterly Payment is due before April 1, the third Quarterly Payment is due before June 1, and the fourth Quarterly Payment is due before August 1. Each unpaid Quarterly Payment is delinquent and incurs penalties and interest if not paid by the applicable date.
- (4) The initial annual installments of the Improvement Area #4 Assessments were billed in October of 2023 and were collected as of January 31, 2024 per the Hays County Tax Assessor-Collector.
- (5) As of December 1, 2024.

THE COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS, IMPROVEMENT AREA #2 ASSESSMENTS, IMPROVEMENT AREA #3 ASSESSMENTS, AND IMPROVEMENT AREA #4 ASSESSMENTS ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY. NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE IMPROVEMENT AREA #5 ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE IMPROVEMENT AREA #1 ASSESSMENTS, IMPROVEMENT AREA #2 ASSESSMENTS, IMPROVEMENT AREA #3 ASSESSMENTS, AND IMPROVEMENT AREA #4 ASSESSMENTS, IMPROVEMENT AREA #1 ASSESSMENTS, IMPROVEMENT AREA #3 ASSESSMENTS, AND IMPROVEMENT AREA #4 ASSESSMENTS, IMPROVEMENT AREA #3 ASSESSMENTS, AND IMPROVEMENT AREA #4 ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.

<u>Improvement Area #5 Assessments</u>. The Improvement Area #5 Assessments are expected to be levied on February 4, 2025. The initial Annual Installment will be billed in October of 2025 and will be delinquent if not received by January 31, 2026.

<u>Special Assessment Payer Concentration in Improvement Area #5</u>. As of December 1, 2024, Highland Homes owned 50.7% undivided interest in the Improvement Area #5 Assessed Property and PHAU owned 49.3% undivided interest in the Improvement Area #5 Assessed Property and are thus respectively responsible for their respective share of the Improvement Area #5 Assessments.

### THE CITY

## **Background**

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

The City is located in Hays County along Interstate Highway 35. It is located approximately eight (8) miles north of the City of San Marcos, twenty (20) miles south of the City of Austin and sixty (60) miles north of the City of San Antonio. The City covers approximately 31.25 square miles. The City's 2020 census population was 45,697, and the City has estimated that its 2024 population is approximately 58,500. The City is the second largest city in Hays County and enjoys a south-central location convenient to most major population and employment centers in Central Texas.

## **City Government**

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

## Water and Wastewater

<u>Water</u>. To have sufficient water capacity to serve the District, the City, HMBRR Development, Anthem Municipal Utility District ("Anthem MUD"), Kyle 150, LP ("Kyle 150") and several other developers in the vicinity of the District entered into the FM 150 Water Facilities Service, Financing, and Construction Agreement effective July 16, 2020 (the "Water Facilities Agreement") to secure the construction of ground and elevated storage tanks and related water return lines (the "Shared Water Facilities") to serve the parties to the Water Facilities Agreement. Portions of the Shared Water Facilities were completed as of October of 2021. Based on representations made by Atwell, LLC, (the "Project Engineer") under the Water Facilities Agreement, to the City, the Shared Water Facilities are expected to be completed and conveyed to the City in the second quarter of 2025; however, completion of the Shared Water Facilities is dependent on material availability, weather, and final bid costs. To provide water capacity in the interim, the Project Engineer has constructed two temporary hydropneumatic storage tanks. Both hydropneumatic storage tanks with a combined capacity of 30,000 gallons are currently online.

The City contracts with Guadalupe Brazos River Authority, Edwards Aquifer Authority, Barton Springs Edwards Aquifer Conservation District, and the Alliance Regional Water Authority to meet the City's water supply needs. The City owns various facilities including storage and pump facilities, water distribution and sewage collection lines, meters, valves, and other facilities necessary to provide water and sewer service to its customers. The City's water distribution system currently has sufficient capacity to provide water service to the Development.

Wastewater. Pursuant to the Development Agreement and subject to HMBRR Development's obligation to construct required internal facilities and any connecting facilities, the City agreed to provide 680 LUEs of initial wastewater service for the Development through the City's existing 8-inch gravity main located in Old Stagecoach Road. To ensure sufficient wastewater capacity to the District, the City further agreed to construct an appropriately sized gravity interceptor (the "Elliot Branch Interceptor"). To connect to the Elliot Branch Interceptor, HMBRR Development constructed a lift station sufficient to serve 1,814 LUEs (the "6 Creeks Lift Station") and a six-inch force main along Cypress Road (the "Force Main") from the 6 Creeks Lift Station to the Elliot Branch Interceptor. HMBRR Development completed construction of the 6 Creeks Lift Station on June 22, 2022, and Force Main on August 22, 2024. The City completed construction of the Elliott Branch Interceptor and it was placed into service on August 9, 2022. The City accepted the Elliott Branch Interceptor on August 23, 2023. Accordingly, the City currently has sufficient wastewater capacity to serve Improvement Areas 1-5 of the District.

Under the Development Agreement, the City's standard water and wastewater rates, charges, and other fees, including engineering review and inspection fees, that are applicable within the City's incorporated limits will be applicable to facilities constructed, connections made, and services provided within the Development. For the first 300 lots platted out of the property within the District, the water and wastewater impact fees are \$2,215 per LUE for water and \$2,116 for wastewater. Pursuant to the Development Agreement, the Developer and HMBRR Development pre-purchased 300 wastewater impact fees in the amount of \$2,216 per LUE in March of 2021 and 400 additional wastewater impact fees in the amount of \$2,826 per LUE in November of 2021. Future impact fees will be paid at the standard City rate in effect at the time of City approval of each subsequent final plat out of the Development and will be payable by the homebuilders at the time of the City's issuance of each residential building permit for lots within those platted sections.

## THE DISTRICT

### General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by Resolution No. 1065 of the City adopted on June 6, 2017 in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing, in phases, the costs of certain public improvements within the District, including the Improvement Area #5 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. A map of the property within the District is included on page iv hereof.

### Name Change

The Creation Resolution originally designated the name of the District as the Blanco River Ranch Public Improvement District. The City Council, by resolution adopted on September 18, 2018, renamed the District to 6 Creeks Public Improvement District.

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

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The PID Act provides that the City may levy and collect the Improvement Area #5 Assessments on property in the District, or portions thereof, payable in periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #5 Projects. See "THE IMPROVEMENT AREA #5 AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain improvements within the District, including Improvement Area #5 of the District, and outside of the District, (i) acquisition, construction and improvement of sidewalks, streets, other roadways, and rights-of-way; (ii) acquisition, construction, and improvement of sidewalks, streets, other roadways, and rights-of-way; (vi) establishment of parks and open space; (v) acquisition, construction, and improvement of off-street parking facilities; (vi) other projects similar to those listed in subsections (i) - (v) above authorized by the Act; (vii) other improvement projects not listed in subsections (i) - (vi) above but are authorized by the Act; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vii) above, including costs of establishing, administering and operation of the District. The City has determined to finance a portion of the costs thereof through the issuance of the Bonds, and to provide for the payment of debt service on the Bonds from the Trust Estate. See "ASSESSMENT PROCEDURES" herein and "APPENDIX C – Form of Service and Assessment Plan."

## THE IMPROVEMENT AREA #5 AUTHORIZED IMPROVEMENTS

The Improvement Area #5 Authorized Improvements consist of the Improvement Area #5 Projects, which include the Improvement Area #5 Improvements, Improvement Area #5's allocable share of the costs of the Major Improvements, Improvement Area #5's allocable share of the costs of District formation expenses, and costs of issuance that will benefit Improvement Area #5. The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #5 Projects, and the Developer or its respective designee will act as construction manager. From the proceeds of the Bonds, the City will either pay directly or will reimburse the Developer for the project costs actually incurred in developing and constructing the Improvement Area #5 Projects within the District.

<u>Major Improvements</u>. The Major Improvements benefit the assessed property within multiple phases of the District and consist of the following:

Wastewater Treatment Plant Capacity Payment to the City to finance the District's allocable share of the costs of the City's wastewater treatment plant expansion. The first 286 Lots in the District can be served by the existing wastewater treatment plant, which was increased to 680 Lots temporarily until the new wastewater treatment plant expansion to serve the Lots beyond the first 286 Lots, a portion of which is paid for with a \$1,500,000 wastewater treatment plant capacity payment made from HMBRR Development to the City.

Lift Station and Force Main Improvements include a lift station to serve 1814 LUE's, approximately 7,000 linear feet of 12" force main and approximately 7,500 linear feet of 10" and 12" gravity interceptors. The first 286 lots in the District can be served without the lift station and force main improvements.

Offsite Water Improvements include approximately 7,000 linear feet of 12" and 16" water line along FM 150 and participation in a 500,000-gallon ground storage tank and an 800,000-gallon elevated storage tank.

Old Stagecoach Road Improvements include excavation, embankment, subgrade stabilization, flexible base, asphalt, curbs, 8' concrete trail/sidewalk, signage, and re-vegetation of disturbed areas within the right of way. Old Stagecoach Road will be approximately 2,000 linear feet of an undivided 60' ROW roadway with 2-12' lanes and 6' bike lanes. The roadway and cross-section are designed per the Exhibit K in the approved Development Agreement.

Park and Trail Improvements include over 3 miles of 8' and 10' concrete trails built along Old Stagecoach Road, 6 Creeks Boulevard and unnamed collector street west of 6 Creeks Boulevard. Additionally, there will be over 3 miles of 6' natural trails built within the drainage draws throughout the project and will ultimately extend to the Blanco River. Park and trail improvements for the first 725 Lots within the District were completed concurrently with Improvement Area #1.

Entry, Walls, and Landscaping Improvements include several miles of 6' masonry subdivision walls along 6 Creeks Boulevard, Old Stagecoach Road and main collector roads. Project entryway monuments will be located along 6 Creeks Boulevard at major intersections along with fully landscaped and irrigated right of way and medians. Entry, walls, and landscaping improvements for the first 725 Lots within the District were completed concurrently with Improvement Area #1.

<u>Improvement Area #5 Improvements</u>. The Improvement Area #5 Improvements benefit the Improvement Area #5 Assessed Property and consist of the following:

Street Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, temporary erosion controls, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Improvement Area #5. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the County.

*Water Improvements* include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Improvement Area #5.

*Wastewater Improvements* include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Improvement Area #5.

Drainage Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Improvement Area #5. This project will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

Detention/Water Quality Pond Improvements include construction of detention and water quality ponds required for Improvement Area #5. This project will be designed and constructed in accordance with Texas Commission on Environmental Quality and City standards and specifications. The improvements will be owned by the City and maintained by a property owners association.

*Soft Cost Improvements* including engineering, planning and legal expenses to construct the above-described hard costs. Includes costs related to soils improvements.

# **Costs of Improvement Area #5 Authorized Improvements**

The following table reflects the expected total costs of the Improvement Area #5 Authorized Improvements. A portion of the costs of the Improvement Area #5 Authorized Improvements will be financed with proceeds of the Bonds.

Major Improvements	%	Costs
WWTP Capacity Payment	4.07%	\$ 48,853
Lift Station & Force Main	4.07%	146,071
Offsite Water	3.50%	72,749
Old Stagecoach Road	3.50%	54,562
		\$322,235
Improvement Area #5 Improvements		
Streets	100%	\$1,399,500
Water	100%	539,500
Wastewater	100%	304,000
Drainage	100%	149,500
Temp Erosion Controls	100%	29,500
Water Quality Ponds	100%	159,000
Soft Costs	100%	435,600
		\$3,016,600
District Formation and Bond Issuance Costs		
Reserve Fund		\$ 279,740
Capitalized Interest		108,808
Underwriter Discount		108,120
Cost of Issuance		198,220
District Administration Fund		30,000
		\$ 724,888
Total		\$4,063,723

<sup>\*</sup> Preliminary, subject to change.

The total costs of the Improvement Area #5 Authorized Improvements are expected to be approximately \$4,063,723\*. Only a portion of such costs, in the approximate amount of \$3,604,000\*, are to be paid with proceeds of the Bonds. The balance of such costs, in the total approximate amount of \$459,723\*, will be or has been funded by the Developer with cash on hand and will not be reimbursed by the City. As of December 1, 2024, the Developer spent approximately \$2,296,801 on constructing the Improvement Area #5 Improvements, which the Developer funded with cash on hand.

The expected costs of the Improvement Area #5 Authorized Improvements are based on information provided by the Developer and its engineer and reviewed by City staff and by third-party consultants retained by the City and

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<sup>\*</sup> Preliminary, subject to change.

are to be approved by the City Council as part of the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

# Ownership and Maintenance of Improvement Area #5 Projects

Improvement Area #5 Projects will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The roadway and storm drainage Improvement Area #5 Projects will be owned and operated by the County, and the detention/water quality pond Improvement Area #5 Projects will be owned by the City, but the HOA will, by contract with the City, be responsible for the costs of maintenance and operation of such detention/water quality pond Improvement Area #5 Projects. The remainder of the Improvement Area #5 Projects will be owned and operated by the City. The City, County or HOA, as applicable, will provide for the ongoing operation, maintenance and repair of the Improvement Area #5 Projects constructed and conveyed, as outlined in the Service and Assessment Plan.

### The Financing Agreement

On July 18, 2017, the City, HMBRR Development, HMBRR LP, and HMBRR LP #2 entered into a Blanco River Ranch Public Improvement District Financing Agreement (the "Original Financing Agreement"), which was amended by the First Amendment to the 6 Creeks Public Improvement District Financing Agreement (the "First Amendment to Financing Agreement," effective on April 16, 2019, and was partially assigned to HM 6 Creeks Development with respect to the land that it acquired effective September 23, 2020, and was then further partially assigned to HMBRR Development and HM 6 Creeks Development with respect to all property within the District subsequently acquired by HMBRR Development or HM 6 Creeks Development, effective October 19, 2022 (collectively, the "Assignment"), and together with the First Amendment to Financing Agreement and the Original Financing Agreement, the "Financing Agreement"). The Financing Agreement is attached hereto as APPENDIX F.

The Financing Agreement establishes provisions for the apportionment and levying of assessments, construction of the Authorized Improvements, and the advancing of funds. Pursuant to the Financing Agreement, if there are not sufficient funds in the Project Fund to complete a given Authorized Improvement, the Developer will be required to demonstrate committed capital (including by proof of bank financing) to the City in an amount confirmed by an engineer's estimate of probable cost, which represents the difference between the budgeted cost to complete the Improvement Area #5 Projects assumed to be complete in the Appraisal and the net proceeds of the Bonds. It is anticipated that the Bonds will finance all of the Improvement Area #5 Projects and the Developer will not be required to demonstrate committed capital. The Developer is not required to post fiscal security for the Improvement Area #5 Projects under the terms of the Financing Agreement unless and until subcontractors providing labor or materials for the Improvement Area #5 Projects file claims or otherwise give notice asserting failure to receive payment for such labor or materials.

Performance bonds are not required for the Authorized Improvements funded by bonds. The Financing Agreement allows the City to fund the construction of Authorized Improvements through progress payments to the Developer or by entering into a reimbursement agreement.

The Financing Agreement establishes certain requirements prior to the City issuing bonds. The Financing Agreement provides that the total amount of PID Bonds may 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 bonds and (iii) costs of issuance related to the PID Bonds. Each series of bonds must also mature no later than 30 years from the date of issuance.

The Financing Agreement also provides that the City will enter into a maintenance and operations agreement (the "M&O Agreement") with HMBRR Development and HM 6 Creeks Development or the HOA related to the operations and maintenance of the detention and water quality pond improvements prior to the City's acceptance of same. Pursuant to the M&O Agreement, HMBRR Development and HM 6 Creeks Development or the HOA will be responsible for all operations and maintenance of such improvements. The HOA and the City entered into a maintenance and operation agreement regarding certain Major Improvements and Improvement Area #1

Improvements. The Developer expects to enter into similar agreements to maintain certain amenities, including but not limited to entryway, monuments, landscaping, irrigation system, and masonry walls and fences (the "Public Amenities") in other areas of District.

The Financing Agreement may be amended, modified, revised or changed by written instrument executed by the parties thereto. Any such amendment, modification, revision or change could affect the security for the Bonds, particularly if same were to modify or remove the restrictions on the issuance of additional PID Bonds.

## **The Development Agreements**

The Development Agreement. Blanco River Ranch Properties LP (the "Original Landowner") and the City entered into a Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement effective as of May 16, 2017, and a First Amendment to the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement effective as of October 6, 2021 (together, the "Development Agreement"), to provide standards for developing Phase 1 Residential Area of Blanco River Ranch (the "Development"), and to provide for the development of the Authorized Improvements, including the Improvement Area #5 Projects. In connection with HMBRR Development, HMBRR LP, and HMBRR LP #2's acquisition of the land comprising the District, the Original Landowner assigned its rights, duties and obligations under the Development Agreement related to the property within the District to HMBRR Development, HMBRR LP, and HMBRR LP #2, on September 20, 2017. The Development Agreement was further partially assigned with respect to the land conveyed effective as follows: HMBRR LP #2 to HM 6 Creeks Development for 249.05 acres, effective September 23, 2020; HMBRR LP to HMBRR Development for 188.51 acres, effective September 30, 2021; HMBRR LP #2 to HM 6 Creeks Development for 99.955 acres, effective December 15, 2021; and HMBRR LP #2 to HM 6 Creeks Development for the remaining 259.70 acres in the PID, effective September 20, 2022.

The Development Agreement provides for the provision of housing, residential design standards, the construction of roads and utility infrastructure, parks and open spaces, amenities, environmental and waterway protection, impervious cover and other matters. See "THE DEVELOPMENT – Environmental" and "– Zoning/Permitting." The Development Agreement further requires the dedication of ten acres of land adjacent to the District (consisting of land that was retained by Original Landowner) for a river park amenity that will provide access to the Blanco River.

The Development Agreement may be amended or modified in writing signed by the parties thereto. See "APPENDIX G – Development Agreement" for a complete copy of the Development Agreement.

<u>The Section 11 Development Agreement</u>. Highland Homes, PHAU, and HM 6 Creeks Development entered into a development agreement related to Section 11 (the "Section 11 Development Agreement"), effective as of March 4, 2024, to provide standards for developing Section 11 of the Development, and to retain HM 6 Creeks Development to perform the "Development Work" (as defined therein) in Section 11, of which Section 11 is within Improvement Area #5.

Pursuant to the Section 11 Development Agreement, Highland Homes and PHAU have agreed to pay HM 6 Creeks Development a "Development Fee" calculated by multiplying \$42,000 per lot times the number of lots allocated to each homebuilder, and adding \$1,200 per lot for each lot allocated to each homebuilder as a management fee payable to HM 6 Creeks Development. The Development Fee will be used by HM 6 Creeks Development to pay the costs of labor, materials and services supplied to design and build the lot improvements and complete the Development Work (including, without limitation, all soft costs, fees, etc.), incurred by HM 6 Creeks Development pursuant to the Section 11 Development Agreement.

## THE DEVELOPMENT

### Overview

The Development is an approximately 858.70-acre master planned residential development project located entirely within the extraterritorial jurisdiction of the City and is located approximately 2.5 miles northwest of the City center near Interstate Highway 35 and Farm to Market 150. The City is located in the southwest region of the Austin-Round Rock, TX Metropolitan Statistical Area (the "Austin MSA") in the Texas Hill Country. Plans for the Development include a variety of parks, trails, open space areas and other amenities.

Land Acquisitions. HMBRR Development, HMBRR LP, and HMBRR LP #2, acquired approximately 61.49 acres, 188.51 acres, and 608.7 acres, respectively, totaling approximately 858.70 acres comprising the District on September 20, 2017. Subsequent to the initial purchases and through a series of sales and transfers, HMBRR LP sold the land it owned within the District to HMBRR Development and HMBRR LP #2 sold the land it owned within the District to the HM 6 Creeks Development. Prior to construction of the Improvement Area #3 Projects, HM 6 Creeks Development sold the land within Phase 1, Section 8A and Section 8B to Taylor Morrison of Texas, Inc. ("Taylor Morrison"). Prior to the development of Improvement Area #4, HM 6 Creeks Development sold Section 13A, Section 13B, Section 14A, and Section 14B to Pulte; however it maintained ownership of the land in Section 12. Improvement Area #5 consists of Section 11. In March of 2024, HM 6 Creeks Development sold an undivided 50.7% interest in the land within Section 11 to Highland Homes and an undivided 49.3% interest in the land within Section 11 to PHAU. HM 6 Creeks Development and Pulte own all the land within the Remainder Area.

# **Development within the District**

The current development plans for the District consist of the development of approximately eight (8) improvement areas or development phases. The Development will include certain Authorized Improvements for each improvement area as well as each improvement area's pro-rata share of the Major Improvements benefitting such improvement area.

<u>Development in Improvement Area #1</u>. Development in the District began in 2018 with the development of the Improvement Area #1 Projects, benefitting Improvement Area #1 and Improvement Area #1's allocable share of the Major Improvements. HMBRR Development completed the Improvement Area #1 Projects in May of 2020. The City issued its Improvement Area #1 Bonds in the aggregate principal amounts of \$7,495,000 in 2019 and \$4,420,000 in 2020 to finance the costs of the Improvement Area #1 Projects. As of December 1, 2024, the outstanding principal amount of the Improvement Area #1 Bonds was \$10,650,000.

Improvement Area #1 contains Phase 1, Section 1, Section 2, and Section 3, with 110, 121 and 103 lots, respectively for a total of 334 lots. HMBRR Development completed development of the 334 lots in Phase 1, Section 1, Section 2, and Section 3 in May of 2020. The homebuilders in Improvement Area #1 include M/I Homes of Austin, LLC, an Ohio limited liability company ("M/I Homes"), Trendmaker Homes, Inc., a Texas corporation ("Trendmaker Homes"), Highland Homes, MHI Partnership, Ltd., a Texas limited partnership, an affiliate of McGuyer Homebuilders, Inc. ("MHI"), and Perry Homes.

As of June 30, 2022, HMBRR Development had closed on the sale of all 334 lots as follows: 50 lots to Trendmaker Homes, 115 lots to M/I Homes, 66 lots to Perry Homes, 51 lots to MHI and 52 lots to Highland Homes. As of September 30, 2024, the homebuilders in Improvement Area #1 had 325 homes under contract or closed with homeowners.

<u>Development in Improvement Area #2</u>. HMBRR Development began construction of the Improvement Area #2 Projects, consisting of Authorized Improvements benefitting Improvement Area #2 and Improvement Area #2's allocable share of the Major Improvements, in July of 2021. HMBRR Development completed the Improvement Area #2 Projects in September of 2022. The City issued its Series 2020 Improvement Area #2 Bonds in the aggregate principal amount of \$6,465,000 and entered into the Improvement Area #2 Reimbursement Agreement relating to the reimbursement of the balance of the costs of the Improvement Area #2 Projects in the initial amount not to exceed \$4,510,000. The City issued its Series 2023 Improvement Area #2B Bonds in the aggregate principal amount of

\$4,015,000 to refinance the outstanding Improvement Area #2 Reimbursement Obligation. As of December 1, 2024, the outstanding principal amount of the Improvement Area #2 Bonds was \$9,687,000.

Improvement Area #2 contains Phase 1, Sections 4A, 4B, 5A, and 5B. Sections 4A, 4B, 5A and 5B contain 57, 91, 57 and 55 lots in Sections 4A, 4B, 5A and 5B, respectively, for a total of 260 lots in Improvement Area #2. HMBRR Development completed development of the 260 lots in Phase 1, Sections 4A, 4B, 5A, and 5B in October of 2022. The homebuilders in Section 4A and Section 4B of Improvement Area #2 are M/I Homes and Perry Homes. The homebuilders in Section 5A and Section 5B of Improvement Area #2 are MHI and Highland Homes.

As of September 30, 2024, HMBRR Development has closed on the sale of lots as follows: 72 lots to M/I Homes, 76 lots to Perry Homes, 57 lots to Highland Homes and 55 lots to MHI. As of September 30, 2024, the homebuilders in Improvement Area #2 had 254 homes under contract or closed with homeowners.

Development in Improvement Area #3. HM 6 Creeks Development began construction of the Improvement Area #3 Projects, consisting of Authorized Improvements benefitting Improvement Area #3 and Improvement Area #3's allocable share of the Major Improvements, in February of 2021. The Improvement Area #3 Projects were completed in April of 2023. The City issued its Improvement Area #3 Bonds in the aggregate principal amount of \$11,195,000 and entered into the Improvement Area #3 Reimbursement Agreement with HM 6 Creeks Development relating to the reimbursement of the balance of the costs of the Improvement Area #3 Projects in the amount of \$6,438,065. As of December 1, 2024, the outstanding principal amount of the Improvement Area #3 Bonds was \$10,590,000. The Improvement Area #3B Bonds are being issued concurrently with the Bonds in part to refinance the outstanding Improvement Area #3 Reimbursement Obligation.

Improvement Area #3 contains Phase 1, Section 8A, Section 8B, Section 9, and Section 10.

Section 8A and 8B. Section 8A contains 94 lots and Section 8B contains 89 lots. Pursuant to a development agreement (the "Sections 8A/8B Development Agreement"), Taylor Morrison retained HM 6 Creeks Development to develop the lots within Phase 1, Section 8A and Section 8B on its behalf; however, Taylor Morrison remained the homebuilder for all of the single-family homes within Phase 1, Section 8A and Section 8B. HM 6 Creeks Development completed development of all lots within Phase 1, Section 8A in January of 2022 and within Section 8B in November of 2022. As of September 30, 2024, Taylor Morrison has completed construction of the single-family homes in Sections 8A/8B as follows: 33 single-family homes on the 55' lots in Section 8A, 9 single-family homes on the 55' lots in Section 8B, 28 single-family homes on the 70' lots in Section 8B. As of September 30, 2024, Taylor Morrison has sold 103 homes to homeowners in Section 8A and Section 8B.

Section 9 and 10. Section 9 contains 102 lots and Section 10 contains 72 lots. HM 6 Creeks completed development of all lots in Section 9 and Section 10 of Improvement Area #3 in April of 2023. As of August of 2023, all lots in Improvement Area #3 have been sold to builders. Chesmar Homes, LLC, a Texas limited liability company ("Chesmar Homes") and Perry Homes are the homebuilders for Section 9 of Improvement Area #3. Highland Homes and DFH Coventry, LLC, a Texas limited liability company ("Coventry Homes," successor to MHI) are the homebuilders for Section 10 of Improvement Area #3. As of September 30, 2024, Chesmar Homes has 15 homes under contract or closed with homeowners in Section 9, Perry Homes has 21 homes under contract or closed with homeowners in Section 10, and Coventry Homes has 8 homes under contract or closed with homeowners in Section 10.

<u>Development in Improvement Area #4.</u> Development in the District continued with the development of the Improvement Area #4 Projects, benefitting Improvement Area #4 and Improvement Area #4's allocable share of the Major Improvements. The Improvement Area #4 Projects consist of the Section 6A Improvements, Section 7 Improvements, Section 12 Improvements, Section 13 Improvements, and such sections' allocable share of the Major Improvements. The City issued its Improvement Area #4 Bonds in the aggregate principal amount of \$17,563,000 in 2023 to finance the costs of the Improvement Area #4 Projects. As of December 1, 2024, the outstanding principal amount of the Improvement Area #4 Bonds was \$17,175,000.

Improvement Area #4 is approximately 103.33 acres and consists of Phase 1, Section 6A, Section 7, Section 12, Section 13A, and Section 13B.

Section 6A. Section 6A is approximately 22.253 acres and contains 79 individual condominium units, pursuant to the Section 6A Condominiums Regime. HMBRR Development completed construction of the Section 6A Improvements in October of 2022. HMBRR Development completed development of all lots within Section 6A in November of 2022. The homebuilders in Section 6A are Highland Homes and Perry Homes. As of September 30, 2024, Highland Homes has completed construction of 33 units in Section 6A. As of September 30, 2024, Perry Homes has completed construction of 31 units in Section 6A. As of September 30, 2024, Highland Homes has sold 29 homes to homeowners in Section 6A. As of September 30, 2024, Perry Homes has sold 24 homes to homeowners in Section 6A.

Section 7. Section 7 is approximately 17.756 acres and contains 69 single family lots. HMBRR Development completed construction of the Section 7 Improvements in January of 2023. HMBRR Development completed development of all 69 lots within Section 7 in April of 2023. The homebuilders in Section 7 are Highland Homes and Coventry Homes. Highland Homes has purchased 34 of the 50' lots in Section 7. Coventry Homes has purchased 35 of the 50' lots in Section 7. As of September 30, 2024, Highland Homes has completed construction of 21 homes in Section 7. As of September 30, 2024, Coventry Homes has completed construction of 8 homes in Section 7. As of September 30, 2024, Highland Homes has sold 16 homes to homeowners in Section 7. As of September 30, 2024, Coventry Homes has sold 4 homes to homeowners in Section 7.

Section 12. Section 12 is approximately 19.168 acres and contains 83 single family lots. HM 6 Creeks Development completed construction of the Section 12 Improvements in January of 2023. HM 6 Creeks Development completed development of all 83 lots within Section 12 in April of 2023. The homebuilders in Section 12 are The New Home Company ("New Home") and Perry Homes. New Home has purchased 42 of the 50' lots in Section 12. Perry Homes has purchased 41 of the 50' lots in Section 12. As of September 30, 2024, New Home has completed construction of 7 homes in Section 12. As of September 30, 2024, Perry Homes has completed construction of 13 homes in Section 12. As of September 30, 2024, New Home has sold 5 homes to homeowners in Section 12. As of September 30, 2024, Perry Homes has sold 8 homes to homeowners in Section 12.

Section 13A and Section 13B. Section 13A and Section 13B are collectively approximately 44.153 acres and contain 123 single family lots. HM 6 Creeks Development completed the Section 13A Improvements in November of 2022 and the Section 13B Improvements in January of 2023. Pulte is the sole homebuilder in Section 13A and Section 13B. As of September 30, 2024, Pulte has completed construction of 14 homes in Section 13A and 26 homes in Section 13B. As of September 30, 2024, Pulte has sold 6 homes to homeowners in Section 13B.

As of September 30, 2024, the homebuilders in Improvement Area #4 had 144 homes under contract or closed with homeowners.

<u>Development in Improvement Area #5</u>. Improvement Area #5 is approximately 15.92 acres and contains Section 11, which is expected to be developed into 71 lots. In March of 2024, HM 6 Creeks Development sold an undivided 50.7% interest in the land within Section 11 to Highland Homes and an undivided 49.3% interest in the land within Section 11 to PHAU, an affiliate of Perry Homes. Pursuant to the Section 11 Development Agreement, Highland Homes and PHAU retained HM 6 Creeks Development to develop the land into 71 45' lots – 36 for Highland Homes and 35 for PHAU. Following completion of the 71 lots, Highland Homes anticipates constructing 36 homes on its 36 lots, and PHAU will convey its lots to its affiliate, Perry Homes to construct 35 homes on its 35 lots. Home construction in Improvement Area #5 will commence upon substantial completion of Section 11 which is expected to occur in February of 2025.

The Developer's current expectations regarding estimated value to lien ratios in Improvement Area #5 are as follows:

# Estimated Lot and Home Prices in Improvement Area #5 and Estimated Value to Lien Ratios

						Estimated Ratio	
					Estimated Ratio	of Value of	
			Average Base	;	of Value of	Average Home	
Lot Size		Retail	Home	Assessment per	Retail Lot Price	Price to	
(Typical)	Qty.	Lot Price <sup>(1)</sup>	Price <sup>(2)</sup>	Lot	to Assessment	Assessment	
45'	71	\$118.800	\$500,000	\$50,760,56	2.3:1	9.8502	•

<sup>(1)</sup> The lot values are as provided in the Appraisal.

<u>The Remainder Area</u>. The Remainder Area will be developed in stages over time by HM 6 Creeks Development, or other related Hanna/Magee (defined herein) entities.

# Status of Single-Family Lot and Home Construction in Improvement Areas #1-5<sup>(1)</sup>

			Total				Completed	Homes Under
			Builder				Homes Not	contract or
			Contracted	d	Lots closed to	Homes Under	Sold to	closed with
IA#	Lot Size	of Lots	Lots <sup>(2)</sup>	Completed Lots	Builders	Construction	Residents	Residents
1	50'	161	161	161	161	0	1	160
1	55'	50	50	50	50	1	1	48
1	60'	70	70	70	70	0	2	67
1	70'	53	53	53	53	1	1	50
2	50'	59	59	59	59	1	0	58
2	55'	75	75	75	75	2	0	73
2	60'	89	89	89	89	1	0	87
2	70'	37	37	37	37	0	1	36
3	55'	122	122	122	122	3	0	54
3	60'	102	102	102	102	5	6	36
3	70'	133	133	133	133	12	2	82
4	45'	79	79	79	79	8	10	63
4	50'	83	83	83	83	7	6	21
4	55'	69	69	69	69	4	9	32
4	60'	79	79	79	79	1	16	21
4	65'	44	44	44	44	0	7	7
5	45'	71	71	0	71 <sup>(3)</sup>	0	0	0

<sup>(1)</sup> Source: Quarterly Report for period ending September 30, 2024, and the Developers.

<sup>(2)</sup> The values provided as the Average Base Home Prices are an average value over the life of the Bonds. Average Base Home Prices are estimates provided by Developer.

<sup>(2)</sup> Lot totals include model homes.

<sup>(3)</sup> Highland Homes and PHAU own the land in Improvement Area #5. HM 6 Creeks Development has agreed to develop the lots in Improvement Area #5 on behalf of Highland Homes and PHAU. Once developed, Highland Homes and Perry Homes will be the homebuilders.

# Photographs of the 6 Creeks Master Planned Community



Photograph of entrance signage at the entrance of the Development.



Aerial photograph of Development showing Sections 3, 4A, 4B, 5A, and 6A.



Aerial photograph of Development showing the amenities in Section 6.



Aerial photograph of Development showing Sections 3, 6A, 8A, 8B, and 12.



Aerial photograph of Development showing Sections 12, 13A, and 13B.



Aerial photograph of Development showing Sections 11 and 12.



Aerial photograph of Development showing Sections 8A, 11, and 12.



Aerial photograph of Development showing Section 11 in relation to other sections.



Aerial photograph of Development showing Section 11 in relation to other sections.

# The Remainder Area

The Remainder Area includes all property within the District excepting Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5, and certain land within the District designated as parkland or right-of-way and land owned by the HOA. On January 17, 2023, the City levied assessments in the amount of \$3,290,424 for certain Authorized Improvements benefiting the Remainder Area (the "Remainder Area Assessments" and the "Remainder Area Authorized Improvements," respectively). Pursuant to the 2025 Amended and Restated Service and Assessment Plan, the Remainder Area Assessments were reduced by \$322,235 due to the allocation of the applicable Major Improvements to Improvement Area #5, resulting in an adjusted outstanding Remainder Area Assessment totaling \$2,968,190. The costs of the Remainder Area Authorized Improvements are payable pursuant to the Remainder Area Reimbursement Agreement (as defined in the Service and Assessment Plan).

As each Future Improvement Area is developed, the City will allocate such Future Improvement Area allocable share of assessments for the Remainder Area Authorized Improvements and a proportionate amount of the Remainder Area Assessment will be reduced as such Future Improvement Area funds its share of the Remainder Area Authorized Improvements.

### **Future Improvement Area Bonds**

HM 6 Creeks Development may make one or more requests to the City to issue Future Improvement Area Bonds to finance the cost of Authorized Improvements to be developed to serve the Future Improvement Areas in the Remainder Area as the development proceeds. The estimated costs of such improvements benefiting Future Improvement Areas of the District will be determined as the Remainder Area of the District is developed, and the Service and Assessment Plan will be updated to identify the Authorized Improvements to be constructed within Future Improvement Areas of the District to be financed by each series of Future Improvement Area Bonds. Such Future

Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Areas in the Remainder Area of the District that benefit from the Authorized Improvements.

Any Future Improvement Area Bonds issued by the City are separate and distinct issues of securities. The City reserves the right to issue other obligations for any purpose permitted by the PID Act, including those described above, subject to the conditions discussed in "SECURITY FOR THE BONDS SIMILARLY SECURED – Additional Obligations, Other Liens, and Refunding Bonds."

# **Zoning/Permitting**

Pursuant to the Development Agreement, an approximately 100-acre portion of the Development that was originally within the corporate limits of the City was de-annexed by the City. As the Development is now entirely located outside of the City's corporate limits, the City's zoning ordinances are not applicable to the Development.

Pursuant to the Development Agreement, the Development must comply with the land use and development standards and the design guidelines contained in the Development Agreement. Further, homebuilders within the Development are required to comply with the City's building code in effect as of May 6, 2016. Such building code includes certain requirements for parks and recreation, sign standards and permits, site development, streets, sidewalks and other public places, subdivisions and utilities, as well as imposing building regulations under the 2009 International Building Code, 2009 International Residential Code, 2009 International Plumbing Code, 2009 International Mechanical Code, 2000 International Electrical Code, 2009 International Fire Code, 2009 International Energy Conservation Code, and 2009 International Property Maintenance Code. The Developer and the Original Landowner and its assignees under the Development Agreement are also required under the Development Agreement to pay the City's standard building inspection fees. For more information, see "APPENDIX G – Development Agreement."

Among other restrictions and requirements contained in the Development Agreement, the Development is also subject to the following land use restrictions:

			Minimum		Lots		
	Lot	Minimum	Living Area	Total	or	% of	Minimum/
Use	Width	Lot Size (SF)	(SF)	Lots/Units	Units	Total	Maximum %
Single-Family	50'	5,500	1,200	540	Lots	26%	Max
Single-Family	55'	5,750	1,200	460	Lots	22%	Max
Single-Family	60'	7,200	1,500	600	Lots	29%	Max
Single-Family	70'	9,000	2,000	350	Lots	17%	Min
Garden Homes/Cluster	N/A	N/A	1,000	150	Units	7%	Max
Total		2,100		$100\%^{(1)}$	<u> </u>		

<sup>(1)</sup> Amounts do not total due to rounding.

### **Amenities**

In-District. Pursuant to the Development Agreement, the current park and open space plan for the Development provides for approximately 249.41 acres of open space areas, 22.12 acres of amenity areas, and 110.55 acres of parkland areas. The Development Agreement contemplates that over three miles of joint use 8-foot and 10-foot concrete trails within 10-foot to 20-foot Trail Corridor/ROW/Easement will be provided. Additionally, native trails (approximately 8,553 lateral feet) will be provided within open space and floodplain areas. The concrete trails are being constructed in progression with the Development of each improvement area. As of December 1, 2024, concrete trails have been constructed in Improvement Area #1, Improvement Area #2, Improvement Area #3 and Improvement Area #4. Additionally, a 6-foot decorative masonry wall has been built along the rear or sides of homes backing or siding to collector roads (roads without lots fronting on them) within a 25-foot landscaped parkway (10-feet of right-of-way with a 15-foot Wall and Landscape Easement/Lot).

HMBRR Development has constructed an amenity center and a swimming pool, which have been completed and opened to homeowners as of August of 2023, and which has been conveyed to the HOA. HM 6 Creeks

Development has an amenity site for a second amenity center and swimming pool, and intends to begin construction in the first annual quarter of 2026 and complete construction in the fourth annual quarter of 2026, as those phases of the project build out.

<u>Adjacent to District</u>. The Development Agreement required Original Landowner to dedicate approximately ten acres of land adjacent to the Development for a river park amenity that will provide access to the Blanco River. While such amenity is expected to open to the public and could be used by residents within the District, such amenity will not be within the boundaries of the District.

### **Schools**

The District is located entirely within the Hays Consolidated Independent School District ("Hays CISD"). Hays CISD operates 26 campuses that are located throughout northern Hays County and serves approximately 20,000 students. Such campuses include three comprehensive high schools, six middle schools (6-8 grade), 15 elementary schools, an alternative high school of choice, a disciplinary center and a performing arts center. The Hays CISD schools nearest the District are Laura B Negley Elementary School ("Negley Elementary"), RC Barton Middle School ("Barton Middle"), and Jack C Hays High School ("Hays High"). GreatSchools.org rated Negley Elementary 8-out-of-10, Barton Middle as 8-out-of-10, and Hays High 6-out-of-10. According to the Texas Education Agency annual report cards for overall rating, Negley Elementary was rated as "B", Barton Middle as "A", and Hays High as "A". (The categories for public school districts and public schools are A, B, C, D or F.)

The District is also served by Austin Community College ("ACC"), which is a junior college district located in Central Texas with a total annual enrollment of approximately 70,000 students. It is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award associate degrees and baccalaureate degrees. ACC's Hays Campus is located approximately three miles from the District. According to ACC's website, ACC Hays campus is home to the college's First Responder Training Center. The Center at the Hays Campus offers students an education in law enforcement and emergency management. The Hays Campus also offers law enforcement, corrections, and peace officer tracks, as well as core curriculum designed to be transferred to four-year colleges and universities.

The District is also located approximately ten miles from Texas State University ("Texas State"), a public research university located in the City of San Marcos, Texas. According to its website, Texas State currently has more than 40,000 undergraduate and graduate students and offers over 200 bachelor's, master's, and doctoral degree programs.

### **Environmental**

A Phase I Environmental Site Assessment (a "Phase I ESA") of approximately 2,165 acres, including the entirety of the District's boundaries and certain real property adjacent to the District, was completed in May of 2015. Based on the information presented in the Phase I ESA, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review, historical source review and testing identified in the Phase I ESA revealed no evidence of recognized environmental conditions involving the property comprising the District. The Phase I ESA did not recommend that a Phase II environmental site assessment be performed.

Development of the property is subject to a variety of environmental rules, including the Edwards Aquifer Rules (Title 30, Chapter 213 of the Texas Administrative Code) of the Texas Commission on Environmental Quality ("TCEQ"), the City's Water Quality Protection Ordinance, the City's Conservation Design Ordinance, and the federal Endangered Species Act.

A portion of the District lies within the Edwards Aquifer Contributing Zone within the Transition Zone. Where applicable, Contributing Zone Plans meeting all applicable TCEQ requirements have been completed and approved prior to construction.

According to the website for the Texas Parks and Wildlife, the Texas blind salamander, Barton Springs salamander, whooping crane, golden-cheeked warbler, fountain darter, interior least tern, Texas wild-rice, Comal Springs riffle beetle, Comal Springs dryopid beetle, Texas fatmucket, Guadalupe fatmucket, Texas pimpleback, Guadalupe orb, and false spike are endangered species in Hays County, and the San Marcos salamander, Texas salamander, Blanco blind salamander, white-faced ibis, wood stork, headwater catfish, Guadalupe darter, Cagle's map turtle, Texas horned lizard, Texas troglobitic water slater, piping plover, yellow-billed cuckoo, Texas fawnsfoot, and bracted twistflower are threatened species in Hays County.

### Utilities

<u>Water and Wastewater Service</u>. Pursuant to the Development Agreement and subject to the Developer's obligation to construct certain Authorized Improvements necessary to serve the Development, the City has committed and agreed to provide retail water and wastewater capacity and service in the Development for up to 2,100 times the average daily amount of water and wastewater required for a single-family residence (each, an "LUE"). See also "THE CITY – Water and Wastewater." Water and wastewater service provided to the customers within the Development by the City will be nondiscriminatory and consistent with City's policies, tariffs and regulations applicable to customers of the City's water and wastewater systems located within the City's corporate limits, as such policies, regulations and tariffs may be amended from time to time in accordance with applicable law. See "THE IMPROVEMENT AREA #5 AUTHORIZED IMPROVEMENTS – The Development Agreements" for a discussion of various provisions of the Development Agreement related to the City's provision of utility service within the District.

<u>Other Utilities</u>. Developer expects additional utilities to be provided by: (1) Phone/Data/Cable – Centric/Fiber; (2) Electric – Pedernales Electric Cooperative; and (3) Natural Gas – Universal Natural Gas.

## **Geotechnical Exploration**

Preliminary geotechnical explorations (the "Geotechs") were performed by Integrated Testing and Engineering Company of San Antonio, L.P. for Section11 in August 2021. The Geotechs were undertaken for the purpose of making certain recommendations concerning pavement thickness for the property within Improvement Area #5. The Developer has adhered to the recommendations made within the Geotech reports in connection with its construction of the Improvement Area #5 Projects.

### **Existing Mineral and Groundwater Rights**

There are certain mineral rights reservations of one or more prior owners of real property within the District, including the Texas General Land Office (collectively, the "Mineral Owner"), pursuant to one or more deeds in the chain of title for the property in the District. Some of these reservations of mineral rights include a partial waiver by the Mineral Owner of its right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District. However, the Mineral Owner has reserved the right to continue to use the surface of three two-acre sites within the District (the "Designated Drill Sites") for purposes incident to the development or production of oil and gas and certain other minerals. Further, in the event that Mineral Owner or its lessees explore for or produce minerals from within the District, the owners of real property are required to grant and convey an access easement providing ingress and egress to the Designated Drill Sites in a manner that does not materially impair the development of the land within the District.

The Mineral Owner also has groundwater and groundwater leasing rights in the land comprising the District. The Mineral Owner has waived its right to enter onto the surface of the land within the District with respect to such rights, but is permitted to develop its groundwater and groundwater leasing rights on land adjacent to the District.

All of the Designated Drill Sites are located outside of Improvement Area #5. Per Developer, the Designated Drill Sites were selected because of their location within the 100-year floodplain. Due to their location within the floodplain, the Designated Drill Sites are not intended to be developed in connection with the development of the Future Improvement Areas.

The Developer is not aware of any ongoing mineral or groundwater rights development or exploration on or adjacent to the property within the District. However, per the Developer, the Original Landowner (as defined herein) owns approximately 1,300 acres of real property adjacent to the District, which is also subject to the Mineral Owner's reserved mineral and groundwater rights described above. Certain rules and regulations of the Texas Railroad Commission may also restrict the ability of the Mineral Owner to explore or develop the property due to well density, acreage, pooling regulations or location issues.

Although the Developer does not expect the above-described mineral and groundwater rights, or the exercise of such rights or any other mineral or groundwater rights or related real property rights in or around the District, to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Improvement Area #5 Assessments, the Developer makes no guarantee as to such expectation. See "BONDHOLDERS' RISKS — Exercise of Mineral and Groundwater Rights."

### THE DEVELOPER

### General

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

## **Description of the Developer**

The Developer is an affiliate of Hanna/Magee LP ("Hanna/Magee") and was created by Hanna/Magee for the purpose of acquiring, developing and ultimately conveying property in the District to builders and other third parties, as described under the caption "THE DEVELOPMENT."

# **Description of Highland Homes**

Highland Homes is an Improvement Area #5 Landowner and homebuilder within Section 11 of the District. Highland Homes is based in Texas, with homes in approximately 100 communities in the metropolitan areas of Austin, Dallas/Fort Worth, Houston, and San Antonio. For nearly 40 years, Highland Homes has built award-winning homes, and has carefully selected the ideal locations and communities for the more than 3500 homes it sells yearly throughout Texas. For more information about Highland Homes, go to https://www.highlandhomes.com

Highland Homes' ability to make full and timely payments of Improvement Area #5 Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds. For additional information, see "BONDHOLDERS' RISKS — Dependence Upon Improvement Area #5 Landowners" herein.

# **Description of PHAU and Perry Homes**

PHAU is an Improvement Area #5 Landowner and is a land holding entity of its affiliate Perry Homes. Perry Homes is one of the homebuilders within Section 11 of the District. Perry Homes has been a Texas tradition for over 50 years, building luxury homes across Texas since 1967. With over 90 communities in the metropolitan areas of Houston, San Antonio, Austin, and Dallas, Perry Homes is one of Texas's largest and most trusted home builders. Perry Homes is a top-ranked, woman-owned business committed to the highest quality, superior design, and customer service. All Perry homes include smart home technology and an industry-leading new home warranty. Perry homes

are designed for a variety of lifestyles, located in the most desirable communities, and built to last. For more information about Perry Homes, go to <a href="https://www.perryhomes.com">https://www.perryhomes.com</a>.

PHAU's ability to make full and timely payments of Improvement Area #5 Assessments or taxes will directly affect the City's ability to meet its obligation to make payments on the Bonds. For additional information, see "BONDHOLDERS' RISKS — Dependence Upon Improvement Area #5 Landowners" herein.

# **Executive Biography of Principals of the Developer**

Jay Hanna, Principal. Jay Hanna is the President of HMBRR Development and President of HM 6 Creeks Development, and is a Principal with the J.A. Hanna Company, a Central Texas land development company that was started in 1996. In addition to J.A. Hanna Company, Mr. Hanna and colleague Blake Magee created Hanna/Magee in 1998 that also focuses on land development opportunities in Austin and San Antonio. Mr. Hanna has been involved in land brokerage and development in Central Texas for the past 33 years. Prior to starting J.A. Hanna Company, he was Vice President with Texas Commerce Bank, Vice President with Citadel Investments and with Neiman Hanks Puryear Real Estate Company in Austin.

Mr. Hanna, along with Hanna/Magee, has developed over 16,000 single-family lots in the Austin Metropolitan Area and San Antonio in quality communities such as Quest Village, Meridian, The Preserve at Alamo Ranch, The Villas at Treemont, Stonewall Ranch and Stonewall Estates, to name a few. He is currently developing six new communities in Austin, Round Rock, Dripping Springs and San Antonio.

<u>Blake Magee, Principal.</u> Blake Magee is the Vice-President and Secretary of HMBRR Development, and Vice-President and Secretary of HM 6 Creeks Development. He is also a Principal with the Blake Magee Company, a Central Texas land development company he started in 1994, and has joined with partner Jay Hanna to form Hanna/Magee. Mr. Magee has been involved in land development in Central Texas for the past 38 years. Prior to starting the Blake Magee Company, he was Vice President of Mellon Properties Company (a subsidiary of Mellon Bank) and Director of Planning and Feasibility of Land Development for Nash Phillips Copus (NPC).

Mr. Magee has developed over 16,000 single-family lots in the Austin Metropolitan Area and San Antonio in quality communities like Scofield Farms, Stone Canyon, Quest Village, Sunset Valley Meadows, Forest Oaks, Silver Oak, Mayfield Ranch, Meridian, The Ridge at Lantana, Brodie Springs, Loma Vista, The Preserve at River Place, The Villas at Treemont, Retreat at Travis Country, and Spicewood at Bullcreek, to name a few. He is currently developing 10 new communities in Austin, Round Rock, Dripping Springs, Williamson County, Pflugerville and San Antonio. Over the past eleven years, he has created and is developing lots in seven Municipal Utility Districts (MUDs) containing over 7,000 single-family lots.

## **Development Manager**

Jay Hanna, a principal in the Hanna/Magee-affiliated entities, is expected to have primary responsibility over the development management functions with respect to the District, including entitlement, project management, construction management, and local oversight. Through Hanna/Magee and other affiliates, Mr. Hanna has been involved in the following notable developments in Central Texas:

Avalon in Pflugerville, Texas, is an approximately 580-acre master-planned community with approximately 1,500 residential lots, and has been in development since 2005. In addition to homes and recreational features, this community is located near Blackhawk Golf Course and Stone Hill Town Center, a 196-acre master planned development with approximately 1,000,000 square feet of retail and 9 anchor tenants.

Balcones Creek in San Antonio, Texas, is a 233-acre master-planned community expected to contain approximately 571 residential lots that has been in development since 2012. The development includes amenities such as a swim and community center and a community garden. It is located in close proximity to The Shops at La Cantera retail development and the Fiesta Texas amusement park.

Fronterra at Westpointe in San Antonio, Texas, is a 300-acre master-planned community expected to contain approximately 1,000 residential lots that has been in development since 2014. This development features various amenities, including an amenity center and significant open space. It is located in close proximity to The Shops at La Cantera and Alamo Ranch Center retail developments and the Fiesta Texas amusement park.

Parkside at Mayfield Ranch in Round Rock, Texas, is a 370-acre master-planned community expected to contain approximately 1,128 residential lots that has been in development since 2006. The development includes a swim and community center, amenity center, and greenbelts and open space amenities.

Parkside on the River in Georgetown, Texas, is a 1,149-acre master-planned community with 1,970 lots and 120 acres of multi-family and commercial with a boundary running along the San Gabriel River. The development includes an amenity center, parks, and trails.

Palmera Ridge & Palmera Bluff in Leander, Texas, is a 426-acre mixed-use master-planned community expected to contain approximately 1,005 lots and a 12-acre commercial/retail center. It has been under development since Fall of 2015, and is located at the former Kitty Hill Airport in Williamson County. Palmera Ridge rests just off Ronald Regan Boulevard north of Hero Way and minutes from 183-A and FM 1431. Palmera Ridge is built out with 579 homes, and Palmera Bluff will contain 426 homes when complete. The community features an amenity center, community pool, parks and wet ponds.

Paloma Lake in Round Rock, Texas, is a 726-acre master-planned community expected to contain approximately 1,850 residential lots and has been in development since 2006. The development includes various public amenities, including two amenity centers, a "fish camp", a pool, and hiking and walking trails.

Parten in Dripping Springs, Texas, is a 532-acre master-planned community with 575 lots, including 14 one-acre lots, and has been in development since 2016. The development includes a 5-acre amenity site with playscape, swimming pool and meeting spaces. Once fully developed the community will include 300 acres of public open space, parks and 5 miles of hiking trails.

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

<u>The Property Acquisition</u>. HMBRR Development and HM 6 Creeks Development were formed, for the purpose, among other things, of acquiring and developing property within the District. On September 20, 2017, HMBRR Development and HMBRR LP purchased approximately 61.49 acres and 188.51 acres, respectively, for a total of approximately 250 acres within the District from Original Landowner. Simultaneously, another affiliate of HMBRR Development, HMBRR LP #2, purchased approximately 608 acres within the District from the Original Landowner, subject to a seller financed note back to the Original Landowner (the "Seller Note").

On October 9, 2018, HMBRR Development acquired approximately 35.48 acres from HMBRR LP, out of the approximately 188.51 acres owned by HMBRR LP, and on February 14, 2020, HMBRR Development acquired the remaining approximately 153.03 acres from HMBRR LP. On September 23, 2020, HM 6 Creeks Development acquired approximately 249.051 acres from HMBRR LP #2, out of the original approximately 608-acre tract land owned by HMBRR LP #2. On January 28, 2021, prior to the development of Improvement Area #3 (Improvement Area #3 consists of Phase 1, Sections 8A, 8B, 9, and 10), HM 6 Creeks Development sold approximately 50.57 acres of the land it owned (consisting of Section 8A and Section 8B) to Taylor Morrison.

On December 15, 2021, prior to the development of Improvement Area #4 (Improvement Area #4 consists of Phase 1, Section 6A, Section 7, Section 12, Section 13A, and Section 13B), HM 6 Creeks Development acquired 93.991 acres and 5.964 acres from HMBRR LP #2 out of the approximately 608-acre tract owned by HMBRR LP #2. That same day, HM 6 Creeks Development sold approximately 93.991 acres (consisting of Section 13A, Section 13B, Section 14A, and Section 14B) to Pulte.

On September 26, 2022, HM 6 Creeks Development acquired the remaining approximately 259.70 acres that were owned by HMBRR LP #2. Accordingly, HMBRR LP #2 no longer owns any land within the District.

In March of 2024, HM 6 Creeks Development sold an undivided 50.7% interest in the land within Section 11 to Highland Homes and an undivided 49.3% interest in the land within Section 11 to PHAU. Section 11, or Improvement Area #5, is approximately 15.92 acres.

All of the land in the Remainder Area is currently owned by HM 6 Creeks Development and Pulte.

<u>Acquisition and Development Financing</u>. The original acquisition and subsequent acquisitions of property within the District by HMBRR Development, were funded with equity by means of contributions made to HMBRR Development by its shareholders and a portion of the proceeds of a development loan from American Bank (the "Development Loan"). The Development Loan was secured by a deed of trust in favor of American Bank, which covered approximately 61.49 acres within the District. The Development Loan was subsumed under the HMBRR Development and Acquisition Loan described below.

The original acquisition of property within the District by HMBRR LP was funded by an acquisition loan from American Bank in the amount of \$5,000,000 (the "Acquisition Loan"). The Acquisition Loan was secured by a deed of trust in favor of American Bank, which covered approximately 188.51 acres within the District. The Acquisition Loan was subsumed under the HMBRR Development and Acquisition Loan described below.

HMBRR Development purchased land from HMBRR LP on February 14, 2020, pursuant to an assumption and special warranty deed pursuant to which HMBRR Development assumed and promised to keep and perform all of the covenants and obligations of HMBRR LP under the Acquisition Loan. On February 14, 2020, HMBRR Development and American Bank entered into a new loan in the amount of \$13,000,000 (the "HMBRR Development and Acquisition Loan"), which replaced the Development Loan and the Acquisition Loan and transferred the outstanding, unpaid balances of the Development Loan and the Acquisition Loan to the new HMBRR Development and Acquisition Loan. The HMBRR Development and Acquisition Loan was secured by a deed of trust dated February 14, 2020, in favor of American Bank. In September 2020, HMBRR Development paid off the HMBRR Development and Acquisition Loan and obtained a new \$6,000,000 development loan (the "HMBRR Development Loan") from American Bank of Commerce ("ABC"). The HMBRR Development Loan was repaid in full in May 2023.

The original financing of the property within the District by HMBRR LP #2 was financed by the Seller Note. HM 6 Creeks Development purchased approximately 250 acres from HMBRR LP #2 on September 23, 2020, funded with equity from its shareholders and proceeds of an acquisition loan of \$9,000,000 from ABC, which loan was reduced to \$7,000,000 by the proceeds of the sale of approximately 50 acres (Sections 8A and 8B) to Taylor Morrison. HM 6 Creeks Development purchased an additional 99.955 acres from HMBRR LP #2 on December 15, 2021, 93.991 acres (Sections 13A, 13B, 14A and 14B) of which was immediately conveyed to Pulte. Finally, HM 6 Creeks Development acquired the remaining land owned by HMBRR LP #2 by Special Warranty Deed dated September 20, 2022, and entered into a \$14,000,000 acquisition and development loan as a revolving line of credit from ABC (the "HM 6 Creeks Development and Acquisition Loan"), which amended and restated the acquisition loan. The HM 6 Creeks Development and Acquisition Loan was paid down to a \$0.00 balance in May 2023 but remains open and available for future draws in the event funds are required for future development.

HM 6 Creeks Development sold an undivided 50.7% interest in the land within Section 11 to Highland Homes and an undivided 49.3% interest in the land within Section 11 to PHAU. Highland Homes and PHAU's purchase of the land within Section 11 was funded by cash or other readily available funds from each landowner. Additionally, Pursuant to the Section 11 Development Agreement, Highland Homes and PHAU agreed to pay HM 6 Creeks Development a Development Fee to be used by HM 6 Creeks Development to pay the costs to complete the Development Work incurred by HM 6 Creeks Development, pursuant to the Section 11 Development Agreement.

Accordingly, HM 6 Creeks Development does not have any outstanding loans or notes as it relates to the land in Improvement Area #5.

## THE ADMINISTRATOR

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

The City has selected P3Works, LLC as the initial Administrator. The City has entered into an agreement with the Administrator to 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 district 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 inquires;
- Determination of prepayment amounts;
- Preparation and review of disclosure notices with Dissemination Agent; and
- Review of developer draw requests for reimbursement of public improvement costs.

## APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #5 OF THE DISTRICT

# The Appraisal

<u>General</u>. Barletta & Associates, Inc. (the "Appraiser"), prepared an appraisal report for the City dated January 8, 2025, based upon a physical inspection of the District conducted on November 1, 2024 (the "Appraisal"). The Appraisal was prepared at the request of the City. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX H and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX H — Appraisal of Property within Improvement Area #5."

<u>Value Estimates</u>. The Appraiser estimated the market value of the fee simple interest of Improvement Area #5 under certain hypothetical conditions. The Appraisal Report does not reflect the value of Improvement Area #5 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumptions that all of the remaining Improvement Area #5 Projects have been completed in accordance with plans and specifications as of the dates specified below. See "THE IMPROVEMENT AREA #5 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT — Development Plan" and "APPENDIX H — Appraisal of Property within Improvement Area #5."

The market value estimate for the Improvement Area #5 Assessed Property, as of December 15, 2024 (the "Effective Date"), using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, is \$7,500,000. The Appraiser indicated this valuation was derived from a sim of retail revenue of \$8,434,800 or \$118,800 per lot.

None of the City, the Developer or the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

# **BONDHOLDERS' RISKS**

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

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

#### General

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #5 of the District to pay Improvement Area #5 Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #5 of the District, (c) general and local economic conditions that 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 that may impact the general ability to market and sell the lots within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such 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, including Improvement Area #5, should proceed more slowly than expected and the Improvement Area #5 landowners are unable to pay the Improvement Area #5 Assessments, only the value of the Improvement Area #5 Assessed Property, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #5 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

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

## **Deemed Representations and Acknowledgment by Purchasers**

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

## Failure or Inability to Complete Proposed Development

Proposed development within the District (including the foregoing) may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See "Availability of Utilities" and "Hazardous Substances" below. Land development within the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the Development must come from the City.) There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE IMPROVEMENT AREA #5 ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN IMPROVEMENT AREA #5 IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds.

# **Completion of the Improvement Area #5 Projects**

The construction of some of the Improvement Area #5 Projects that are necessary for the successful development of the Development are not yet complete. The cost and time for completion of all of such improvements is uncertain and may be affected by changes in national, regional and local and 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; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer. If cost overruns result in delay of construction, or if other delays are experienced, the Developer may be unable to complete timely all of such necessary improvements.

# **Absorption Rate**

There can be no assurance that the Developer will be able to achieve its anticipated absorption rates. Failure to achieve the absorption rate estimates will adversely affect the estimated value of the Development, could impair the economic viability of the Development and could reduce the ability or desire of property owners to pay the Improvement Area #5 Assessments.

#### **Assessment Limitations**

The City contracts with the Hays County Tax Office (the "Tax Office") for collection of the Improvement Area #5 Assessments. Annual Installments of Improvement Area #5 Assessments are billed to property owners of Improvement Area #5 Assessed Property. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the Annual Collection Costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Improvement Area #5 Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #5, the City has established a Reserve Account in the Reserve Fund, to be funded from the proceeds of the Bonds, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds. See "BONDHOLDERS' RISKS — Bondholders' Remedies and Bankruptcy of Property Owners" herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #5, any Improvement Area #5 Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Improvement Area #5 Assessments, the liens securing such delinquent ad valorem taxes and delinquent Improvement Area #5 Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Improvement Area #5 Assessments would then be an unsecured personal liability of the original property owner.

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

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Improvement Area #5 landowners represent that they own all property within Improvement Area #5 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Improvement Area #5 Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Fund, delay in foreclosure proceedings, inability of the City to close on lots with Pre-Existing Homestead Right, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the

delinquent taxes and installments of Improvement Area #5 Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE IMPROVEMENT AREA #5 ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #5 OF THE DISTRICT. HOWEVER, FOR AS LONG AS A PRE-EXISTING HOMESTEAD RIGHT IS MAINTAINED ON AN ASSESSED PROPERTY, AN ASSESSMENT LIEN ON THAT ASSESSED PROPERTY MAY NOT BE FORECLOSED UPON.

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

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

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

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 89th Legislative Session of the State (the "89th Regular Session") convened on January 14, 2025 and is scheduled to conclude on June 2, 2025. 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. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds.

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

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

the necessary assessment revenues required to service debt on the Bonds. Nor can there be an assurance that the eventual assessment burden on the property will be marketable.

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

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

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

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer, the Improvement Area #5 Landowners and any subsequent owners to pay the Improvement Area #5 Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Improvement Area #5 Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Improvement Area #5 Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Fund, a nonpayment could result in a payment default under the Indenture.

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

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable-rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. In the past few years, both mortgage rates and home prices have increased, which may affect a home purchasers' ability to qualify for a mortgage loan and afford the total financing costs of a new home. Downturns in the real estate market, rising mortgage rates, and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot, and home sales within Improvement Area #5. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

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

If the costs of the remaining Improvement Area #5 Improvements are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #5 Improvements or pay the Improvement Area #5 Assessments when due. Additionally, if the costs of materials significantly increase, it may affect the ability of the Developer to complete the Improvement Area #5 Improvements or construct homes within Improvement Area #5. There is no way to predict whether such cost increases or low supply of building materials will affect the development of the District. See "THE DEVELOPER — History and Financing of the District.

#### Competition

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

### **Competitive Projects**<sup>(1)</sup>

	Number			Date	Expected	
Project Name	of Units	Proximity	Developer	Started	<b>Completion Date</b>	Prices
Anthem	1500	1.5 miles	Multiple	2022	TBD	\$400,000+
Kyle 57	219	1.5 Miles	Milestone	2022	2026	\$400,000+
Brooks Ranch	138	1.75 Miles	Blackburn	2022	2025	\$450,000+

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

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

### Tax-Exempt Status of the Bonds

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

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

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. In the past, the IRS has announced audit efforts focused in part on "developer-driven bond transactions," including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to

an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Owners for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

### **Lien Foreclosure and Bankruptcy**

The payment of Improvement Area #5 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Improvement Area #5 Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Improvement Area #5 Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Improvement Area #5 Assessments might not be paid in full.

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

The ability of an owner of property within Improvement Area #5 of the District to pay the Improvement Area #5 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #5 of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Improvement Area #5 Assessments. See "OVERLAPPING TAXES AND DEBT."

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

Failure of the owners of property within Improvement Area #5 of the District to pay the Improvement Area #5 Assessments when due could result in the rapid, total depletion of the Reserve Account of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Account of the Reserve Fund, the amount in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS SIMILARLY SECURED — Reserve Account of the Reserve Fund" herein.

#### **Hazardous Substances**

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

The value of the land within the District does not consider the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware,

that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist, and that the City is not aware of them.

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

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

# Regulation

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

## **Availability of Utilities**

General. The City provides both water and wastewater service to the District. The progress of development within the District is dependent upon the City receiving an adequate supply of water and providing sufficient capacity for the collection and treatment of wastewater. If City cannot timely or fails to supply water and wastewater services to the property in the District, the development of the land in the District could be adversely affected.

Portions of the State, including the City and its surrounding area, are experiencing significant growth, which has produced and is expected to continue to produce a growing demand for water and wastewater service. The ability of City's water suppliers to provide an adequate supply of water and the ability of the City to provide sufficient capacity for the treatment of wastewater is dependent on many factors, including, but not limited to, supply and demand of materials to complete necessary water and wastewater improvements, compliance with the Texas Commission on Environmental Quality regulations, the effects of extreme weather events on such entities' water and wastewater systems, and the construction of developments competing with the District. See "THE DEVELOPMENT — Utilities," "BONDHOLDERS' RISKS — General Risks of Real Estate Investment and Development" "— Risks Related to Recent Increase in Costs of Building Materials, "— Competition," "— Regulation," and "— Risk from Weather Events."

None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact that such growing demand may have on the City, the District, the projected buildout schedule, availability of water and wastewater service to the District or an investment in the Bonds.

Availability of Water. The State is currently experiencing a drought due to significantly low rainfall. The continuation of the drought may affect the ability of one or more of the City's water suppliers to deliver water under their respective contracts with the City, which in turn may have an impact on the ability of the City to provide water to service the District.

None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact that the drought or any future similar condition may have on the City, the District, the projected buildout schedule, availability of water service to the District or an investment in the Bonds. See "THE CITY – Water and Wastewater" and "THE DEVELOPMENT — Utilities."

#### Use of Appraisal

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

In connection with the preparation of the Appraisal, the Appraiser may have reviewed the information supplied or otherwise made available to it by the City for reasonableness, has assumed and relied upon the accuracy and completeness of all such information and of all information supplied or otherwise made available to it by any other party, and did not undertake any duty or responsibility to verify independently any of such information. The Appraiser has not made or obtained, nor will it make or obtain, an independent valuation or appraisal of any other assets or liabilities (contingent or otherwise) other than the property in the District. With respect to operating or financial forecasts and other information and data provided to or otherwise reviewed by or discussed with the Appraiser, the Appraiser has assumed that such forecasts and other information and data were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the City's employees, representatives and advisors, as well as any corrections or updates to such forecasts and other information and data.

In performing its analyses, the Appraiser has made numerous other assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the Appraiser's control and the City's control, as well as certain factual matters. For example, the Appraiser assumed that the owners of property in the District have clear and marketable title to the properties in the District, that no title defects exist unless the Appraiser was specifically informed to the contrary, that improvements were made in accordance with law, that no hazardous materials are present or were present previously, that no deed restrictions exist, and that no changes to zoning ordinances or regulations governing use, density or shape are pending or being considered. Furthermore, the Appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation. The foregoing is a summary of the standard assumptions, qualifications and limitations that generally apply to the Appraiser's appraisal reports.

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

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

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

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

#### Flood Plain

As shown on the current Federal Emergency Management Agency's Flood Insurance Rate Map Panel 48209C0270F, no platted lots within Improvement Area #5 are located within an official FEMA 100-year or 500-year flood plain. Certain portions of the Remainder Area are currently located within an official FEMA 100-year flood plain. Per the Developer, each lot within the Remainder Area is intended to be removed from such flood plain

by a Conditional Letter of Map Revision or Letter of Map Revision as the Development progresses. However, the District is located within five miles of the Blanco River, which experienced severe flooding in 2015. The City cannot predict whether or when another such flooding event will occur, and if so, whether the Development would be negatively impacted by such an event.

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

#### **Risk from Weather Events**

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

#### Bondholders' Remedies and Bankruptcy of Property Owners

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of the Owners of a Quarter in Interest of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Owners of the Bonds cannot themselves foreclose on property within Improvement Area #5 of the District or sell property within Improvement Area #5 of the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Chapter 9 Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Improvement Area #5 Assessments, or delinquent ad valorem taxes, against such property owner.

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

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

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

### **Judicial Foreclosures**

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #5 of the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property. See "OVERLAPPING TAXES AND DEBT." Collection of delinquent taxes, assessments and the Improvement Area #5 Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

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#### No Acceleration

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

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

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the current Owners of the Bonds, depending on the progress of development of Improvement Area #5 of the District subject to the Improvement Area #5 Assessments, existing real estate and financial market conditions and other factors.

### **No Credit Rating**

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

### Chapter 9 Bankruptcy Limitation to Bondholders' Rights

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

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

#### **Management and Ownership**

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

#### Dependence upon Improvement Area #5 Landowners

Highland Homes currently has the obligation for payment of 50.7% of the Improvement Area #5 Assessments and PHAU currently has the obligation for payment of 49.3% of the Improvement Area #5 Assessments. The ability of the Improvement Area #5 Landowners to make full and timely payment of the Improvement Area #5 Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Improvement Area #5 Landowners to advance any funds to the City to supplement revenues from the Improvement Area #5 Assessments if necessary, or as to whether the Improvement Area #5 Landowners will advance such funds.

Moreover, in addition to paying the Improvement Area #5 Assessments, pursuant to the Section 11 Development Agreement, the Improvement Area #5 Landowners have agreed to pay HM 6 Creeks Development a Development Fee and a Management Fee for developing and constructing the Improvement Area #5 Improvements within Improvement Area #5. See "THE IMPROVEMENT AREA #5 IMPROVEMENTS" and "The Development Agreements — the Section 11 Development Agreement." There can be no assurances given as to the financial ability of the Improvement Area #5 Landowners to cause the completion of the Improvement Area #5 Improvements or any other improvements.

The Improvement Area #5 Landowners will not guarantee or otherwise be obligated to pay debt service on the Bonds.

#### TAX MATTERS

# **Opinion**

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

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

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

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest

on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

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

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

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

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

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions

governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

## State, Local and Foreign Taxes

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

#### **LEGAL MATTERS**

#### **Legal Proceedings**

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

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

# **Legal Opinions**

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

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE — The Bonds" (except for the third paragraph thereof), "DESCRIPTION OF THE BONDS,"

"SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings," (except for the last paragraph thereof), "LEGAL MATTERS — Legal Opinions," (except for the last paragraph thereof), "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," APPENDIX B and APPENDIX D, and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

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

### **Litigation** — The City

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

# **Litigation** — The Developer

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

#### SUITABILITY FOR INVESTMENT

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

#### **ENFORCEABILITY OF REMEDIES**

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

RISKS – Bondholders' Remedies and Bankruptcy of Property Owners." Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by governmental immunity, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery and by general principles of equity that permit the exercise of judicial discretion.

#### **NO RATING**

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

#### CONTINUING DISCLOSURE

### The City

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

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

#### The City's Compliance with Prior Undertakings

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

### The Developer

The Developer, the Administrator, and the Dissemination Agent will, in connection with the issuance of the Bonds, enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Developer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding Improvement Area #5 and the Improvement Area #5 Projects (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of the Developer." Under certain circumstances, the failure of the Developer or the Administrator to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Disclosure

Agreement of the Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

# The Developer's Compliance with Prior Undertakings

The Developer has previously entered into a disclosure agreement regarding the Improvement Area #3 Bonds and the Improvement Area #4 Bonds. During the period that the Developer has been subject to continuing disclosure obligations, the Developer has complied in all material respects with its continuing disclosure agreements.

#### THE FINANCIAL ADVISOR

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

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

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

# **UNDERWRITING**

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

#### REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Federal Securities Act of 1933 in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged,

hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

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

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

#### **INVESTMENTS**

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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interestbearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has

its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above, clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

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

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

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

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

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

#### INFORMATION RELATING TO THE TRUSTEE

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

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

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

#### SOURCES OF INFORMATION

#### General

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

#### **Source of Certain Information**

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #5 Projects generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE (except for the information under "— The Bonds"), "THE IMPROVEMENT AREA #5 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #5 Projects and the Development), "LEGAL MATTERS — Litigation — The Developer," and "CONTINUING DISCLOSURE — The Developer" and "— The Developer's Compliance with Prior Undertakings" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

### **Experts**

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by P3Works, LLC and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

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

# **Updating of Limited Offering Memorandum**

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

#### FORWARD-LOOKING STATEMENTS

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

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

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# AUTHORIZATION AND APPROVAL

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

	CITY OF KYLE, TEXAS
ATTEST:	Mayor
City Secretary	

### APPENDIX A

#### GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

#### **General Information**

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

The City is located in Hays County along Interstate Highway 35. It is located approximately eight (8) miles north of the City of San Marcos, twenty (20) miles south of the City of Austin and sixty (60) miles north of the City of San Antonio. The City covers approximately 31.25 square miles. The City's 2020 census population was 45,697, and the City has estimated that its 2024 population is approximately 58,500. The City is the second largest city in Hays County and enjoys a south-central location convenient to most major population and employment centers in Central Texas.

# Historical Employment in Hays County and the City

The following information has been provided for informational purposes only.

**Hays County** 

**Average Annual** 2024(1) 2023 2022 2021 2020 149,729 138,727 Civilian Labor Force 144,229 130,746 121,304 Total Employed 144,433 139,520 134,484 125,340 113,639 Total Unemployed 5,296 4,709 4,243 5,406 7,665 Unemployment Rate 3.5% 3.3% 3.1% 4.1% 6.3%

Source: Texas Labor Market Information.

The City

			Average Annual		
	2024(1)	2023	2022	2021	2020
Civilian Labor Force	32,162	31,036	29,867	28,215	25,783
Total Employed	31,146	30,087	29,001	27,029	24,117
Total Unemployed	1,016	949	866	1,186	1,666
Unemployment Rate	3.2%	3.1%	2.9%	4.2%	6.5%

Data through November 2024.

Source: Texas Labor Market Information.

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Data through November 2024.

# **Major Employers in the City**

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

		Percentage of Total
<u>Employer</u>	<b>Employees</b>	City Employment
Hays County Independent School District	3,258	15.66%
Seton Medical Center Hays	750	3.60%
Amazon	700	2.76%
The City	349	1.68%
Lowes	100	0.48%
Home Depot	100	0.48%
Austin Community College at Hays	80	0.38%
Plastikon	65	0.31%
SIMWON	38	0.18%
ENF	25	0.12%
FedEx	20	0.10%
Total	5,485	25.75%

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

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# REGIONAL EMPLOYMENT

# **Surrounding Economic Activity**

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

City of San Marcos, TX		City of New Braunfels, TX		City of Seguin, TX		City of Buda, TX	
Approximately 10 Miles f	rom the City	Approximately 30 Miles f	rom the City	Approximately 30 Miles	from the City	Approximately 8 Miles fro	m the City
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employ ees
Amazon Fulfillment	5,000	Comal ISD	3,550	Seguin ISD	1,192	Capital Excavation	315
Texas State University	3,730	Schlitterbahn Water Park	3,000	Texas Power Systems/CAT	1,511	H-E-B Grocery	249
Hays CISD	3,430	New Braunfels ISD	1,302	Vitesco (Continental AG)	1,504	Wal-Mart	240
Premium Outlets	1,600	Wal-Mart Distribution Center	1,200	CMC Steel	908	ProBuild	222
Tanger Outlets	1,540	Hunter Industries	873	Guadalupe Regional Medical Center	765	Fat Quarter Shop	215
San Marcos CISD	1,400	Comal County	805	Guadalupe County	653	Cabela's	196
Dripping Springs ISD	1,025	City of New Braunfels	800	Tyson Foods	554	Texas Lehigh	180
Hays County	885	TaskUs	620	City of Seguin	448	US Food Service	159
City of San Marcos	758	Christus Santa Rosa Hospital	585	Texas Lutheran University	441	Hays Community YMCA	157
HEB Distribution Center	750	Rush Enterprises	528	HEB	413	Capital Spectrum	150
		360)		<b>)</b>		City of Schertz, 1	х
$\sim$		Austin	(18			Approximately 45 Miles fr	om the City
477		Austii		J4 > //		Employer	Employ ees
					95	Schertz/Cibolo/UC ISD	1,900
					Camp Sw	Amazon	1,061
						Sysco Central Texas	827
				Wyldwood		FedEx Ground	700
· /					Bastrop	Republic National Distributing	
		Buda (45)	= 1/	21		Company	639
						Brandt Companies	527
		35				Visionworks	450
Wimberley		Kyle				City of Schertz	437
		790				Hollingsworth Logistics Group	400
					(304)	FedEx Freight	300
					304)	City of Austin, T.	K
Lake	San Ma	rcos	ockhart			Approximately 20 Miles from	
		Martindale				Employer	Employ ees
5 - 6 5						State Government	38,681
1 75 1		130				University of Texas at Austin	31,106
5 /						H-E-B	22,955
						City of Austin	16,029
New Braunfels				~	202	Ascension Seton	14,842
1010	(123)		Luling	(9	Waelder	Federal Government	14,600
				10		Dell Computer Corporation	13,000
				304		Tesla, Inc.	12,277
Shertz						St. David's Healthcare	11,484
	Seguin			183		Amazon.com LLC	11,000
idea			//				,-00

Source: Municipal Advisory Council of Texas



# APPENDIX B

# FORM OF INDENTURE



# INDENTURE OF TRUST

By and Between

**CITY OF KYLE, TEXAS** 

and

BOKF, NA, as Trustee

**DATED AS OF FEBRUARY 1, 2025** 

**SECURING** 

\$

CITY OF KYLE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(6 CREEKS PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #5 PROJECT)

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#### INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of February 1, 2025 is by and between the CITY OF KYLE, TEXAS (the "City"), and BOKF, NA, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located in the extraterritorial jurisdiction of the City to be known as Blanco River Ranch Public Improvement District, which was subsequently renamed 6 Creeks Public Improvement District (the "District"); and

WHEREAS, prior to the creation of the District, the City and Blanco River Ranch Properties, LP (the "Original Landowner") executed the Development Agreement, effective as of May 16, 2017, which provided for the de-annexation of certain of the Original Landowner's Property from the corporate limits of the City according to the schedule attached as Exhibit E thereto, such that all Property in the District would be in the extraterritorial jurisdiction of the City, pursuant to the Development Agreement; and

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

WHEREAS, on June 6, 2017, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on June 6, 2017, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 1065, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on June 14, 2017, Resolution No. 1065 was published in a newspaper of general circulation within the corporate limits and the extraterritorial jurisdiction of the City in accordance with the provisions of the PID Act; and

WHEREAS, no written protests to the creation of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after June 14, 2017; and

WHEREAS, on January 21, 2025, the City Council by Resolution No. \_\_\_\_ made findings and determinations relating to the Actual Costs of certain Improvement Area #5 Projects, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a

public hearing for February 4, 2025 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice relating to the February 4, 2025 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on \_\_\_\_\_\_\_, 2025, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Hays Free Press*, a newspaper of general circulation in the City and in the part of the City's extraterritorial jurisdiction in which the District is located or in which the Authorized Improvements are to be undertaken, to consider the proposed 2025 Amended and Restated Service and Assessment Plan and the Improvement Area #5 Assessment Roll and the levy of the Improvement Area #5 Assessments on property within Improvement Area #5 of the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #5 Assessment Roll and the 2025 Amended and Restated Service and Assessment Plan and the levy of Improvement Area #5 Assessments on property in Improvement Area #5 of the District to the last known address of the owners of property liable for the Improvement Area #5 Assessments; and

WHEREAS, the City Council opened and convened the hearing on February 4, 2025 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 2025 Amended and Restated Service and Assessment Plan, the proposed Improvement Area #5 Assessment Roll and the Improvement Area #5 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #5 Assessments, the allocation of estimated costs of the Improvement Area #5 Projects, the purposes of the Improvement Area #5 Assessments, the special benefits of the Improvement Area #5 Projects, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Improvement Area #5 Assessments, and there were no written objections or evidence submitted to the City Secretary in opposition to the 2025 Amended and Restated Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #5 Projects, the Improvement Area #5 Assessment Roll, and the levy of the Improvement Area #5 Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. \_\_\_\_\_, which levied the Improvement Area #5 Assessments against the property within Improvement Area #5 and approved the 2025 Amended and Restated Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the City Council, in accordance with the Authority granted to it by the PID Act and other applicable laws, has authorized the issuance of its City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)" (the "Bonds"), pursuant to Ordinance No. \_\_\_\_\_, approved at the February 4, 2025 meeting of the City Council, for the purpose of (i) paying a portion of the costs of the public improvements within the District conferring a direct benefit to property situated in that portion of the District designated as "Improvement Area #5" (the "Improvement Area #5 Improvements")

and Improvement Area #5's allocable share of public improvements that confer a special benefit to properties throughout the entirety of the District (the "Major Improvements" and, together with the Improvement Area #5 Improvements, the "Improvement Area #5 Projects"), (ii) paying interest on bonds during and after the period of acquisition and construction of the Improvement Area #5 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the organization and administration of the District (the "District Formation Costs"), and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the Bonds are payable from the Improvement Area #5 Assessments levied against that portion of the District designated as Improvement Area #5 and are secured by this Indenture of Trust, dated February 1, 2025 (the "*Indenture*"), executed and delivered by the City and the Trustee, concurrent with the issuance of the Bonds; and

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

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

WHEREAS, except as provided herein, all acts and conditions and things required by the laws of the State to happen, exist and be performed precedent to execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make the Indenture a valid, binding, and legal instrument for the security of the Bonds and a valid and binding agreement in accordance with its terms;

NOW THEREFORE, THIS INDENTURE WITNESSETH, and it is expressly declared, that all Bonds Similarly Secured issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds Similarly Secured as follows:

# ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION

### Section 1.1 Definitions.

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

"2025 Amended and Restated Service and Assessment Plan" means the Service and Assessment Plan, as amended and restated by the Amended and Restated Service and Assessment Plan passed and approved by City Council on February 4, 2025, by Ordinance No. \_\_\_\_\_, as same may be further amended, updated, supplemented or otherwise modified from time to time.

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

"Actual Costs" mean, with respect to the Improvement Area #5 Projects, the actual costs paid or incurred by or on behalf of the Developers: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the City, including the acquisition of necessary easements and other right-of-way; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee. Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

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

"Additional Interest Rate" means the 0.50% additional interest charged on Improvement Area #5 Assessments securing the Bonds Similarly Secured pursuant to Section 372.018 of the PID Act.

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

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

"Additional Obligations" means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note or time warrant secured in whole or in part by an assessment, other than the Improvement Area #5 Assessments securing the Bonds Similarly Secured, levied against property within the District in accordance with the PID Act.

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

"Administrator" means the City or the person or independent firm designated by the City who shall have the responsibility provided in the 2025 Amended and Restated Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

"Annual Collection Costs" mean the actual or budgeted costs and expenses relating to collecting the Annual Installments, including, but not limited to, costs and expenses for: (1) the

Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Improvement Area #5 Assessments and Annual Installments; (4) preparing and maintaining records with respect to Improvement Area #5 Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Improvement Area #5 Assessments and Annual Installments; (7) complying with this 2025 Amended and Restated Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"Annual Installment" means, with respect to the Improvement Area #5 Assessed Properties, the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

"Annual Service Plan Update" means an update to the 2025 Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

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

"Assessment Ordinance" means Ordinance No. \_\_\_\_ adopted by the City Council on February 4, 2025, that levied the Improvement Area #5 Assessments on the Improvement Area #5 Assessed Property.

"Authorized Denomination" means, with respect to the Bonds, \$[100,000] and any integral multiple of \$1,000 in excess thereof, or such smaller amount authorized by Section 4.5(c); provided, however, that upon receipt by the Paying Agent/Registrar of written evidence that the Bonds have received an Investment Grade Rating, Authorized Denomination shall mean \$1,000 or any integral multiple of \$1,000 in excess thereof, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating. With respect to Refunding Bonds, such term shall have the meaning ascribed thereto in the Supplemental Indenture authorizing the issuance of such Refunding Bonds.

"Authorized Improvements" means those public improvements, including the Improvement Area #5 Projects, authorized by Section 372.003 of the PID Act including, but not limited to, those

listed in Section III and depicted in Exhibit A of the 2025 Amended and Restated Service and Assessment Plan.

"Bond Counsel" means Norton Rose Fulbright US LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

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

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

*"Bond Ordinance"* means Ordinance No. \_\_\_\_ adopted by the City Council on February 4, 2025, authorizing the issuance of the Bonds pursuant to this Indenture.

"Bonds" or "Bond" means those certain "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project) that are secured by the Trust Estate, consisting primarily of actual revenues received by or on behalf of the City from the collection of Improvement Area #5 Assessments levied against Improvement Area #5 Assessed Property, or the Annual Installments thereof, for the Improvement Area #5 Projects.

"Bonds Similarly Secured" or "Bond Similarly Secured" means all bonds or any bond authorized by a bond ordinance and issued in accordance with this Indenture, including the Bonds, Refunding Bonds and any bonds issued in exchange or replacement thereof as permitted by this Indenture. For the avoidance of doubt, such term does not include the Future Improvement Area Bonds.

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

"Business Day" means any day other than a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close.

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

"Certification for Payment" means a certification for payment substantially in the forms of Exhibit E attached to the Financing Agreement executed by the applicable Developer and submitted to the City and approved by the City Representative, specifying the amount of work performed and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in accounts of the Project Fund as further described in the Financing Agreement and Section 6.5 herein.

"City" means the City of Kyle, Texas.

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

"City Council" shall have the meaning ascribed to such term in the recitals hereof.

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

"City Representative" means the City Manager and/or any official or agent of the City authorized by the City Council to undertake the action referenced herein.

"Closing Date" means the date of the initial delivery of and payment for the applicable Series of Bonds Similarly Secured.

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

"Continuing Disclosure Agreements" or "Continuing Disclosure Agreement" means both, or either of, the Continuing Disclosure Agreements, with respect to the Bonds, by and between the City and the Dissemination Agent, and by and among the Landowners, the Administrator, and the Dissemination Agent.

"County" means Hays County, Texas.

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

"Delinquent Collection Costs" mean the costs related to the foreclosure on an Improvement Area #5 Assessed Property and the costs of collection of a delinquent Assessment, delinquent annual Installments, or any other delinquent amounts due under the 2025 Amended and Restated Service and Assessment Plan, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

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

"Designated Successors and Assigns" means (i) an entity to which Developer or Original Developer Affiliate assigns (in writing) its rights and obligations contained in the Financing Agreement or the Development Agreement, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Developer.

"Developer" or "Developers" means, with respect to Improvement Area #5, HM 6 Creeks Development and/or their Designated Successors and Assigns.

"Development Agreement" means the agreement titled the "Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement," effective as of May 16, 2017, and which was entered into by and between the City and the Original Landowner; as assigned to HMBRR Development, and the Original Developer Affiliates on September 20, 2017, with respect to the land within the District owned by each Developer and Original Developer Affiliate; as further assigned in part by HMBRR LP #2 to HM 6 Creeks Development on September 23, 2020, with respect to land located in Improvement Area #3, and on December 15, 2021, with respect to land within Improvement Area #4, and a portion of the land in the Future Improvement Areas; as further assigned in part by HMBRR LP to HMBRR Development on September 30, 2021, with respect to land in Improvement Areas #2 and #4; and as further assigned in part by HMBRR LP #2 to HM 6 Creeks Development on September 20, 2022, with respect to a portion of the land in the Future Improvement Area, as amended by the First Amendment to the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement effective on October 6, 2020, as such agreement may be further amended from time to time.

"Dissemination Agent" means BOKF, NA, solely in its capacity of dissemination agent, and its successors.

"District" shall have the meaning set forth in the first recital.

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

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

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

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

"Financing Agreement" means the "Blanco River Ranch Public Improvement District Financing Agreement" between the City, HMBRR Development, and the Original Developer Affiliates, dated as of July 18, 2017, as assigned in part by HMBRR LP #2 to HM 6 Creeks Development effective September 23, 2020, with respect to the land located in Improvement Area #3 and the Future Improvement Area, and as further assigned in part by HMBRR LP to HMBRR Development Inc. and HMBRR LP #2 to HM 6 Creeks Development Inc., respectively, effective October 19, 2022, with respect to the rights and obligations of HMBRR LP, and the remaining rights and obligations of HMBRR LP #2, under the Financing Agreement, which provides, in part, for the issuance of bonds and the deposit of proceeds from the issuance and sale of such bonds, including the Bonds Similarly Secured, for the payment of Actual Costs of Authorized Improvements within the District, the reimbursement of Actual Costs to the Developers and the Original Developer Affiliates from the proceeds of bonds or assessments for funds advanced by

the applicable Developer or one or more of the Original Developer Affiliates and used to pay Actual Costs of Authorized Improvements, including the Improvement Area #5 Projects, and other matters related thereto, and as amended by the First Amendment to the 6 Creeks Public Improvement District Financing Agreement, effective on April 16, 2019, as such agreement may be further amended from time to time.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #5 Assessments against any Improvement Area #5 Assessed Property or Improvement Area #5 Assessed Properties, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund" means any of the funds established pursuant to Section 6.1 of this Indenture.

"Future Improvement Areas" mean, at the time of the issuance of the Bonds, the property within the District, excluding Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4 and Improvement Area #5. The Future Improvement Areas may be developed in phases concurrently with or after Improvement Area #5. In the 2025 Amended and Restated Service and Assessment Plan, the term "Remainder Area" refers to the Future Improvement Areas.

"Future Improvement Area Bonds" mean bonds issued to fund Authorized Improvements (or a portion thereof) in an improvement area within the Future Improvement Areas.

"Highland Homes" means Highland Homes – Austin, LLC, a [Texas] limited liability company.

"HM 6 Creeks Development" means HM 6 Creeks Development, Inc., a Texas corporation.

"Improvement Area #1" means the initial area, consisting of approximately 96.829 acres, to be developed within the District as described by metes and bounds in Exhibit U-2 of the 2025 Amended and Restated Service and Assessment Plan and as generally depicted on the map in Exhibit V-2 to the 2025 Amended and Restated Service and Assessment Plan.

"Improvement Area #2" means approximately 77.417 acres located within the District, as described by metes and bounds in Exhibit U-3 of the 2025 Amended and Restated Service and Assessment Plan and as generally depicted on the map in Exhibit V-3 to the 2025 Amended and Restated Service and Assessment Plan.

"Improvement Area #3" means approximately 111.670 acres located within the District, as described by metes and bound in Exhibit U-4 of the 2025 Amended and Restated Service and Assessment Plan and as generally depicted on the map in Exhibit V-4 to the 2025 Amended and Restated Service and Assessment Plan.

"Improvement Area #4" means, collectively, Section 6A, Section 7, Section 12 and Section 13 (each as defined in the 2025 Amended and Restated Service and Assessment Plan), approximately 103.33 acres located within the District, as described by metes and bounds in Exhibit U-5 of the 2025 Amended and Restated Service and Assessment Plan and as generally

depicted on the map in Exhibit V-5 to the 2025 Amended and Restated Service and Assessment Plan.

"Improvement Area #5" means approximately 15.92 acres located within the District, s described by metes and bounds in Exhibit U-10 of the 2025 Amended and Restated Service and Assessment Plan and as generally depicted on the map in Exhibit V-6 to the 2025 Amended and Restated Service and Assessment Plan.

"Improvement Area #5 Assessed Property" means for any year, any Parcel within Improvement Area #5 of the District against which an Improvement Area #5 Assessment is levied, other than Non-Benefited Property.

"Improvement Area #5 Assessment Revenue" means monies collected by or on behalf of the City from any one or more of the following: (i) an Improvement Area #5 Assessment levied against an Improvement Area #5 Assessed Property, or Annual Installment payment thereof, including any interest on such Improvement Area #5 Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

"Improvement Area #5 Assessment Roll" means the assessment roll attached as Appendix L to the 2025 Amended and Restated Service and Assessment Plan or any other assessment roll in an amendment or supplement to the 2025 Amended and Restated Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Improvement Area #5 Assessment against each Improvement Area #5 Assessed Property related to the Bonds, as updated, modified, or amended from time to time in accordance with the terms of the 2025 Amended and Restated Service and Assessment Plan and the PID Act.

"Improvement Area #5 Assessments" mean the aggregate assessments levied pursuant to the Assessment Ordinance and shown on the Improvement Area #5 Assessment Roll. The singular of such term means the assessment levied against an Improvement Area #5 Assessed Property, pursuant to the Assessment Ordinance, as shown on the Improvement Area #5 Assessment Roll, subject to reallocation upon the subdivision of an Improvement Area #5 Assessed Property or reduction according to the provisions of the 2025 Amended and Restated Service and Assessment Plan and the PID Act.

"Improvement Area #5 Costs of Issuance Account" means the Account established pursuant to Section 6.1 hereof.

"Improvement Area #5 Improvements" means those Authorized Improvements that only benefit Improvement Area #5, which are generally described in Section III and generally depicted on Exhibit M of the 2025 Amended and Restated Service and Assessment Plan.

"Improvement Area #5 Projects Account" means the Account of such name established pursuant to Section 6.1 hereof.

"Improvement Area #5 Projects" means, collectively, the Improvement Area #5 Improvements and Improvement Area #5's allocable share of the Major Improvements.

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

"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.

"Initial Bond" means, with respect to the Bonds, the initial bond set forth in Exhibit A hereto, and with respect to any Refunding Bonds, the initial bond set forth in the applicable Supplemental Indenture.

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing September 1, 2025.

"Investment Grade Rating" means a rating assigned by a Rating Agency in one of such Rating Agency's four highest categories for long-term debt instruments (without regard for gradation within a rating category and without regard for credit enhancement) or otherwise designated as investment grade by a Rating Agency.

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

"Landowner" or "Landowners" means, with respect to Improvement Area #5, individually or collectively, Highland Homes, HM 6 Creeks Development and PHAU and/or their Designated Successors and Assigns.

"Major Improvements" means both onsite and offsite Authorized Improvements that benefit more than one improvement area, including Improvement Area #5, as well as Future Improvement Areas, and described in Section III.A of the 2025 Amended and Restated Service and Assessment Plan.

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

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

"Original Developer Affiliates" means HMBRR, LP and HMBRR, LP #2, and their Designated Successors and Assigns.

"Original Landowner" means Blanco River Ranch Properties, LP, a Texas limited partnership.

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

"Owner" or "Holder" means the Person who is the registered owner of a Bond Similarly Secured or Bonds Similarly Secured, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds Similarly Secured are in book-entry only form and held by DTC as securities depository in accordance with Section 3.13 herein.

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

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

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

"PHAU" means PHAU – 6 Creeks, LLC, a Texas limited liability company.

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

"PID Bonds" mean the Bonds Similarly Secured, the bonds issued for Improvement Area #1, the bonds issued for Improvement Area #2, the bonds issued for Improvement Area #3, the bonds issued for Improvement Area #4, and the Future Improvement Area Bonds, if any.

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

"Pledged Revenue Fund" means that fund established pursuant to Section 6.1 hereof and administered pursuant to Section 6.3 herein.

"Pledged Revenues" means the sum of (i) Improvement Area #5 Assessment Revenue other than Delinquent Collection Costs; (ii) the moneys held in any of the Pledged Funds; and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

"Prepayment" means the payment of all or a portion of an Improvement Area #5 Assessment, with interest that has accrued to the date of prepayment, before the due date of the final Annual Installment thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of an Improvement Area #5 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Improvement Area #5 Assessment.

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

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

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

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

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

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

"Rebate Amount" has the meaning ascribed to such term in section 1.148-1(b) of the Regulations.

"Rebate Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8 herein.

"Record Date" means the close of business on the fifteenth (15<sup>th</sup>) calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

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

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

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

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

"Release Restriction" shall have the meaning assigned to such term in Section 6.5(i) hereof.

"Regulations" shall have the meaning set forth in Section 7.5(a) hereof.

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

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date therefor, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date therefor, or (iii) 10% of the par amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (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 for the Bonds, the Reserve Account Requirement is \$\_\_\_\_\_\_\_, which is an amount equal to [Maximum Annual Debt Service on the Bonds as of the Closing Date therefor].

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

"SEC" means the United States Securities and Exchange Commission.

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

"Service and Assessment Plan" means the original Service and Assessment Plan for the District, approved by the City Council on October 1, 2018, and which is attached as Exhibit A to the assessment ordinance for the Authorized Improvements benefitting Improvement Area #1, and each subsequent amendment to such plan as adopted by the City Council.

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

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

"Subaccount" means any of the subaccounts established pursuant to Section 6.1 of this Indenture.

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

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

"Trust Estate" means the Trust Estate described in Section 2.1 of this Indenture.

"Trustee" means BOKF, NA, Houston, Texas, a national banking association duly organized and validly existing under the laws of the United States of America, in its capacity as trustee hereunder, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

"Unrestricted Amount" means \$2,246,090.61.

# Section 1.2 <u>Findings</u>.

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

#### Section 1.3 <u>Table of Contents, Titles and Headings.</u>

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 <u>Interpretation</u>.

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

- (b) Words importing persons include any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization and government or agency or political subdivision thereof.
- (c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.
- (d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

# ARTICLE II THE BONDS

(a)

- (a) In order to secure the payment of debt service on all Bonds Similarly Secured, and the performance and observance by the City of all the covenants expressed or implied herein, the City does hereby grant to the Trustee, as good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, a security interest in, mortgage, create a first lien on, and pledge to the Trustee, all of its right, title, and interest, whether now owned or hereafter acquired in, to, and under the following (the "Trust Estate"):
  - (i) All Pledged Revenues and all moneys and investments held in the Pledged Funds, including any and all proceeds thereof and any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and
  - (ii) Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof.
- (b) The Trustee shall have and hold the Trust Estate, whether now owned or hereafter acquired or received by the Trustee and its successors or assigns, in trust upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds Similarly Secured from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds Similarly Secured in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture. Provided, however, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on all the Bonds Similarly Secured at the times and in the manner stated in the Bonds Similarly Secured, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and shall remain in full force and effect.

(c) Except as otherwise provided in the remaining provisions of this Indenture, nothing in this Section 2.1 shall prohibit the Trustee from bringing any actions or proceedings for the enforcement of the obligation of the City hereunder except that nothing in this Section shall prejudice the rights of the Trustee under Articles IX and XI hereof; provided further that the priority of payment and the source for the repayment of the debt service on the Bonds Similarly Secured shall be subject to the terms as set forth herein, including without limitation Article VI herein; provided further that the right to direct remedies following an Event of Default shall be limited to the Owners of the Bonds Similarly Secured to the extent provided as set forth in Articles XI and XV herein.

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

# Section 2.2 <u>Security for the Bonds Similarly Secured.</u>

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

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

#### Section 2.3 Limited Obligations.

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

#### Section 2.4 Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery

of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds Similarly Secured and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

# Section 2.5 Contract with Owners and Trustee.

- (a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds Similarly Secured and to prescribe the rights of the Owners, and the rights and duties of the City and the Trustee.
- (b) In consideration of the purchase and acceptance of any or all of the Bonds Similarly Secured by those who shall purchase and hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the City with the Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

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

#### Section 3.1 Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and general laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_\_\_ for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #5 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #5 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated February 27, 2025 (the "Bond Date") and shall be issued in Authorized Denominations. Upon the receipt of an Investment Grade Rating on the Bonds, the City shall promptly notify the Dissemination Agent in writing of such rating change and shall provide written direction to the Dissemination Agent to file a notice of such occurrence with the Municipal Securities Rulemaking Board and to forward such notice to the Paying Agent/Registrar and to the Trustee. The Dissemination Agent shall file such notice and forward the same to the Paying Agent/Registrar and to the Trustee immediately following the day on which it receives written notice of such occurrence from the City. Any such notice is required to be filed within ten (10) Business Days of the occurrence of the receipt of the Investment Grade Rating on the Bonds. Upon receipt by the Paying Agent/Registrar of written evidence that the Bonds have received an Investment Grade Rating, beneficial ownership in the Bonds may be acquired in principal denominations of \$1,000 or any integral multiple thereof, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating. The Bonds shall be in fully

registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

- (b) Interest shall accrue and be paid on each Bond from the later of the Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2025 computed on the basis of a 360-day year of twelve 30-day months.
- (c) The Bonds shall mature on September 1 in the years and in the principal installments and shall bear interest as set forth below:

<u>Year</u>	Principal <u>Installment</u>	Interest Rate
20	\$	. %
20	\$	
20	\$	
20	\$	%

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

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

- (a) The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:
  - (1) a certified copy of the Assessment Ordinance;
  - (2) a certified copy of the Bond Ordinance;
  - (3) a copy of the executed Financing Agreement;
  - (4) a copy of this Indenture executed by the Trustee and the City;
  - (5) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;

- (6) a copy of the executed opinion of Bond Counsel;
- (7) a copy of the executed Continuing Disclosure Agreements; and
- (8) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.
- (b) Each Series of Refunding Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate such Refunding Bonds and, upon payment of the purchase price of such Series of Refunding Bonds, shall deliver such Series of Refunding Bonds upon the order of the City, but only upon delivery to the Trustee of:
  - (1) the items described in Section 3.3(a)(5) and (7), if any, above;
  - (2) a certified copy of the ordinance of the City Council authorizing the issuance of such Series of Refunding Bonds and all actions necessary therefor;
  - (3) an original executed counterpart of the Supplemental Indenture for such Series of Refunding Bonds that establishes, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Series of Refunding Bonds, which such terms shall include a deposit into the Reserve Account of the Reserve Fund of an amount equal to the Reserve Account Requirement taking into account the then Outstanding Bonds Similarly Secured and the Refunding Bonds then proposed to be issued;
  - (4) a City Certificate, including the requisite information as set forth in Section 3.3(a)(5) above, to the effect that the issuance of such Series of Refunding Bonds complies with the requirements contained herein and in each Supplemental Indenture, including the requirements contained in Section 13.2(c) below; and
  - (5) the City Representative shall certify to the Trustee in writing that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained herein or in any Supplemental Indenture.

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

- (a) Principal of and interest on the Bonds Similarly Secured shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds Similarly Secured shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; *provided*, *however*, that in the event of nonpayment of interest on a scheduled Interest Payment Date that continues for thirty (30) days or more thereafter, a new record date for such interest payment (a

- "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from or on behalf of the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond Similarly Secured appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.
- (c) Interest on the Bonds Similarly Secured shall be paid by check, dated as of the Interest Payment Date, and sent, United States mail, first-class postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each Owner as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
- (d) The principal of each Bond Similarly Secured shall be paid to the Owner of such Bond Similarly Secured on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond Similarly Secured at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
- (e) If the date for the payment of the principal of or interest on the Bonds Similarly Secured shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.
- (f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Owners of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

#### Section 3.5 Execution and Registration of Bonds Similarly Secured.

(a) The Bonds Similarly Secured shall be executed on behalf of the City by the Mayor or Mayor Pro Tem of the City and the City Secretary or Assistant City Secretary, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in

facsimile thereon. Such facsimile signatures on the Bonds Similarly Secured shall have the same effect as if each of the Bonds Similarly Secured had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds Similarly Secured shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds Similarly Secured.

- (b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to hold such office before the authentication of such Bonds Similarly Secured or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.
- obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein or in a Supplemental Indenture, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds Similarly Secured. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date for such series of Bonds Similarly Secured shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein or in a Supplemental Indenture, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his or her duly authorized agent, which certificate shall be evidence that such Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.
- (d) On each Closing Date for each series of the Bonds Similarly Secured, one Initial Bond representing the entire principal amount of such series of Bonds Similarly Secured, payable in stated installments to the Purchaser of such series of Bonds Similarly Secured, or its designee, executed with the manual or facsimile signatures of the Mayor or Mayor Pro Tem and the City Secretary or Assistant City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser of such series of Bonds Similarly Secured or its designee. Upon payment for such Initial Bond, the Trustee shall cancel the Initial Bond and upon City Certificate deliver to DTC on behalf of the Purchaser of such Bonds Similarly Secured one registered definitive bond for each year of maturity of such series of the Bonds Similarly Secured, in the aggregate principal amount of all bonds for such maturity of such series of the Bonds Similarly Secured, registered in the name of Cede & Co., as nominee of DTC.

#### Section 3.6 Refunding Bonds.

(a) Except in accordance with the provisions of this Indenture, including Section 13.2, the City shall not issue additional bonds, notes or other obligations payable from any portion of the Trust Estate, other than Refunding Bonds. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding

Bonds, as authorized by the laws of the State of Texas. Except as limited by the terms of this Indenture, including Section 13.2, the City reserves the right to incur debt payable from sources other than the Trust Estate, including revenue derived from contracts with other entities, including private corporations, municipalities and political subdivisions issued particularly for the purchase, construction, improvement, extension, replacement, enlargement or repair of the facilities needed in performing any such contract.

- (b) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 1 of the years in which such principal is scheduled to be paid. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture.
- (c) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 3.6 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee the items required by Section 3.3(b) above.

#### Section 3.7 Ownership.

- (a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond Similarly Secured is registered as the absolute owner of such Bond Similarly Secured for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond Similarly Secured is registered on the relevant Record Date) and for all other purposes, whether or not such Bond Similarly Secured is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.
- (b) All payments made to the Owner of any Bond Similarly Secured shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond Similarly Secured to the extent of the sums paid.

#### Section 3.8 <u>Registration, Transfer and Exchange.</u>

- (a) So long as any Bond Similarly Secured remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds Similarly Secured in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, with a copy thereof filed with the City, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.
- (b) A Bond Similarly Secured shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond Similarly Secured shall be effective until entered in the Register. If any Bond Similarly Secured is not presented for payment when the principal thereof becomes due,

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

- (c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same Series and of the same maturity and bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond Similarly Secured presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured exchanged for other Bonds Similarly Secured in accordance with this Section.
- (d) The Trustee is hereby authorized to authenticate and deliver Bonds Similarly Secured transferred or exchanged in accordance with this Section. A new Bond Similarly Secured or Bonds Similarly Secured will be delivered by the Paying Agent/Registrar, in lieu of the Bond Similarly Secured being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond Similarly Secured delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such transferred Bond Similarly Secured is delivered.
- (e) Each exchange Bond Similarly Secured delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such exchange Bond Similarly Secured is delivered.
- (f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds Similarly Secured. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond Similarly Secured.
- (g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond Similarly Secured or portion thereof called for redemption prior to maturity within 45 days prior to the date fixed for redemption; *provided*, *however*, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond Similarly Secured.

#### Section 3.9 Cancellation.

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

#### Section 3.10 <u>Temporary Bonds Similarly Secured.</u>

- (a) Following the delivery and registration of the Initial Bond of a given Series of Bonds Similarly Secured and pending the preparation of definitive bonds for such Series of Bonds Similarly Secured, the proper officers of the City may execute and, upon the City's request, the Trustee shall authenticate and deliver, one or more temporary bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary bonds may determine, as evidenced by their signing of such temporary bonds.
- (b) Until exchanged for bonds in definitive form, such bonds in temporary form shall be entitled to the benefit and security of this Indenture.
- (c) The City, without unreasonable delay, shall prepare, execute and deliver to the Trustee the Bonds Similarly Secured in definitive form; thereupon, upon the presentation and surrender of the Bond Similarly Secured or Bonds Similarly Secured in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds Similarly Secured in temporary form and the Trustee shall authenticate and deliver in exchange therefor a Bond Similarly Secured or Bonds Similarly Secured of the same maturity and series, in definitive form, in the Authorized Denomination, and in the same aggregate principal amount, as the Bond Similarly Secured or Bonds Similarly Secured in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

#### Section 3.11 Replacement Bonds Similarly Secured.

- (a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated bond, the Trustee shall authenticate and deliver in exchange therefor a replacement bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond Similarly Secured to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.
- (b) In the event that any Bond Similarly Secured is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the Applicable Laws of the State of Texas and in the absence of notice or knowledge that such Bond Similarly Secured has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond Similarly Secured of like tenor

and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

- (i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond Similarly Secured;
- (ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;
- (iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and
- (iv) satisfies any other reasonable requirements imposed by the City and the Trustee.
- (c) After the delivery of such replacement Bond Similarly Secured, if a bona fide purchaser of the original Bond Similarly Secured in lieu of which such replacement Bond Similarly Secured was issued presents for payment such original Bond Similarly Secured, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond Similarly Secured from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.
- (d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond Similarly Secured has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond Similarly Secured, may pay such Bond Similarly Secured if it has become due and payable or may pay such Bond Similarly Secured when it becomes due and payable.
- (e) Each replacement Bond Similarly Secured delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond Similarly Secured or Bonds Similarly Secured in lieu of which such replacement Bond Similarly Secured is delivered.

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

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

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

# Section 3.13 <u>Successor Securities Depository: Transfer Outside Book-Entry-Only System.</u>

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

#### Section 3.14 Payments to Cede & Co.

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

# ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY

#### Section 4.1 <u>Limitation on Redemption</u>.

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

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

(a) The Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

#### Term Bonds Maturing September 1, 20

Sinking Fund Installment
\$

#### **Term Bonds Maturing September 1, 20**

Sinking Fund Installment
\$

# **Term Bonds Maturing September 1, 20**

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

# Term Bonds Maturing September 1, 20

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

- (b) At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (c) and (d) of this Section 4.2, the Trustee shall select a principal amount of Bonds, in accordance with Section 4.5, of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.
- (c) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least (45) days prior to the mandatory sinking fund redemption date, shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.
- (d) The principal amount of Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

#### Section 4.3 Optional Redemption.

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

#### Section 4.4 Extraordinary Optional Redemption.

(a) The City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at the Redemption Price from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(d) or (e)), transfers to the Redemption Fund made pursuant to Section 6.3(d), 6.3(e), 6.7(a), 6.7(d), 6.7(e), 6.7(f) or 6.7(j) hereof, or as a result of unexpended amounts transferred from the Improvement Area #5 Projects Account of the Project Fund as provided in Section 6.5(d). The City shall notify the Trustee in writing at least forty-five (45) days before the scheduled extraordinary optional redemption date fixed by the City, or such other time period as the Trustee and the City shall mutually agree.

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

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

# Section 4.5 <u>Partial Redemption</u>.

- (a) If less than all of the Bonds Similarly Secured are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, as applicable, the Bonds Similarly Secured shall be redeemed in minimum principal amounts of \$1,000 or any integral multiple thereof. Each Bond Similarly Secured shall be treated as representing the number of bonds that is obtained by dividing the principal amount of such Series of the Bonds Similarly Secured by \$1,000. No redemption shall result in a Bond Similarly Secured in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond Similarly Secured is less than an Authorized Denomination after giving effect to such partial redemption, a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.
- (b) In selecting the Bonds to be redeemed pursuant to Section 4.2, the Trustee may select Bonds in any method that results in a random selection.
- (c) In selecting the Bonds to be redeemed pursuant to Section 4.3, the Trustee may conclusively rely on the directions provided in a City Certificate.
- (d) If less than all of a Series of Bonds Similarly Secured are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds Similarly Secured or portion of a Bond Similarly Secured, as applicable, of such Series to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured of such Series.
- (e) Upon surrender of any Bond Similarly Secured for redemption in part, the Trustee, in accordance with Section 3.8 of this Indenture, shall authenticate and deliver an

exchange Bond Similarly Secured or Bonds Similarly Secured of the same Series and in an aggregate principal amount equal to the unredeemed portion of the Bond Similarly Secured so surrendered, such exchange being without charge.

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

- (a) Upon receipt of written notice from the City of the exercise of any redemption, the Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book entry only form and held by the DTC as security depository, references to Owner in this Indenture means Cede & Co., as nominee for DTC.
- (b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds Similarly Secured are to be surrendered for payment, and, if less than all the Bonds Similarly Secured Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds Similarly Secured or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond Similarly Secured shall become due and payable.
- (c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.
- (d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds Similarly Secured then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.
- (e) With respect to any optional redemption of the Bonds Similarly Secured, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds Similarly Secured to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds Similarly Secured and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

# Section 4.7 <u>Purchase Price for Bonds</u>.

Upon receipt of written notice from the City specifying the Bonds Similarly Secured to be purchased, the Trustee shall apply moneys available for redemption to the purchase of Bonds Similarly Secured which were otherwise to be redeemed in such order or priority and subject to such restrictions as may be prescribed in this Indenture in the manner provided in this Section.

The purchase price paid by the Trustee on behalf of the City (excluding accrued and unpaid interest but including any brokerage and other charges) for any Bond Similarly Secured purchased by the City shall not exceed the principal amount of such Bond Similarly Secured.

# Section 4.8 <u>Payment Upon Redemption</u>.

- (a) The Trustee shall make provision for the payment of the Bonds Similarly Secured to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds Similarly Secured being redeemed.
- (b) Upon presentation and surrender of any Bond Similarly Secured called for redemption at the Designated Payment/Transfer Office of the Trustee (initially, Houston, Texas) on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond Similarly Secured to the date of redemption from the moneys set aside for such purpose.

# Section 4.9 <u>Effect of Redemption</u>.

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

# ARTICLE V FORM OF THE BONDS

#### Section 5.1 Form Generally.

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

- (b) Any portion of the text of any Bonds Similarly Secured may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds Similarly Secured.
- (c) The definitive Bonds Similarly Secured shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds Similarly Secured, as evidenced by their execution thereof.
- (d) The Initial Bond of each Series of Bonds Similarly Secured submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.
- (e) The form of each Series of Refunding Bonds shall be set forth in the applicable Supplemental Indenture authorizing the issuance of such Refunding Bonds.

#### Section 5.2 <u>CUSIP Registration</u>.

The City may secure identification numbers through the FactSet Research Systems Inc. on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly *provided*, *however*, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof; and, none of the City, the Trustee, or the attorneys approving said Bonds Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds Similarly Secured have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds Similarly Secured and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

#### Section 5.3 Legal Opinion.

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

# ARTICLE VI FUNDS AND ACCOUNTS

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

- (a) <u>Creation of Funds</u>. The following Funds are hereby created and established under this Indenture:
  - (i) Pledged Revenue Fund;
  - (ii) Bond Fund;

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

# (b) Creation of Accounts.

- (i) The following Accounts are hereby created and established under the Bond Fund:
  - (A) Principal and Interest Account; and
  - (B) Capitalized Interest Account.
- (ii) The following Accounts and Subaccounts are hereby created and established under the Project Fund:
  - (A) Improvement Area #5 Projects Account;
  - (B) Improvement Area #5 Costs of Issuance Account.
- (iii) The following Account(s) are hereby created and established under the Reserve Fund:
  - (A) Reserve Account; and
  - (B) Additional Interest Reserve Account.
- (c) Each Fund, and Account and Subaccount created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured.
- (d) Except as otherwise provided herein, interest earnings and profit on each respective Fund, Account and Subaccount established by this Indenture, including the Project Collection Fund, shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

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

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

is equa	(1) al to the	initial Reserve Account Requirement; which
-	(ii)	to the Capitalized Interest Account of the Bond Fund: \$
	(iii)	to the Administrative Fund: \$;
Projec	(iv) t Fund:	to the Improvement Area #5 Costs of Issuance Account of the \$;
\$	(v)	to the Improvement Area #5 Projects Account of the Project Fund;
	(vi)	

# Section 6.3 <u>Pledged Revenue Fund</u>.

- (a) On or before February 20, 2026 and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited with the Trustee all Pledged Revenues, if any, other than the Pledged Revenues on deposit in the Project Collection Fund which revenues shall be transferred in accordance with Section 6.10 hereof, into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Improvement Area #5 Assessment Revenues and other Pledged Revenues to be applied by the Trustee in the following order of priority:
  - (i) <u>first</u>, to the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year;
  - (ii) <u>second</u>, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the initial Reserve Account Requirement;
  - (iii) <u>third</u>, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest to cause the amount in the Additional Interest Reserve Account to equal the Additional Interest Reserve Requirement;
  - (iv) <u>fourth</u>, to the Improvement Area #5 Projects Account to pay the Actual Costs of the Improvement Area #5 Projects; and
    - (v) fifth, to pay other costs permitted by the PID Act.

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

- (b) From time to time as needed to pay the obligations relating to the Bonds Similarly Secured, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account of the Bond Fund to the Principal and Interest Account of the Bond Fund, such that the amount on deposit in the Principal and Interest Account of the Bond Fund equals the principal (including any Sinking Fund Installments) and interest due on the Bonds Similarly Secured on the next Interest Payment Date.
- (c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account of the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured.
- (d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and within two Business Days after such deposit shall transfer such Prepayments to the applicable Account within the Redemption Fund.
- (e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and within two Business Days after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, first to the Reserve Fund to restore any transfers from the accounts within the Reserve Fund made with respect to the Improvement Area #5 Assessed Property or Improvement Area #5 Assessed Properties to which the Foreclosure Proceeds relate (first, to the Reserve Account of the Reserve Fund to replenish the Reserve Account Requirement, and second, to replenish the Additional Interest Reserve Requirement), and second, to the applicable Account within the Redemption Fund.
- (f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in any Account of the Reserve Fund and transfer of funds pursuant to Section 6.3(a)(i) (iii) above, the City may direct the Trustee by City Certificate to apply Improvement Area #5 Assessments for any lawful purposes permitted by the PID Act for which Improvement Area #5 Assessments may be paid and benefitting those Assessed Parcels in the particular Section where the Improvement Area #5 Assessments were levied. The Trustee may rely on such written direction of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.
- (g) Any additional Pledged Revenues remaining after the satisfaction of the foregoing shall be applied by the Trustee, as instructed by the City pursuant to a City Certificate, for any lawful purpose permitted by the PID Act for which such additional Pledged Revenues may be used, including transfers to other Funds and Accounts created pursuant to this Indenture, provided, however, with respect to transfers to the Subaccounts of the Project Fund and the Redemption Fund pursuant to this subsection, that Pledged Revenues collected from Assessed Parcels within a particular Section shall only be transferred to the Subaccount corresponding to that Section.

#### Section 6.4 Bond Fund.

- (a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account of the Bond Fund and transfer the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds Similarly Secured, less any amount to be used to pay interest on the Bonds Similarly Secured on such Interest Payment Date from the Capitalized Interest Account of the Bond Fund as provided below.
- (b) If amounts in the Principal and Interest Account of the Bond Fund are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(g) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.
- (c) Moneys in the Capitalized Interest Account of the Bond Fund shall be used for the payment of interest on the Bonds on the following dates and in the following amounts:

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

Any amounts on deposit to the Capitalized Interest Account of the Bond Fund after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #5 Projects Account of the Project Fund, or if the Improvement Area #5 Projects Account of the Project Fund has been closed as provided in Section 6.5(e) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem the Bonds, and the Capitalized Interest Account of the Bond Fund shall be closed.

#### Section 6.5 Project Fund.

- (a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof. Notwithstanding any other provisions, money on deposit in the Improvement Area #5 Projects Account shall only be used to pay Actual Costs of the Improvement Area #5 Projects.
- (b) Disbursements from any of the Subaccounts within the Improvement Area #5 Projects Account of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates containing a properly executed and completed Certification for Payment. See attached form of Certification for Payment as Exhibit E to 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) Disbursements from the Improvement Area #5 Costs of Issuance Account of the Project Fund shall be made by the Trustee pursuant to and in accordance with a City Certificate providing for the application of such funds to be disbursed (with the exception of fees and expenses initially incurred by the Trustee, which may be withdrawn by the Trustee).

- (d) If the City Representative reasonably determines that amounts then on deposit in a Subaccount of the Improvement Area #5 Projects Account of the Project Fund are not expected to be expended for purposes of such Subaccount due to the completion, abandonment, or constructive abandonment of the Improvement Area #5 Projects, such that, in the opinion of the City Representative, it is unlikely that the amounts in such Subaccount will ever be expended for the purposes of such Subaccount, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in such Subaccount that are not expected to be used for purposes of such Subaccount. If such City Certificate is so filed, the amounts on deposit in such Subaccount shall be transferred to the Redemption Fund in accordance with the method outlined in subsection (e) of this Section 6.5 to redeem Bonds Similarly Secured on the earliest practical date after notice of redemption has been provided in accordance with this Indenture, and such Subaccount shall be closed.
- (e) Upon the filing of a City Certificate stating that all Improvement Area #5 Projects have been completed and that all Actual Costs of the Improvement Area #5 Projects have been paid, the Trustee (i) shall transfer, pursuant to written direction in such City Certificate, the amount, if any, remaining within the Improvement Area #5 Projects Account to the Redemption Fund and (ii) the Improvement Area #5 Projects Account of the Project Fund shall be closed. If the Improvement Area #5 Projects Account of the Project Fund has been closed pursuant to the provisions of this Section and the Improvement Area #5 Costs of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(f), then the Project Fund shall be closed.
- Representative that all costs of issuance of the Bonds Similarly Secured have been paid and the appropriate portion of the costs incidental to the organization of the District have been paid, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #5 Costs of Issuance Account of the Project Fund that are not expected to be used for purposes of the Improvement Area #5 Costs of Issuance Account of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #5 Costs of Issuance Account of the Project Fund shall be transferred to the Improvement Area #5 Projects Account of the Project Fund and used to pay Actual Costs or to the Principal and Interest Account of the Bond Fund used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee, and the Improvement Area #5 Costs of Issuance Account of the Project Fund shall be closed.
- (g) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a report issued by the City Engineer or a certificate of an Independent Financial Consultant.
- (h) In providing any disbursement from the Subaccounts of the Improvement Area #5 Projects Account of the Project Fund, the Trustee may conclusively rely as to the completeness and accuracy of all statements in such Certification for Payment if such certificate is signed by a City Representative, and the Trustee shall not be required to make any independent investigation in connection therewith. The execution of any Certification for Payment by a City Representative shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

(i) The aggregate amount of funds that the Trustee may disburse from the Improvement Area #5 Projects Account shall not exceed the Unrestricted Amount except and until the Release Restriction (as defined below) has been satisfied. Until such time as the Unrestricted Amount has been disbursed from the Improvement Area #5 Projects Account, disbursements from the Improvement Area #5 Projects Account of the Project Fund to pay Actual Costs of the Improvement Area #5 Projects shall be made by the Trustee upon receipt by the Trustee of either a properly executed and completed Certification for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. Once the Unrestricted Amount has been disbursed from the Improvement Area #5 Projects Account, the Trustee may make disbursements from the Improvement Area #5 Projects Account that exceed the Unrestricted Amount only when the Developer provides written certification to the Trustee and the City in a Certification for Payment in the form attached to the Financing Agreement that the Release Restriction has been satisfied. The first Certification for Payment that requests funds in excess of the Unrestricted Amount from the Improvement Area #5 Projects Account of the Project Fund and which evidences satisfaction of the Release Restriction shall be submitted to the City, the Trustee, and the Administrator for review and confirmation. Moneys may be disbursed from the Improvement Area #5 Projects Account in excess of the Unrestricted Amount only if the certificates of occupancy for at least [7] homes have been issued for completed homes within Improvement Area #5 of the District, as evidenced by a City Certificate delivered to the Trustee (the "Release Restriction"). The City may not approve a Certification for Payment from the Improvement Area #5 Projects Account of the Project Fund for any amounts that exceed the Unrestricted Amount until the Release Restriction has been satisfied. For the avoidance of doubt, in addition to a fully executed Certification for Payment, satisfaction of the Release Restriction as evidenced by a properly executed City Certificate shall be the only condition to the Trustee's release of funds from the Improvement Area #5 Projects Account of the Project Fund in excess of the Unrestricted Amount.

#### Section 6.6 Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee, as directed by City Certificate, shall cause to be deposited to the Redemption Fund or such appropriate Account within the Redemption Fund (as applicable) from the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured as provided in Sections 4.3 and 4.4, as applicable, on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in Article IV.

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

(a) The Reserve Account of the Reserve Fund will be initially funded with a deposit of \$\_\_\_\_\_ from the proceeds of the Bonds in the amount of the Reserve Account Requirement and the City agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits outlined in Section 6.3(a) hereof, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such a deficiency is due to the application of Section 6.7(d) hereof. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by

the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

- (b) The Trustee, if needed, will transfer from the Pledged Revenue Fund to the Additional Interest Reserve Account of the Reserve Fund on March 1 and September 1 of each year, commencing March 1, 2026, to the extent that funds are available after application of the deposit priority in Section 6.3(a) hereof, an amount equal to the Additional Interest in the Additional Interest Reserve Account of the Reserve Fund until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account of the Reserve Fund; *provided*, *however*, that at any time the amount on deposit in the Additional Interest Reserve Account of the Reserve Fund is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account of the Reserve Fund until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account of the Reserve Fund.
- (c) Whenever a transfer is made from an Account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.
- (d) Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account of the Reserve Fund prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account of the Reserve Fund shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Fund toward payment of accrued and unpaid interest to the date of redemption on the Bonds Similarly Secured to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall, or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of \$1,000, from the Additional Interest Reserve Account of the Reserve Fund to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.
- (e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account of the Reserve Fund exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account of the Bond Fund to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 45 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to each of

the Subaccounts of the Improvement Area #5 Projects Account of the Project Fund on a pro rata basis, if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

- (f) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve Account of the Reserve Fund exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the "Excess Additional Interest Reserve Amount"). The Excess Additional Interest Reserve Amount on deposit in the Additional Interest Reserve Account of the Reserve Fund shall be transferred by the Trustee to the Redemption Fund, and shall notify the City of such transfer in writing. In transferring the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #5 Assessment Roll in the 2025 Amended and Restated Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.
- (g) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Additional Interest Reserve Account of the Reserve Fund to the Principal and Interest Account of the Bond Fund and second from the Reserve Account of the Reserve Fund to the Principal and Interest Account of the Bond Fund the amounts necessary to cure such deficiency.
- (h) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account of the Reserve Fund and the Additional Interest Reserve Account of the Reserve Fund shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured.
- (i) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.
- (j) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds Similarly Secured as of such Interest Payment Date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured as of such Interest Payment Date.

#### Section 6.8 Rebate Fund; Rebate Amount.

(a) There is hereby established a special fund of the City to be designated "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement

District Improvement Area #5 Project) Rebate Fund" (the "Rebate Fund") to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Trustee shall transfer from the Pledged Revenue Fund to the credit of the Rebate Fund each amount instructed by City Certificate to be transferred thereto.

- (b) In order to assure that the Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate. The Trustee shall withdraw from the Rebate Fund and pay to the United States the amounts instructed by City Certificate.
- (c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) hereof and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section and Section 7.5(h) hereof in the absence of written instructions from the City.
- (d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebate Amount to the Principal and Interest Account of the Bond Fund.

#### Section 6.9 Administrative Fund.

(a) Notwithstanding Section 6.3(a) hereof, the City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with Section 6.10 hereof. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the 2025 Amended and Restated Service and Assessment Plan. The Administrative Fund is not a Pledged Fund.

#### Section 6.10 Project Collection Fund.

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Improvement Area #5 Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Improvement Area #5 Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Improvement Area #5 Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Improvement Area #5 Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Improvement Area #5 Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in Section 6.3(a) hereof. The City shall provide such City Certificate on or before

February 20, 2026, and every August 20 and February 20 thereafter while the Bonds are Outstanding. The Project Collection Fund is not a Pledged Fund.

# Section 6.11 <u>Investment of Funds</u>.

- (a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee only as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment (or as directed below) in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; the City Certificate shall direct investment in such deposits and investments (which may include repurchase agreements for such investment with any primary dealer of such agreements) so that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account of the Reserve Fund may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investments which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold in order to make the disbursements required or permitted by this Indenture or to prevent any default.
- (b) Obligations purchased as an investment of moneys in any Fund, Account or Subaccount shall be deemed to be part of such Fund, Account or Subaccount, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds, Accounts and Subaccounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer shall be accomplished by transferring a like amount of Investment Securities unless the City instructs the Trustee otherwise by written direction.
- (c) The Trustee and its affiliates may act as sponsor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate and to ensure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether

investments comply with Section 6.11(a) above. The parties hereto acknowledge that the Trustee is not providing investment supervision, recommendations, or advice.

- (d) Investments in any and all Funds, Accounts and Subaccounts 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, Accounts or Subaccounts 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, Accounts and Subaccounts to which they are credited and otherwise as provided in this Indenture.
- (e) The Trustee will furnish the City monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.
- (f) The Trustee may conclusively rely on any City Certificate and shall not be required to make any investigation in connection therewith.

#### Section 6.12 Advances from Available Funds.

In the event of a delinquency in the payment of any installment of the Assessment levied upon any property for the payment of the principal portion of an Annual Installment, the City may, but is not obligated to, be the purchaser of the delinquent property upon which any of said Improvement Area #5 Assessments are levied in like manner in which it may become the purchaser of property sold for the nonpayment of general ad valorem property taxes, and in the event the City does so become the purchaser of such property, shall pay and transfer and deposit into the Pledged Revenue Fund the amount of any remaining amount of unpaid Assessment, delinquent Assessment installments and interest thereon. The City may also pay and transfer from available funds and deposit into the Pledged Revenue Fund, but shall not be so obligated, the amount of any such Assessment pending redemption or sale. Any amounts so advanced by the City shall be recoverable upon sale or redemption of the property. The City shall not be obligated to advance available funds to cure any deficiency in the Pledged Revenue Fund, or any other Fund created hereunder, and has determined that it would not obligate itself to advance available funds from other funds of the City to cure any such deficiency.

#### Section 6.13 Security of Funds.

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

# ARTICLE VII COVENANTS

# Section 7.1 <u>Confirmation of Improvement Area #5 Assessments.</u>

The City hereby confirms, covenants, and agrees that the Improvement Area #5 Assessments to be collected from the Improvement Area #5 Assessed Property are as so reflected in the 2025 Amended and Restated Service and Assessment Plan (as it may be updated form time to time) and, in accordance with the Assessment Ordinance, it has levied the Improvement Area #5 Assessments against the respective Improvement Area #5 Assessed Properties from which the Pledged Revenues will be collected and received.

# Section 7.2 <u>Collection and Enforcement of Improvement Area #5 Assessments.</u>

- (a) For so long as any Bonds Similarly Secured are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #5 Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Improvement Area #5 Assessments.
- (b) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Improvement Area #5 Assessed Property. Furthermore, nothing shall obligate the City, the City Attorney, or any appropriate designee to undertake collection or foreclosure actions against delinquent accounts in violation of the applicable state law, court order, or existing contractual provisions between the City and its appropriate collections enforcement designees.

#### Section 7.3 Against Encumbrances.

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

except that the City may issue Refunding Bonds in accordance with the terms of this Indenture, as provided in Section 13.2 hereof.

# Section 7.4 <u>Records, Accounts, Accounting Reports.</u>

The City hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #5 Assessments. The Trustee and Owners of any Bonds Similarly Secured or any duly authorized agent or agents of such Owners shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

# Section 7.5 <u>Covenants to Maintain Tax-Exempt Status.</u>

- (a) <u>Definitions</u>. When used in this Section, the following terms shall have the following meanings:
- (b) "Closing Date" means the date on which each Series of the Bonds Similarly Secured are first authenticated and delivered to the respective initial purchasers against payment therefor.
- (c) "Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.
- (d) "Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.
- (e) "Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.
- (f) "Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.
- (g) "Nonpurpose Investment" means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.
- (h) "Regulations" means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

- (i) "Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) of the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.
- (j) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.
- (k) <u>No Private Use or Private Payments</u>. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of each Series of the Bonds Similarly Secured:
- (l) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds Similarly Secured of such Series, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and
- (m) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds Similarly Secured of such Series or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

#### (n) No Private Loan.

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

any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

- (ii) The City covenants and agrees that the levied Improvement Area #5 Assessments will meet the requirements of the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date that each Series of the Bonds Similarly Secured are delivered and will ensure that the Improvement Area #5 Assessments continue to meet such requirements for so long as Bonds Similarly Secured are outstanding hereunder.
- (o) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of any Series of the Bonds Similarly Secured directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of such Series of the Bonds Similarly Secured.
- (p) <u>Not Federally Guaranteed</u>. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds Similarly Secured to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.
- (q) <u>Information Report</u>. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe with respect to each Series of the Bonds Similarly Secured.
- (r) <u>Rebate of Arbitrage Profits</u>. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:
- (s) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond Similarly Secured is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds Similarly Secured with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.
- (t) Not less frequently than each Computation Date for the Bonds Similarly Secured, the City shall calculate the Rebate Amount for the respective Series of Bonds Similarly Secured in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of each Series of the Bonds Similarly Secured until six years after the final Computation Date.

- (u) As additional consideration for the purchase of the Bonds Similarly Secured by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for any Series of the Bonds Similarly Secured equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.
- (v) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.
- (w) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds Similarly Secured, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds Similarly Secured not been relevant to either party.
- (x) <u>Elections</u>. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, City Secretary or Assistant City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with each Series of the Bonds Similarly Secured, in the Tax Certificate or similar or other appropriate certificate, form or document.

## ARTICLE VIII LIABILITY OF CITY

Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and except for the Trust Estate, no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

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

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from the Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action

hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or the City Manager or the Assistant City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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

# ARTICLE IX THE TRUSTEE

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

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds Similarly Secured. The Trustee hereby accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions, and subject to the provisions of this Indenture to all of which the parties hereto and the Owners of the Bonds Similarly Secured agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

#### Section 9.2 Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; *provided*, *however*, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its sole and exclusive judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the Administrative Fund to pay all costs, fees, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

#### Section 9.3 Responsibilities of the Trustee.

- (a) The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds Similarly Secured or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.
- (b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #5 Projects.

- (c) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default occurred and continues, the Trustee shall exercise such rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.
- (d) The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds Similarly Secured) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds Similarly Secured.
- (e) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds

Similarly Secured. The Trustee shall not be accountable for the use or application of any Bonds Similarly Secured or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

- (f) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it is established that the Trustee was negligent in ascertaining the pertinent facts.
- (g) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a Quarter in Interest of the aggregate outstanding principal of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.
- (h) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by an Owner of the Bonds Similarly Secured. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless Trustee has actual knowledge of an Event of Default.
- (i) Before taking any action under this Indenture (other than making any deposits, payments or transfers prior to an Event of Default when required hereunder), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which it adjudicated to have resulted from its negligence or willful misconduct.
- (j) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.
- (k) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and the Trustee shall be entitled to rely and act upon the opinion or advice of its own counsel, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of its own counsel.

# Section 9.4 Property Held in Trust.

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

### Section 9.5 <u>Trustee Protected in Relying on Certain Documents.</u>

The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, the Financing Agreement, and the Development Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into and shall not be deemed to have knowledge of any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent to the Owner of any Bond Similarly Secured, shall be conclusive and binding upon all future owners of the same Bond Similarly Secured and upon Bonds Similarly Secured issued in exchange therefor and upon transfer or in place thereof.

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

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

#### Section 9.6 Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, upon written direction of the City, compensation for all services rendered by it hereunder, including its services as Registrar and Paying Agent, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees,

incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, upon delivery of an invoice therefor to the City, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder (except the Rebate Fund) prior to any Bonds Similarly Secured 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 the City fails to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund and shall have a first lien with right of payment before payment on account of principal of or interest on any Bond Similarly Secured, upon all moneys in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession (except the Rebate Fund) under any provisions hereof for the foregoing reasonable advances, fees, costs, and expenses incurred. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

#### Section 9.7 Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds Similarly Secured. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

#### Section 9.8 <u>Resignation of Trustee.</u>

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after sixty (60) days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

#### Section 9.9 Removal of Trustee.

The Trustee may be removed at any time by the Owners of a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Owners of a Quarter in Interest of the aggregate outstanding principal of the Bonds Similarly Secured.

#### Section 9.10 Successor Trustee.

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

If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy occurs by the Owners of a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

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

If in a proper case no appointment of a successor Trustee is made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

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

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

# Section 9.11 <u>Transfer of Rights and Property to Successor Trustee.</u>

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

### Section 9.12 Merger, Conversion or Consolidation of Trustee.

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

#### Section 9.13 Security Interest in Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected. The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds Similarly Secured) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement(s) in the same jurisdictions as the initial financing statement(s) previously provided to the Trustee. Unless the Trustee is otherwise

notified in writing by the City, the Trustee may rely upon the initial financing statements in filing any continuation statements hereunder.

# Section 9.14 Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

# Section 9.15 Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

#### Section 9.16 Environmental Hazards.

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

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

# Section 9.17 <u>Accounts, Periodic Reports and Certificates.</u>

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

#### Section 9.18 Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

# ARTICLE X MODIFICATION OR AMENDMENT OF THIS INDENTURE

#### Section 10.1 Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds Similarly Secured may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds Similarly Secured, or with the written consent without a meeting, of the Owners of more than fifty percent (50%) of the aggregate principal amount of the Bonds Similarly Secured then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the principal of or interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to the pledge and lien created for the benefit of the Bonds Similarly Secured, (iii) except as otherwise permitted by this Indenture, permit the creation by the City of any pledge or lien upon the Trust Estate on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured, or (iv) reduce the percentage of Owners of Bonds Similarly Secured required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;
- (ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;
- (iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured in any material respect;
- (iv) to authorize a Series of Refunding Bonds in accordance with the provisions of this Indenture, as set forth in Section 13.2 herein; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

Any modification or amendment made pursuant to this Section 10.1 shall not be subject to the notice procedure specified in Section 10.3 below. Notwithstanding the above, no Supplemental Indenture under subsection (i), (ii), (iii) or (v) above shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment will not adversely affect the: (i) interests of the Owners in any material respect, and (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation.

#### Section 10.2 Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

#### Section 10.3 Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds Similarly Secured have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters

therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of forty-five (45) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such forty-five (45) day period; *provided*, *however*, that the Trustee during such forty-five (45) day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as it may deem expedient and the Trustee shall have no liability with respect to any action taken, or any instance of inaction, except as a consequence of its own negligence or willful misconduct.

### Section 10.4 <u>Effect of Supplemental Indenture</u>.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

# Section 10.5 <u>Endorsement or Replacement of Bonds Similarly Secured Issued After</u> Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

#### Section 10.6 Amendatory Endorsement of Bonds Similarly Secured.

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

#### Section 10.7 Waiver of Default.

Subject to the second and third sentences of Section 10.1, with the written consent of the Owners of more than fifty percent (50%) in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners. For the avoidance of doubt, any waiver given pursuant to this Section shall be subject to Section 11.5 below.

## Section 10.8 <u>Execution of Supplemental Indenture</u>.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of Bond Counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise.

No such amendment shall modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of nationally recognized bond counsel engaged by the Trustee and addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

## ARTICLE XI DEFAULT AND REMEDIES

#### Section 11.1 Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

- (i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Improvement Area #5 Assessments including the prosecution of foreclosure proceedings;
- (iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and

(iv) Default in the performance or observance of any other covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of a Quarter in Interest of the Bonds Similarly Secured with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Bonds Similarly Secured requesting that the failure be remedied.

#### Section 11.2 Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any one or more of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of a Quarter in Interest of the Bonds Similarly Secured and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by this Indenture or by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited in recovery to the assets of the Trust Estate, including the Pledged Revenues. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

- (c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds Similarly Secured, in the selection of Trust Estate assets to be used in the payment of Bonds Similarly Secured due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.
- (d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity

of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

# Section 11.3 Restriction on Owner's Action.

- (a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of a Quarter in Interest of the Bonds Similarly Secured have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no written direction inconsistent with such written request has been given to the Trustee during such sixty (60) day period by the Owners of a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee in writing; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, as advised by counsel, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.
- (b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.
- (c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

#### Section 11.4 Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues or other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action

taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel fees, costs, and expenses), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

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

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

- (b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.
- (c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

#### Section 11.5 <u>Effect of Waiver</u>.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

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

#### Section 11.6 Evidence of Ownership of Bonds Similarly Secured.

- (a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:
  - (i) The fact and date of the execution of such instruments by any Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.
  - (ii) The ownership of Bonds Similarly Secured and the amount, numbers and other identification and date of holding the same shall be proved by the Register.
- (b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds Similarly Secured shall bind all future Owners of the same Bonds Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

#### Section 11.7 No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

#### Section 11.8 Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

# Section 11.9 Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City shall be promptly delivered to the Trustee and cancelled. Such Bonds Similarly Secured will not be deemed Outstanding for any purpose, including without limitation, the purpose of consent or other action

or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture.

#### Section 11.10 Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

# Section 11.11 <u>Direction by Owners</u>.

Anything herein to the contrary notwithstanding, the Owners of a Quarter in Interest of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, (iii) that the Trustee may require satisfactory indemnity prior to taking such action and (iv) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

# ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS

#### Section 12.1 Representations as to the Trust Estate.

- (a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.
- (b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.
- (c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Improvement Area #5 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

(d) To the extent permitted by law, statements for the Annual Installments shall be sent by, or on behalf of the City, to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City.

#### Section 12.2 Accounts, Periodic Reports and Certificates.

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

#### Section 12.3 General.

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

# ARTICLE XIII SPECIAL COVENANTS

#### Section 13.1 Further Assurances; Due Performance.

- (a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.
- (b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

#### Section 13.2 Additional Obligations or Other Liens; Refunding Bonds.

- (a) The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues or any portion of the Trust Estate. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds Similarly Secured.
- (b) Other than Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured, the City will not create or voluntarily permit to be created any debt, lien or

charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of this Indenture or the priority hereof might or could be lost or impaired, and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Trust Estate; *provided*, *however*, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

- (c) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds Similarly Secured or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:
  - (i) The principal of all Refunding Bonds must (i) be scheduled to be paid, (ii) be subject to mandatory sinking fund redemption or (iii) mature, on September 1 of the years in which such principal (i) is scheduled to be paid, (ii) is subject to mandatory sinking fund redemption or (iii) matures. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and
  - (ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 13.2 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

#### Section 13.3 Books of Record.

- (a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds Similarly Secured.
- (b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no

duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

# ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

# Section 14.1 Trust <u>Irrevocable</u>.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured which are secured hereby are fully paid or provision is made for their payment as provided in this Article.

#### Section 14.2 Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds, Accounts and Subaccounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

# Section 14.3 <u>Bonds Similarly Secured Deemed Paid.</u>

All Outstanding Bonds Similarly Secured shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds Similarly Secured are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant or other third-party selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iv) if the Bonds Similarly Secured are then rated, the Trustee shall have received written confirmation from each Rating Agency then publishing a rating on such Bonds Similarly Secured that such deposit will not result in the reduction or withdrawal of the rating on the Bonds Similarly Secured, and (v) the Trustee shall have received an opinion of Bond Counsel to the effect that (A) any Bond Similarly Secured having been deemed to have been paid as provided in this Section is no longer Outstanding hereunder and is no longer secured by or entitled to the benefits of this Indenture, (B) such defeasance is in accordance with the terms hereof and (C) such defeasance will not adversely affect the exclusion of interest on such Bond Similarly Secured from gross income for purposes of federal income taxation. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

# ARTICLE XV MISCELLANEOUS

#### Section 15.1 <u>Benefits of Indenture Limited to Parties.</u>

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

# Section 15.2 Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

#### Section 15.3 Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

# Section 15.4 Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

#### Section 15.5 Notices to and Demands on City and Trustee.

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

If to the City: City of Kyle, Texas

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

Email: blangley@cityokyle.com

With copy to: P3 Works, LLC

Attn: Mary V. Petty, Managing Partner

9284 Huntington Square

North Richland Hills, Texas 76182

Phone No.: 817.393.0353

Email: Admin@P3-Works.com

If to the Trustee BOKF, NA

or the Paying Agent/Registrar: Attn: Rachel Roy

1401 McKinney Street, Suite 1000

Houston, Texas 77010 Fax No.: 713-354-0279

Email: rachel.roy@bankoftexas.com

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

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

- (b) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Similarly Secured Outstanding.
- The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method), the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

#### Section 15.6 Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds Similarly Secured pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

#### Section 15.7 Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

#### Section 15.8 Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

#### Section 15.9 Statutory Verifications.

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

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

	CITY OF KYLE, TEXAS	
	By: Mayor	
Attest:		
City Secretary		
[CITY SEAL]		
	BOKF, NA, as Trustee	
	By:Authorized Officer	

#### EXHIBIT A

#### (a) Form of Bond.

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

REGISTERED			REGISTERED
No			\$
		tes of America of Texas	
	CIAL ASSESSMENT R	CYLE, TEXAS EVENUE BOND, SERIES 2 TRICT IMPROVEMENT A	
INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
	September 1, 20	, 20_	
The City of K from the Trust Estate,	• • • • • • • • • • • • • • • • • • • •	for value received, hereby p	romises to pay, solely
or registered assigns,	on the Maturity Date, as s	specified above, the sum of	
		DOLLARS	

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing September 1, 20\_\_, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office"), of BOKF, NA, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date that continues for 30 days or more thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated February 27, 2025 and issued in the aggregate principal amount of \$ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of February 1, 2025 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #5 Projects, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #5 Projects, (iii) funding a reserve fund for payment of principal and interest on the Bonds, (iv) paying a portion of the Actual Costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the Bonds.

The Bonds Similarly Secured, including the Bonds, are limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the

Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond Similarly Secured, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in Authorized Denominations.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to 100% of the principal amount thereof, or portions thereof, to be redeemed plus accrued interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

### Term Bonds Maturing September 1, 20

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

#### **Term Bonds Maturing September 1, 20**

Redemption Date	Sinking Fund Installment
September 1, 20	\$
September 1, 20	
September 1, 20	
September 1, 20	
September 1, 20	<del></del>
September 1, 20 *	
* maturity	

At least 45 days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or such random method as Trustee shall deem fair and appropriate, a principal amount of Bonds of such maturity equal to the Sinking Fund Installments of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The City reserves the right and option to redeem the Bonds maturing on or after September 1, 20\_\_ before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20\_\_, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the first day of any month, at a Redemption Price equal to at 100% of the principal amount of such Bonds called for redemption, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

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

The Trustee shall give notice of any redemption of the Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of Bond Counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; *provided*, *however*, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City reserved the right to issue Refunding Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF KYLE, TEXAS, HAYS COUNTY, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

	May	or, City of Kyle, Texas
City Secretary, City of Kyle, Texas		
[City Seal]		
(b) <u>Form of Cor</u>	mptroller's	Registration Certificate.
The following Registration Certificathe Initial Bond:	cate of Cor	mptroller of Public Accounts shall appear on
		TIFICATE OF BLIC ACCOUNTS
OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO
	§	
THE STATE OF TEXAS	§	
		and of record in my office an opinion to the s has approved this Bond, and that this Bond
WITNESS MY SIGNATURE AN	D SEAL O	F OFFICE this
	Com	nptroller of Public Accounts
		ne State of Texas

# (c) <u>Form of Certificate of Trustee.</u>

## CERTIFICATE OF TRUSTEE

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

BOKF, NA, Houston, Texas, as Trustee
By:Authorized Signatory
<u>nt</u> .
NMENT
ned hereby sells, assigns, and transfers unto (print feree):
) the within Bond and all rights ad appoints attorney to transfer the hereof, with full power of substitution in the
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
1

Authorized Signatory

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

Year Principal Installment Interest Rate"

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

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

#### **EXHIBIT B**

#### FORM OF CITY CERTIFICATE

[City Letterhead]

BOKF, NA 1401 McKinney Street, Suite 1000 Houston, Texas 77010

Attn: rachel.roy@bankoftexas.com

Re: City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)

Very truly yours

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

#### [insert instructions]

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

very daily years,
<u>CITY OF KYLE, TEXAS</u>
By:/s/
Name:
Title:



#### APPENDIX C

#### FORM OF SERVICE AND ASSESSMENT PLAN



# 6 Creeks Public Improvement District

2025 PRELIMINARY AMENDED AND RESTATED SERVICE AND **ASSESSMENT PLAN** JANUARY 21, 2025



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#### **INTRODUCTION**

Capitalized terms used in this 2025 Amended and Restated Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2025 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 2025 Amended and Restated Service and Assessment Plan or an Exhibit attached to and made a part of this 2025 Amended and Restated Service and Assessment Plan for all purposes.

On June 6, 2017, the City Council passed and approved Resolution No. 1065, authorizing the creation of the Blanco River Ranch Public Improvement District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act.

On September 18, 2018, the City Council authorized the renaming of the Blanco River Ranch Public Improvement District to 6 Creeks Public Improvement District.

On October 1, 2018, the City Council passed and approved Ordinance No. 1018, authorizing the levy of Assessments on Improvement Area #1 Assessed Property and approving the Original Service and Assessment Plan for the District.

On May 7, 2019, the City Council passed and approved Ordinance No. 1034, which accepted and approved the 2019 Amended and Restated Service and Assessment Plan. The 2019 Amended and Restated Service and Assessment Plan amended and restated the Original Service and Assessment Plan, in its entirety, for the purposes of (1) incorporated provisions relating to the City's issuance of the Improvement Area #1 Initial Bonds and (2) updated the Improvement Area #1 Assessment Roll for 2019.

On December 15, 2020, the City Council passed and approved the 2020 Amended and Restated Service and Assessment Plan by approving Ordinance No. 1126, Ordinance No. 1127, and Ordinance No. 1128. The 2020 Amended and Restated Service and Assessment Plan amended and restated the 2019 Amended and Restated Service and Assessment plan, in its entirety, for the purposes of (1) incorporated provisions relating to the City's issuance of the Improvement Area #1 Additional Bonds, (2) levied the Improvement Area #2 Assessments, (3) incorporated provisions relating to the City's issuance of the Improvement Area #2 Initial Bonds, and (4) updated the Assessment Rolls.

On July 20, 2021, the City Council approved the 2021 Annual Service Plan Update. The 2021 Annual Service Plan Update updated the Assessment Rolls for 2021.

On October 19, 2021, the City Council passed and approved the 2021 Amended and Restated Service and Assessment Plan by approving Ordinance No. 1169. The 2021 Amended and Restated Service and Assessment Plan amended and restated the 2020 Amended and Restated Service and Assessment Plan, in its entirety, for the purposes of (1) levying Improvement Area #3 Assessments, (2) incorporating provisions relating to the City's issuance of the Improvement Area #3 Initial Bonds, and (3) updating the Assessment Rolls.

On September 8, 2022, the City Council approved the 2022 Annual Service Plan Update by approving Ordinance No. 1221. The 2022 Annual Service Plan Update updated the Assessment Rolls for 2022.

On January 17, 2023, the City Council approved the 2023 Amended and Restated Service and Assessment Plan by approving Ordinance No. 1246. The 2023 Amended and Restated Service and Assessment Plan amended and restated the 2021 Amended and Restated Service and Assessment Plan, in its entirety, for the purposes of (1) levying the Improvement Area #4 Assessments and the Remainder Area Assessment, (2) incorporating provisions relating to the City's issuance of the Improvement Area #4 Bonds and the Improvement Area #2 Additional Bonds, and (3) updating the Assessment Rolls.

On September 5, 2023, the City approved the 2023 Annual Service Plan Update for the District by adopting Ordinance No. 1283. The 2023 Annual Service Plan Update updated the Assessment Rolls for 2023.

On August 20, 2024, the City approved the 2024 Annual Service Plan Update for the District by adopting Ordinance No. 1328. The 2024 Annual Service Plan Update updated the Assessment Rolls for 2024.

The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 858.7 acres located within the extraterritorial jurisdiction of the City, as described legally by metes and bounds on **Exhibit U-1** and depicted within the map on **Exhibit V-1**.

Pursuant to the PID Act, a service and assessment plan must be reviewed and updated at least annually. This document is the 2025 Amended and Restated Service and Assessment Plan, which amends and restates the 2023 Amended and Restated Service and Assessment Plan, in its entirety, for the purposes of (1) levying Improvement Area #5 Assessments, (2) incorporating provisions relating to the City's issuance of the Improvement Area #5 Bonds and the Improvement Area #3 Additional Bonds, and (3) updating the Assessment Rolls.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay 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 Improvement Area #1 Assessment Roll is contained in **Exhibit D**. The Improvement Area #2 Assessment Roll is contained in **Exhibit F**. The Improvement Area #3 Assessment Roll is contained in **Exhibit H**. The Improvement Area #4 Assessment Roll is contained in **Exhibit J**. The Improvement Area #5 Assessment Roll is contained in **Exhibit L**. The Remainder Area Assessment Roll is contained in **Exhibit Z**.

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 Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

#### SECTION I: DEFINITIONS

"2019 Amended and Restated Service and Assessment Plan" means the 2019 Amended and Restated Service and Assessment Plan passed and approved by City Council on May 7, 2019 by Ordinance No. 1034, which served to amend and restate the Service and Assessment Plan in its entirety for the purposes of (1) incorporating provisions relating to the City's issuance of the Improvement Area #1 Initial Bonds and (2) updating the Improvement Area #1 Assessment Roll.

"2020 Amended and Restated Service and Assessment Plan" means the 2020 Amended and Restated Service and Assessment Plan passed and approved by City Council on December 15, 2020 by Ordinance No. 1126, Ordinance No. 1127, and Ordinance No. 1128, which served to amend and restate the 2019 Amended and Restated Service and Assessment Plan in its entirety for the purposes of (1) incorporating provisions relating to the City's issuance of the Improvement Area #1 Additional Bonds, (2) levying the Improvement Area #2 Assessments, (3) incorporating provisions relating to the City's issuance of the Improvement Area #2 Initial Bonds, and (4) updating the Assessment Rolls.

"2021 Amended and Restated Service and Assessment Plan" means the 2021 Amended and Restated Service and Assessment Plan passed and approved by City Council on October 19, 2021 by Ordinance No. 1169, which served to amend and restate the 2020 Amended and Restated Service and Assessment Plan, as updated by the 2021 Annual Service Plan Update, in its entirety for the purposes of (1) levying Improvement Area #3 Assessments, (2) incorporating provisions relating to the City's issuance of the Improvement Area #3 Initial Bonds, and (3) updating the Assessment Rolls.

**"2021 Annual Service Plan Update"** means the 2021 Annual Service Plan Update passed and approved by the City Council on July 20, 2021.

**"2022 Annual Service Plan Update"** means the 2022 Annual Service Plan Update passed and approved by the City Council on September 8, 2022.

**"2023 Amended and Restated Service and Assessment Plan"** means the 2023 Amended and Restated Service and Assessment Plan passed and approved by City Council on January 17, 2023 by Ordinance No. 1246, which served to amend and restate the 2021 Amended and Restated Service and Assessment Plan, as updated by the 2022 Annual Service Plan Update, in its entirety for the purposes of (1) levying Improvement Area #4 Assessments and the Remainder Area Assessment (2) incorporating provisions relating to the City's issuance of the Improvement Area #4 Initial Bonds and the Improvement Area #2 Additional Bonds, and (3) updating the Assessment Rolls.

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

**"2024 Annual Service Plan Update"** means the 2024 Annual Service Plan Update passed and approved by the City Council on August 20, 2024.

"2025 Amended and Restated Service	e and Assessment Plan" means this 2025 Amended and
Restated Service and Assessment Plan	passed and approved by City Council on
2025, by Ordinance No, wh	nich serves to amend and restate the 2023 Amended and
Restated Service and Assessment Plan,	as updated by the 2024 Annual Service Plan Update, in its
entirety for the purposes of (1) levyi	ng Improvement Area #5 Assessments (2) incorporating
provisions relating to the City's issua	ance of the Improvement Area #3 Additional Bonds (3)
incorporating provisions related to the	e City's issuance of the Improvement Area #5 Bonds, and
(4) updating the Assessment Rolls.	

"Actual Costs" mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Landowners:

- (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the City, including the acquisition of necessary easements and other right-of-way;
- (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings;
- (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals;
- (4) for third-party professional consulting services including but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals;
- (5) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; and
- (6) to implement, administer, and manage the above-described activities, including a 4% construction management fee.

Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsection (3), (4), and (6) above shall be excluded

from the amount upon which the general contractor and construction management fees are calculated.

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

"Additional Interest Rate" means the 0.50% interest charged on Assessments pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on Assessments securing the Remainder Area Reimbursement Obligation.

"Administrator" means the City, or the person or independent firm designated by the City who shall have the responsibility provided in this 2025 Amended and Restated Service and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

"Annual Collection Costs" mean the actual or budgeted costs and expenses relating to collecting the Annual Installments, including, but not limited to, costs and expenses for:

- (1) the Administrator;
- (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City;
- (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments;
- (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates;
- (5) issuing, paying, and redeeming PID Bonds;
- (6) investing or depositing Assessments and Annual Installments;
- (7) complying with this 2025 Amended and Restated Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and
- (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel.

Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"Annual Service Plan Update" means an update to this 2025 Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

"Assessed Property" means any Parcel within the District against which an Assessment is levied.

"Assessment" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means any ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within the District, as shown on any Assessment Roll.

"Assessment Plan" means the methodology employed to assess the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in Section V.

"Assessment Roll" means any assessment roll for the Assessed Property within the District, including the Improvement Area #1 Assessment Roll, Improvement Area #2 Assessment Roll, Improvement Area #3 Assessment Roll, Improvement Area #4 Assessment Roll and Remainder Area Assessment Roll, 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 levy of an Assessment, the issuance of PID Bonds, or in connection with any Annual Service Plan Update.

"Authorized Improvements" mean improvements authorized by Section 372.003 of the PID Act as more specifically described in **Section III** and depicted on **Exhibit N**.

"Bond Issuance Costs" means the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, initial trustee fees, paying agent or

registrar fees, and any other cost or expense directly associated with the issuance of PID Bonds.

"City" means the City of Kyle, Texas.

"City Council" means the governing body of the City.

"County" means Hays County, Texas.

"Delinquent Collection Costs" 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 2025 Amended and Restated Service and Assessment Plan including penalties and reasonable attorney's fees actually paid but excluding amounts representing interest and penalty interest.

"Designated Successors and Assigns" means (i) an entity to which the Original Owners assigned (in writing) their rights and obligations contained in the Blanco River Ranch Public Improvement District Financing Agreement, by and among the City, HMBRR Development, Inc., HMBRR, LP, and HMBRR, LP #2, dated as of July 18, 2017, as amended; (ii) any entity which is the successor by merger or otherwise to all or substantially all of Original Owners' assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of the Original Owners.

"Development Agreement" means that certain Blanco River Ranch (Phase 1 Residential Area) De-Annexation and Development Agreement approved by the City Council on May 16, 2017, and as amended on October 6, 2020, which agreement, among other things, establishes the permitted uses of, and standards for the development of, the District.

"District" means the 6 Creeks Public Improvement District, formerly known as the Blanco River Ranch Public Improvement District, consisting of the approximately 858.7 acres within the extraterritorial jurisdiction of the City, as described by metes and bounds on **Exhibit U-1** and depicted within the map on **Exhibit V-1**.

"District Formation Expenses" means the costs associated with forming the District, including but not limited to 1<sup>st</sup> year District administration reserves, and any other cost or expense directly associated with the establishment of the District.

**"Estimated Buildout Value"** means the estimated value of an Assessed Property after completion of the horizontal and vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical

sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value.

"Improvement Area" means specifically defined and designated areas within the District that are developed in phases, including Improvement Area #1, Improvement Area #2, Improvement Area #3 and Improvement Area #4, Improvement Area #5, and each area within the Remainder Area that may be specifically defined and designated as a phase of development.

"Improvement Area #1" means approximately 96.829 acres located within the District, as shown on Exhibit V-2 and more specifically described in Exhibit U-2.

"Improvement Area #1 Additional Bonds" mean those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2020 (6 Creeks Public Improvement District Improvement Area #1 Project)", that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Annual Installment" means the annual installment payment on the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

"Improvement Area #1 Assessed Property" means any Parcel within Improvement Area #1 against which an Assessment is levied.

"Improvement Area #1 Assessment" means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #1 Assessment Roll" means the Assessment Roll for Improvement Area #1 attached as Exhibit D, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"Improvement Area #1 Authorized Improvements" mean (1) Improvement Area #1 Projects, (2) Improvement Area #1's allocable share of District Formation Expenses, and (3) Improvement Area #1's Bond Issuance Costs.

"Improvement Area #1 Improvements" mean those Authorized Improvements that only benefit Improvement Area #1.

"Improvement Area #1 Initial Bonds" mean those certain "City of Kyle, Texas, Special

Assessment Revenue Bonds, Series 2019 (6 Creeks Public Improvement District Improvement Area #1 Project)", that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Owner" means HMBRR Development, Inc., a Texas corporation.

"Improvement Area #1 Projects" mean (1) Improvement Area #1 Improvements and (2) Improvement Area #1's allocable share of the Major Improvements.

"Improvement Area #2" means approximately 77.417 acres located within the District, as shown on Exhibit V-3 and more specifically described in Exhibit U-3.

"Improvement Area #2 Additional Bonds" mean those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2023 (6 Creeks Public Improvement District Improvement Area #2B Project)", that are secured by Improvement Area #2 Assessments.

"Improvement Area #2 Annual Installment" means the annual installment payment on the Improvement Area #2 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

"Improvement Area #2 Assessed Property" means any Parcel within Improvement Area #2 against which an Assessment is levied.

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

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

"Improvement Area #2 Authorized Improvements" mean (1) Improvement Area #2 Projects, (2) Improvement Area #2's allocable share of District Formation Expenses, and (3) Improvement Area #2's Bond Issuance Costs.

"Improvement Area #2 Improvements" mean those Authorized Improvements that only benefit Improvement Area #2.

"Improvement Area #2 Initial Bonds" mean those certain "City of Kyle, Texas, Special

Assessment Revenue Bonds, Series 2020 (6 Creeks Public Improvement District Improvement Area #2 Project)", that are secured by Improvement Area #2 Assessments.

"Improvement Area #2 Owner" means HMBRR Development, Inc., a Texas corporation.

"Improvement Area #2 Projects" mean (1) Improvement Area #2 Improvements and (2) Improvement Area #2's allocable share of the Major Improvements.

"Improvement Area #3" means approximately 111.670 acres located within the District, as shown on Exhibit V-4 and more specifically described in Exhibit U-4.

"Improvement Area #3 Additional Bonds" mean those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #3B Project)", that are secured by Improvement Area #3 Assessments.

"Improvement Area #3 Annual Installment" means the annual installment payment on the Improvement Area #3 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

"Improvement Area #3 Assessed Property" means any Parcel within Improvement Area #3 against which an Assessment is levied.

"Improvement Area #3 Assessment" means an Assessment levied against a Parcel within Improvement Area #3 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #3 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #3 Assessment Roll" means the Assessment Roll for Improvement Area #3 attached as Exhibit H, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"Improvement Area #3 Authorized Improvements" mean (1) Improvement Area #3 Projects, (2) Improvement Area #3's allocable share of District Formation Expenses, and (3) Improvement Area #3's Bond Issuance Costs.

"Improvement Area #3 Improvements" mean those Authorized Improvements that only benefit Improvement Area #3.

"Improvement Area #3 Initial Bonds" mean those certain "City of Kyle, Texas, Special

Assessment Revenue Bonds, Series 2021 (6 Creeks Public Improvement District Improvement Area #3 Project)", that are secured by Improvement Area #3 Assessments.

"Improvement Area #3 Owners" means HM 6 Creeks Development, Inc. and Taylor Morrison of Texas, Inc.

"Improvement Area #3 Projects" mean (1) Improvement Area #3 Improvements and (2) Improvement Area #3's allocable share of the Major Improvements.

"Improvement Area #4" means, collectively, Section 6A, Section 7, Section 12 and Section 13, which collectively is expected to contain 354 single family residential units on approximately 103.33 acres as shown on Exhibit V-5 and more specifically described in Exhibit U-5.

"Improvement Area #4 Annual Installment" means the annual installment payment on the Improvement Area #4 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

"Improvement Area #4 Assessed Property" means, collectively, the Section 6A Assessed Property, the Section 7 Assessed Property, the Section 12 Assessed Property, and the Section 13 Assessed Property.

"Improvement Area #4 Assessment" means an Assessment levied against Improvement Area #4 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #4 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act. Any reallocation of Improvement Area #4 Assessments will not cause the Section 6A Assessments, Section 7 Assessments, Section 12 Assessments, or Section 13 Assessments to increase.

"Improvement Area #4 Assessment Roll" means the Assessment Roll for Improvement Area #4 attached as Exhibit J, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"Improvement Area #4 Authorized Improvements" means, (1) the Improvement Area #4 Projects, (2) Improvement Area #4's allocable share of the District Formation Expenses, and (3) Improvement Area #4 Bond Issuance Costs.

"Improvement Area #4 Bonds" mean those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2023 (6 Creeks Public Improvement District Improvement Area #4 Project)", that are secured by Improvement Area #4 Assessments.

"Improvement Area #4 Improvements" means collectively, the Section 6A Improvements, Section 7 Improvements, Section 12 Improvements, and Section 13 Improvements.

"Improvement Area #4 Owners" means HMBRR Development, Inc., HM 6 Creeks Development, Inc., and Pulte Homes of Texas, L.P.

"Improvement Area #4 Projects" means (1) Improvement Area #4 Improvements and (2) Improvement Area #4's allocable share of Major Improvements.

"Improvement Area #5" means approximately 15.92 acres of land, which collectively is expected to contain 71 single family residential units on as shown on **Exhibit V-6** and more specifically described in **Exhibit U-10**.

"Improvement Area #5 Annual Installment" means the annual installment payment on the Improvement Area #5 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

"Improvement Area #5 Assessed Property" means any Parcel within Improvement Area #5 against which an Assessment is levied.

"Improvement Area #5 Assessment" means an Assessment levied against Improvement Area #5 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #5 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act. Any reallocation of Improvement Area #5 Assessments will not cause the Improvement Area #5 Assessments to increase.

"Improvement Area #5 Assessment Roll" means the Assessment Roll for Improvement Area #5 attached as Exhibit L, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"Improvement Area #5 Authorized Improvements" means, (1) the Improvement Area #5 Projects, (2) Improvement Area #5's allocable share of the District Formation Expenses, and (3) Improvement Area #5 Bond Issuance Costs.

"Improvement Area #5 Bonds" means those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)", that are secured by Improvement Area #5 Assessments.

"Improvement Area #5 Improvements" means those Authorized Improvements that only benefit Improvement Area #5.

"Improvement Area #5 Owner(s)" means HM 6 Creeks Development, Inc., Highland Homes – Austin, LLC, and PHAU – 6 Creeks, LLC.

"Improvement Area #5 Projects" means (1) Improvement Area #5 Improvements and (2) Improvement Area #5's allocable share of Major Improvements.

"Indenture" means an Indenture of Trust, including a Master Indenture of Trust and one or more Supplemental Indentures issued pursuant to the terms thereof, entered into in connection with the issuance of PID Bonds, as amended or supplemented from time to time, between the City and the Trustee setting forth terms and conditions related to the PID Bonds.

**"Landowners"** means collectively the Original Owners, Improvement Area #1 Owner, Improvement Area #2 Owner, Improvement Area #3 Owners, Improvement Area #4 Owners, and the Improvement Area #5 Owners.

"Lot" means, 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.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. lot size, home product, buildout value, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as determined by the Administrator and confirmed by the City Council.

"Lot Type 1" means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed or sold to homebuilders as a 50' Lot. The homebuyer disclosure for Lot Type 1 is attached as Exhibit R.

"Lot Type 2" means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed or sold to homebuilders as a 55' Lot. The homebuyer disclosure for Lot Type 2 is attached as Exhibit R.

"Lot Type 3" means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed or sold to homebuilders as a 60' Lot. The homebuyer disclosure for Lot Type 3 is attached as Exhibit R.

"Lot Type 4" means a Lot in Improvement Area #1 designated as such on the Improvement Area #1 Assessment Roll, marketed or sold to homebuilders as a 70' Lot. The homebuyer disclosure for Lot Type 4 is attached as Exhibit R.

"Lot Type 5" means a Lot in Improvement Area #2 designated as such on the Improvement Area #2 Assessment Roll, marketed or sold to homebuilders as a 50' Lot. The homebuyer disclosure for Lot Type 5 is attached as **Exhibit R**.

"Lot Type 6" means a Lot in Improvement Area #2 designated as such on the Improvement Area #2 Assessment Roll, marketed or sold to homebuilders as a 55' Lot. The homebuyer disclosure for Lot Type 6 is attached as Exhibit R.

"Lot Type 7" means a Lot in Improvement Area #2 designated as such on the Improvement Area #2 Assessment Roll, marketed or sold to homebuilders as a 60' Lot. The homebuyer disclosure for Lot Type 7 is attached as Exhibit R.

"Lot Type 8" means a Lot in Improvement Area #2 designated as such on the Improvement Area #2 Assessment Roll, marketed or sold to homebuilders as a 70' Lot. The homebuyer disclosure for Lot Type 8 is attached as Exhibit R.

"Lot Type 9" means a Lot in Improvement Area #3 designated as such on the Improvement Area #3 Assessment Roll, marketed or sold to homebuilders as a 55' Lot. The homebuyer disclosure for Lot Type 9 is attached as Exhibit R.

"Lot Type 10" means a Lot in Improvement Area #3 designated as such on the Improvement Area #3 Assessment Roll, marketed or sold to homebuilders as a 60' Lot. The homebuyer disclosure for Lot Type 10 is attached as Exhibit R.

"Lot Type 11" means a Lot in Improvement Area #3 designated as such on the Improvement Area #3 Assessment Roll, marketed or sold to homebuilders as a 70' Lot. The homebuyer disclosure for Lot Type 11 is attached as Exhibit R.

"Lot Type 12" means a Lot within Section 6A of Improvement Area #4 designated as such on the Improvement Area #4 Assessment Roll, marketed or sold to homebuilders as a garden Lot. The homebuyer disclosure for Lot Type 12 is attached as **Exhibit R**.

"Lot Type 13" means a Lot within Section 7 of Improvement Area #4 designated as such on the Improvement Area #4 Assessment Roll, marketed or sold to homebuilders as a 55' Lot. The homebuyer disclosure for Lot Type 13 is attached as **Exhibit R**.

"Lot Type 14" means a Lot within Section 13 of Improvement Area #4 designated as such on the Improvement Area #4 Assessment Roll, marketed or sold to homebuilders as a 60' Lot. The homebuyer disclosure for Lot Type 14 is attached as **Exhibit R**.

"Lot Type 15" means a Lot within Section 13 of Improvement Area #4 designated as such on the Improvement Area #4 Assessment Roll, marketed or sold to homebuilders as a 65' Lot. The homebuyer disclosure for Lot Type 15 is attached as **Exhibit R**.

"Lot Type 16" means a Lot within Section 12 of Improvement Area #4 designated as such on the Improvement Area #4 Assessment Roll, marketed or sold to homebuilders as a 50' Lot. The homebuyer disclosure for Lot Type 16 is attached as **Exhibit R**.

"Lot Type 17" means a Lot within Improvement Area #5 designated as such on the Improvement Area #5 Assessment Roll, marketed or sold to homebuilders as a garden Lot. The homebuyer disclosure for Lot Type 17 is attached as Exhibit R.

"Major Improvements" means the Authorized Improvements that benefit more than one Improvement Area.

"Maximum Assessment" means for each Lot Type within Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, or Improvement Area #5 an Assessment equal to the lesser of (1) the amount calculated pursuant to Section VI.A, or (2) the amount shown on Exhibit P.

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

"Notice of Assessment Termination" means a recorded document evidencing the termination of a PID Assessment Lien, a form of which is attached as **Exhibit O**.

"Original Owners" means HMBRR Development, Inc., a Texas corporation, HMBRR L.P., a Texas limited partnership, and HMPRR L.P. #2, a Texas limited partnership.

"Original Service and Assessment Plan" means the original Service and Assessment Plan dated September 18, 2018, and approved by City Council on October 1, 2018.

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

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

"PID Bonds" mean bonds issued by the City that are secured by Assessments levied on Assessed Property within the District, including, but not limited to, the Improvement Area #1 Initial Bonds, Improvement Area #1 Additional Bonds, Improvement Area #2 Initial Bonds, Improvement Area #2 Additional Bonds, Improvement Area #3 Initial Bonds, and Improvement Area #4 Bonds.

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

"Prepayment Costs" means interest, including Additional Interest, and Annual Collection Costs to the date of Prepayment.

"Pulte Homes of Texas, L.P." means Pulte Homes of Texas, L.P., a Texas Limited partnership.

"Remainder Area" includes all property within the District excepting Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5 and certain land within the District designated as parkland or right-of-way and land owned by the HOA. The annual installment schedule for the Remainder Area is shown on **Exhibit Y**.

"Remainder Area Assessed Property" means any Parcel within the Remainder Area against which an Assessment is levied.

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

"Remainder Area Assessment Roll" means the Assessment Roll for the Remainder Area attached as **Exhibit Z**, 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.

"Remainder Area Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act which provide a special benefit to Remainder Area Assessed Property.

"Remainder Area Owners" means HM 6 Creeks Development, Inc., and Pulte Homes of Texas., L.P.

"Remainder Area Reimbursement Agreement" means that certain "6 Creeks Public Improvement District Improvement Remainder Area Reimbursement Agreement" effective January 17, 2023, entered into by and between the City and the HM 6 Creeks Development, Inc., whereby all or a portion of the Actual Costs of the Remainder Area Authorized Improvements will be paid to the HM 6 Creeks Development, Inc. from Assessments to reimburse the HM 6 Creeks Development, Inc. for Actual Costs paid by the HM 6 Creeks Development, Inc., without interest, that are eligible to be paid with Assessments.

"Remainder Area Reimbursement Obligation" means an amount not to exceed \$3,290,424.31 to be paid to the HM 6 Creeks Development, Inc., pursuant to the Remainder Reimbursement Agreement.

"Section 6A" means a portion of Improvement Area #4, which is expected to contain 79 single family residential units on approximately 22.253 acres, as described by metes and bounds on Exhibit U-6, and as depicted on Exhibit V-5.

"Section 6A Assessment" means an Assessment levied against the Section 6A Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #4 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**"Section 6A Assessed Property"** means all Parcels within Section 6A other than Non-Benefited Property.

"Section 6A Improvements" means Authorized Improvements that only benefit Section 6A Assessed Property, which are generally described in Section III and generally depicted on Exhibit N.

"Section 6A Owner" means HMBRR Development, Inc.

"Section 6A Projects" means the Section 6A Improvements and Section 6A's allocable share of the Major Improvements and the Section 6A pro rata share of the First Year Annual Collection Costs and the Bond Issuance Costs related to the Improvement Area #4 Bonds.

"Section 7" means a portion of Improvement Area #4, which is expected to contain 69 single family residential units on approximately 17.756 acres, as described by metes and bounds on Exhibit U-7, and as depicted on Exhibit V-5.

"Section 7 Assessment" means an Assessment levied against the Section 7 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the

Improvement Area #4 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**"Section 7 Assessed Property"** means all Parcels within Section 7 other than Non-Benefited Property.

"Section 7 Improvements" means Authorized Improvements that benefit Section 7 Assessed Property, which are generally described in Section III and generally depicted on Exhibit N.

"Section 7 Owner" means HMBRR Development, Inc.

**"Section 7 Projects"** means the Section 7 Improvements and Section 7's allocable share of the Major Improvements and the Section 7 pro rata share of the First Year Annual Collection Costs and the Bond Issuance Costs related to the Improvement Area #4 Bonds.

"Section 12" means a portion of Improvement Area #4, which is expected to contain 83 single family residential units on approximately 19.168 acres, as described by metes and bounds on Exhibit U-8, and as depicted on Exhibit V-5.

"Section 12 Assessment" means an Assessment levied against the Section 12 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #4 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**"Section 12 Assessed Property"** means all Parcels within Section 12 other than Non-Benefited Property.

"Section 12 Improvements" means Authorized Improvements that benefit Section 12 Assessed Property, which are generally described in Section III and generally depicted on Exhibit N.

"Section 12 Owner" means HM 6 Creeks Development, Inc.

"Section 12 Projects" means the Section 12 Improvements and Section 12's allocable share of the Major Improvements and the Section 12 pro rata share of the First Year Annual Collection Costs and the Bond Issuance Costs related to the Improvement Area #4 Bonds.

"Section 13" means a portion of Improvement Area #4, which is expected to contain 123 single family residential units on approximately 44.153 acres, as described by metes and bounds on Exhibit U-9, and as depicted on Exhibit V-5.

"Section 13 Assessment" means an Assessment levied against the Section 13 Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the

Improvement Area #4 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

**"Section 13 Assessed Property"** means all Parcels within Section 13 other than Non-Benefited Property.

"Section 13 Improvements" means Authorized Improvements that benefit Section 13 Assessed Property, which are generally described in Section III and generally depicted on Exhibit N.

"Section 13 Owner" means Pulte Homes of Texas., L.P.

"Section 13 Projects" means the Section 13 Improvements and Section 13's allocable share of the Major Improvements and the Section 13 pro rata share of the First Year Annual Collection Costs and the Bond Issuance Costs related to the Improvement Area #4 Bonds.

"Service Plan" covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in Section IV.

"Taylor Morrison of Texas, Inc." means Taylor Morrison of Texas, Inc., a Texas company.

"Trustee" means the trustee (or successor trustee) under an Indenture.

# **SECTION II: THE DISTRICT**

The District includes approximately 858.70 acres located within the extraterritorial jurisdiction of the City, as described legally by metes and bounds on **Exhibit U-1** and depicted within the map on **Exhibit V-1**. Development of the District is anticipated to include 2,030 single-family homes.

Improvement Area #1 includes approximately 96.829 acres as more particularly described by metes and bounds on **Exhibit U-2** and depicted on **Exhibit V-2**. Improvement Area #1 contains 334 single-family homes.

Improvement Area #2 includes approximately 77.417 acres as more particularly described by metes and bounds on **Exhibit U-3** and depicted on **Exhibit V-3**. Improvement Area #2 contains 260 single-family homes.

Improvement Area #3 includes approximately 111.670 acres as more particularly described by metes and bounds on **Exhibit U-4** and depicted on **Exhibit V-4.** Improvement Area #3 contains 357 single-family homes.

Improvement Area #4 consists of Section 6A, Section 7, Section 12 and Section 13, totaling approximately 103.33 acres and containing 354 single-family homes.

- 1. Section 6A consists of approximately 22.253 acres projected to contain 79 single-family homes, as depicted on **Exhibit V-5** and as described in **Exhibit U-6**.
- 2. Section 7 consists of approximately 17.756 acres projected to contain 69 single-family homes, as depicted on **Exhibit V-5** and as described in **Exhibit U-7**.
- 3. Section 12 consists of approximately 19.168 acres projected to contain 83 single-family homes, as depicted on **Exhibit V-5** and as described in **Exhibit U-8**.
- 4. Section 13 consists of approximately 44.153 acres projected to contain 123 single-family homes, as depicted on **Exhibit V-5** and as described in **Exhibit U-9**.

Improvement Area #5 includes approximately 15.92 acres as more particularly described by metes and bounds on **Exhibit U-10** and depicted on **Exhibit V-6.** Development of Improvement Area #5 is anticipated to contain 71 single-family homes.

#### **SECTION III: AUTHORIZED IMPROVEMENTS**

Authorized Improvements include Major Improvements, Improvement Area #1 Improvements, Improvement Area #2 Improvements, Improvement Area #3 Improvements, Improvement Area #4 Improvements, Improvement Area #5 Improvements, District Formation Expenses and Bond Issuances Costs as described below.

## A. Major Improvements

The City, based on information provided by the HM 6 Creeks Development, Inc., and its engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Major Improvements confer a special benefit on the Assessed Property. Major Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Major Improvements, as well as the allocation of the Actual Costs of the Major Improvements, is shown on **Exhibit A**.

# WWTP Capacity Payment

Payment to the City to finance the District's allocable share of the costs of the City's wastewater treatment plant expansion. The first 286 Lots in the District can be served by the existing wastewater treatment plant, which was increased to 680 Lots temporarily until the new wastewater treatment plant expansion was completed in 2022. The City is constructing the wastewater treatment plant expansion to serve the Lots beyond the first 286 Lots, a portion of which is paid for with a \$1,500,000 wastewater treatment plant capacity payment made from HMBRR Development, Inc. to the City.

# Lift Station and Force Main

Improvements include a lift station to serve 1814 LUE's, approximately 7,000 linear feet of 12" force main and approximately 7,500 linear feet of 10" and 12" gravity interceptors. The first 286 lots in the District can be served without the lift station and force main improvements.

## Offsite Water

Improvements include approximately 7,000 linear feet of 12" and 16" water line along FM 150 and participation in a 500,000-gallon ground storage tank and an 800,000-gallon elevated storage tank.

#### Old Stagecoach Road

Improvements include excavation, embankment, subgrade stabilization, flexible base, asphalt, curbs, 8' concrete trail/sidewalk, signage, and re-vegetation of disturbed areas within the right of way. Old Stagecoach Road will be approximately 2,000 linear feet of an undivided 60' ROW roadway with 2-12' lanes and 6' bike lanes. The roadway and cross-section are designed per the Exhibit K in the approved Development Agreement.

#### Parks & Trails

Improvements include over 3 miles of 8' and 10' concrete trails built along Old Stagecoach Road, 6 Creeks Boulevard and unnamed collector street west of 6 Creeks Boulevard. Additionally, there will be over 3 miles of 6' natural trails built within the drainage draws throughout the project and will ultimately extend to the Blanco River. Park and trail improvements for the first 725 Lots within the District were completed concurrently with Improvement Area #1.

# Entry, Walls & Landscaping

Improvements include several miles of 6' masonry subdivision walls along 6 Creeks Boulevard, Old Stagecoach Road and main collector roads. Project entryway monuments will be located along 6 Creeks Boulevard at major intersections along with fully landscaped and irrigated right of way and medians. Entry, walls, and landscaping improvements for the first 725 Lots within the District were completed concurrently with Improvement Area #1.

#### B. Improvement Area #1 Improvements

The City, based on information provided by the Improvement Area #1 Owner and its engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Improvement Area #1 Improvements confer a special benefit on the Improvement Area #1 Assessed Property. Improvement Area #1 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Improvement Area #1 Improvements, as well as the allocation of the Actual Costs of the Improvement Area #1 Improvements, is shown on **Exhibit A**.

#### Street

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that provide street access to each Lot within Improvement Area #1. These projects provide access to community roadways and state highways. The street improvements were designed and constructed in accordance with City standards and specifications and are owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Improvement Area #1.

#### Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines include the necessary appurtenances to be fully operational extending wastewater service to the limits of Improvement Area #1.

# Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Improvement Area #1. This project was designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City owns any drainage improvements not constructed within a roadway, and a homeowner's association entered into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway are owned and operated by the County.

## Detention/Water Quality Pond

Improvements include construction of detention and water quality ponds required for Improvement Area #1. This project was designed and constructed in accordance with Texas Commission on Environmental Quality and City standards and specifications. The improvements are owned by the City and maintained by a property owners association.

## C. Improvement Area #2 Improvements

The City, based on information provided by the Improvement Area #2 Owner and its engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Improvement Area #2 Improvements confer a special benefit on the Improvement Area #2 Assessed Property. Improvement Area #2 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Improvement Area #2 Improvements, as well as the allocation of the Actual Costs of the Improvement Area #2 Improvements is shown on **Exhibit A**.

#### Streets

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Improvement Area #2. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Improvement Area #2.

#### Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Improvement Area #2.

## Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Improvement Area #2. This project will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

## Detention/Water Quality Pond

Improvements include construction of detention and water quality ponds required for Improvement Area #2. This project will be designed and constructed in accordance with Texas Commission on Environmental Quality and City standards and specifications. The improvements will be owned by the City and maintained by a property owners association.

## D. Improvement Area #3 Improvements

The City, based on information provided by HM 6 Creeks Development, Inc., and its engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Improvement Area #3 Improvements confer a special benefit on the Improvement Area #3 Assessed Property. Improvement Area #3 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Improvement Area #3 Improvements, as well as the allocation of the Actual Costs of the Improvement Area #3 Improvements, is shown on **Exhibit A**.

#### Streets

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Improvement Area #3. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Improvement Area #3.

#### Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Improvement Area #3.

#### Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Improvement Area #3. This project will be designed and constructed in accordance with City standards and specifications, as modified by the

Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

## Detention/Water Quality Pond

Improvements include construction of detention and water quality ponds required for Improvement Area #3. This project will be designed and constructed in accordance with Texas Commission on Environmental Quality and City standards and specifications. The improvements will be owned by the City and maintained by a property owners association.

# E. Improvement Area #4 Improvements

The City, based on information provided by HMBRR Development, Inc., and HM 6 Creeks Development, Inc. and their engineer(s) and on review by the City staff and by third-party consultants retained by the City, determined that the Improvement Area #4 Improvements confer a special benefit on the Improvement Area #4 Assessed Property, as described below. Improvement Area #4 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Improvement Area #4 Improvements, as well as the allocation of the Actual Costs of the Improvement Area #4 Improvements, is shown on **Exhibit A**.

Improvement Area #4 Improvements consist of the Section 6A Improvements, the Section 7 Improvements, the Section 12 Improvements and the Section 13 Improvements as described below.

#### Section 6A Improvements

The Section 6A Improvements are described below. Maps showing the location of the Section 6A Improvements are included in **Exhibit N**.

#### Streets

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Section 6A. These projects will provide access to community roadways and state highways. The street improvements will be designed and

constructed in accordance with City standards and specifications and will be owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Section 6A.

#### Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Section 6A.

#### Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Section 6A. This project will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

# Landscaping/Walls

Improvements include 6' masonry subdivision walls along fully landscaped and irrigated right of way and medians along Rio Blanco Way and entry monumentation at the entry to Section 6A.

The Section 6A Improvements will provide a special benefit to Section 6A Assessed Property. Accordingly, the Section 6A Improvements are allocated to Section 6A Assessed Property based on the special benefit each Parcel receives. **Exhibit A** summarized the allocation of each Section 6A Improvement. The costs shown in **Exhibit A** are estimates and may be revised in Annual Service Plan Updates but may not result in increased Special Assessments unless a supplemental assessment is levied in compliance with the requirements under the PID Act and all requirements to ensure that the interest on PID Bonds remains exempt from federal income tax.

## Section 7 Improvements

The Section 7 Improvements are described below. Maps showing the location of the Section 7 Improvements are included in **Exhibit N**.

#### Streets

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Section 7. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Section 7.

# Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Section 7.

#### Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Section 7. This project will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

# Landscaping/Walls

Improvements include 6' masonry subdivision walls along with fully landscaped and

irrigated right of way and medians along Cold River Run and entry monumentation at the entry to Section 7.

The Section 7 Improvements will provide a special benefit to Section 7 Assessed Property. Accordingly, the Section 7 Improvements are allocated to Section 7 Assessed Property based on the special benefit each Parcel receives. **Exhibit A** summarized the allocation of each Section 7 Improvement. The costs shown in **Exhibit A** are estimates and may be revised in Annual Service Plan Updates but may not result in increased Special Assessments unless a supplemental assessment is levied in compliance with the requirements under the PID Act and all requirements to ensure that the interest on PID Bonds remains exempt from federal income tax.

# Section 12 Improvements

The Section 12 Improvements are described below. Maps showing the location of the Section 12 Improvements are included in **Exhibit N**.

#### Streets

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Section 12. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Section 12.

#### Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Section 12.

## Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Section 12. This project will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

# Detention/Water Quality Pond

Improvements include construction of detention and water quality ponds required for Section 12. This project will be designed and constructed in accordance with Texas Commission on Environmental Quality and City standards and specifications. The improvements will be owned by the City and maintained by a property owners association.

The Section 12 Improvements will provide a special benefit to Section 12 Assessed Property. Accordingly, the Section 12 Improvements are allocated to Section 12 Assessed Property based on the special benefit each Parcel receives. **Exhibit A** summarized the allocation of each Section 12 Improvement. The costs shown in **Exhibit A** are estimates and may be revised in Annual Service Plan Updates but may not result in increased Special Assessments unless a supplemental assessment is levied in compliance with the requirements under the PID Act and all requirements to ensure that the interest on PID Bonds remains exempt from federal income tax.

## Section 13 Improvements

The Section 13 Improvements are described below. Maps showing the location of the Section 13 Improvements are included in **Exhibit N**.

#### Streets

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Section 13. These projects will provide access to community roadways and state highways. The street improvements will be designed and

constructed in accordance with City standards and specifications and will be owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Section 13.

#### Wastewater

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational extending wastewater service to the limits of Section 13.

#### Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Section 13. This project will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

# Detention/Water Quality Pond

Improvements include construction of detention and water quality ponds required for Section 13. This project will be designed and constructed in accordance with Texas Commission on Environmental Quality and City standards and specifications. The improvements will be owned by the City and maintained by a property owners association.

# Landscaping/Walls

Improvements include 6' masonry subdivision walls along with fully landscaped and irrigated right of way and medians along 6 Creeks Boulevard, and entry monumentation at the entry to Section 13.

The Section 13 Improvements will provide a special benefit to Section 13 Assessed Property. Accordingly, the Section 13 Improvements are allocated to Section 13 Assessed Property based on the special benefit each Parcel receives. **Exhibit A** summarized the allocation of each Section 13 Improvement. The costs shown in **Exhibit A** are estimates and may be revised in Annual Service Plan Updates but may not result in increased Special Assessments unless a supplemental assessment is levied in compliance with the requirements under the PID Act and all requirements to ensure that the interest on PID Bonds remains exempt from federal income tax.

# F. Improvement Area #5 Improvements

The City, based on information provided by HM 6 Creeks Development, Inc., and its engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Improvement Area #5 Improvements confer a special benefit on the Improvement Area #5 Assessed Property. Improvement Area #5 Improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City unless otherwise indicated. The budget for the Improvement Area #5 Improvements, as well as the allocation of the Actual Costs of the Improvement Area #5 Improvements, is shown on **Exhibit A**.

#### Streets

Improvements include subgrade stabilization (including lime treatment and compaction), concrete, asphalt, and reinforcing steel for roadways, handicapped ramps, and street lights. Intersections, signage, lighting, temporary erosion controls, and re-vegetation of all disturbed areas within the right of way are included. These roadway improvements include streets that will provide street access to each Lot within Improvement Area #5. These projects will provide access to community roadways and state highways. The street improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the County.

#### Water

Improvements include trench excavation and embedment, trench safety, PVC piping, manholes, service connections, and testing. These lines will include the necessary appurtenances to be fully operational transmission lines extending water service to the limits of Improvement Area #5.

#### Wastewater

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

Improvement Area #5.

# Drainage

Improvements include earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, and concrete outfalls necessary to provide storm drainage for Improvement Area #5. This project will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The City will own any drainage improvements not constructed within a roadway, and a homeowner's association will enter into a maintenance agreement to maintain the improvements. Any drainage improvements constructed within a roadway will be owned and operated by the County.

# Detention/Water Quality Pond

Improvements include construction of detention and water quality ponds required for Improvement Area #5. This project will be designed and constructed in accordance with Texas Commission on Environmental Quality and City standards and specifications. The improvements will be owned by the City and maintained by a property owners association.

# Soft Costs

Improvements including engineering, planning and legal expenses to construct the above-described hard costs. Includes costs related to soils improvements.

## G. District Formation Expenses

Includes first year District administration reserves, costs, and expenses directly associated with forming the District.

## H. Bond Issuance Costs

#### Debt Service Reserve Fund

Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds.

#### Capitalized Interest

Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.

## Underwriter's Discount

Equals a percentage of the par amount of a particular series of PID Bonds plus a fee for underwriter's counsel.

## Cost of Issuance

Includes costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, County costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

# **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 shall be updated in each Annual Service Plan Update. **Exhibit B** summarizes the Service Plan for the District.

**Exhibit C** summarizes the sources and uses of funds required for the Authorized Improvements. The sources and uses of funds shown on **Exhibit C** shall be updated in each Annual Service Plan Update.

# **SECTION V: ASSESSMENT PLAN**

The PID Act allows the City to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2025 Amended and Restated Service and Assessment Plan describes the special benefit received by each Assessed Property within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Landowners and all future owners and developers of the Assessed Property.

# A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by HMBRR Development, Inc. and HM 6 Creeks Development, Inc. and their engineer(s) and on review by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Major Improvements shall be allocated between Improvement Area #1, Improvement Area #2, Improvement Area #3, Improvement Area #4, Improvement Area #5 and the Remainder Area pro rata based on the estimated number of Lots in each Improvement Area receiving benefit from Major Improvements, as shown on Exhibit C.
- Improvement Area #1 Improvements are allocated 100% to Improvement Area #1 Assessed Property.
- Improvement Area #2 Improvements are allocated 100% to the Improvement Area #2 Assessed Property.
- Improvement Area #3 Improvements are allocated 100% to the Improvement Area #3
   Assessed Property.
- Improvement Area #4
  - a) Section 6A Improvements
    - The Section 6A Improvements are allocated entirely to the Section 6A Assessed Property.
  - b) Section 7 Improvements
    - The Section 7 Improvements are allocated entirely to the Section 7 Assessed Property.
  - c) Section 12 Improvements
    - The Section 12 Improvements are allocated entirely to the Section 12 Assessed Property.
  - d) Section 13 Improvements
    - The Section 13 Improvements are allocated entirely to the Section 13 Assessed Property.
- Improvement Area #5 Improvements are allocated 100% to the Improvement Area #5 Assessed Property.

#### **B.** Assessments

Improvement Area #1 Assessments were levied entirely on the Improvement Area #1 Assessed Property as shown on the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit D.** The projected Improvement Area #1 Annual Installments are shown on **Exhibit E**, subject to revisions made during any Annual Service Plan Update.

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

Improvement Area #3 Assessments were levied entirely on the Improvement Area #3 Assessed Property as shown on the Improvement Area #3 Assessment Roll, attached hereto as **Exhibit H**. The projected Improvement Area #3 Annual Installments are shown on **Exhibit I**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #4 Assessments were allocated among the Section 6A Assessed Property, the Section 7 Assessed Property, the Section 12 Assessed Property, and the Section 13 Assessed Property based on the allocation of the Actual Costs of the Improvement Area #4 Improvements, the Bond Issuance Costs related to the Improvement Area #4 Improvements and the First Year Annual Collection Costs, as described in **Section V.A.** The Improvement Area #4 Assessments levied against the Improvement Area #4 Assessed Property are shown on the Improvement Area #4 Assessment Roll attached hereto as **Exhibit J**. The projected Improvement Area #4 Annual Installments are shown on **Exhibit K**, subject to revisions made during any Annual Service Plan Update.

Improvement Area #5 Assessments will be levied entirely on the Improvement Area #5 Assessed Property as shown on the Improvement Area #5 Assessment Roll, attached hereto as **Exhibit L**. The projected Improvement Area #5 Annual Installments are shown on **Exhibit M**, subject to revisions made during any Annual Service Plan Update.

Remainder Area Assessments were allocated to the Remainder Area Assessed Property based on the Actual Costs of the Remainder Area Authorized Improvements, as described in **Section V.A.** The Remainder Area Assessments levied against the Remainder Area Assessed Property are shown on the Remainder Area Assessment Roll attached hereto as **Exhibit Z**. The projected Annual Installments for the Remainder Area are shown on **Exhibit Y**, subject to revisions made during any Annual Service Plan Update.

# C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Landowners and their engineer(s) and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- Improvement Area #1
  - 1. The costs of Improvement Area #1 Authorized Improvements equal \$13,874,813 as shown on **Exhibit A**; and

- 2. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #1 Authorized Improvements; and
- 3. The Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Authorized Improvements, totaling \$11,915,000, of which \$10,550,965.06 remains outstanding as shown on the Improvement Area #1 Assessment Roll, attached as **Exhibit D**; and
- 4. The special benefit (≥ \$13,874,813) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is greater than the amount of Improvement Area #1 Assessments (\$11,915,000) levied on the Improvement Area #1 Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Improvement Area #1, the Improvement Area #1 Owner owned 100% of the Improvement Area #1 Assessed Property. In a landowner agreement with the City, the Improvement Area #1 Owner acknowledged that the Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #1 Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Assessment Ordinance approved by City Council on October 1, 2018, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.

#### ■ Improvement Area #2

- 1. The costs of Improvement Area #2 Authorized Improvements equal \$10,640,990 as shown on **Exhibit A**; and
- 2. The Improvement Area #2 Assessed Property receives special benefit from the Improvement Area #2 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #2 Authorized Improvements; and
- 3. The Improvement Area #2 Assessed Property was allocated 100% of the Improvement Area #2 Assessments levied for the Improvement Area #2 Authorized Improvements, totaling \$10,975,000. At the time the Improvement Area #2 Additional Bonds were issued, the Improvement Area #2 Assessments were reduced by \$375,000 in order to keep the Improvement Area #2 Annual Installments consistent with the amounts shown at the time the Improvement Area #2 Assessments were levied, resulting in an adjusted Improvement Area #2 Assessment of \$10,600,000, of which \$9,687,000.25 remains outstanding as shown on the Improvement Area #2 Assessment Roll, attached as **Exhibit F**; and

- 4. The special benefit (≥ \$10,640,990) received by the Improvement Area #2 Assessed Property from the Improvement Area #2 Authorized Improvements is greater than or equal to the amount of Improvement Area #2 Assessments (\$10,600,000) levied on the Improvement Area #2 Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Improvement Area #2, the Improvement Area #2 Owner owned 100% of the Improvement Area #2 Assessed Property. In a landowner agreement with the City, the Improvement Area #2 Owner acknowledged that the Improvement Area #2 Authorized Improvements confer a special benefit on the Improvement Area #2 Assessed Property and consented to the imposition of the Improvement Area #2 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #2 Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council on December 15, 2020, and (3) the levying of the Improvement Area #2 Assessments on the Improvement Area #2 Assessed Property.

# ■ Improvement Area #3

- 1. The costs of Improvement Area #3 Authorized Improvements equal \$17,250,245 as shown on **Exhibit A**; and
- 2. The Improvement Area #3 Assessed Property receives special benefit from the Improvement Area #3 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #3 Authorized Improvements; and
- 3. The Improvement Area #3 Assessed Property was allocated 100% of the Improvement Area #3 Assessments levied for the Improvement Area #3 Authorized Improvements, totaling \$17,633,065. At the time the Improvement Area #3 Additional Bonds are issued, the Improvement Area #3 Assessments will be reduced by \$865,154 in order to keep the Improvement Area #3 Annual Installments consistent with the amounts shown at the time the Improvement Area #3 Assessments were levied, and due to the reclassification of three Lots within Improvement Area #3 and subsequent reduction of the Improvement Area #3 Reimbursement Obligation for the affected Lots in the amount of \$10,977.36 per Lot; Improvement Area #3 has an adjusted outstanding Assessment of \$16,004,000; and
- 4. The special benefit (≥ \$17,250,425) received by the Improvement Area #3 Assessed Property from the Improvement Area #3 Authorized Improvements is greater than the amount of Improvement Area #3 Assessments (\$16,853,888) levied on the Improvement Area #3 Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Improvement Area #3, the Improvement Area #3 Owners owned 100% of the

Improvement Area #3 Assessed Property. In a landowner agreement with the City, the Improvement Area #3 Owners acknowledged that the Improvement Area #3 Authorized Improvements confer a special benefit on the Improvement Area #3 Assessed Property and consented to the imposition of the Improvement Area #3 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #3 Owners ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, and (2) the Assessment Ordinance levying the Improvement Area #3 Assessments on the Improvement Area #3 Assessed Property.

#### ■ Improvement Area #4

#### a. Section 6A Projects

- The Actual Costs of the Section 6A Projects equal \$2,659,000 as shown on Exhibit A; and
- 2. The Section 6A Assessed Property receives special benefit from the Section 6A Projects equal to or greater than the Actual Costs of the Section 6A Projects; and
- 3. The Section 6A Assessed Property was allocated 100% of the Section 6A Assessments levied for the Section 6A Projects, which equal \$2,659,000, of which \$2,600,000 remains outstanding; and
- 4. The special benefit (≥ \$2,659,000) received by the Section 6A Assessed Property from the Section 6A Projects is equal to the amount of Section 6A Assessments (\$2,659,000) levied on the Section 6A Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Section 6A, the Section 6A Owner owned 100% of the Section 6A Assessed Property. In a landowner agreement with the City, the Section 6A Owner acknowledged that the Section 6A Projects confer a special benefit on the Section 6A Assessed Property and consented to the imposition of the Section 6A Assessments to pay for the Actual Costs associated therewith. The Section 6A Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council on January 17, 2023, and (3) the levying of the Section 6A Assessments on the Section 6A Assessed Property.

#### b. Section 7 Projects

 The Actual Costs of the Section 7 Projects equal \$2,739,000 as shown on Exhibit A; and

- The Section 7 Assessed Property receives special benefit from the Section 7
  Projects equal to or greater than the Actual Costs of the Section 7 Projects;
  and
- 3. The Section 7 Assessed Property was allocated 100% of the Section 7 Assessments levied for the Section 7 Projects, which equal \$2,739,000, of which \$2,678,000 remains outstanding; and
- 4. The special benefit (≥ \$2,739,000) received by the Section 7 Assessed Property from the Section 7 Projects is equal to the amount of Section 7 Assessments (\$2,739,000) levied on the Section 7 Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Section 7, the Section 7 Owner owned 100% of the Section 7 Assessed Property. In a landowner agreement with the City, the Section 7 Owner acknowledged that the Section 7 Projects confer a special benefit on the Section 7 Assessed Property and consented to the imposition of the Section 7 Assessments to pay for the Actual Costs associated therewith. The Section 7 Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council on January 17, 2023, and (3) the levying of the Section 7 Assessments on the Section 7 Assessed Property.

#### c. Section 12 Projects

- 1. The Actual Costs of the Section 12 Projects equal \$2,915,000 as shown on **Exhibit A**; and
- 2. The Section 12 Assessed Property receives special benefit from the Section 12 Projects equal to or greater than the Actual Costs of the Section 12 Projects; and
- 3. The Section 12 Assessed Property was allocated 100% of the Section 12 Assessments levied for the Section 12 Projects, which equal \$2,915,000, of which \$2,851,000 remains outstanding; and
- 4. The special benefit (≥ \$2,915,000) received by the Section 12 Assessed Property from the Section 12 Projects is equal to the amount of Section 12 Assessments (\$2,915,000) levied on the Section 12 Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Section 12, the Section 12 Owner owned 100% of the Section 12 Assessed Property. In a landowner agreement with the City, the Section 12 Owner acknowledged that the Section 12 Projects confer a special benefit on the Section 12 Assessed Property and consented to the imposition of the Section 12 Assessments to pay for the Actual Costs associated therewith. The

Section 12 Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council on January 17, 2023, and (3) the levying of the Section 12 Assessments on the Section 12 Assessed Property.

# d. Section 13 Projects

- The Actual Costs of the Section 13 Projects equal \$9,250,000 as shown on Exhibit A; and
- The Section 13 Assessed Property receives special benefit from the Section 13
   Projects equal to or greater than the Actual Costs of the Section 13 Projects;
   and
- 3. The Section 13 Assessed Property was allocated 100% of the Section 13 Assessments levied for the Section 13 Projects which equal \$9,250,000, of which \$9,046,000 remains outstanding; and
- 4. The special benefit (≥ \$9,250,000) received by the Section 13 Assessed Property from the Section 13 Projects is equal to the amount of Section 13 Assessments (\$9,250,000) levied on the Section 13 Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Section 13, the Section 13 Owner owned 100% of the Section 13 Assessed Property. In a landowner agreement with the City, the Section 13 Owner acknowledged that the Section 13 Projects confer a special benefit on the Section 13 Assessed Property and consented to the imposition of the Section 13 Assessments to pay for the Actual Costs associated therewith. The Section 13 Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council on January 17, 2023, and (3) the levying of the Section 13 Assessments on the Section 13 Assessed Property.

# ■ Improvement Area #5

- 1. The costs of Improvement Area #5 Authorized Improvements equal \$4,063,723 as shown on **Exhibit A**; and
- 2. The Improvement Area #5 Assessed Property receives special benefit from the Improvement Area #5 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #5 Authorized Improvements; and
- 3. The Improvement Area #5 Assessed Property will be allocated 100% of the Improvement Area #5 Assessments levied for the Improvement Area #5 Authorized Improvements, totaling \$3,604,000; and

- 4. The special benefit (≥ \$4,063,723) received by the Improvement Area #5 Assessed Property from the Improvement Area #5 Authorized Improvements is greater than the amount of Improvement Area #5 Assessments (\$3,604,000) levied on the Improvement Area #5 Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Improvement Area #5, the Improvement Area #5 Owner(s) owned 100% of the Improvement Area #5 Assessed Property. In separate landowner consent certificates, the Improvement Area #5 Owner(s) acknowledged that the Improvement Area #5 Authorized Improvements confer a special benefit on the Improvement Area #5 Assessed Property and consented to the imposition of the Improvement Area #5 Assessments to pay for the Actual Costs associated therewith. The Improvement Area #5 Owner(s) ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein, (2) the Assessment Ordinance approved by City Council, and (3) the levying of the Improvement Area #5 Assessed Property.

#### Remainder Area

- 1. The costs of Remainder Area Authorized Improvements equal \$2,968,190 as shown on **Exhibit A**; and
- 2. The Remainder Area Assessed Property receives special benefit from the Remainder Area Authorized Improvements equal to or greater than the Actual Costs of the Remainder Area Authorized Improvements; and
- 3. The Remainder Area Assessed Property was allocated 100% of the Remainder Area Assessments levied for the Remainder Area Authorized Improvements, at the time the Improvement Area #5 Bonds are issued, the Remainder Area Assessments will be reduced by \$322,234 due to the allocation of the applicable Major Improvements to Improvement Area #5, the Remainder Area has an adjusted outstanding Assessment totaling \$2,968,190 as shown on the Remainder Area Assessment Roll, attached as Exhibit Z; and
- 4. The special benefit (≥ \$2,968,190) received by the Remainder Area Assessed Property from the Remainder Area Authorized Improvements is equal to the amount of Remainder Area Assessments (\$2,968,190) levied on the Remainder Area Assessed Property.
- 5. At the time the City Council approved the Assessment Ordinance levying Assessments on Remainder Area, the Remainder Area Owner owned 100% of the Remainder Area Assessed Property. In the Remainder Area Reimbursement Agreement, the Remainder Area Owner acknowledged that the Remainder Area Authorized Improvements confer a special benefit on the Remainder Area Assessed Property and

consented to the imposition of the Remainder Area Assessments to pay for the Actual Costs associated therewith. The Remainder Area Owner ratified, confirmed, accepted, agreed to, and approved: (1) the determinations and findings by the City Council as to the special benefits described herein and in the Assessment Ordinance, (2) the Assessment Ordinance approved by City Council on January 17, 2023, and (3) the levying of the Remainder Area Assessments on the Remainder Area Assessed Property.

#### D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised in Annual Service Plan Updates based on Actual Costs incurred.

#### E. Interest

Interest on Assessments Securing the Improvement Area #1 Initial Bonds

The interest rate on Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property may exceed the interest rate on the Improvement Area #1 Initial Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #1 Initial Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing Improvement Area #1 Additional Bonds

The interest rate on Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property may exceed the interest rate on the Improvement Area #1 Additional Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #1 Additional Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing the Improvement Area #2 Initial Bonds

The interest rate on Improvement Area #2 Assessments levied on the Improvement Area #2 Assessed Property may exceed the interest rate on the Improvement Area #2 Initial Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #2 Initial Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing Improvement Area #2 Additional Bonds

The interest rate on Improvement Area #2 Assessments levied on the Improvement Area #2 Assessed Property may exceed the interest rate on the Improvement Area #2 Additional Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #2 Additional Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing the Improvement Area #3 Initial Bonds

The interest rate on Improvement Area #3 Assessments levied on the Improvement Area #3 Assessed Property may exceed the interest rate on the Improvement Area #3 Initial Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #3 Initial Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing Improvement Area #3 Additional Bonds

The interest rate on Improvement Area #3 Assessments levied on the Improvement Area #3 Assessed Property may exceed the interest rate on the Improvement Area #3 Additional Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #3 Additional Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing the Improvement Area #4 Bonds

The interest rate on Improvement Area #4 Assessments levied on the Improvement Area #4 Assessed Property may exceed the interest rate on the Improvement Area #4 Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #4 Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing the Improvement Area #5 Bonds

The interest rate on Improvement Area #5 Assessments levied on the Improvement Area #5 Assessed Property may exceed the interest rate on the Improvement Area #5 Bonds by the Additional Interest Rate. Interest at the rate of the Improvement Area #5 Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture.

Interest on Assessments Securing the Remainder Area Reimbursement Obligation

The interest on Assessments securing the Remainder Area Reimbursement Obligation shall be collected at rates established under the Remainder Area Reimbursement Agreement.

## 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 the newly divided Assessed Properties

The calculation of the Estimated Buildout Value of an Assessed Property shall be performed by the Administrator. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this 2025 Amended and Restated Service and Assessment Plan approved by the City Council.

2. Upon Subdivision by a Recorded Subdivision Plat

Upon the subdivision of any Assessed Property based on a recorded subdivision plat, the Administrator shall reallocate 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-Benefited Property

E= the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Landowners shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Estimated Buildout Value for a Lot shall be performed by the Administrator and confirmed by the City Council.

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 2025 Amended and Restated Service and Assessment Plan approved by the City Council.

#### 3. Upon Consolidation

If two or more Lots or Parcels are consolidated, the Administrator shall allocate the Assessments against the Lots or Parcels before the consolidation to the consolidated Lot or Parcel, which allocation shall be approved by the City Council in the next Annual Service Plan Update.

## B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the applicable Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

# C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessments, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs for such Assessed Property, 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 Assessments shall be reduced on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

# E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Interest costs from the date of Prepayment to the date of redemption of the applicable PID Bonds, if any, may be paid from a reserve established under the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with interest to the date of Prepayment: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable Notice of PID Assessment Lien Termination, a form of which is attached as **Exhibit O**.

If an Assessment is paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall prepare the revised Assessment Roll and submit to the City Council for review and approval as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the Prepayment made.

# F. Prepayment as a Result of Eminent Domain Proceeding or Taking

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 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. 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 (F), if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon

receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property. 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.

Notwithstanding the previous paragraphs in this subsection (F), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

# G. Payment of Assessment in Annual Installments

Except for the Remainder Area Assessment, Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit E** shows the projected Annual Installments for Improvement Area #1. **Exhibit G** shows the projected Annual Installments for Improvement Area #2. **Exhibit I** shows the projected Annual Installments for Improvement Area #3. **Exhibit K** shows the projected Annual Installments for Improvement Area #4. **Exhibit M** shows the projected Annual Installments for Improvement Area #5. **Exhibit Y** shows the projected Annual Installments for the Remainder Area. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year.

# SECTION VII: ASSESSMENT ROLLS

The Improvement Area #1 Assessment Roll is attached as **Exhibit D**. The Improvement Area #2 Assessment Roll is attached as **Exhibit F**. The Improvement Area #3 Assessment Roll is attached as **Exhibit H**. The Improvement Area #4 Assessment Roll is attached as **Exhibit J**. The Improvement Area #5 Assessment Roll is attached as **Exhibit L**. The Remainder Area Assessment Roll is attached as **Exhibit Z**. The Administrator shall prepare and submit to the City Council, for review and approval, proposed revisions to the Assessment Rolls and Annual Installments for each Parcel within the District as part of each Annual Service Plan Update. A list of Prepayments of Assessments in full within the District is attached as **Exhibit S**. A list of partial Prepayments of Assessments within the District is attached as **Exhibit T**.

#### **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 2025 Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1<sup>st</sup> of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a public hearing, and within 30 days after closing such hearing, the City Council shall make a final determination as to whether an error has been made. If the City Council determines that an error has been made, the City Council may take such corrective action as is authorized by the PID Act, this 2025 Amended and Restated Service and Assessment Plan, the Assessment Ordinance, or the Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

#### B. Amendments

Amendments to this 2025 Amended and Restated Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this 2025 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 2025 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 2025 Amended and Restated Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2025 Amended and Restated Service and Assessment Plan. Interpretations of this 2025 Amended and Restated Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

# D. Severability

If any provision of this 2025 Amended and Restated Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

## E. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this 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 R.** Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance of this Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this Service an Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

# LIST OF EXHIBITS

Exhibit A **Authorized Improvements** Exhibit B Service Plan Exhibit C Sources and Uses Exhibit D Improvement Area #1 Assessment Roll Exhibit E Improvement Area #1 Annual Installments Exhibit F Improvement Area #2 Assessment Roll Exhibit G Improvement Area #2 Annual Installments Exhibit H Improvement Area #3 Assessment Roll Exhibit I Improvement Area #3 Annual Installments Exhibit J Improvement Area #4 Assessment Roll Exhibit K Improvement Area #4 Annual Installments Exhibit L Improvement Area #5 Assessment Roll Exhibit M Improvement Area # #5 Annual Installments Exhibit N Maps of Authorized Improvements Exhibit O Notice of PID Assessment Lien Termination Exhibit P Maximum Assessment Exhibit Q-1 Improvement Area #1 Initial Bonds Debt Service Schedule Exhibit Q-2 Improvement Area #1 Additional Bonds Debt Service Schedule Exhibit Q-3 Improvement Area #2 Initial Bonds Debt Service Schedule Exhibit Q-4 Improvement Area #2 Additional Bonds Debt Service Schedule Exhibit Q-5 Improvement Area #3 Initial Bonds Debt Service Schedule Exhibit Q-6 Improvement Area #3 Additional Bonds Debt Service Schedule Exhibit Q-7 Improvement Area #4 Bonds Debt Service Schedule Exhibit Q-8 Improvement Area #5 Bonds Debt Service Schedule Exhibit R **Buyer Disclosures** Exhibit S Prepayments of Assessments in Full

**Exhibit U-1** District Legal Description

**Exhibit U-2** Improvement Area #1 Legal Description

**Exhibit U-3** Improvement Area #2 Legal Description

**Exhibit U-4** Improvement Area #3 Legal Description

**Exhibit U-5** Improvement Area #4 Legal Description

**Exhibit U-6** Improvement Area #5 Legal Description

**Exhibit U-7** Section 6A Legal Description

**Exhibit U-8** Section 7 Legal Description

**Exhibit U-9** Section 12 Legal Description

Exhibit U-10 Section 13 Legal Description

**Exhibit V-1** District Boundary Map

Exhibit V-2 Improvement Area #1 Boundary Map

**Exhibit V-3** Improvement Area #2 Boundary Map

**Exhibit V-4** Improvement Area #3 Boundary Map

Exhibit V-5 Improvement Area #4 Boundary Map

**Exhibit V-6** Improvement Area #5 Boundary Map

**Exhibit W** Lot Type Map

**Exhibit X** Estimated Buildout Value

**Exhibit Y** Remainder Area Annual Installment Schedule

**Exhibit Z** Remainder Area Assessment Roll

# **EXHIBIT A – AUTHORIZED IMPROVEMENTS**

	To	otal Costs [a]	Improvement Area #1			lm	provemer	nt Area #2	Improvement Area #3			
			%		Costs	%		Costs	%		Costs	
Major Improvements		-										
WWTP Capacity Payment [b]	\$	1,200,000	2.75%	\$	33,028	14.919		178,899	20.47%	\$	245,642	
Lift Station & Force Main [b]		3,588,000	2.75%		98,752	14.919		534,908	20.47%		734,470	
Offsite Water [c]		2,080,000	16.45%		342,227	12.819		266,404	17.59%		365,793	
Old Stagecoach Road [c]		1,560,000	16.45%		256,670	12.819		199,803	17.59%		274,345	
Parks & Trails [d]		702,000	46.07%		323,404	35.869		251,752	18.07%		126,844	
Entry, Walls & Landscaping [d]	Ś	2,444,000 11,574,000	46.07%	Ś	1,125,926 2,180,006	35.869	% \$	876,469 2,308,235	18.07%	\$	2,188,700	
Improvement Area #1 Improvements	Ψ.	12,57 1,000		•	2,200,000		*	2,500,255		•	2,100,700	
Streets [h]	\$	2,853,778	100%	\$	2,853,778	0.00%	<b>\$</b>	-	0.00%	\$	-	
Water		1,446,469	100%		1,446,469	0.00%	6	-	0.00%		-	
Wastewater		1,871,035	100%		1,871,035	0.00%	ó	-	0.00%		-	
Drainage [i]		1,389,142	100%		1,389,142	0.00%	6	-	0.00%		-	
Detention/WQP		2,109,226	100%		2,109,226	0.00%			0.00%		-	
	\$	9,669,650		\$	9,669,650		\$	-		\$	-	
Improvement Area #2 Improvements												
Streets [j]	\$	3,292,121	0.00%	\$	-	100%		3,292,121	0.00%	\$	-	
Water		1,125,611	0.00%		-	100%		1,125,611	0.00%		-	
Wastewater		1,336,121	0.00%		-	100%		1,336,121	0.00%		-	
Drainage [i]		425,048	0.00%		-	100%		425,048	0.00%		-	
Detention/WQP		534,400	0.00%		-	100%		534,400	0.00%		-	
Contingency		100,000	0.00%		-	100%		100,000	0.00%			
	\$	6,813,301		\$	-		\$	6,813,301		\$	-	
Improvement Area #3 Improvements												
Streets [k]	\$	5,050,400	0.00%	\$	-	0.00%		-	100%	\$	5,050,400	
Water		2,466,200	0.00%		-	0.00%		-	100%		2,466,200	
Wastewater		2,483,900	0.00%		-	0.00%		-	100%		2,483,900	
Drainage [i]		1,244,900	0.00%		-	0.00%		-	100%		1,244,900	
Detention/WQP	\$	1,298,000 12,543,400	0.00%	\$		0.00%	\$		100%	\$	1,298,000 12,543,400	
Improvement Area #4 Improvements	,	4.040.576	0.000/	\$		0.000	, ,		0.000/	,		
Streets [I]	\$	4,948,576	0.00%	Ş	-	0.00%		-	0.00%	\$	-	
Water		2,357,810	0.00% 0.00%		-	0.00%		-	0.00% 0.00%		-	
Wastewater		2,592,543	0.00%		-	0.00%		-	0.00%		-	
Drainage [i] Detention/WQP		1,048,983 637,725	0.00%		-	0.00%		-	0.00%		-	
Landscaping/Walls		1,119,600	0.00%		-	0.00%	0	-	0.00%		-	
Lanuscaping/ wans	\$	12,705,236		\$	-		\$	-		\$	-	
1												
Improvement Area #5 Improvements Streets	\$	1,399,500	0.00%	\$	_	0.00%	<b>6</b> \$	_	0.00%	\$	_	
Water	Ψ.	539,500	0.00%	Ψ.	_	0.00%		_	0.00%	Ψ.	_	
Wastewater		304,000	0.00%		_	0.00%		_	0.00%		_	
Drainage		149,500	0.00%		_	0.00%		_	0.00%		_	
Temp Erosion Controls		29,500	0.00%		_	0.00%		_	0.00%		_	
Water Quality Ponds		159,000	0.00%		-	0.00%		_	0.00%		-	
Soft Costs		435,600	0.00%		-	0.00%		_	0.00%		-	
	\$	3,016,600		\$	-		\$	-		\$	-	
District Formation and Bond Issuance Costs												
Reserve Fund [m][n][o]	\$	3,561,590		\$	599,194		\$	483,678		\$	852,798	
Capitalized Interest		1,506,808			430,607			154,089			323,587	
Underwriter Discount [m][n][o]		1,805,130			357,450			314,400			498,270	
Cost of Issuance [m][n][o]		2,929,218			592,905			526,522			813,490	
Net Bond Discount		764			-			764			-	
Original Issue Discount		50,263			-			-			-	
District Administration Fund		185,000			45,000			40,000			30,000	
	\$	10,038,772		\$	2,025,156		\$	1,519,454		\$	2,518,145	
Total	\$	66,360,960		\$ 1	13,874,813		\$	10,640,990		\$	17,250,245	

	Ic	otal Costs [a]	Improvement Area #4											
			%		Costs	%		Costs	%		Costs	%		Costs
Major Improvements		•		ection			Section			ction 1			ection	
WWTP Capacity Payment [b]	\$	1,200,000	4.53%	\$	54,358	3.96%	\$	47,477	4.76%	\$	57,110	7.05%	\$	84,633
Lift Station & Force Main [b]		3,588,000	4.53%		162,530	3.96%		141,956	4.76%		170,759	7.05%		253,053
Offsite Water [c]		2,080,000	3.89%		80,946	3.40%		70,700	4.09%		85,044	6.06%		126,030
Old Stagecoach Road [c]		1,560,000	3.89%		60,709	3.40%		53,025	4.09%		63,783	6.06%		94,522
Parks & Trails [d]		702,000	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Entry, Walls & Landscaping [d]	\$	2,444,000 11,574,000	0.00%	\$	358,543	0.00%	\$	313,158	0.00%	\$	376,697	0.00%	\$	558,238
Improvement Area #1 Improvements	Ý	11,574,000		Ÿ	330,343		Ý	313,130		7	370,037		Ý	330,230
Streets [h]	\$	2,853,778	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-
Water		1,446,469	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Wastewater		1,871,035	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Drainage [i]		1,389,142	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Detention/WQP		2,109,226	0.00%		-	0.00%		-	0.00%		-	0.00%		-
	\$	9,669,650		\$	-		\$	-		\$	-		\$	-
Improvement Area #2 Improvements														
Streets [j]	\$	3,292,121	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-
Water		1,125,611	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Wastewater		1,336,121	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Drainage [i]		425,048	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Detention/WQP		534,400	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Contingency		100,000	0.00%		-	0.00%		-	0.00%		-	0.00%		
	\$	6,813,301		\$	-		\$	-		\$	-		\$	-
Improvement Area #3 Improvements														
Streets [k]	\$	5,050,400	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-	0.00%	\$	-
Water		2,466,200	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Wastewater		2,483,900	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Drainage [i]		1,244,900	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Detention/WQP	_	1,298,000	0.00%	_		0.00%	_		0.00%	_		0.00%	_	
	\$	12,543,400		\$	-		\$	-		\$	-		\$	-
Improvement Area #4 Improvements														
Streets [I]	\$	4,948,576	14.81%	\$	732,875	17.29%	\$	855,487	15.75%	\$	779,242	52.16%	\$	2,580,972
Water		2,357,810	20.91%	,	493,051	18.13%	Ÿ	427,502	19.97%	Ý	470,897	40.99%	7	966,359
Wastewater		2,592,543	14.11%		365,915	11.97%		310,213	13.86%		359,329	60.06%		1,557,085
Drainage [i]		1,048,983	16.58%		173,879	23.61%		247,657	12.18%		127,730	47.64%		499,716
Detention/WQP		637,725	0.00%		-	0.00%			40.96%		261,240	59.04%		376,485
Landscaping/Walls		1,119,600	3.75%		42,000	6.97%		78,000	0.00%			89.28%		999,600
<b>.</b>	\$	12,705,236		\$	1,807,720		\$	1,918,860		\$	1,998,438		\$	6,980,219
Improvement Area #5 Improvements Streets	\$	1,399,500	0.00%	\$		0.00%	\$		0.00%	\$		0.00%	\$	
Water	ş	539,500	0.00%	Ş	-	0.00%	Ş	-	0.00%	ş	-	0.00%	Ş	-
Wastewater		304,000	0.00%		-	0.00%		-	0.00%		-	0.00%		-
Drainage		149,500	0.00%		-	0.00%		-	0.00%			0.00%		-
Temp Erosion Controls		29,500	0.00%		-	0.00%		-	0.00%			0.00%		-
Water Quality Ponds		159,000	0.00%			0.00%			0.00%			0.00%		
Soft Costs		435,600	0.00%			0.00%			0.00%			0.00%		
3011 C0313	Ś	3,016,600	0.0078	Ś		0.00%	Ś		0.0076	Ś		0.0078	Ś	
	Ÿ	3,010,000		Ţ			Ţ			Ÿ			Ţ	
District Formation and Bond Issuance Costs														
Reserve Fund [m][n][o]	\$	3,561,590		\$	203,809		\$	209,941		\$	223.431		\$	709,000
Capitalized Interest	<b>&gt;</b>	1,506,808		Ş	203,809 74,141		Þ	76,372		\$	223,431 81,277		<b>&gt;</b>	709,000 257,926
Underwriter Discount [m][n][o]					74,141 79,770			76,372 82,170			81,277 87,450			257,926 277,500
Cost of Issuance [m][n][o]		1,805,130 2,929,218			79,770 121,349			82,170 124,424			87,450 132,731			419,576
Net Bond Discount		2,929,218 764			121,349			124,424			132,/31			419,576
Original Issue Discount		50,263			7,613			7,838			8,338			26,475
District Administration Fund		185,000			6,056			6,238			6,639			21,067
Sister Administration Fund	\$	10,038,772		\$	492,737		\$	506,982		\$	539,865		\$	1,711,544
Total	\$	66,360,960		\$	2,659,000		\$	2,739,000		\$	2,915,000		\$	9,250,000
	Ą	30,300,300		Ą	2,000,000		Ą	2,733,000		Ą	2,513,000		ų	3,230,000

	To	otal Costs [a]	Improve	ement A	Area #5	Rem	ainder	Area
		otai costs [a]	%		Cost	%		Cost
Major Improvements								
WWTP Capacity Payment [b]	\$	1,200,000	4.07%	\$	48,853.21	37.50%	\$	450,000
Lift Station & Force Main [b]		3,588,000	4.07%		146,071	37.50%		1,345,500
Offsite Water [c]		2,080,000	3.50%		72,749	32.22%		670,108
Old Stagecoach Road [c]		1,560,000	3.50%		54,562	32.22%		502,581
Parks & Trails [d]		702,000	0.00%		-	0.00%		0
Entry, Walls & Landscaping [d]	_	2,444,000	0.00%	\$		0.00%		0
Improvement Area #1 Improvements	\$	11,574,000		Ş	322,234.66		\$	2,968,190
Streets [h]	\$	2,853,778	0.00%	\$	_	0.00%	\$	_
Water		1,446,469	0.00%	•	-	0.00%		-
Wastewater		1,871,035	0.00%		-	0.00%		-
Drainage [i]		1,389,142	0.00%		-	0.00%		-
Detention/WQP		2,109,226	0.00%		-	0.00%		-
	\$	9,669,650		\$	-		\$	-
Improvement Area #2 Improvements								
Streets [j]	\$	3,292,121	0.00%	\$	-	0.00%	\$	-
Water		1,125,611	0.00%		-	0.00%		-
Wastewater		1,336,121	0.00%		-	0.00%		-
Drainage [i]		425,048	0.00%		-	0.00%		-
Detention/WQP		534,400	0.00%		-	0.00%		-
Contingency	_	100,000	0.00%	_		0.00%		-
Improvement Area #3 Improvements	\$	6,813,301		\$	-		\$	-
Improvement Area #3 Improvements	\$	E 0E0 400	0.00%	\$		0.00%	\$	
Streets [k] Water	Ş	5,050,400	0.00%	Þ	-	0.00%	Ş	-
Wastewater		2,466,200 2,483,900	0.00%		-	0.00%		-
Drainage [i]		1,244,900	0.00%		_	0.00%		
Detention/WQP		1,298,000	0.00%		_	0.00%		
Determine, 17 Q.	\$	12,543,400	0.0075	\$	-	0.0070	\$	-
Improvement Area #4 Improvements								
Streets [I]	\$	4,948,576	0.00%	\$	-	0.00%	\$	-
Water		2,357,810	0.00%		-	0.00%		-
Wastewater		2,592,543	0.00%		-	0.00%		-
Drainage [i]		1,048,983	0.00%		-	0.00%		-
Detention/WQP		637,725	0.00%		-	0.00%		-
Landscaping/Walls	Ś	1,119,600 12,705,236	0.00%	\$	<del>-</del>	0.00%	\$	<del></del>
	Y	12,703,230		Y			Y	
Improvement Area #5 Improvements								
Streets	\$	1,399,500	100.00%	\$	1,399,500	0.00%	\$	-
Water		539,500	100.00%		539,500	0.00%		-
Wastewater		304,000	100.00%		304,000	0.00%		-
Drainage		149,500	100.00%		149,500	0.00%		-
Temp Erosion Controls		29,500	100.00%		29,500	0.00%		-
Water Quality Ponds		159,000	100.00%		159,000	0.00%		-
Soft Costs		435,600	100.00%		435,600	0.00%		
	\$	3,016,600		\$	3,016,600		\$	-
District Formation and Bond Issuance Costs								
Reserve Fund [m][n][o]	\$	3,561,590		\$	279,740		\$	-
Capitalized Interest		1,506,808			108,808			-
Underwriter Discount [m][n][o]		1,805,130			108,120			-
Cost of Issuance [m][n][o]		2,929,218			198,220			-
Net Bond Discount		764			-			-
Original Issue Discount		50,263			-			-
District Administration Fund	_	185,000		<u> </u>	30,000			
	\$	10,038,772		\$	724,888		\$	-
Total	\$	66,360,960		\$	4,063,723		\$	2,968,190

#### Notes

[a] Includes 4% construction management and 14% soft costs, including engineering and design, construction inspection fees, geotechnical testing, and contingency. The WWTP Capacity Payment does not require soft costs or construction management.

[b] There is sufficient capacity for the first 286 Lots in the District. 85.63% of Improvement Area #1 is served with the existing capacity. The City has agreed to temporarily serve up to 680 Lots until the wastewater improvements are constructed. The cost is allocated pro rata based on the number of lots that are not served with existing capacity, which total 1,744 for the District.

- [c] Allocated pro rata based on the estimated number of Lots.
- [d] Improvements will be constructed for the first 725 Lots. The costs are allocated pro rata based on the estimated number of Lots.
- [e] Allocated pro rata based on estimated number of lots for all lots North of 6 Creeks Blvd (Phases 11, 12, 13a, 13b, 14a, 14b, 15, 16, 17, 18, 19, 20, and 21, totaling 991 lots).
- [f] Allocated pro rata based on the estimated number of lots for all lots benefitting from the offsite sewer (Phases 11, 12, 13a, 13b, 14a, and 14b, totaling 447 lots).
- [g] Allocated pro rata based on estimated number of lots remaining in Improvement Area #4 and Future Improvement Area (Phases 6, 7, 11, 12, 13a, 13b, 14a, 14b, 15, 16, 17, 18, 19, 20, and 21, totaling 1,139 lots).
- [h] Includes local streets within Improvement Area #1 as well as collector streets constructed within Improvement Area #1.
- [i] Includes erosion control costs.
- [j] Includes local streets within Improvement Area #2 as well as collector streets constructed within Improvement Area #2.
- [k] Includes local streets within Improvement Area #3 as well as collector streets constructed within Improvement Area #3.
- [I] Includes local streets within Improvement Area #4 as well as collector streets constructed within Improvement Area #4.
- [m] Improvement Area #1 includes costs associated with issuing Improvement Area #1 Additional Bonds.
- [n] Improvement Area #2 includes costs associated with issuing Improvement Area #2 Additional Bonds
- [o] Improvement Area #3 includes costs associated with issuing Improvement Area #3 Additional Bonds

# **EXHIBIT B – SERVICE PLAN**

A constitution of the Date		Imp	rovement Area	#1			1/21/2027		1/21/2020		1/21/2020
Annual Installments Due Improvement Area #1 Initial Bonds			1/31/2025		1/31/2026		1/31/2027		1/31/2028		1/31/2029
Principal Principal		\$	215,000.00	\$	225,000.00	\$	235,000.00	\$	245,000.00	\$	255,000.00
Interest			307,312.50		298,443.76		289,162.50		279,468.76		269,362.50
Additional Interest		_	33,550.00	_	32,475.00		31,350.00	_	30,175.00	_	28,950.00
	(1)	\$	555,862.50	\$	555,918.76	\$	555,512.50	\$	554,643.76	\$	553,312.50
Improvement Area #1 Additional Bonds											
Principal		\$	135,000.00	\$	135,000.00	\$	140,000.00	\$	145,000.00	\$	150,000.00
Interest			132,925.00		129,550.00		125,500.00		121,300.00		116,950.00
Additional Interest		_	19,700.00	_	19,025.00		18,350.00	_	17,650.00	_	16,925.00
	(2)	\$	287,625.00	\$	283,575.00	\$	283,850.00	\$	283,950.00	\$	283,875.00
Annual Collection Costs	(3)	\$	24,703.37	\$	25,197.44	\$	25,701.39	\$	26,215.41	\$	26,739.72
Total Annual Installment	(4) = (1) + (2) + (3)	\$	868,190.87	\$	864,691.20	\$	865,063.89	\$	864,809.17	\$	863,927.22
		Imp	rovement Area	#2	2						
Annual Installments Due			1/31/2025		1/31/2026		1/31/2027		1/31/2028		1/31/2029
Improvement Area #2 Initial Bonds											
Principal		\$	185,000.00 216,393.75	Ş	190,000.00 211,537.50	Ş	195,000.00 205,600.00	Ş	200,000.00 199,506.25	Ş	210,000.00 193,256.25
Interest Additional Interest			29,700.00		28,775.00		27,825.00		26,850.00		25,850.00
Additional Interest	(1)	\$	431,093.75	\$	430,312.50	\$	428,425.00	\$	426,356.25	\$	429,106.25
Improvement Area #2 Additional Bonds											
Principal		\$	90,000.00	\$	94,000.00	\$	100,000.00	\$	106,000.00	\$	108,000.00
Interest			188,133.76		184,421.26 18,285.00		180,543.76		176,418.76		172,046.26
Additional Interest	(2)	Ś	18,735.00 296,868.76	\$	296,706.26	Ś	17,815.00 298,358.76	Ś	17,315.00 299,733.76	Ś	16,785.00 296,831.26
	(2)	7	230,000.70	~	250,700.20	~	230,330.70	,	233,733.70	~	250,052.20
Annual Collection Costs	(3)	\$	21,641.00	\$	22,073.82	\$	22,515.30	\$	22,965.60	\$	23,424.91
Total Annual Installment	(4) = (1) + (2) + (3)	\$	749,603.51	\$	749,092.58	\$	749,299.06	\$	749,055.61	\$	749,362.42
		Imp	rovement Area	#3	3						
Annual Installments Due			1/31/2025		1/31/2026		1/31/2027		1/31/2028		1/31/2029
Improvement Area #3 Initial Bonds Principal		\$	317,000.00	ė	326,000.00	٠	336,000.00	ė	349,000.00	ė	362,000.00
Interest		ڔ	392,103.76	ڔ	383,386.26	ڔ	374,421.26	ڔ	363,081.26	ڔ	351,302.50
Additional Interest			52,950.00		51,365.00		49,735.00		48,055.00		46,310.00
	(1)	\$	762,053.76	\$	760,751.26	\$	760,156.26	\$	760,136.26	\$	759,612.50
12.4.17.											
Improvement Area #3 Additional Bonds Principal		\$	286,000.00	ς	125,000.00	Ś	133,000.00	Ś	140,000.00	Ś	149,000.00
Interest		,	159,111.00	7	294,860.00	~	287,672.50	~	280,025.00	~	271,975.00
Additional Interest					25,640.00		25,015.00		24,350.00		23,650.00
	(2)	\$	445,111.00	\$	445,500.00	\$	445,687.50	\$	444,375.00	\$	444,625.00
Annual Collection Costs	(3)	\$	30,668.85	ć	31,282.23	ć	31,907.87	ć	32,546.03	ć	33,196.95
Ailliual Collection Costs	(3)		•						•		
Total Annual Installment	(4) = (1) + (2) + (3)	\$	1,237,833.61	\$	1,237,533.49	\$	1,237,751.63	\$	1,237,057.29	\$	1,237,434.45
		Imp	rovement Area	#4			4 /24 /24		4 /24 /2000		4 /24 /2000
Annual Installments Due Improvement Area #4 Bonds			1/31/2025		1/31/2026		1/31/2027		1/31/2028		1/31/2029
Principal		\$	407,000.00	ς	425,000.00	Ś	446,000.00	Ś	468,000.00	Ś	489,000.00
Interest		,	877,937.52	7	860,131.28	~	841,537.52	~	822,025.02	~	801,550.00
	(1)	\$	1,284,937.52	\$	1,285,131.28	\$	1,287,537.52	\$	1,290,025.02	\$	1,290,550.00
Additional Interest	(2)	\$	85,865.00	\$	83,840.00	\$	81,715.00	\$	79,485.00	\$	77,145.00
Annual Collection Costs	(3)	\$	43,920.99	\$	44,799.41	\$	45,695.40	\$	46,609.31	\$	47,541.49
Total Annual Installment	(4) = (1) + (2) + (3)	\$	1,414,723.51	\$	1,413,770.69	\$	1,414,947.92	\$	1,416,119.33	\$	1,415,236.49
		Imp	rovement Area	#5							
Annual Installments Due			1/31/2025		1/31/2026		1/31/2027		1/31/2028		1/31/2029
Improvement Area #5 Bonds		\$	_	\$	68,000.00	ė	72,000.00	ė	76,000.00	ć	80,000.00
Principal Interest		Ş	(108,808.26)	Þ	211,735.00	Þ	207,740.00	Þ	203,510.00	Þ	199,045.00
Capitalized Interest			108,808.26		-		-		-		-
• • • • • • • • • • • • • • • • • • • •	(1)	\$	-	\$	279,735.00	\$	279,740.00	\$	279,510.00	\$	279,045.00
Additional Interest	(3)	\$		ė	19 020 00	ė	17,680.00	ė	17 220 00	ė	16 040 00
Additional interest	(2)	\$	-	\$	18,020.00	Ş	17,080.00	Þ	17,320.00	Ş	16,940.00
						,					
Annual Collection Costs	(3)	\$	-	\$	30,600.00	\$	31,212.00	\$	31,836.24	\$	32,472.96

## **EXHIBIT C – SOURCES AND USES**

	Improvement Area #1	Improvement Area #2	Improvement Area #3	Improvement Area #4	Improvement Area #5	Total
			Alea#5	Alea #4	Alea #3	
Improvement Area #1 Initial Bond Par	Sources of Fu	nds Ś -	\$ -	\$ -	\$ -	ć 7.40F.000
P	\$ 7,495,000 4,420,000	\$ -	\$ -	\$ -	\$ -	\$ 7,495,000 4,420,000
Improvement Area #1 Additional Bond Par	4,420,000	6 465 000	-	-	-	6,465,000
Improvement Area #2 Initial Bond Par	-	6,465,000 4,015,000	-	-	-	4,015,000
Improvement Area #2 Additional Bond Par	-		-	-	-	
Previously Collected Principal for Improvement Area #2 Reimbursement Agreement [a]	-	120,000	11 105 000	-	-	120,000
Improvement Area #3 Initial Bond Par	-	-	11,195,000	-	-	11,195,000
Improvement Area #3 Initial Bond Premium	-	-	42,312	-	-	42,312
Improvement Area #3 Additional Bond Par	-	-	5,414,000	-	-	5,414,000
Previously Collected Annual Installment for Improvement Area #3 Reimbursement	-	-	450,042	-	-	450,042
Agreement [b]			,			,
Improvement Area #4 Bond Par	-	-	-	17,175,000	-	17,175,000
Improvement Area #5 Bond Par	-	-	-	-	3,604,000	3,604,000
Owner Contribution	1,959,813	40,990	148,891	388,000	459,723	2,997,417
Total Sources	\$ 13,874,813	\$ 10,640,990	\$ 17,250,245	\$ 17,563,000	\$ 4,063,723	\$ 63,392,771
	Uses of Fund	ds				
Authorized Improvements						
Improvement Area #1 Improvements	\$ 9,669,650	\$ -	\$ -	\$ -	\$ -	\$ 9,669,650
Improvement Area #2 Improvements	-	6,813,301	-	-	-	6,813,301
Improvement Area #3 Improvements	-	-	12,543,400	-	-	12,543,400
Improvement Area #4 Improvements	-	-	-	12,705,236	-	12,705,236
Improvement Area #5 Improvements	-	-	-	-	3,016,600	3,016,600
Major Improvements	2,180,006	2,308,235	2,188,700	1,606,635	322,235	8,605,810
,	\$ 11,849,656	\$ 9,121,536	\$ 14,732,100	\$ 14,311,871	\$ 3,338,835	\$ 53,353,998
Bond Issuance and District Formation Costs						
	\$ 599,194	\$ 483,678	\$ 852,798	\$ 1,346,180	\$ 279,740	\$ 3,561,590
Debt Service Reserve Fund [c][d][e] Capitalized Interest	430,607	154,089	323,587	489,716	108,808	1,506,808
·	430,607 357,450	314,400	498,270	489,716 526,890	108,808	1,805,130
Underwriter Discount [c][d][e]	,	,	,	,		
Cost of Issuance [c][d][e]	592,905 -	526,522 764	813,490	798,080	198,220	2,929,218 764
Net Bond Discount	-	764	-		-	
Original Issue Discount	45.000	40.000	20.000	50,263	_	50,263
District Administration Fund	45,000	40,000	30,000 \$ 2,518,145	40,000	30,000	185,000
	\$ 2,025,156	\$ 1,519,454	\$ 2,518,145	\$ 3,251,129	\$ 724,888	\$ 10,038,772
Total Uses	\$ 13,874,813	\$ 10,640,990	\$ 17,250,245	\$ 17,563,000	\$ 4,063,723	\$ 63,392,770

#### Notes

<sup>[</sup>a] These funds will be transferred to the project fund upon closing of the Improvement Area #2 Additional Bonds.

<sup>[</sup>b] These funds will be transferred to the project fund upon closing of the Improvement Area #3 Additional Bonds. Includes Annual Installment billed and collected 1/31/2024 and interest proceeds accumulated.

<sup>[</sup>c] Improvement Area #1 costs include costs associated with issuing Improvement Area #1 Additional Bonds.

<sup>[</sup>d] Improvement Area #2 costs include costs associated with issuing Improvement Area #2 Additional Bonds.

<sup>[</sup>e] Improvement Area #3 costs include costs associated with issuing Improvement Area #3 Additional Bonds.

# **EXHIBIT D – IMPROVEMENT AREA #1 ASSESSMENT ROLL**

			Improvem	ent	Area #1
			Outstanding		Installment due
Property ID [a]	Lot Type	Note	Assessment [a]		1/31/2025 [a]
R163837	3		\$ 34,709.92	\$	2,830.32
R163838	3		\$ 34,709.92	\$	2,830.32
R163839	3		\$ 34,709.92	\$	2,830.32
R163840	3		\$ 34,709.92	\$	2,830.32
R163841	3		\$ 34,709.92	\$	2,830.32
R163842	3		\$ 34,709.92	\$	2,830.32
R163843	Open Space		\$ -	\$	, -
R163844	3		\$ 34,709.92	\$	2,830.32
R163845	3		\$ 34,709.92	\$	2,830.32
R163846	3		\$ 34,709.92	\$	2,830.32
R163847	3		\$ 34,709.92	\$	2,830.32
R163848	3		\$ 34,709.92	\$	2,830.32
R163849	3		\$ 34,709.92	\$	2,830.32
R163850	3		\$ 34,709.92	\$	2,830.32
R163851	1		\$ 27,767.94	, \$	2,264.25
R163852	1		\$ 27,767.94	\$	2,264.25
R163853	1		\$ 27,767.94	\$	2,264.25
R163854	1		\$ 27,767.94	, \$	2,264.25
R163855	1		\$ 27,767.94	\$	2,264.25
R163856	1		\$ 27,767.94	, \$	2,264.25
R163857	1		\$ 27,767.94	\$	2,264.25
R163858	1		\$ 27,767.94	, \$	2,264.25
R163859	1		\$ 27,767.94	, \$	2,264.25
R163860	1		\$ 27,767.94	, \$	2,264.25
R163861	1		\$ 27,767.94	, \$	2,264.25
R163862	1		\$ 27,767.94	, \$	2,264.25
R163863	1		\$ 27,767.94	, \$	2,264.25
R163864	1		\$ 27,767.94	\$	2,264.25
R163865	1		\$ 27,767.94	\$	2,264.25
R163866	1		\$ 27,767.94	\$	2,264.25
R163867	1		\$ 27,767.94	\$	2,264.25
R163868	1		\$ 27,767.94	\$	2,264.25
R163869	1		\$ 27,767.94	, \$	2,264.25
R163870	1		\$ 27,767.94	\$	2,264.25
R163871	1		\$ 27,767.94	, \$	2,264.25
R163872	1		\$ 27,767.94	, \$	2,264.25
R163873	1		\$ 27,767.94	, \$	2,264.25
R163874	1	[b]	\$ -	\$	-
R163875	1	[]	\$ 27,767.94	\$	2,264.25
R163876	1		\$ 27,767.94	\$	2,264.25
R163877	1		\$ 27,767.94	\$	2,264.25
R163878	1		\$ 27,767.94	\$	2,264.25
R163879	1		\$ 27,767.94	\$	2,264.25
R163880	1		\$ 27,767.94	\$	2,264.25
R163881	1		\$ 27,767.94	\$	2,264.25

			Improvem	ent	Area #1
			Outstanding		Installment due
Property ID [a]	Lot Type	Note	Assessment [a]		1/31/2025 [a]
R163882	1		\$ 27,767.94	\$	2,264.25
R163883	1		\$ 27,767.94	\$	2,264.25
R163884	1		\$ 27,767.94	\$	2,264.25
R163885	1		\$ 27,767.94	\$	2,264.25
R163886	1		\$ 27,767.94	\$	2,264.25
R163887	1		\$ 27,767.94	\$	2,264.25
R163888	1		\$ 27,767.94	\$	2,264.25
R163889	1		\$ 27,767.94	\$	2,264.25
R163890	1		\$ 27,767.94	\$	2,264.25
R163891	1		\$ 27,767.94	\$	2,264.25
R163892	1		\$ 27,767.94	\$	2,264.25
R163893	1		\$ 27,767.94	\$	2,264.25
R163894	Open Space		\$ -	\$	-
R163895	Open Space		\$ -	\$	-
R163896	3		\$ 34,709.92	\$	2,830.32
R163897	3		\$ 34,709.92	\$	2,830.32
R163898	3		\$ 34,709.92	\$	2,830.32
R163899	3		\$ 34,709.92	\$	2,830.32
R163900	3		\$ 34,709.92	\$	2,830.32
R163901	3		\$ 34,709.92	\$	2,830.32
R163902	3		\$ 34,709.92	\$	2,830.32
R163903	3		\$ 34,709.92	\$	2,830.32
R163904	3		\$ 34,709.92	\$	2,830.32
R163905	3		\$ 34,709.92	\$	2,830.32
R163906	3		\$ 34,709.92	\$	2,830.32
R163907	3		\$ 34,709.92	\$	2,830.32
R163908	3		\$ 34,709.92	\$	2,830.32
R163909	Open Space		\$ -	\$	-
R163910	1		\$ 27,767.94	\$	2,264.25
R163911	1		\$ 27,767.94	\$	2,264.25
R163912	1		\$ 27,767.94	\$	2,264.25
R163913	1		\$ 27,767.94	\$	2,264.25
R163914	1		\$ 27,767.94	\$	2,264.25
R163915	1		\$ 27,767.94	\$	2,264.25
R163916	1		\$ 27,767.94	\$	2,264.25
R163917	1		\$ 27,767.94	\$	2,264.25
R163918	1		\$ 27,767.94	\$	2,264.25
R163919	1		\$ 27,767.94	\$	2,264.25
R163920	1		\$ 27,767.94	\$	2,264.25
R163921	1		\$ 27,767.94	\$	2,264.25
R163922	1		\$ 27,767.94	\$	2,264.25
R163923	1		\$ 27,767.94	\$	2,264.25
R163924	1		\$ 27,767.94	\$	2,264.25
R163925	1		\$ 27,767.94	\$	2,264.25
R163926	1		\$ 27,767.94	\$	2,264.25

			Improvem	ent .	Area #1
			Outstanding		Installment due
Property ID [a]	Lot Type	Note	Assessment [a]		1/31/2025 [a]
R163927	1		\$ 27,767.94	\$	2,264.25
R163928	3		\$ 34,709.92	\$	2,830.32
R163929	3		\$ 34,709.92	\$	2,830.32
R163930	3		\$ 34,709.92	\$	2,830.32
R163931	3		\$ 34,709.92	\$	2,830.32
R163932	3		\$ 34,709.92	\$	2,830.32
R163933	3		\$ 34,709.92	\$	2,830.32
R163934	3		\$ 34,709.92	\$	2,830.32
R163935	3		\$ 34,709.92	\$	2,830.32
R163936	3		\$ 34,709.92	\$	2,830.32
R163937	3		\$ 34,709.92	\$	2,830.32
R163938	3		\$ 34,709.92	\$	2,830.32
R163939	1		\$ 27,767.94	\$	2,264.25
R163940	1	[c]	\$ 26,086.94	\$	2,127.18
R163941	1		\$ 27,767.94	\$	2,264.25
R163942	1		\$ 27,767.94	\$	2,264.25
R163943	1		\$ 27,767.94	\$	2,264.25
R163944	1		\$ 27,767.94	\$	2,264.25
R163945	1		\$ 27,767.94	\$	2,264.25
R163946	1		\$ 27,767.94	\$	2,264.25
R163947	1		\$ 27,767.94	\$	2,264.25
R163948	1		\$ 27,767.94	\$	2,264.25
R163949	1		\$ 27,767.94	\$	2,264.25
R163950	1		\$ 27,767.94	\$	2,264.25
R169931	3		\$ 34,709.92	\$	2,830.32
R169932	3		\$ 34,709.92	\$	2,830.32
R169933	3		\$ 34,709.92	\$	2,830.32
R169934	3		\$ 34,709.92	\$	2,830.32
R169935	3		\$ 34,709.92	\$	2,830.32
R169936	1		\$ 27,767.94	\$	2,264.25
R169937	1		\$ 27,767.94	\$	2,264.25
R169938	1		\$ 27,767.94	\$	2,264.25
R169939	1		\$ 27,767.94	\$	2,264.25
R169940	1		\$ 27,767.94	\$	2,264.25
R169941	1		\$ 27,767.94	\$	2,264.25
R169942	1		\$ 27,767.94	\$	2,264.25
R169943	3		\$ 34,709.92	\$	2,830.32
R169944	3		\$ 34,709.92	\$	2,830.32
R169945	3		\$ 34,709.92	\$	2,830.32
R169946	3		\$ 34,709.92	\$	2,830.32
R169947	3		\$ 34,709.92	\$	2,830.32
R169948	3		\$ 34,709.92	\$	2,830.32
R169949	3		\$ 34,709.92	\$	2,830.32
R169950	3		\$ 34,709.92	\$	2,830.32
R169951	3		\$ 34,709.92	\$	2,830.32

			Improvem	ent .	Area #1
			Outstanding		Installment due
Property ID [a]	Lot Type	Note	Assessment [a]		1/31/2025 [a]
R169952	3		\$ 34,709.92	\$	2,830.32
R169953	3		\$ 34,709.92	\$	2,830.32
R169954	3		\$ 34,709.92	\$	2,830.32
R169955	3		\$ 34,709.92	\$	2,830.32
R169956	3		\$ 34,709.92	\$	2,830.32
R169957	3		\$ 34,709.92	\$	2,830.32
R169958	1		\$ 27,767.94	\$	2,264.25
R169959	1		\$ 27,767.94	\$	2,264.25
R169960	1		\$ 27,767.94	\$	2,264.25
R169961	1		\$ 27,767.94	\$	2,264.25
R169962	1		\$ 27,767.94	\$	2,264.25
R169963	1		\$ 27,767.94	\$	2,264.25
R169964	1		\$ 27,767.94	\$	2,264.25
R169965	1		\$ 27,767.94	\$	2,264.25
R169966	1		\$ 27,767.94	\$	2,264.25
R169967	1		\$ 27,767.94	\$	2,264.25
R169968	1		\$ 27,767.94	\$	2,264.25
R169969	1		\$ 27,767.94	\$	2,264.25
R169970	1		\$ 27,767.94	\$	2,264.25
R169971	1		\$ 27,767.94	\$	2,264.25
R169972	1		\$ 27,767.94	\$	2,264.25
R169973	1		\$ 27,767.94	\$	2,264.25
R169974	1		\$ 27,767.94	\$	2,264.25
R169975	1		\$ 27,767.94	\$	2,264.25
R169976	1		\$ 27,767.94	\$	2,264.25
R169977	1		\$ 27,767.94	\$	2,264.25
R169978	1		\$ 27,767.94	\$	2,264.25
R169979	1		\$ 27,767.94	\$	2,264.25
R169980	1		\$ 27,767.94	\$	2,264.25
R169981	1		\$ 27,767.94	\$	2,264.25
R169982	1		\$ 27,767.94	\$	2,264.25
R169983	1		\$ 27,767.94	\$	2,264.25
R169984	1		\$ 27,767.94	\$	2,264.25
R169985	1		\$ 27,767.94	\$	2,264.25
R169986	1		\$ 27,767.94	\$	2,264.25
R169987	1		\$ 27,767.94	\$	2,264.25
R169988	1		\$ 27,767.94	\$	2,264.25
R169989	1		\$ 27,767.94	\$	2,264.25
R169990	1		\$ 27,767.94	\$	2,264.25
R169991	3		\$ 34,709.92	\$	2,830.32
R169992	1		\$ 27,767.94	\$	2,264.25
R169993	1		\$ 27,767.94	\$	2,264.25
R169994	1		\$ 27,767.94	\$	2,264.25
R169995	1		\$ 27,767.94	\$	2,264.25
R169996	1		\$ 27,767.94	\$	2,264.25

			Improvem	ent .	Area #1
			Outstanding		Installment due
Property ID [a]	Lot Type	Note	Assessment [a]		1/31/2025 [a]
R169997	1		\$ 27,767.94	\$	2,264.25
R170000	1		\$ 27,767.94	\$	2,264.25
R170001	1		\$ 27,767.94	\$	2,264.25
R170002	1		\$ 27,767.94	\$	2,264.25
R170003	1		\$ 27,767.94	\$	2,264.25
R170004	1		\$ 27,767.94	\$	2,264.25
R170005	1		\$ 27,767.94	\$	2,264.25
R170006	1		\$ 27,767.94	\$	2,264.25
R170007	1		\$ 27,767.94	\$	2,264.25
R170008	1		\$ 27,767.94	\$	2,264.25
R170009	1		\$ 27,767.94	\$	2,264.25
R170010	1		\$ 27,767.94	\$	2,264.25
R170011	1		\$ 27,767.94	\$	2,264.25
R170012	1	[b]	\$ -	\$	-
R170013	1		\$ 27,767.94	\$	2,264.25
R170014	1		\$ 27,767.94	\$	2,264.25
R170015	3		\$ 34,709.92	\$	2,830.32
R170016	3		\$ 34,709.92	\$	2,830.32
R170017	3		\$ 34,709.92	\$	2,830.32
R170018	3		\$ 34,709.92	\$	2,830.32
R170019	3		\$ 34,709.92	\$	2,830.32
R170020	3		\$ 34,709.92	\$	2,830.32
R170021	3		\$ 34,709.92	\$	2,830.32
R170022	3		\$ 34,709.92	\$	2,830.32
R170023	3		\$ 34,709.92	\$	2,830.32
R170024	3		\$ 34,709.92	\$	2,830.32
R170025	3		\$ 34,709.92	\$	2,830.32
R170026	3		\$ 34,709.92	\$	2,830.32
R170027	1		\$ 27,767.94	\$	2,264.25
R170028	1		\$ 27,767.94	\$	2,264.25
R170029	1		\$ 27,767.94	\$	2,264.25
R170030	1		\$ 27,767.94	\$	2,264.25
R170031	1		\$ 27,767.94	\$	2,264.25
R170032	1		\$ 27,767.94	\$	2,264.25
R170033	1		\$ 27,767.94	\$	2,264.25
R170034	1		\$ 27,767.94	\$	2,264.25
R170035	1		\$ 27,767.94	\$	2,264.25
R170036	1		\$ 27,767.94	\$	2,264.25
R170037	1		\$ 27,767.94	\$	2,264.25
R170038	1		\$ 27,767.94	\$	2,264.25
R170039	1		\$ 27,767.94	\$	2,264.25
R170040	1		\$ 27,767.94	\$	2,264.25
R170041	1		\$ 27,767.94	\$	2,264.25
R170042	1		\$ 27,767.94	\$	2,264.25
R170043	1		\$ 27,767.94	\$	2,264.25

			Improvem	ent	Area #1
			Outstanding		Installment due
Property ID [a]	Lot Type	Note	Assessment [a]		1/31/2025 [a]
R170044	1		\$ 27,767.94	\$	2,264.25
R170045	1		\$ 27,767.94	\$	2,264.25
R170046	1		\$ 27,767.94	\$	2,264.25
R170047	1		\$ 27,767.94	\$	2,264.25
R170048	1		\$ 27,767.94	\$	2,264.25
R170049	1		\$ 27,767.94	\$	2,264.25
R170050	1		\$ 27,767.94	\$	2,264.25
R170051	1		\$ 27,767.94	\$	2,264.25
R170052	Open Space		\$ -	\$	-
R175294	1		\$ 27,767.94	\$	2,264.25
R175295	1		\$ 27,767.94	\$	2,264.25
R165442	2		\$ 30,666.42	\$	2,500.60
R165443	2		\$ 30,666.42	\$	2,500.60
R165444	2		\$ 30,666.42	\$	2,500.60
R165445	2		\$ 30,666.42	\$	2,500.60
R165446	2		\$ 30,666.42	\$	2,500.60
R165447	2		\$ 30,666.42	\$	2,500.60
R165448	2		\$ 30,666.42	\$	2,500.60
R165449	2		\$ 30,666.42	\$	2,500.60
R165450	2		\$ 30,666.42	\$	2,500.60
R165451	2		\$ 30,666.42	\$	2,500.60
R165452	2		\$ 30,666.42	\$	2,500.60
R165453	2		\$ 30,666.42	\$	2,500.60
R165454	2		\$ 30,666.42	\$	2,500.60
R165455	2		\$ 30,666.42	\$	2,500.60
R165456	2		\$ 30,666.42	\$	2,500.60
R165457	2		\$ 30,666.42	\$	2,500.60
R165458	2		\$ 30,666.42	\$	2,500.60
R165459	2		\$ 30,666.42	\$	2,500.60
R165460	2		\$ 30,666.42	\$	2,500.60
R165461	2		\$ 30,666.42	\$	2,500.60
R165462	2		\$ 30,666.42	\$	2,500.60
R165463	2		\$ 30,666.42	\$	2,500.60
R165464	4		\$ 41,817.85	\$	3,409.91
R165465	4		\$ 41,817.85	\$	3,409.91
R165466	4		\$ 41,817.85	\$	3,409.91
R165467	4		\$ 41,817.85	\$	3,409.91
R165468	4		\$ 41,817.85	\$	3,409.91
R165469	4		\$ 41,817.85	\$	3,409.91
R165470	4		\$ 41,817.85	\$	3,409.91
R165471	4		\$ 41,817.85	\$	3,409.91
R165472	4		\$ 41,817.85	\$	3,409.91
R165473	4		\$ 41,817.85	\$	3,409.91
R165474	4		\$ 41,817.85	\$	3,409.91
R165475	4		\$ 41,817.85	\$	3,409.91

			Improvem	ent	Area #1
			Outstanding		Installment due
Property ID [a]	Lot Type	Note	Assessment [a]		1/31/2025 [a]
R165476	4		\$ 41,817.85	\$	3,409.91
R165477	4		\$ 41,817.85	\$	3,409.91
R165478	4		\$ 41,817.85	\$	3,409.91
R165479	4		\$ 41,817.85	\$	3,409.91
R165480	4		\$ 41,817.85	\$	3,409.91
R165481	4		\$ 41,817.85	\$	3,409.91
R165482	4		\$ 41,817.85	\$	3,409.91
R165483	4		\$ 41,817.85	\$	3,409.91
R165484	4		\$ 41,817.85	\$	3,409.91
R165485	4		\$ 41,817.85	\$	3,409.91
R165486	4		\$ 41,817.85	\$	3,409.91
R165487	4		\$ 41,817.85	\$	3,409.91
R165488	4		\$ 41,817.85	\$	3,409.91
R165489	4		\$ 41,817.85	\$	3,409.91
R165490	4		\$ 41,817.85	\$	3,409.91
R165491	Open Space		\$ -	\$	-
R165492	Open Space		\$ -	\$	-
R165493	2		\$ 30,666.42	\$	2,500.60
R165494	2		\$ 30,666.42	\$	2,500.60
R165495	2		\$ 30,666.42	\$	2,500.60
R165496	2		\$ 30,666.42	\$	2,500.60
R165497	2		\$ 30,666.42	\$	2,500.60
R165498	2		\$ 30,666.42	\$	2,500.60
R165499	2		\$ 30,666.42	\$	2,500.60
R165500	2		\$ 30,666.42	\$	2,500.60
R165501	2		\$ 30,666.42	\$	2,500.60
R165502	2		\$ 30,666.42	\$	2,500.60
R165503	4		\$ 41,817.85	\$	3,409.91
R165504	2		\$ 30,666.42	\$	2,500.60
R165505	4		\$ 41,817.85	\$	3,409.91
R165506	2		\$ 30,666.42	\$	2,500.60
R165507	2		\$ 30,666.42	\$	2,500.60
R165508	2		\$ 30,666.42	\$	2,500.60
R165509	2		\$ 30,666.42	\$	2,500.60
R165510	2		\$ 30,666.42	\$	2,500.60
R165511	2		\$ 30,666.42	\$	2,500.60
R165512	2		\$ 30,666.42	\$	2,500.60
R165513	2		\$ 30,666.42	\$	2,500.60
R165514	2		\$ 30,666.42	\$	2,500.60
R165515	2		\$ 30,666.42	\$	2,500.60
R165516	2		\$ 30,666.42	\$	2,500.60
R165517	2		\$ 30,666.42	\$	2,500.60
R165518	2		\$ 30,666.42	\$	2,500.60
R165519	2		\$ 30,666.42	\$	2,500.60
R165520	2		\$ 30,666.42	\$	2,500.60

			Improvement Area #1									
				Outstanding		Installment due						
Property ID [a]	Lot Type	Note		Assessment [a]		1/31/2025 [a]						
R165521	2		\$	30,666.42	\$	2,500.60						
R165522	2		\$	30,666.42	\$	2,500.60						
R165523	4		\$	41,817.85	\$	3,409.91						
R165524	4		\$	41,817.85	\$	3,409.91						
R165525	4		\$	41,817.85	\$	3,409.91						
R165526	4		\$	41,817.85	\$	3,409.91						
R165527	4		\$	41,817.85	\$	3,409.91						
R165528	4		\$	41,817.85	\$	3,409.91						
R165529	4		\$	41,817.85	\$	3,409.91						
R165530	4		\$	41,817.85	\$	3,409.91						
R165531	4		\$	41,817.85	\$	3,409.91						
R165532	4		\$	41,817.85	\$	3,409.91						
R165533	4		\$	41,817.85	\$	3,409.91						
R165534	4		\$	41,817.85	\$	3,409.91						
R165535	4		\$	41,817.85	\$	3,409.91						
R165536	4		\$	41,817.85	\$	3,409.91						
R165537	4		\$	41,817.85	\$	3,409.91						
R165538	4	[b]	\$	-	\$	-						
R165539	4		\$	41,817.85	\$	3,409.91						
R165540	4		\$	41,817.85	\$	3,409.91						
R165541	4		\$	41,817.85	\$	3,409.91						
R165542	4		\$	41,817.85	\$	3,409.91						
R165543	4		\$	41,817.85	\$	3,409.91						
R165544	4		\$	41,817.85	\$	3,409.91						
R165545	4		\$	41,817.85	\$	3,409.91						
R165546	4		\$	41,817.85	\$	3,409.91						
R165547	Open Space		\$	-	\$	-						
R165548	Open Space		\$	-	\$	-						
Т	otal		\$	10,550,965.06	\$	860,346.40						

#### Notes:

<sup>[</sup>a] May not sum to the totals shown on annual installment or debt service schedules due to rounding.

<sup>[</sup>b] Full Prepayment.

<sup>[</sup>c] Partial Prepayment.

#### **EXHIBIT E – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS**

	Improvement Area #1 Initial Bonds Additional Bonds								·							
Installments Due	Pri	ncipal	Inte	erest [a]		ditional iterest		Principal	h	nterest [b]	4	Additional Interest	Annı	ual Collection Costs		Total Installment
1/31/2025	\$	215,000	\$	307,313	\$	33,550	\$	135,000	\$	132,925	\$	19,700	\$	24,703	\$	868,191
1/31/2026		225,000		298,444		32,475		135,000		129,550		19,025		25,197		864,691
1/31/2027		235,000		289,163		31,350		140,000		125,500		18,350		25,701		865,064
1/31/2028		245,000		279,469		30,175		145,000		121,300		17,650		26,215		864,809
1/31/2029		255,000		269,363		28,950		150,000		116,950		16,925		26,740		863,927
1/31/2030		265,000		258,844		27,675		155,000		112,450		16,175		27,275		862,418
1/31/2031		275,000		246,588		26,350		165,000		107,800		15,400		27,820		863,958
1/31/2032		290,000		233,869		24,975		170,000		102,025		14,575		28,376		863,820
1/31/2033		300,000		220,456		23,525		180,000		96,075		13,725		28,944		862,725
1/31/2034		315,000		206,581		22,025		190,000		89,775		12,825		29,523		865,729
1/31/2035		330,000		192,013		20,450		195,000		83,125		11,875		30,113		862,576
1/31/2036		345,000		176,750		18,800		205,000		76,300		10,900		30,716		863,466
1/31/2037		360,000		160,794		17,075		215,000		69,125		9,875		31,330		863,199
1/31/2038		380,000		144,144		15,275		220,000		61,600		8,800		31,956		861,775
1/31/2039		395,000		126,569		13,375		230,000		53,900		7,700		32,596		859,139
1/31/2040		415,000		108,300		11,400		240,000		45,850		6,550		33,247		860,347
1/31/2041		435,000		88,588		9,325		250,000		37,450		5,350		33,912		859,625
1/31/2042		455,000		67,925		7,150		260,000		28,700		4,100		34,591		857,466
1/31/2043		475,000		46,313		4,875		275,000		19,600		2,800		35,282		858,870
1/31/2044		500,000		23,750		2,500		285,000		9,975		1,425		35,988		858,638
Total	\$ 6	5,710,000	\$	3,745,231	\$	401,275	\$	3,940,000	\$	1,619,975	\$	233,725	\$	600,227	\$	17,250,433

<sup>[</sup>a] Interest is calculated at the rate of the Improvement Area #1 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Interest is calculated at the rate of the Improvement Area #1 Additional Bonds.

# **EXHIBIT F – IMPROVEMENT AREA #2 ASSESSMENT ROLL**

		Improvement Area #2					
Property ID	Lot Type		Outstanding	Annual II	nstallment		
Property ID	Lot Type	_	Assessment [a]		L/2025 [a]		
R179758	7	\$	39,282.24	\$	3,039.75		
R179759	7	\$	39,282.24	\$	3,039.75		
R179760	7	\$	39,282.24	\$	3,039.75		
R179761	7	\$	39,282.24	\$	3,039.75		
R179762	7	\$	39,282.24	\$	3,039.75		
R179763	7	\$	39,282.24	\$	3,039.75		
R179764	7	\$	39,282.24	\$	3,039.75		
R179765	7	\$	39,282.24	\$	3,039.75		
R179766	7	\$	39,282.24	\$	3,039.75		
R179767	7	\$	39,282.24	\$	3,039.75		
R179768	7	\$	39,282.24	\$	3,039.75		
R179769	7	\$	39,282.24	\$	3,039.75		
R179770	7	\$	39,282.24	\$	3,039.75		
R179771	7	\$	39,282.24	\$	3,039.75		
R179772	7	\$	39,282.24	\$	3,039.75		
R179773	7	\$	39,282.24	\$	3,039.75		
R179774	7	\$	39,282.24	\$	3,039.75		
R179775	7	\$	39,282.24	\$	3,039.75		
R179776	7	\$	39,282.24	\$	3,039.75		
R179777	7	\$	39,282.24	\$	3,039.75		
R179778	7	\$	39,282.24	\$	3,039.75		
R179779	7	\$	39,282.24	\$	3,039.75		
R179780	7	\$	39,282.24	\$	3,039.75		
R179781	7	\$	39,282.24	\$	3,039.75		
R179782	7	\$	39,282.24	\$	3,039.75		
R179783	Open Space	\$	-	\$	-		
R179784	7	\$	39,282.24	\$	3,039.75		
R179785	Open Space	\$	-	\$	-		
R179786	7	\$	39,282.24	\$	3,039.75		
R179787	7	\$	39,282.24	\$	3,039.75		
R179788	7	\$	39,282.24	\$	3,039.75		
R179789	Open Space	\$	-	\$	-		
R179790	5	\$	31,425.79	\$	2,431.80		
R179791	5	\$	31,425.79	\$	2,431.80		
R179792	5	\$	31,425.79	\$	2,431.80		
R179793	5	\$	31,425.79	\$	2,431.80		
R179794	5	\$	31,425.79	\$	2,431.80		
R179795	5	\$	31,425.79	\$	2,431.80		
R179796	5	\$	31,425.79	\$	2,431.80		
R179797	5	\$	31,425.79	\$	2,431.80		

		Improvement Area #2						
Durante ID	Lat Toma	Outstanding	Annual Installment					
Property ID	Lot Type	Assessment [a]	due 1/31/2025 [a]					
R179798	5	\$ 31,425.79	\$ 2,431.80					
R179799	5	\$ 31,425.79	\$ 2,431.80					
R179800	5	\$ 31,425.79	\$ 2,431.80					
R179801	5	\$ 31,425.79	\$ 2,431.80					
R179802	7	\$ 39,282.24	\$ 3,039.75					
R179803	7	\$ 39,282.24	\$ 3,039.75					
R179804	7	\$ 39,282.24	\$ 3,039.75					
R179805	5	\$ 31,425.79	\$ 2,431.80					
R179806	5	\$ 31,425.79	\$ 2,431.80					
R179807	5	\$ 31,425.79	\$ 2,431.80					
R179808	5	\$ 31,425.79	\$ 2,431.80					
R179809	5	\$ 31,425.79	\$ 2,431.80					
R179810	5	\$ 31,425.79	\$ 2,431.80					
R179811	5	\$ 31,425.79	\$ 2,431.80					
R179812	5	\$ 31,425.79	\$ 2,431.80					
R179813	5	\$ 31,425.79	\$ 2,431.80					
R179814	5	\$ 31,425.79	\$ 2,431.80					
R179815	5	\$ 31,425.79	\$ 2,431.80					
R179816	5	\$ 31,425.79	\$ 2,431.80					
R179817	5	\$ 31,425.79	\$ 2,431.80					
R179818	5	\$ 31,425.79	\$ 2,431.80					
R179819	5	\$ 31,425.79	\$ 2,431.80					
R179820	5	\$ 31,425.79	\$ 2,431.80					
R179821	5	\$ 31,425.79	·					
R179822	5	\$ 31,425.79						
R179823	5	\$ 31,425.79	\$ 2,431.80					
R179824	5	\$ 31,425.79	\$ 2,431.80					
R179825	5	\$ 31,425.79	\$ 2,431.80					
R179826	5	\$ 31,425.79	· ·					
R179827	5	\$ 31,425.79						
R179828	5	\$ 31,425.79	·					
R179829	5	\$ 31,425.79						
R179830	5	\$ 31,425.79						
R179831	5	\$ 31,425.79	· ·					
R179832	5	\$ 31,425.79						
R179833	5	\$ 31,425.79						
R179834	5	\$ 31,425.79	· ·					
R179835	5	\$ 31,425.79						
R179836	5	\$ 31,425.79	· ·					
R179837	5	\$ 31,425.79	\$ 2,431.80					

		Improvement Area #2					
Duran antic ID	Lat Toma	Oı	utstanding	Annual I	nstallment		
Property ID	Lot Type	Ass	essment [a]	due 1/3	1/2025 [a]		
R179838	5	\$	31,425.79	\$	2,431.80		
R179839	5	\$	31,425.79	\$	2,431.80		
R179840	5	\$	31,425.79	\$	2,431.80		
R179841	5	\$	31,425.79	\$	2,431.80		
R179842	5	\$	31,425.79	\$	2,431.80		
R179843	5	\$	31,425.79	\$	2,431.80		
R179844	5	\$	31,425.79	\$	2,431.80		
R179845	5	\$	31,425.79	\$	2,431.80		
R179846	5	\$	31,425.79	\$	2,431.80		
R179847	5	\$	31,425.79	\$	2,431.80		
R179848	5	\$	31,425.79	\$	2,431.80		
R179849	5	\$	31,425.79	\$	2,431.80		
R179850	5	\$	31,425.79	\$	2,431.80		
R179851	5	\$	31,425.79	\$	2,431.80		
R179852	Open Space	\$	-	\$	-		
R179336	Open Space	\$	-	\$	-		
R179337	7	\$	39,282.24	\$	3,039.75		
R179338	7	\$	39,282.24	\$	3,039.75		
R179339	7	\$	39,282.24	\$	3,039.75		
R179340	7	\$	39,282.24	\$	3,039.75		
R179341	7	\$	39,282.24	\$	3,039.75		
R179342	7	\$	39,282.24	\$	3,039.75		
R179343	7	\$	39,282.24	\$	3,039.75		
R179344	7	\$	39,282.24	\$	3,039.75		
R179345	7	\$	39,282.24	\$	3,039.75		
R179346	7	\$	39,282.24	\$	3,039.75		
R179347	7	\$	39,282.24	\$	3,039.75		
R179348	7	\$	39,282.24	\$	3,039.75		
R179349	7	\$	39,282.24	\$	3,039.75		
R179350	7	\$	39,282.24	\$	3,039.75		
R179351	7	\$	39,282.24	\$	3,039.75		
R179352	7	\$	39,282.24	\$	3,039.75		
R179353	7	\$	39,282.24	\$	3,039.75		
R179354	7	\$	39,282.24	\$	3,039.75		
R179355	7	\$	39,282.24	\$	3,039.75		
R179356	7	\$	39,282.24	\$	3,039.75		
R179357	7	\$	39,282.24	\$	3,039.75		
R179358	7	\$	39,282.24	\$	3,039.75		
R179359	7	\$	39,282.24	\$	3,039.75		
R179360	7	\$	39,282.24	\$	3,039.75		

		Improvement Area #2						
Duran anto ID	Lat Toma		Outstanding	Annual Installment				
Property ID	Lot Type	4	Assessment [a]	due 1/31	/2025 [a]			
R179361	7	\$	39,282.24	\$	3,039.75			
R179362	7	\$	39,282.24	\$	3,039.75			
R179363	7	\$	39,282.24	\$	3,039.75			
R179364	7	\$	39,282.24	\$	3,039.75			
R179365	7	\$	39,282.24	\$	3,039.75			
R179366	7	\$	39,282.24	\$	3,039.75			
R179367	7	\$	39,282.24	\$	3,039.75			
R179368	7	\$	39,282.24	\$	3,039.75			
R179369	7	\$	39,282.24	\$	3,039.75			
R179370	7	\$	39,282.24	\$	3,039.75			
R179371	7	\$	39,282.24	\$	3,039.75			
R179372	7	\$	39,282.24	\$	3,039.75			
R179373	Open Space	\$	-	\$	-			
R179374	7	\$	39,282.24	\$	3,039.75			
R179375	7	\$	39,282.24	\$	3,039.75			
R179376	7	\$	39,282.24	\$	3,039.75			
R179377	7	\$	39,282.24	\$	3,039.75			
R179378	7	\$	39,282.24	\$	3,039.75			
R179379	7	\$	39,282.24	\$	3,039.75			
R179380	7	\$	39,282.24	\$	3,039.75			
R179381	Open Space	\$	-	\$	-			
R179382	7	\$	39,282.24	\$	3,039.75			
R179383	7	\$	39,282.24	\$	3,039.75			
R179384	7	\$	39,282.24	\$	3,039.75			
R179385	7	\$	39,282.24	\$	3,039.75			
R179386	7	\$	39,282.24	\$	3,039.75			
R179387	7	\$	39,282.24	\$	3,039.75			
R179388	7	\$	39,282.24	\$	3,039.75			
R179389	7	\$	39,282.24	\$	3,039.75			
R179390	7	\$	39,282.24	\$	3,039.75			
R179391	7	\$	39,282.24	\$	3,039.75			
R179392	7	\$	39,282.24	\$	3,039.75			
R179393	7	\$	39,282.24	\$	3,039.75			
R179394	7	\$	39,282.24	\$	3,039.75			
R179395	7	\$	39,282.24	\$	3,039.75			
R176770	6	\$	34,568.37	\$	2,674.98			
R176771	6	\$	34,568.37	\$	2,674.98			
R176772	6	\$	34,568.37	\$	2,674.98			
R176773	6	\$	34,568.37	\$	2,674.98			
R176774	6	\$	34,568.37	\$	2,674.98			

		Improvement Area #2					
Duomouti / ID	Let Ture		Outstanding	Annual In	stallment		
Property ID	Lot Type	1	Assessment [a]	due 1/31	/2025 [a]		
R176775	6	\$	34,568.37	\$	2,674.98		
R176776	6	\$	34,568.37	\$	2,674.98		
R176777	6	\$	34,568.37	\$	2,674.98		
R176778	6	\$	34,568.37	\$	2,674.98		
R176779	6	\$	34,568.37	\$	2,674.98		
R176780	6	\$	34,568.37	\$	2,674.98		
R176781	6	\$	34,568.37	\$	2,674.98		
R176782	6	\$	34,568.37	\$	2,674.98		
R176783	6	\$	34,568.37	\$	2,674.98		
R176784	6	\$	34,568.37	\$	2,674.98		
R176785	6	\$	34,568.37	\$	2,674.98		
R176786	6	\$	34,568.37	\$	2,674.98		
R176787	6	\$	34,568.37	\$	2,674.98		
R176788	6	\$	34,568.37	\$	2,674.98		
R176789	<b>Amenity Center</b>	\$	-	\$	-		
R176790	Open Space	\$	-	\$	-		
R176791	8	\$	47,138.69	\$	3,647.71		
R176792	8	\$	47,138.69	\$	3,647.71		
R176793	8	\$	47,138.69	\$	3,647.71		
R176794	8	\$	47,138.69	\$	3,647.71		
R176795	8	\$	47,138.69	\$	3,647.71		
R176796	8	\$	47,138.69	\$	3,647.71		
R176797	8	\$	47,138.69	\$	3,647.71		
R176798	8	\$	47,138.69	\$	3,647.71		
R176799	8	\$	47,138.69	\$	3,647.71		
R176800	8	\$	47,138.69	\$	3,647.71		
R176801	8	\$	47,138.69	\$	3,647.71		
R176802	8	\$	47,138.69	\$	3,647.71		
R176803	8	\$	47,138.69	\$	3,647.71		
R176804	8	\$	47,138.69	\$	3,647.71		
R176805	8	\$	47,138.69	\$	3,647.71		
R176806	6	\$	34,568.37	\$	2,674.98		
R176807	6	\$	34,568.37	\$	2,674.98		
R176808	6	\$	34,568.37	\$	2,674.98		
R176809	6	\$	34,568.37	\$	2,674.98		
R176810	6	\$	34,568.37	\$	2,674.98		
R176811	6	\$	34,568.37	\$	2,674.98		
R176812	6	\$	34,568.37	\$	2,674.98		
R176813	6	\$	34,568.37	\$	2,674.98		
R176814	6	\$	34,568.37	\$	2,674.98		

		Improvement Area #2				
Droporty JD	Lot Ture	Outstanding	Annual I	nstallment		
Property ID	Lot Type	Assessment [a]	due 1/3	1/2025 [a]		
R176815	6	\$ 34,568.37	\$	2,674.98		
R176816	6	\$ 34,568.37	\$	2,674.98		
R176817	Open Space	\$ -	\$	-		
R176818	6	\$ 34,568.37	\$	2,674.98		
R176819	6	\$ 34,568.37	\$	2,674.98		
R176820	6	\$ 34,568.37	\$	2,674.98		
R176821	6	\$ 34,568.37	\$	2,674.98		
R176822	6	\$ 34,568.37	\$	2,674.98		
R176823	6	\$ 34,568.37	\$	2,674.98		
R176824	6	\$ 34,568.37	\$	2,674.98		
R176825	6	\$ 34,568.37	\$	2,674.98		
R176826	6	\$ 34,568.37	\$	2,674.98		
R176827	6	\$ 34,568.37	\$	2,674.98		
R176828	6	\$ 34,568.37	\$	2,674.98		
R176829	6	\$ 34,568.37	\$	2,674.98		
R189449	6	\$ 34,568.37	\$	2,674.98		
R189450	6	\$ 34,568.37	\$	2,674.98		
R189451	6	\$ 34,568.37	\$	2,674.98		
R189452	6	\$ 34,568.37	\$	2,674.98		
R189453	6	\$ 34,568.37	\$	2,674.98		
R189454	6	\$ 34,568.37	\$	2,674.98		
R189455	8	\$ 47,138.69	\$	3,647.71		
R189456	8	\$ 47,138.69	\$	3,647.71		
R189457	8	\$ 47,138.69	\$	3,647.71		
R189458	8	\$ 47,138.69	\$	3,647.71		
R189459	8	\$ 47,138.69	\$	3,647.71		
R189460	8	\$ 47,138.69	\$	3,647.71		
R189461	8	\$ 47,138.69	\$	3,647.71		
R189462	8	\$ 47,138.69	\$	3,647.71		
R189463	8	\$ 47,138.69	\$	3,647.71		
R189464	8	\$ 47,138.69	\$	3,647.71		
R189465	8	\$ 47,138.69	\$	3,647.71		
R189466	8	\$ 47,138.69	\$	3,647.71		
R189467	8	\$ 47,138.69	\$	3,647.71		
R189468	8	\$ 47,138.69	\$	3,647.71		
R189469	Open Space	\$ -	\$	-		
R189470	6	\$ 34,568.37	\$	2,674.98		
R189471	6	\$ 34,568.37	\$	2,674.98		
R189472	6	\$ 34,568.37	\$	2,674.98		
R189473	6	\$ 34,568.37	\$	2,674.98		

			Improvement Area #2					
Property ID	Lot Type		Outstanding	Anı	nual Installment			
Property ID	Lot Type	A	ssessment [a]	du	e 1/31/2025 [a]			
R189474	6	\$	34,568.37	\$	2,674.98			
R189475	6	\$	34,568.37	\$	2,674.98			
R189476	6	\$	34,568.37	\$	2,674.98			
R189477	6	\$	34,568.37	\$	2,674.98			
R189478	6	\$	34,568.37	\$	2,674.98			
R189479	6	\$	34,568.37	\$	2,674.98			
R189480	6	\$	34,568.37	\$	2,674.98			
R189481	6	\$	34,568.37	\$	2,674.98			
R189482	6	\$	34,568.37	\$	2,674.98			
R189483	6	\$	34,568.37	\$	2,674.98			
R189484	6	\$	34,568.37	\$	2,674.98			
R189485	6	\$	34,568.37	\$	2,674.98			
R189486	6	\$	34,568.37	\$	2,674.98			
R189487	6	\$	34,568.37	\$	2,674.98			
R189488	Open Space	\$	-	\$	-			
R189489	6	\$	34,568.37	\$	2,674.98			
R189490	6	\$	34,568.37	\$	2,674.98			
R189491	6	\$	34,568.37	\$	2,674.98			
R189492	6	\$	34,568.37	\$	2,674.98			
R189493	6	\$	34,568.37	\$	2,674.98			
R189494	6	\$	34,568.37	\$	2,674.98			
R189495	6	\$	34,568.37	\$	2,674.98			
R189496	6	\$	34,568.37	\$	2,674.98			
R189497	6	\$	34,568.37	\$	2,674.98			
R189498	8	\$	47,138.69	\$	3,647.71			
R189499	8	\$	47,138.69	\$	3,647.71			
R189500	8	\$	47,138.69	\$	3,647.71			
R189501	8	\$	47,138.69	\$	3,647.71			
R189502	8	\$	47,138.69	\$	3,647.71			
R189503	8	\$	47,138.69	\$	3,647.71			
R189504	8	\$	47,138.69	\$	3,647.71			
R189505	8	\$	47,138.69	\$	3,647.71			
R189506	Open Space	\$	-	\$	-			
R190466	Open Space	\$		\$	<u>-</u>			
Tot	al	\$	9,687,000.25	\$	749,602.72			

Notes:

<sup>[</sup>a] May not sum to the totals shown on annual installment or debt service schedules due to rounding.

### **EXHIBIT G – IMPROVEMENT AREA #2 ANNUAL INSTALLMENTS**

	Improve	men	t Area #2 Initial I	Bonds		Improvement Area #2 Additional Bonds				onds			
Annual Installment Due	Principal		Interest [a]		itional est [c]		Principal		Interest [b]		Additional Interest [c]	l Collection Costs	Total Annual Installment
1/31/2025	\$ 185,000	\$	216,394	\$	29,700	\$	90,000	\$	188,134	\$	18,735	\$ 21,641	\$ 749,604
1/31/2026	190,000		211,538		28,775		94,000		184,421		18,285	22,074	749,093
1/31/2027	195,000		205,600		27,825		100,000		180,544		17,815	22,515	749,299
1/31/2028	200,000		199,506		26,850		106,000		176,419		17,315	22,966	749,056
1/31/2029	210,000		193,256		25,850		108,000		172,046		16,785	23,425	749,362
1/31/2030	215,000		186,694		24,800		116,000		166,511		16,245	23,893	749,143
1/31/2031	220,000		179,975		23,725		124,000		160,566		15,665	24,371	748,303
1/31/2032	230,000		172,000		22,625		130,000		154,211		15,045	24,859	748,740
1/31/2033	240,000		163,663		21,475		136,000		147,549		14,395	25,356	748,437
1/31/2034	245,000		154,963		20,275		148,000		140,579		13,715	25,863	748,394
1/31/2035	255,000		146,081		19,050		156,000		132,994		12,975	26,380	748,480
1/31/2036	265,000		136,838		17,775		165,000		124,999		12,195	26,908	748,714
1/31/2037	275,000		127,231		16,450		174,000		116,543		11,370	27,446	748,040
1/31/2038	285,000		117,263		15,075		185,000		107,625		10,500	27,995	748,457
1/31/2039	295,000		106,931		13,650		196,000		98,144		9,575	28,555	747,855
1/31/2040	310,000		96,238		12,175		204,000		88,099		8,595	29,126	748,232
1/31/2041	320,000		85,000		10,625		217,000		77,644		7,575	29,708	747,552
1/31/2042	335,000		72,200		9,025		228,000		66,523		6,490	30,303	747,540
1/31/2043	345,000		58,800		7,350		246,000		54,838		5,350	30,909	748,246
1/31/2044	360,000		45,000		5,625		259,000		42,230		4,120	31,527	747,502
1/31/2045	375,000		30,600		3,825		274,000		28,956		2,825	32,157	747,364
1/31/2046	390,000		15,600		1,950		291,000		14,914		1,455	32,801	747,719
Total	\$ 5,940,000	\$	2,921,369	\$	384,475	\$	3,747,000	\$	2,624,486	\$	257,025	\$ 590,777	\$ 16,465,132

<sup>[</sup>a] Interest is calculated at the actual interest rate of the Improvement Area #2 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Interest is calculated at the actual interest rate of the Improvement Area #2 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

# **EXHIBIT H – IMPROVEMENT AREA #3 ASSESSMENT ROLL**

			Improvement Area #3				
Dronouty ID	Let Tyre	Note	0	utstanding	An	nual Installment	
Property ID	Lot Type	Note	Ass	essment [a]	du	e 1/31/2025 [a]	
R191678	11		\$	53,585.50	\$	4,144.58	
R191679	11		\$	53,585.50	\$	4,144.58	
R191680	11		\$	53,585.50	\$	4,144.58	
R191681	11		\$	53,585.50	\$	4,144.58	
R191682	11		\$	53,585.50	\$	4,144.58	
R191683	11		\$	53,585.50	\$	4,144.58	
R191684	11		\$	53,585.50	\$	4,144.58	
R191685	11		\$	53,585.50	\$	4,144.58	
R191686	11		\$	53,585.50	\$	4,144.58	
R191687	11		\$	53,585.50	\$	4,144.58	
R191688	11		\$	53,585.50	\$	4,144.58	
R191689	11		\$	53,585.50	\$	4,144.58	
R191690	11		\$	53,585.50	\$	4,144.58	
R191691	11		\$	53,585.50	\$	4,144.58	
R191692	11		\$	53,585.50	\$	4,144.58	
R191693	11		\$	53,585.50	\$	4,144.58	
R191694	11		\$	53,585.50	\$	4,144.58	
R191695	11		\$	53,585.50	\$	4,144.58	
R191696	9		\$	38,114.85	\$	2,948.00	
R191697	9		\$	38,114.85	\$	2,948.00	
R191698	9		\$	38,114.85	\$	2,948.00	
R191699	9		\$	38,114.85	\$	2,948.00	
R191700	9		\$	38,114.85	\$	2,948.00	
R191701	9		\$	38,114.85	\$	2,948.00	
R191702	9		\$	38,114.85	\$	2,948.00	
R191703	9		\$	38,114.85	\$	2,948.00	
R191704	9		\$	38,114.85	\$	2,948.00	
R191705	11		\$	53,585.50	\$	4,144.58	
R191706	9		\$	38,114.85	\$	2,948.00	
R191707	9		\$	38,114.85	\$	2,948.00	
R191708	9		\$	38,114.85	\$	2,948.00	
R191709	9		\$	38,114.85	\$	2,948.00	
R191710	9		\$	38,114.85	\$	2,948.00	
R191711	9		\$	38,114.85	\$	2,948.00	
R191712	9		\$	38,114.85	\$	2,948.00	
R191713	9		\$	38,114.85	\$	2,948.00	
R191714	9		\$	38,114.85	\$	2,948.00	
R191715	9		\$	38,114.85	\$	2,948.00	
R191716	9		\$	38,114.85	\$	2,948.00	
R191717	9		\$	38,114.85	\$	2,948.00	
R191718	9		\$	38,114.85	\$	2,948.00	
R191719	11		\$	53,585.50	\$	4,144.58	
R191720	11		\$	53,585.50	\$	4,144.58	
R191721	11		\$	53,585.50	\$	4,144.58	
R191722	11		\$	53,585.50	\$	4,144.58	
R191723	Open Space		\$	-	\$	-	
R191724	11		\$	53,585.50	\$	4,144.58	
R191725	11		\$	53,585.50	\$	4,144.58	
R191726	11		\$	53,585.50	\$	4,144.58	
R191727	11		\$	53,585.50	\$	4,144.58	

			Improvement Area #3				
Droporty ID	Lat Type	Note		Outstanding	Annual Installment		
Property ID	Lot Type	Note	As	ssessment [a]	due	1/31/2025 [a]	
R191728	11		\$	53,585.50	\$	4,144.58	
R191729	9		\$	38,114.85	\$	2,948.00	
R191730	9		\$	38,114.85	\$	2,948.00	
R191731	9		\$	38,114.85	\$	2,948.00	
R191732	9		\$	38,114.85	\$	2,948.00	
R191733	9		\$	38,114.85	\$	2,948.00	
R191734	9		\$	38,114.85	\$	2,948.00	
R191735	9		\$	38,114.85	\$	2,948.00	
R191736	9		\$	38,114.85	\$	2,948.00	
R191737	9		\$	38,114.85	\$	2,948.00	
R191738	11		\$	53,585.50	\$	4,144.58	
R191739	11		\$	53,585.50	\$	4,144.58	
R191740	9		\$	38,114.85	\$	2,948.00	
R191741	9		\$	38,114.85	\$	2,948.00	
R191742	9		\$	38,114.85	\$	2,948.00	
R191743	9		\$	38,114.85	\$	2,948.00	
R191744	9		\$	38,114.85	\$	2,948.00	
R191745	9		\$	38,114.85	\$	2,948.00	
R191746	9		\$	38,114.85	\$	2,948.00	
R191747	9		\$	38,114.85	\$	2,948.00	
R191748	9		\$	38,114.85	\$	2,948.00	
R191749	9		\$	38,114.85	\$	2,948.00	
R191750	9		\$	38,114.85	\$	2,948.00	
R191751	9		\$	38,114.85	\$	2,948.00	
R191752	9		\$	38,114.85	\$	2,948.00	
R191753	9		\$	38,114.85	\$	2,948.00	
R191754	9		\$	38,114.85	\$	2,948.00	
R191755	9		\$	38,114.85	\$	2,948.00	
R191756	9		\$	38,114.85	\$	2,948.00	
R191757	9		\$	38,114.85	\$	2,948.00	
R191758	9		\$	38,114.85	\$	2,948.00	
R191759	9		\$	38,114.85	\$	2,948.00	
R191760	9		\$	38,114.85	\$	2,948.00	
R191761	9		\$	38,114.85	\$	2,948.00	
R191762	9		\$	38,114.85	\$	2,948.00	
R191763	9		\$	38,114.85	\$	2,948.00	
R191764	Open Space		\$	-	\$	-	
R191765	9		\$	38,114.85	\$	2,948.00	
R191766	9		\$	38,114.85	\$	2,948.00	
R194992	11		\$	53,585.50	\$	4,144.58	
R194993	9		\$	38,114.85	\$	2,948.00	
R182334	Open Space		\$	-	\$	-	
R182335	11		\$	53,585.50	\$	4,144.58	
R182336	11		\$	53,585.50	\$	4,144.58	
R182337	11		\$	53,585.50	\$	4,144.58	
R182338	11		\$	53,585.50	\$	4,144.58	
R182339	11		\$	53,585.50	\$	4,144.58	
R182340	11		\$	53,585.50	\$	4,144.58	
R182341	11		\$	53,585.50	\$	4,144.58	
R182342	11		\$	53,585.50	\$	4,144.58	

			Improvement Area #3					
			Outsta	nding	Annual	Installment		
Property ID	Lot Type	Note	Assessm	ent [a]	due 1/	31/2025 [a]		
R182343	11		\$ 5	3,585.50	\$	4,144.58		
R182344	11		\$ 5	3,585.50	\$	4,144.58		
R182345	11		\$ 5	3,585.50	\$	4,144.58		
R182346	11		\$ 5	3,585.50	\$	4,144.58		
R182347	11		\$ 5	3,585.50	\$	4,144.58		
R182348	11		\$ 5	3,585.50	\$	4,144.58		
R182349	11			3,585.50	\$	4,144.58		
R182350	11			3,585.50	\$	4,144.58		
R182351	11			3,585.50	\$	4,144.58		
R182352	11			3,585.50	\$	4,144.58		
R182353	11			3,585.50	\$	4,144.58		
R182354	11			3,585.50	\$	4,144.58		
R182355	11			3,585.50	\$	4,144.58		
R182356	11			3,585.50	\$	4,144.58		
R182357	Open Space		\$	<i>'</i>	\$	, -		
R182358	11			3,585.50	\$	4,144.58		
R182359	11			3,585.50	\$	4,144.58		
R182360	11			3,585.50	\$	4,144.58		
R182361	11			3,585.50	\$	4,144.58		
R182362	11			3,585.50	\$	4,144.58		
R182363	11			3,585.50	\$	4,144.58		
R182364	11			3,585.50	\$	4,144.58		
R182365	Open Space		\$	-	\$	-		
R182366	9			8,114.85	\$	2,948.00		
R182367	9			8,114.85	\$	2,948.00		
R182368	9			8,114.85	\$	2,948.00		
R182369	9			8,114.85	\$	2,948.00		
R182370	9			8,114.85	\$	2,948.00		
R182371	9			8,114.85	\$	2,948.00		
R182372	9		\$ 3	8,114.85	\$	2,948.00		
R182373	9		\$ 3	8,114.85	\$	2,948.00		
R182374	9			8,114.85	\$	2,948.00		
R182375	9		\$ 3	8,114.85	\$	2,948.00		
R182376	9			8,114.85	\$	2,948.00		
R182377	9			8,114.85	\$	2,948.00		
R182378	9		\$ 3	8,114.85	\$	2,948.00		
R182379	9			8,114.85	\$	2,948.00		
R182380	Open Space		\$	-	\$	-		
R182381	11			3,585.50	\$	4,144.58		
R182382	9			8,114.85	\$	2,948.00		
R182383	9			8,114.85	\$	2,948.00		
R182384	9			8,114.85	\$	2,948.00		
R182385	9			8,114.85	\$	2,948.00		
R182386	9			8,114.85	\$	2,948.00		
R182387	9			8,114.85	\$	2,948.00		
R182388	9			8,114.85	\$	2,948.00		
R182389	9			8,114.85	\$	2,948.00		
R182390	9			8,114.85	\$	2,948.00		
R182391	9			8,114.85	\$	2,948.00		
R182392	9		\$ 3	8,114.85	\$	2,948.00		

			Improvement Area #3				
			0	utstanding	Annı	ual Installment	
Property ID	Lot Type	Note	Ass	essment [a]	due	1/31/2025 [a]	
R182393	9		\$	38,114.85	\$	2,948.00	
R182394	9		\$	38,114.85	\$	2,948.00	
R182395	Open Space		\$	-	\$	-	
R182396	9		\$	38,114.85	\$	2,948.00	
R182397	9		\$	38,114.85	\$	2,948.00	
R182398	9		\$	38,114.85	\$	2,948.00	
R182399	9		\$	38,114.85	\$	2,948.00	
R182400	9		\$	38,114.85	\$	2,948.00	
R182401	9		\$	38,114.85	\$	2,948.00	
R182402	9		\$	38,114.85	\$	2,948.00	
R182403	9		\$	38,114.85	\$	2,948.00	
R182404	9		\$	38,114.85	\$	2,948.00	
R182405	9		\$	38,114.85	\$	2,948.00	
R182406	9		\$	38,114.85	\$	2,948.00	
R182407	9		\$	38,114.85	\$	2,948.00	
R182408	9		\$	38,114.85	\$	2,948.00	
R182409	Open Space		\$	-	\$	-	
R182410	9		\$	38,114.85	\$	2,948.00	
R182411	9		\$	38,114.85	\$	2,948.00	
R182412	9		\$	38,114.85	\$	2,948.00	
R182413	9		\$	38,114.85	\$	2,948.00	
R182414	9		\$	38,114.85	\$	2,948.00	
R182415	9		\$	38,114.85	\$	2,948.00	
R182416	9		\$	38,114.85	\$	2,948.00	
R182417	9		\$	38,114.85	\$	2,948.00	
R182418	9		\$	38,114.85	\$	2,948.00	
R182419	9		\$	38,114.85	\$	2,948.00	
R182420	9		\$	38,114.85	\$	2,948.00	
R182421	9		\$	38,114.85	\$	2,948.00	
R182422	9		\$	38,114.85	\$	2,948.00	
R182423	9		\$	38,114.85	\$	2,948.00	
R182424	9		\$	38,114.85	\$	2,948.00	
R182425	9		\$	38,114.85	\$	2,948.00	
R182426	9		\$	38,114.85	\$	2,948.00	
R182427	9		\$	38,114.85	\$	2,948.00	
R182428	9		\$	38,114.85	\$	2,948.00	
R182429	9		\$	38,114.85	\$	2,948.00	
R182430	9		\$	38,114.85	\$	2,948.00	
R182431	9		\$	38,114.85	\$	2,948.00	
R182432	9		\$	38,114.85	\$	2,948.00	
R182433	9		\$	38,114.85	\$	2,948.00	
R202034	Open Space		\$	-	\$	-	
R197760	11		\$	53,585.50	\$	4,144.58	
R197761	11		\$	53,585.50	\$	4,144.58	
R197762	11		\$	53,585.50	\$	4,144.58	
R197763	11		\$	53,585.50	\$	4,144.58	
R197764	11		\$	53,585.50	\$	4,144.58	
R197765	11		\$	53,585.50	\$	4,144.58	
R197766	11		\$	53,585.50	\$	4,144.58	
R197767	11		\$	53,585.50	\$	4,144.58	

			Improvement Area #3					
			Outstanding	Annual Installment				
Property ID	Lot Type	Note	Assessment [a]	due 1/31/2025 [a]				
R197768	11		\$ 53,585.50	\$ 4,144.58				
R197769	11		\$ 53,585.50	\$ 4,144.58				
R197770	11		\$ 53,585.50	\$ 4,144.58				
R197771	11		\$ 53,585.50	\$ 4,144.58				
R197772	11		\$ 53,585.50	\$ 4,144.58				
R197773	11		\$ 53,585.50	\$ 4,144.58				
R197774	11		\$ 53,585.50	\$ 4,144.58				
R197775	11		\$ 53,585.50	\$ 4,144.58				
R197776	11		\$ 53,585.50	\$ 4,144.58				
R197777	11		\$ 53,585.50	\$ 4,144.58				
R197778	11		\$ 53,585.50	\$ 4,144.58				
R197779	11		\$ 53,585.50	\$ 4,144.58				
R197780	11		\$ 53,585.50	\$ 4,144.58				
R197781	11		\$ 53,585.50	\$ 4,144.58				
R197782	11		\$ 53,585.50	\$ 4,144.58				
R197783	11		\$ 53,585.50	\$ 4,144.58				
R197784	11		\$ 53,585.50	\$ 4,144.58				
R197785	11		\$ 53,585.50	\$ 4,144.58				
R197786	11		\$ 53,585.50	\$ 4,144.58				
R197787	11		\$ 53,585.50	\$ 4,144.58				
R197788	11		\$ 53,585.50	\$ 4,144.58				
R197789	11		\$ 53,585.50	\$ 4,144.58				
R197789 R197790	11		\$ 53,585.50	\$ 4,144.58				
R197790 R197791	11		\$ 53,585.50	\$ 4,144.58				
R197791 R197792	11		\$ 53,585.50	\$ 4,144.58				
R197792 R197793	11		\$ 53,585.50	\$ 4,144.58				
R197794	11		\$ 53,585.50	\$ 4,144.58				
R197795	11		\$ 53,585.50	\$ 4,144.58				
R197796	11			\$ 4,144.58				
R197797	11			\$ 4,144.58				
R197798	11		\$ 53,585.50 \$ 53,585.50	\$ 4,144.58				
R197798	11		\$ 53,585.50					
	11							
R197800	11			·				
R197801	11							
R197802	11		-	·				
R197803	11		\$ 53,585.50	\$ 4,144.58				
R197804			\$ 53,585.50	\$ 4,144.58				
R197805	Open Space		\$ - \$ -	\$ -				
R197806	Open Space			\$ -				
R197807	Open Space		\$ -	\$ -				
R197808	Open Space		\$ -	\$ -				
R197809	11		\$ 53,585.50	\$ 4,144.58				
R197810	11		\$ 53,585.50	\$ 4,144.58				
R197811	11		\$ 53,585.50	\$ 4,144.58				
R197812	11		\$ 53,585.50	\$ 4,144.58				
R197813	11		\$ 53,585.50	\$ 4,144.58				
R197814	11		\$ 53,585.50	\$ 4,144.58				
R197815	11		\$ 53,585.50	\$ 4,144.58				
R197816	11		\$ 53,585.50	\$ 4,144.58				
R197817	11		\$ 53,585.50	\$ 4,144.58				

			Improvement Area #3					
			Outstanding	Annual	Installment			
Property ID	Lot Type	Note	Assessment [a]	due 1/	31/2025 [a]			
R197818	11		\$ 53,585.50	) \$	4,144.58			
R197819	11		\$ 53,585.50		4,144.58			
R197820	11		\$ 53,585.50		4,144.58			
R197821	11		\$ 53,585.50		4,144.58			
R197822	11		\$ 53,585.50	\$	4,144.58			
R197823	11		\$ 53,585.50		4,144.58			
R197824	11		\$ 53,585.50		4,144.58			
R197825	11		\$ 53,585.50		4,144.58			
R197826	11		\$ 53,585.50		4,144.58			
R197827	11		\$ 53,585.50	\$	4,144.58			
R197828	11		\$ 53,585.50	\$	4,144.58			
R197829	11		\$ 53,585.50	\$	4,144.58			
R197830	11		\$ 53,585.50	\$	4,144.58			
R197831	11		\$ 53,585.50		4,144.58			
R197832	11		\$ 53,585.50	\$	4,144.58			
R197833	11		\$ 53,585.50		4,144.58			
R197834	11		\$ 53,585.50		4,144.58			
R197835	Open Space		\$ -	\$	-			
R197841	11		\$ 53,585.50	\$	4,144.58			
R196800	10		\$ 41,442.33	\$	3,205.37			
R196801	10		\$ 41,442.33	\$	3,205.37			
R196802	10		\$ 41,442.33	\$	3,205.37			
R196803	10		\$ 41,442.33		3,205.37			
R196804	10		\$ 41,442.33	\$	3,205.37			
R196805	10		\$ 41,442.33		3,205.37			
R196806	10		\$ 41,442.33	\$	3,205.37			
R196807	10		\$ 41,442.33	\$	3,205.37			
R196808	10		\$ 41,442.33	\$	3,205.37			
R196809	10		\$ 41,442.33	\$	3,205.37			
R196810	10		\$ 41,442.33	\$	3,205.37			
R196811	10		\$ 41,442.33	\$	3,205.37			
R196812	10		\$ 41,442.33	\$	3,205.37			
R196813	10		\$ 41,442.33	\$	3,205.37			
R196814	10		\$ 41,442.33	\$	3,205.37			
R196815	10		\$ 41,442.33	\$	3,205.37			
R196816	10		\$ 41,442.33	\$	3,205.37			
R196817	10		\$ 41,442.33		3,205.37			
R196818	10		\$ 41,442.33	\$	3,205.37			
R196819	10		\$ 41,442.33		3,205.37			
R196820	10		\$ 41,442.33		3,205.37			
R196821	10		\$ 41,442.33		3,205.37			
R196822	10		\$ 41,442.33		3,205.37			
R196823	10		\$ 41,442.33		3,205.37			
R196824	10		\$ 41,442.33		3,205.37			
R196825	10		\$ 41,442.33		3,205.37			
R196826	10		\$ 41,442.33		3,205.37			
R196827	10		\$ 41,442.33	\$	3,205.37			
R196828	10		\$ 41,442.33	\$	3,205.37			
R196829	10		\$ 41,442.33	\$	3,205.37			
R196830	10		\$ 41,442.33	\$	3,205.37			

			Improvement Area #3				
Bronorty ID	Lot Tuno	Note		Outstanding	Annua	al Installment	
Property ID	Lot Type	Note	A	ssessment [a]	due 1	/31/2025 [a]	
R196831	10		\$	41,442.33	\$	3,205.37	
R196832	10		\$	41,442.33	\$	3,205.37	
R196833	10		\$	41,442.33	\$	3,205.37	
R196834	10		\$	41,442.33	\$	3,205.37	
R196835	10		\$	41,442.33	\$	3,205.37	
R196836	10		\$	41,442.33	\$	3,205.37	
R196837	10		\$	41,442.33	\$	3,205.37	
R196838	10		\$	41,442.33	\$	3,205.37	
R196839	10		\$	41,442.33	\$	3,205.37	
R196840	10		\$	41,442.33	\$	3,205.37	
R196841	10		\$	41,442.33	\$	3,205.37	
R196842	10		\$	41,442.33	\$	3,205.37	
R196843	10		\$	41,442.33	\$	3,205.37	
R196844	10		\$	41,442.33	\$	3,205.37	
R196845	10		\$	41,442.33	\$	3,205.37	
R196846	10		\$	41,442.33	\$	3,205.37	
R196847	10		\$	41,442.33	\$	3,205.37	
R196848	10		\$	41,442.33	\$	3,205.37	
R196849	10		\$	41,442.33	\$	3,205.37	
R196850	10		\$	41,442.33	\$	3,205.37	
R196851	10		\$	41,442.33	\$	3,205.37	
R196852	10		\$	41,442.33	\$	3,205.37	
R196853	10		\$	41,442.33	\$	3,205.37	
R196854	10		\$	41,442.33	\$	3,205.37	
R196855	10		\$	41,442.33	\$	3,205.37	
R196856	10		\$	41,442.33	\$	3,205.37	
R196857	10		\$	41,442.33	\$	3,205.37	
R196858	10		\$	41,442.33	\$	3,205.37	
R196859	10		\$	41,442.33	\$	3,205.37	
R196860	10		\$	41,442.33	\$	3,205.37	
R196861	10		\$	41,442.33	\$	3,205.37	
R196862	10		\$	41,442.33	\$	3,205.37	
R196863	10		\$	41,442.33	\$	3,205.37	
R196864	10		\$	41,442.33	\$	3,205.37	
R196865	10		\$	41,442.33	\$	3,205.37	
R196866	10		\$	41,442.33	\$	3,205.37	
R196867	Open Space		\$	-	\$	-	
R196868	10		\$	41,442.33	\$	3,205.37	
R196869	10		\$	41,442.33	\$	3,205.37	
R196870	10		\$	41,442.33	\$	3,205.37	
R196871	10		\$	41,442.33	\$	3,205.37	
R196872	10		\$	41,442.33	\$	3,205.37	
R196873	10		\$	41,442.33	\$	3,205.37	
R196874	10		\$	41,442.33	\$	3,205.37	
R196875	10		\$	41,442.33	\$	3,205.37	
R196876	10		\$	41,442.33	\$	3,205.37	
R196877	10		\$	41,442.33	\$	3,205.37	
R196878	10		\$	41,442.33	\$	3,205.37	
R196879	10		\$	41,442.33	\$	3,205.37	
R196880	10		\$	41,442.33	\$	3,205.37	

			Improvement Area #3				
Duomonto ID	Lot Tuno	Note		Outstanding	Ar	nnual Installment	
Property ID	Lot Type	Note	A	ssessment [a]	dι	ue 1/31/2025 [a]	
R196881	10		\$	41,442.33	\$	3,205.37	
R196882	10		\$	41,442.33	\$	3,205.37	
R196883	10		\$	41,442.33	\$	3,205.37	
R196884	10		\$	41,442.33	\$	3,205.37	
R196885	10		\$	41,442.33	\$	3,205.37	
R196886	10		\$	41,442.33	\$	3,205.37	
R196887	10		\$	41,442.33	\$	3,205.37	
R196888	10		\$	41,442.33	\$	3,205.37	
R196889	10		\$	41,442.33	\$	3,205.37	
R196890	10		\$	41,442.33	\$	3,205.37	
R196891	10		\$	41,442.33	\$	3,205.37	
R196892	10		\$	41,442.33	\$	3,205.37	
R196893	10		\$	41,442.33	\$	3,205.37	
R196894	10		\$	41,442.33	\$	3,205.37	
R196895	10		\$	41,442.33	\$	3,205.37	
R196896	10		\$	41,442.33	\$	3,205.37	
R196897	10		\$	41,442.33	\$	3,205.37	
R196898	10		\$	41,442.33	\$	3,205.37	
R196899	10		\$	41,442.33	\$	3,205.37	
R196900	10		\$	41,442.33	\$	3,205.37	
R196901	10		\$	41,442.33	\$	3,205.37	
R196902	Open Space		\$	-	\$	-	
R197559	10		\$	41,442.33	\$	3,205.37	
	Total		\$	16,004,000.86	\$	1,237,832.88	

#### Notes:

<sup>[</sup>a] May not sum to the totals shown on annual installment or debt service schedules due to rounding.

#### **EXHIBIT I – IMPROVEMENT AREA #3 ANNUAL INSTALLMENTS**

	١	Improvement Area #3 Initial Bonds				provement Area Additional Bonds			
Installment			Capitalized	Additional			Additional	Annual	Total Annual
Due	Principal	Interest [a]	Interest	Interest [c]	Principal	Interest [b]	Interest [c]	<b>Collection Costs</b>	Installment
1/31/2025	\$ 317,000	\$ 392,104	\$ -	\$ 52,950	'	\$ 159,111	•	'	\$ 1,237,834
1/31/2026	326,000	383,386	-	51,365	125,000	294,860	25,640	31,282	1,237,533
1/31/2027	336,000	374,421	-	49,735	133,000	287,673	25,015	31,908	1,237,752
1/31/2028	349,000	363,081	-	48,055	140,000	280,025	24,350	32,546	1,237,057
1/31/2029	362,000	351,303	-	46,310	149,000	271,975	23,650	33,197	1,237,434
1/31/2030	375,000	339,085	-	44,500	159,000	263,408	22,905	33,861	1,237,758
1/31/2031	389,000	326,429	-	42,625	168,000	254,265	22,110	34,538	1,236,967
1/31/2032	403,000	313,300	-	40,680	179,000	244,605	21,270	35,229	1,237,084
1/31/2033	419,000	298,188	-	38,665	191,000	234,313	20,375	35,933	1,237,473
1/31/2034	437,000	282,475	-	36,570	202,000	223,330	19,420	36,652	1,237,447
1/31/2035	454,000	266,088	-	34,385	215,000	211,715	18,410	37,385	1,236,983
1/31/2036	473,000	249,063	-	32,115	228,000	199,353	17,335	38,133	1,236,998
1/31/2037	492,000	231,325	-	29,750	243,000	186,243	16,195	38,896	1,237,408
1/31/2038	512,000	212,875	-	27,290	258,000	172,270	14,980	39,673	1,237,088
1/31/2039	533,000	193,675	=	24,730	274,000	157,435	13,690	40,467	1,236,997
1/31/2040	555,000	173,688	-	22,065	291,000	141,680	12,320	41,276	1,237,029
1/31/2041	578,000	152,875	=	19,290	309,000	124,948	10,865	42,102	1,237,079
1/31/2042	601,000	131,200	-	16,400	329,000	107,180	9,320	42,944	1,237,044
1/31/2043	628,000	107,160	-	13,395	349,000	88,263	7,675	43,803	1,237,295
1/31/2044	655,000	82,040	-	10,255	371,000	68,195	5,930	44,679	1,237,099
1/31/2045	683,000	55,840	-	6,980	395,000	46,863	4,075	45,572	1,237,330
1/31/2046	713,000	28,520		3,565	420,000	24,150	2,100	46,484	1,237,819
Total	\$ 10,590,000	\$ 5,308,119	\$ -	\$ 691,675	\$ 5,414,000	\$ 4,041,856	\$ 337,630	\$ 837,228	\$ 27,220,508

<sup>[</sup>a] Interest is calculated at the actual rate of the PID Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Interest is calculated at a 5.75% rate for illustrative purposes.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

# **EXHIBIT J – IMPROVEMENT AREA #4 ASSESSMENT ROLL**

			Improvement Area #4				
Duna auto ID	Let Time	Note	Total Outstanding	Annual Installment			
Property ID	Lot Type	Note	Assessment [a]	due 1/31/2025 [a]			
R196926	Non-Benefited		\$ -	\$ -			
R196927	16		\$ 34,349.40	\$ 2,863.77			
R196928	16		\$ 34,349.40	\$ 2,863.77			
R196929	16		\$ 34,349.40	\$ 2,863.77			
R196930	16		\$ 34,349.40	\$ 2,863.77			
R196931	16		\$ 34,349.40	\$ 2,863.77			
R196932	16		\$ 34,349.40	\$ 2,863.77			
R196933	16		\$ 34,349.40	\$ 2,863.77			
R196934	16		\$ 34,349.40	\$ 2,863.77			
R196935	16		\$ 34,349.40	\$ 2,863.77			
R196936	16		\$ 34,349.40	\$ 2,863.77			
R196937	16		\$ 34,349.40	\$ 2,863.77			
R196938	16		\$ 34,349.40	\$ 2,863.77			
R196939	16		\$ 34,349.40	\$ 2,863.77			
R196940	16		\$ 34,349.40	\$ 2,863.77			
R196941	16		\$ 34,349.40	\$ 2,863.77			
R196942	16		\$ 34,349.40	\$ 2,863.77			
R196943	16		\$ 34,349.40	\$ 2,863.77			
R196944	16		\$ 34,349.40	\$ 2,863.77			
R196945	16		\$ 34,349.40	\$ 2,863.77			
R196946	16		\$ 34,349.40	\$ 2,863.77			
R196947	16		\$ 34,349.40	\$ 2,863.77			
R196948	16		\$ 34,349.40	\$ 2,863.77			
R196949	16		\$ 34,349.40	\$ 2,863.77			
R196950	16		\$ 34,349.40	\$ 2,863.77			
R196951	16		\$ 34,349.40	\$ 2,863.77			
R196952	16		\$ 34,349.40	\$ 2,863.77			
R196953	16		\$ 34,349.40	\$ 2,863.77			
R196954	16		\$ 34,349.40	\$ 2,863.77			
R196955	16		\$ 34,349.40	\$ 2,863.77			
R196956	16		\$ 34,349.40	\$ 2,863.77			
R196957	16		\$ 34,349.40	\$ 2,863.77			
R196958	16		\$ 34,349.40	\$ 2,863.77			
R196959	16		\$ 34,349.40	\$ 2,863.77			
R196960	16		\$ 34,349.40	\$ 2,863.77			
R196961	16		\$ 34,349.40	\$ 2,863.77			
R196962	16		\$ 34,349.40	\$ 2,863.77			
R196963	16		\$ 34,349.40	\$ 2,863.77			
R196964	16		\$ 34,349.40	\$ 2,863.77			
R196965	16		\$ 34,349.40	\$ 2,863.77			
R196966	16		\$ 34,349.40	\$ 2,863.77			
R196967	16		\$ 34,349.40	\$ 2,863.77			
R196968	16		\$ 34,349.40	\$ 2,863.77			
R196969	16		\$ 34,349.40	\$ 2,863.77			
R196970	16		\$ 34,349.40	\$ 2,863.77			
R196971	16		\$ 34,349.40	\$ 2,863.77			
R196972	16		\$ 34,349.40	\$ 2,863.77			
R196973	16		\$ 34,349.40	\$ 2,863.77			
R196974	16		\$ 34,349.40	\$ 2,863.77			
R196975	16		\$ 34,349.40	\$ 2,863.77			
			1	, 2,000.77			

			Improvement Area #4				
Down and a ID	Lat Tona	Nista	Tota	l Outstanding	Annual	Installment	
Property ID	Lot Type	Note	As	sessment [a]	due 1/3	1/2025 [a]	
R196976	16		\$	34,349.40	\$	2,863.77	
R196977	16		\$	34,349.40	\$	2,863.77	
R196978	16		\$	34,349.40	\$	2,863.77	
R196979	16		\$	34,349.40	\$	2,863.77	
R196980	Non-Benefited		\$	-	\$	-	
R196981	16		\$	34,349.40	\$	2,863.77	
R196982	16		\$	34,349.40	\$	2,863.77	
R196983	16		\$	34,349.40	\$	2,863.77	
R196984	16		\$	34,349.40	\$	2,863.77	
R196985	16		\$	34,349.40	\$	2,863.77	
R196986	16		\$	34,349.40	\$	2,863.77	
R196987	16		\$	34,349.40	\$	2,863.77	
R196988	16		\$	34,349.40	\$	2,863.77	
R196989	16		\$	34,349.40	\$	2,863.77	
R196990	16		\$	34,349.40	\$	2,863.77	
R196991	16		\$	34,349.40	\$	2,863.77	
R196992	16		\$	34,349.40	\$	2,863.77	
R196993	16		\$	34,349.40	\$	2,863.77	
R196994	16		\$	34,349.40	\$	2,863.77	
R196995	16		\$	34,349.40	\$	2,863.77	
R196996	16		\$	34,349.40	\$	2,863.77	
R196997	16		\$	34,349.40	\$	2,863.77	
R196998	16		\$	34,349.40	\$	2,863.77	
R196999	16		\$	34,349.40	\$	2,863.77	
R197000	16		\$	34,349.40	\$	2,863.77	
R197001	16		\$	34,349.40	\$	2,863.77	
R197002	16		\$	34,349.40	\$	2,863.77	
R197003	16		\$	34,349.40	\$	2,863.77	
R197004	16		\$	34,349.40	\$	2,863.77	
R197005	16		\$	34,349.40	\$	2,863.77	
R197006	16		\$	34,349.40	\$	2,863.77	
R197007	16		\$	34,349.40	\$	2,863.77	
R197008	16		\$	34,349.40	\$	2,863.77	
R197009	16		\$	34,349.40	\$	2,863.77	
R197010	16		\$	34,349.40	\$	2,863.77	
R197011	Non-Benefited		\$	-	\$	-	
R197954	13		\$	38,811.59	\$	3,213.58	
R197955	13		\$	38,811.59	\$	3,213.58	
R197956	13		\$	38,811.59	\$	3,213.58	
R197957	13		\$	38,811.59	\$	3,213.58	
R197958	13		\$	38,811.59	\$	3,213.58	
R197959	13		\$	38,811.59	\$	3,213.58	
R197960	13		\$	38,811.59	\$	3,213.58	
R197961	Non-Benefited		\$	-	\$	-	
R197962	13		\$	38,811.59	\$	3,213.58	
R197963	13		\$	38,811.59	\$	3,213.58	
R197964	13		\$	38,811.59	\$	3,213.58	
R197965	13		\$	38,811.59	\$	3,213.58	
R197966	13		\$	38,811.59	\$	3,213.58	
R197967	13		\$	38,811.59	\$	3,213.58	

			Improvement Area #4					
Property ID	Lot Type	Note	Tota	al Outstanding	An	nual Installment		
Property ID	Lot Type	Note		sessment [a]		e 1/31/2025 [a]		
R197968	13		\$	38,811.59	\$	3,213.58		
R197969	13		\$	38,811.59	\$	3,213.58		
R197970	13		\$	38,811.59	\$	3,213.58		
R197971	13		\$	38,811.59	\$	3,213.58		
R197972	13		\$	38,811.59	\$	3,213.58		
R197973	13		\$	38,811.59	\$	3,213.58		
R197974	13		\$	38,811.59	\$	3,213.58		
R197975	Non-Benefited		\$	-	\$	-		
R197976	13		\$	38,811.59	\$	3,213.58		
R197977	13		\$	38,811.59	\$	3,213.58		
R197978	13		\$	38,811.59	\$	3,213.58		
R197979	13		\$	38,811.59	\$	3,213.58		
R197980	13		\$	38,811.59	\$	3,213.58		
R197981	13		\$	38,811.59	\$	3,213.58		
R197982	13		\$	38,811.59	\$	3,213.58		
R197983	13		\$	38,811.59	\$	3,213.58		
R197984	13		\$	38,811.59	\$	3,213.58		
R197985	13		\$	38,811.59	\$	3,213.58		
R197986	13		\$	38,811.59	\$	3,213.58		
R197987	13		\$	38,811.59	\$	3,213.58		
R197988	13		\$	38,811.59	\$	3,213.58		
R197989	13		\$	38,811.59	\$	3,213.58		
R197989 R197990	13		\$	38,811.59	۶ \$	3,213.58		
R197991	13		\$	38,811.59	۶ \$			
R197991 R197992	13		\$ \$	38,811.59	۶ \$	3,213.58		
			\$ \$			3,213.58		
R197993	13 13		\$ \$	38,811.59 38,811.59	\$ \$	3,213.58		
R197994			\$	30,011.39	۶ \$	3,213.58		
R197995	Non-Benefited			20 011 50		2 212 50		
R197996	13		\$	38,811.59	\$	3,213.58		
R197997	13		\$	38,811.59	\$	3,213.58		
R197998	13		\$	38,811.59	\$	3,213.58		
R197999	13		\$	38,811.59	\$	3,213.58		
R198000	13		\$	38,811.59	\$	3,213.58		
R198001	13		\$	38,811.59	\$	3,213.58		
R198002	13		\$	38,811.59	\$	3,213.58		
R198003	13		\$	38,811.59	\$	3,213.58		
R198004	13		\$	38,811.59	\$	3,213.58		
R198005	13		\$	38,811.59	\$	3,213.58		
R198006	13		\$	38,811.59	\$	3,213.58		
R198007	13		\$	38,811.59	\$	3,213.58		
R198008	13		\$	38,811.59	\$	3,213.58		
R198009	13		\$	38,811.59	\$	3,213.58		
R198010	13		\$	38,811.59	\$	3,213.58		
R198011	13		\$	38,811.59	\$	3,213.58		
R198012	13		\$	38,811.59	\$	3,213.58		
R198013	13		\$	38,811.59	\$	3,213.58		
R198014	13		\$	38,811.59	\$	3,213.58		
R198015	13		\$	38,811.59	\$	3,213.58		
R198016	13		\$	38,811.59	\$	3,213.58		
R198017	13		\$	38,811.59	\$	3,213.58		

			Improvement Area #4					
Property ID	Lot Type	Note	Tota	Total Outstanding Annual Installn				
Property ID	Lot Type	Note	As	sessment [a]	due 1/	31/2025 [a]		
R198018	13		\$	38,811.59	\$	3,213.58		
R198019	13		\$	38,811.59	\$	3,213.58		
R198020	13		\$	38,811.59	\$	3,213.58		
R198021	13		\$	38,811.59	\$	3,213.58		
R198022	13		\$	38,811.59	\$	3,213.58		
R198023	13		\$	38,811.59	\$	3,213.58		
R198024	13		\$	38,811.59	\$	3,213.58		
R198025	13		\$	38,811.59	\$	3,213.58		
R198026	Non-Benefited		\$	-	\$	-		
R198027	Non-Benefited		\$	-	\$	-		
R189099	Non-Benefited		\$	-	\$	-		
R189851	14		\$	71,415.79	\$	5,830.91		
R189852	14		\$	71,415.79	\$	5,830.91		
R189853	14		\$	71,415.79	\$	5,830.91		
R189854	14		\$	71,415.79	\$	5,830.91		
R189855	14		\$	71,415.79	\$	5,830.91		
R189856	14		\$	71,415.79	\$	5,830.91		
R189857	14		\$	71,415.79	\$	5,830.91		
R189858	14		\$	71,415.79	\$	5,830.91		
R189859	14		\$	71,415.79	\$	5,830.91		
R189860	14		\$	71,415.79	, \$	5,830.91		
R189861	14		\$	71,415.79	\$	5,830.91		
R189862	14		\$	71,415.79	\$	5,830.91		
R189863	14		\$	71,415.79	\$	5,830.91		
R189864	14		\$	71,415.79	, \$	5,830.91		
R189865	14		\$	71,415.79	\$	5,830.91		
R189866	14		\$	71,415.79	\$	5,830.91		
R189867	14		\$	71,415.79	\$	5,830.91		
R189868	14		\$	71,415.79	\$	5,830.91		
R189869	14		\$	71,415.79	\$	5,830.91		
R189870	14		\$	71,415.79	\$	5,830.91		
R189871	14		\$	71,415.79	\$	5,830.91		
R189872	14		\$	71,415.79	, \$	5,830.91		
R189873	14		\$	71,415.79	, \$	5,830.91		
R189874	14		\$	71,415.79	\$	5,830.91		
R189875	14		\$	71,415.79	\$	5,830.91		
R189876	14		\$	71,415.79	\$	5,830.91		
R189877	14		\$	71,415.79	\$	5,830.91		
R189878	14		\$	71,415.79	\$	5,830.91		
R189879	14		\$	71,415.79	\$	5,830.91		
R189880	14		\$	71,415.79	\$	5,830.91		
R189881	14		\$	71,415.79	\$	5,830.91		
R189882	14		\$	71,415.79	\$	5,830.91		
R189883	14		\$	71,415.79	\$	5,830.91		
R189884	14		\$	71,415.79	\$	5,830.91		
R189885	14		\$	71,415.79	\$	5,830.91		
R189886	14		\$	71,415.79	\$	5,830.91		
R189887	14		\$	71,415.79	\$	5,830.91		
R189888	14		\$	71,415.79	\$	5,830.91		
R189889	Non-Benefited		\$	,	\$	-		
11100000	Denented		7		7			

			Improvement Area #4				
Droporty ID	Let Type	Note	Total	Outstanding	Anr	ual Installment	
Property ID	Lot Type	Note	Asse	essment [a]	due	e 1/31/2025 [a]	
R189890	14		\$	71,415.79	\$	5,830.91	
R189891	14		\$	71,415.79	\$	5,830.91	
R189892	14		\$	71,415.79	\$	5,830.91	
R189893	14		\$	71,415.79	\$	5,830.91	
R189894	14		\$	71,415.79	\$	5,830.91	
R189895	14		\$	71,415.79	\$	5,830.91	
R189896	14		\$	71,415.79	\$	5,830.91	
R189897	14		\$	71,415.79	\$	5,830.91	
R189898	14		\$	71,415.79	\$	5,830.91	
R189899	Non-Benefited		\$	-	\$	-	
R189900	14		\$	71,415.79	\$	5,830.91	
R189901	14		\$	71,415.79	\$	5,830.91	
R189902	14		\$	71,415.79	\$	5,830.91	
R189903	14		\$	71,415.79	\$	5,830.91	
R189904	14		\$	71,415.79	\$	5,830.91	
R189905	14		\$	71,415.79	\$	5,830.91	
R189906	14		\$	71,415.79	\$	5,830.91	
R189907	14		\$	71,415.79	\$	5,830.91	
R189908	14		\$	71,415.79	\$	5,830.91	
R189909	14		\$	71,415.79	\$	5,830.91	
R189910	14		\$	71,415.79	\$	5,830.91	
R189911	14		\$	71,415.79	\$	5,830.91	
R189912	14		\$	71,415.79	\$	5,830.91	
R189913	14		\$	71,415.79	\$	5,830.91	
R189914	14		\$	71,415.79	\$	5,830.91	
R189915	14		\$	71,415.79	\$	5,830.91	
R189916	14		\$	71,415.79	\$	5,830.91	
R189917	14		\$	71,415.79	\$	5,830.91	
R189918	14		\$	71,415.79	\$	5,830.91	
R189919	14		\$	71,415.79	\$	5,830.91	
R189920	14		\$	71,415.79	\$	5,830.91	
R189921	14		\$	71,415.79	\$	5,830.91	
R189922	14		\$	71,415.79	\$	5,830.91	
R189923	14		\$	71,415.79	\$	5,830.91	
R189924	14		\$	71,415.79	\$	5,830.91	
R189925	14		\$	71,415.79	\$	5,830.91	
R189926	14		\$	71,415.79	\$	5,830.91	
R189927	14		\$	71,415.79	\$	5,830.91	
R189928	14		\$	71,415.79	\$	5,830.91	
R189929	14		\$	71,415.79	\$	5,830.91	
R189930	14		\$	71,415.79	\$	5,830.91	
R189931	14		\$	71,415.79	\$	5,830.91	
R189932	Non-Benefited		\$	-	\$	-	
R189784	15		\$	77,367.11	\$	6,316.82	
R189785	15		\$	77,367.11	\$	6,316.82	
R189786	15		\$	77,367.11	\$	6,316.82	
R189787	15		\$	77,367.11	\$	6,316.82	
R189788	15		\$	77,367.11	\$	6,316.82	
R189789	15		\$	77,367.11	\$	6,316.82	
R189790	15		\$	77,367.11	\$	6,316.82	

			Improvem	ent Area #4
Day was to JD	Lat Toma		Total Outstanding	Annual Installment
Property ID	Lot Type N	lote	Assessment [a]	due 1/31/2025 [a]
R189791	15		\$ 77,367.11	\$ 6,316.82
R189792	15		\$ 77,367.11	\$ 6,316.82
R189793	15		\$ 77,367.11	\$ 6,316.82
R189794	15		\$ 77,367.11	\$ 6,316.82
R189795	15		\$ 77,367.11	\$ 6,316.82
R189796	15		\$ 77,367.11	\$ 6,316.82
R189797	15		\$ 77,367.11	\$ 6,316.82
R189798	15		\$ 77,367.11	\$ 6,316.82
R189799	Non-Benefited		\$ -	\$ -
R189800	15		\$ 77,367.11	\$ 6,316.82
R189801	15		\$ 77,367.11	\$ 6,316.82
R189802	15		\$ 77,367.11	\$ 6,316.82
R189803	15		\$ 77,367.11	\$ 6,316.82
R189804	15		\$ 77,367.11	\$ 6,316.82
R189805	15		\$ 77,367.11	\$ 6,316.82
R189806	15		\$ 77,367.11	\$ 6,316.82
R189807	15		\$ 77,367.11	\$ 6,316.82
R189808	15		\$ 77,367.11	\$ 6,316.82
R189809	15		\$ 77,367.11	\$ 6,316.82
R189810	15		\$ 77,367.11	\$ 6,316.82
R189811	15		\$ 77,367.11	\$ 6,316.82
R189812	15		\$ 77,367.11	\$ 6,316.82
R189813	15		\$ 77,367.11	\$ 6,316.82
R189814	15		\$ 77,367.11	\$ 6,316.82
R189815	15		\$ 77,367.11	\$ 6,316.82
R189816	15		\$ 77,367.11	\$ 6,316.82
R189817	15		\$ 77,367.11	\$ 6,316.82
R189818	15		\$ 77,367.11	\$ 6,316.82
R189819	15		\$ 77,367.11	\$ 6,316.82
R189820	15		\$ 77,367.11	\$ 6,316.82
R189821	15		\$ 77,367.11	\$ 6,316.82
R189822	15		\$ 77,367.11	\$ 6,316.82
R189823	15		\$ 77,367.11	\$ 6,316.82
R189824	15		\$ 77,367.11	\$ 6,316.82
R189825	15		\$ 77,367.11	\$ 6,316.82
R189826	15		\$ 77,367.11	\$ 6,316.82
R189827	15		\$ 77,367.11	\$ 6,316.82
R189828	15		\$ 77,367.11	\$ 6,316.82
R189831	Non-Benefited		\$ -	\$ -
R189667	12		\$ 32,911.39	\$ 2,743.19
R189668	12		\$ 32,911.39	\$ 2,743.19
R189669	12		\$ 32,911.39	\$ 2,743.19
R189670	12		\$ 32,911.39	\$ 2,743.19
R189671	12		\$ 32,911.39	\$ 2,743.19
R189672	12		\$ 32,911.39	\$ 2,743.19
R189673	12		\$ 32,911.39	\$ 2,743.19
R189674	12		\$ 32,911.39	\$ 2,743.19
R189675	12		\$ 32,911.39	\$ 2,743.19
R189676	12		\$ 32,911.39	\$ 2,743.19
R189677	12		\$ 32,911.39	\$ 2,743.19

				Improveme	ent Area	#4
Down and a ID	Late Towns	Nete	Tota	l Outstanding	Annua	l Installment
Property ID	Lot Type	Note	Ass	essment [a]	due 1	/31/2025 [a]
R189678	12		\$	32,911.39	\$	2,743.19
R189679	12		\$	32,911.39	\$	2,743.19
R189680	12		\$	32,911.39	\$	2,743.19
R189681	12		\$	32,911.39	\$	2,743.19
R189682	12		\$	32,911.39	\$	2,743.19
R189683	12		\$	32,911.39	\$	2,743.19
R189684	12		\$	32,911.39	\$	2,743.19
R189685	12		\$	32,911.39	\$	2,743.19
R189686	12		\$	32,911.39	\$	2,743.19
R189687	12		\$	32,911.39	\$	2,743.19
R189688	12		\$	32,911.39	\$	2,743.19
R189689	12		\$	32,911.39	\$	2,743.19
R189690	12		\$	32,911.39	\$	2,743.19
R189691	12		\$	32,911.39	\$	2,743.19
R189692	12		\$	32,911.39	\$	2,743.19
R189693	12		\$	32,911.39	\$	2,743.19
R189694	12		\$	32,911.39	\$	2,743.19
R189695	12		\$	32,911.39	\$	2,743.19
R189696	12		\$	32,911.39	\$	2,743.19
R189697	12		\$	32,911.39	\$	2,743.19
R189698	12		\$	32,911.39	\$	2,743.19
R189699	12		\$	32,911.39	\$	2,743.19
R189700	12		\$	32,911.39	\$	2,743.19
R189701	12		\$	32,911.39	\$	2,743.19
R189702	12		\$	32,911.39	\$	2,743.19
R189703	12		\$	32,911.39	\$	2,743.19
R189704	12		\$	32,911.39	\$	2,743.19
R189705	12		\$	32,911.39	\$	2,743.19
R189706	12		\$	32,911.39	\$	2,743.19
R189707	12		\$	32,911.39	\$	2,743.19
R189708	12		\$	32,911.39	\$	2,743.19
R189709	12		\$	32,911.39	\$	2,743.19
R189710	12		\$	32,911.39	\$	2,743.19
R189711	12		\$	32,911.39	\$	2,743.19
R189712	12		\$	32,911.39	\$	2,743.19
R189713	12		\$	32,911.39	\$	2,743.19
R189714	12		\$	32,911.39	\$	2,743.19
R189715	12		\$	32,911.39	\$	2,743.19
R189716	12		\$	32,911.39	\$	2,743.19
R189717	12		\$	32,911.39	\$	2,743.19
R189718	12		\$	32,911.39	\$	2,743.19
R189719	12		\$	32,911.39	\$	2,743.19
R189720	12		\$	32,911.39	\$	2,743.19
R189721	12		\$	32,911.39	\$	2,743.19
R189722	12		\$	32,911.39	\$	2,743.19
R189723	12		\$	32,911.39	\$	2,743.19
R189724	12		\$	32,911.39	\$	2,743.19
R189725	12		\$	32,911.39	\$	2,743.19
R189726	12		\$	32,911.39	\$	2,743.19
R189727	12		\$	32,911.39	\$	2,743.19

			Improvement Area #4			Area #4
Property ID	Lot Type	Note	То	tal Outstanding	An	nual Installment
Property ID	Lot Type	Note	-	Assessment [a]	du	e 1/31/2025 [a]
R189728	12		\$	32,911.39	\$	2,743.19
R189729	12		\$	32,911.39	\$	2,743.19
R189730	12		\$	32,911.39	\$	2,743.19
R189731	12		\$	32,911.39	\$	2,743.19
R189732	12		\$	32,911.39	\$	2,743.19
R189733	12		\$	32,911.39	\$	2,743.19
R189734	12		\$	32,911.39	\$	2,743.19
R189735	12		\$	32,911.39	\$	2,743.19
R189736	12		\$	32,911.39	\$	2,743.19
R189737	12		\$	32,911.39	\$	2,743.19
R189738	12		\$	32,911.39	\$	2,743.19
R189739	12		\$	32,911.39	\$	2,743.19
R189740	12		\$	32,911.39	\$	2,743.19
R189741	12		\$	32,911.39	\$	2,743.19
R189742	12		\$	32,911.39	\$	2,743.19
R189743	12		\$	32,911.39	\$	2,743.19
R189744	12		\$	32,911.39	\$	2,743.19
R189745	12		\$	32,911.39	\$	2,743.19
Total			\$	17,174,999.97	\$	1,414,723.91

## Notes:

<sup>[</sup>a] May not sum to the totals shown on annual installment or debt service schedules due to rounding.

## **EXHIBIT K – IMPROVEMENT AREA #4 ANNUAL INSTALLMENTS**

#### Improvement Area #4 Bonds

Annual Installment	Additional			litional	An	nual Collection	Total Annual	
Due	Principal		Interest [a]		rest [b]		Costs	Installment
1/31/2025	\$ 407,000	\$	877,938	\$	85,865	\$	43,921	\$ 1,414,724
1/31/2026	425,000		860,131		83,840		44,799	1,413,771
1/31/2027	446,000		841,538		81,715		45,695	1,414,948
1/31/2028	468,000		822,025		79,485		46,609	1,416,119
1/31/2029	489,000		801,550		77,145		47,541	1,415,236
1/31/2030	513,000		779,545		74,700		48,492	1,415,737
1/31/2031	537,000		756,460		72,135		49,462	1,415,057
1/31/2032	564,000		732,295		69,450		50,451	1,416,196
1/31/2033	591,000		706,915		66,630		51,460	1,416,005
1/31/2034	621,000		680,320		63,675		52,490	1,417,485
1/31/2035	655,000		647,718		60,570		53,539	1,416,827
1/31/2036	693,000		613,330		57,295		54,610	1,418,235
1/31/2037	731,000		576,948		53,830		55,702	1,417,480
1/31/2038	773,000		538,570		50,175		56,816	1,418,561
1/31/2039	816,000		497,988		46,310		57,953	1,418,250
1/31/2040	861,000		455,148		42,230		59,112	1,417,489
1/31/2041	911,000		409,945		37,925		60,294	1,419,164
1/31/2042	963,000		362,118		33,370		61,500	1,419,987
1/31/2043	1,018,000		311,560		28,555		62,730	1,420,845
1/31/2044	1,075,000		258,115		23,465		63,985	1,420,565
1/31/2045	1,137,000		198,990		18,090		65,264	1,419,344
1/31/2046	1,205,000		136,455		12,405		66,570	1,420,430
1/31/2047	1,276,000		70,180		6,380		67,901	1,420,461
Total	\$ 17,175,000	\$	12,935,779	\$ 1	,225,240	\$	1,266,899	\$ 32,602,918

<sup>[</sup>a] Interest is calculated at the actual rate of the Improvement Area #4 Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

## **EXHIBIT L – IMPROVEMENT AREA #5 ASSESSMENT ROLL**

		Improven	nent Area #5
Property ID [a]	Lot Type	Total Outstanding Assessment	Annual Installment due 1/31/2025
201840	Improvement Area #5 Initial Parcel	\$ 3,604,000.00	\$ -
Improvement Area #5 Total		\$ 3,604,000.00	\$ -

#### Notes:

<sup>[</sup>a] Until a plat has been recorded within the Improvement Area #5 Initial Parcel, the Improvement Area #5 Annual Installment will be allocated to each property ID within the Improvement Area #5 Initial Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

## **EXHIBIT M – IMPROVEMENT AREA #5 ANNUAL INSTALLMENTS**

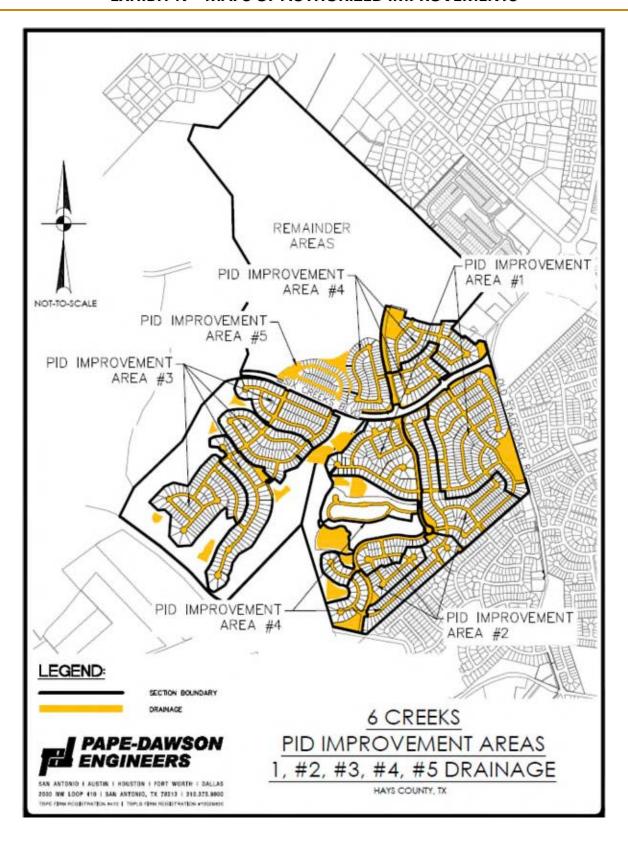
		Improvement A	Area #5 Bonds			
<b>Annual Installment</b>	Principal	Interest [a]	Capitalized Interest	Additional	<b>Annual Collection</b>	Total Annual
Due	Fillicipal	iliterest [a]	Capitalizeu iliterest	Interest [b]	Costs	Installment
1/31/2025	\$ -	\$ (108,808	) \$ 108,808	\$ -	\$ -	\$ -
1/31/2026	68,000	211,735	-	18,020	30,600	328,355
1/31/2027	72,000	207,740	-	17,680	31,212	328,632
1/31/2028	76,000	203,510	-	17,320	31,836	328,666
1/31/2029	80,000	199,045	-	16,940	32,473	328,458
1/31/2030	85,000	194,345	-	16,540	33,122	329,007
1/31/2031	90,000	189,351	-	16,115	33,785	329,251
1/31/2032	95,000	184,064	-	15,665	34,461	329,189
1/31/2033	100,000	178,483	-	15,190	35,150	328,822
1/31/2034	106,000	172,608	-	14,690	35,853	329,150
1/31/2035	112,000	166,380	-	14,160	36,570	329,110
1/31/2036	118,000	159,800	-	13,600	37,301	328,701
1/31/2037	125,000	152,868	-	13,010	38,047	328,925
1/31/2038	132,000	145,524	-	12,385	38,808	328,717
1/31/2039	140,000	137,769	-	11,725	39,584	329,078
1/31/2040	148,000	129,544	-	11,025	40,376	328,945
1/31/2041	157,000	120,849	-	10,285	41,184	329,317
1/31/2042	166,000	111,625	-	9,500	42,007	329,132
1/31/2043	176,000	101,873	-	8,670	42,847	329,390
1/31/2044	186,000	91,533	-	7,790	43,704	329,027
1/31/2045	197,000	80,605	-	6,860	44,578	329,043
1/31/2046	209,000	69,031	-	5,875	45,470	329,376
1/31/2047	221,000	56,753	-	4,830	46,379	328,962
1/31/2048	234,000	43,769	-	3,725	47,307	328,801
1/31/2049	248,000	30,021	-	2,555	48,253	328,829
1/31/2050	263,000	15,451	-	1,315	49,218	328,984
Total	\$ 3,604,000	\$ 3,245,464	\$ 108,808	\$ 285,470	\$ 980,127	\$ 8,223,870

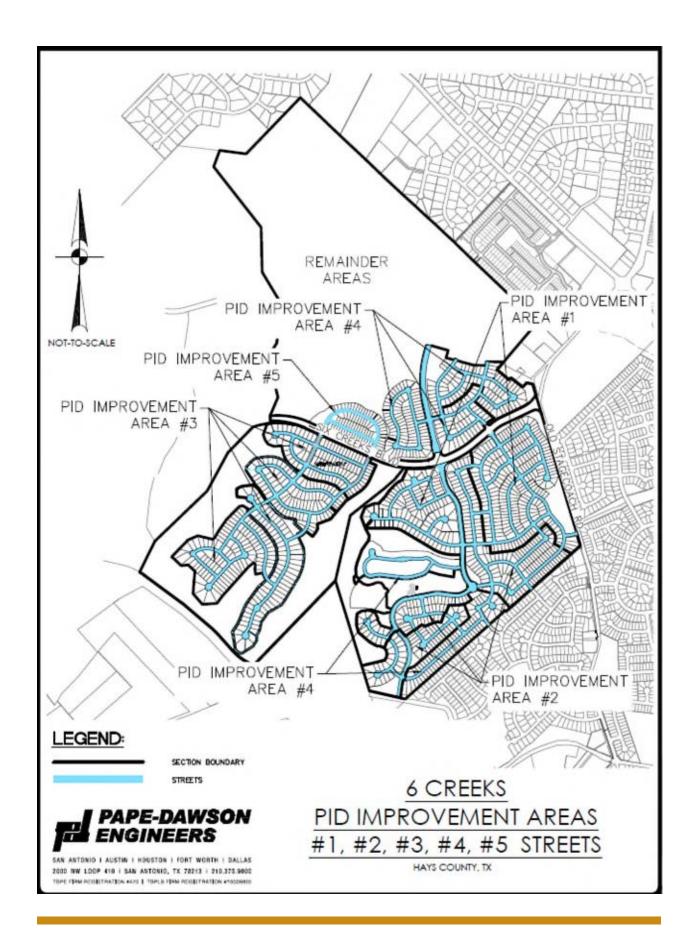
<sup>[</sup>a] Interest is calculated at a 5.875% rate for illustrative purposes.

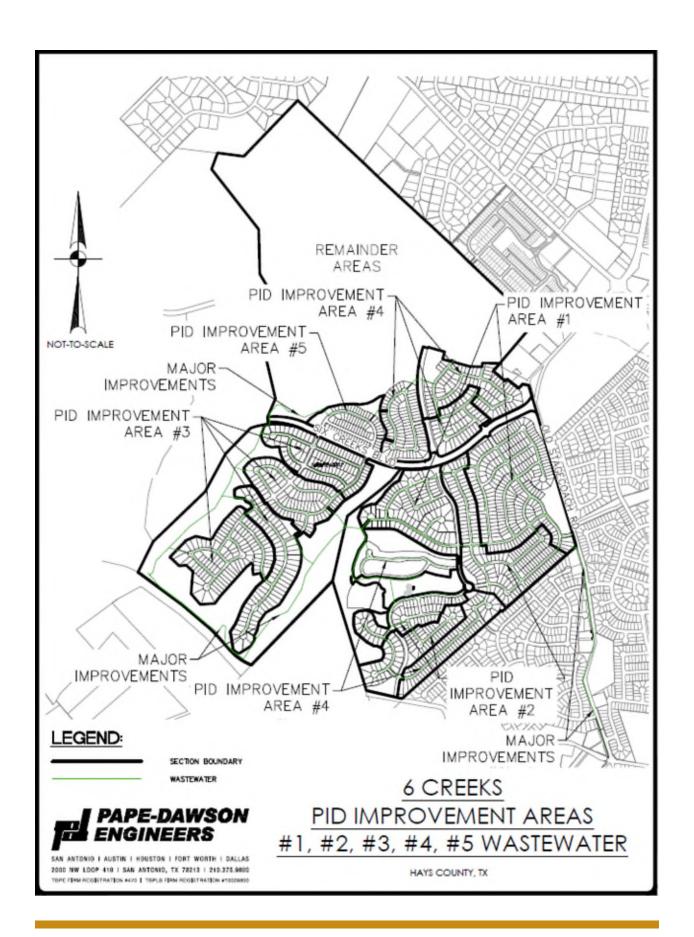
Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

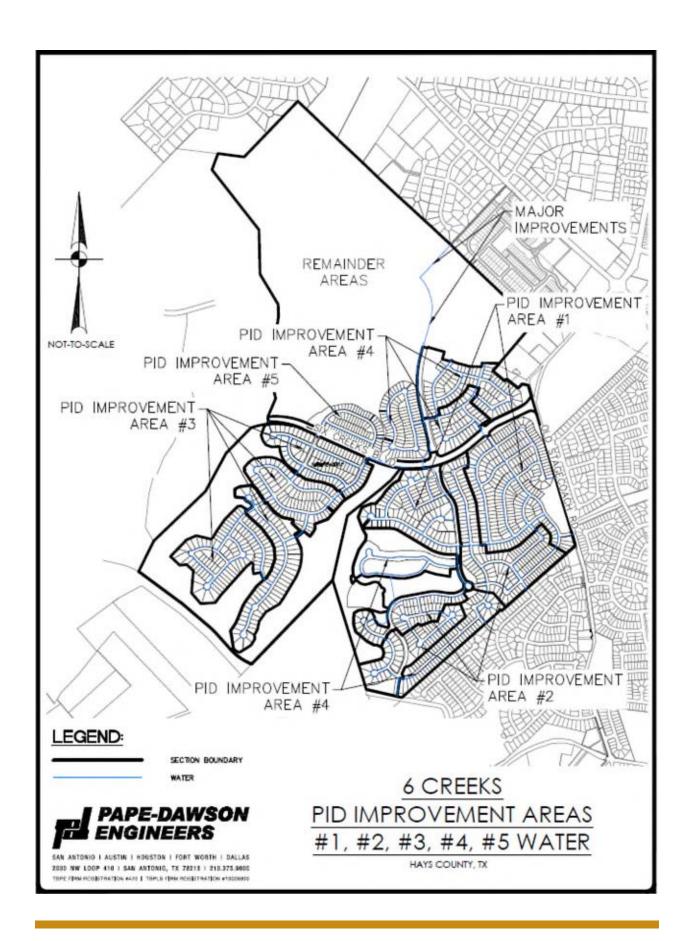
<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

## **EXHIBIT N – MAPS OF AUTHORIZED IMPROVEMENTS**









## **EXHIBIT O – NOTICE OF PID ASSESSMENT LIEN TERMINATION**



P3Works, LLC 9284 Huntington Square, Suite 100 North Richland Hills, TX 76182

[Date]
Hays County Clerk's Office
Honorable [County Clerk Name]
Hays Government Center
712 S. Stagecoach Trail
San Marcos, TX 78666

Re: City of Kyle Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Kyle is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Plat]. Please forward copies of the filed documents below:

City of Kyle Attn: [City Secretary] 100 W. Center Street Kyle, TX 78640

Please contact me if you have any questions or need additional information.

Sincerely, [Signature]

Jon Snyder P: (888)417-7074 admin@p3-works.com

## **AFTER RECORDING RETURN TO:**

[City Secretary Name] 100 W. Center Street Kyle, TX 78640

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

## FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS	§	

**THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN** (this "Full Release") is executed and delivered as of the Effective Date by the City of Kyle, Texas, a Texas home rule municipality.

## **RECITALS**

**WHEREAS**, the governing body (hereinafter referred to as the "City Council") of the City of Kyle, Texas (hereinafter referred to as the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

**WHEREAS**, on or about June 6, 2017, the City Council for the City, approved Resolution No. 1065, creating the Blanco River Ranch Public Improvement District; and

**WHEREAS**, on or about September 18, 2018, the City Council for the City authorized renaming the Blanco River Ranch Public Improvement District to 6 Creeks Public Improvement District; and

WHEREAS, the 6 Creeks Pu	blic Improvement District consists of approximately 858.7
contiguous acres located within the ex	traterritorial jurisdiction of the City; and
WHEREAS, on or about	, the City Council, approved Ordinance No.
, (hereinafter referred to as the "A	Assessment Ordinance") approving a service and assessment

plan and assessment roll for the Property Improvement District; and	within Improvement Area #_ of the 6 Creeks Public
WHEREAS, the Assessment On \$ (hereinafter referred to as the "I	rdinance imposed an assessment in the amount of Lien Amount") for the following property:
	County, Texas, according to the map or plat of record in the Plat Records of Hays County, Texas (hereinafter
WHEREAS, the property owners of	of the Property have paid unto the City the Lien Amount.
	RELEASE
the Real Property Records of Hays County Property releases and discharges, and by	er and holder of the Lien, Instrument No, in y, Texas, in the amount of the Lien Amount against the these presents does hereby release and discharge, the eld by the undersigned securing said indebtedness.
<b>EXECUTED</b> to be <b>EFFECTIVE</b> this the	day of, 20
	CITY OF KYLE, TEXAS, A Texas home rule municipality,
	By:
ATTEST:	[Manager Name], City Manager
[Secretary Name], City Secretary	
STATE OF TEXAS § §	
COUNTY OF HAYS §	
_	I before me on the day of, 20, by ty of Kyle, Texas, a Texas home rule municipality, on
	Notary Public, State of Texas

## **EXHIBIT P – MAXIMUM ASSESSMENT**

Lot Type [a]	Maximum Assessment
1	\$27,767.94
2	\$30,666.42
3	\$34,709.92
4	\$41,817.85
5	\$31,425.79
6	\$34,568.37
7	\$39,282.24
8	\$47,138.69
9	\$38,114.85
10	\$41,442.33
11	\$53,585.50
12	\$32,911.39
13	\$38,811.59
14	\$71,415.79
15	\$77,367.11
16	\$34,349.40
17	\$50,760.56

[a] The outstanding assessment for Lot Types 9, 10, and 11 have been reduced pro rata due to the reduction in Assessments within Improvement Area #3 with the issuance of the Improvement Area #3 Additional Bonds.

# **EXHIBIT Q-1 – IMPROVEMENT AREA #1 INITIAL BONDS DEBT SERVICE SCHEDULE**

## DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Series 2019 Bonds:

Year Ending			
(September 30)	<b>Principal</b>	Interest	Total
2019	S -	\$ 92,876.09	\$ 92,876.09
2020	-	337,731.26	337,731.26
2021	185,000.00	337,731.26	522,731.26
2022	190,000.00	330,562.50	520,562.50
2023	200,000.00	323,200.00	523,200.00
2024	210,000.00	315,450.00	525,450.00
2025	215,000.00	307,312.50	522,312.50
2026	225,000.00	298,443.76	523,443.76
2027	235,000.00	289,162.50	524,162.50
2028	245,000.00	279,468.76	524,468.76
2029	255,000.00	269,362.50	524,362.50
2030	265,000.00	258,843.76	523,843.76
2031	275,000.00	246,587.50	521,587.50
2032	290,000.00	233,868.76	523,868.76
2033	300,000.00	220,456.26	520,456.26
2034	315,000.00	206,581.26	521,581.26
2035	330,000.00	192,012.50	522,012.50
2036	345,000.00	176,750.00	521,750.00
2037	360,000.00	160,793.76	520,793.76
2038	380,000.00	144,143.76	524,143.76
2039	395,000.00	126,568.76	521,568.76
2040	415,000.00	108,300.00	523,300.00
2041	435,000.00	88,587.50	523,587.50
2042	455,000.00	67,925.00	522,925.00
2043	475,000.00	46,312.50	521,312.50
2044	500,000.00	23,750.00	523,750.00
Total	\$7,495,000.00	\$5,482,782.45	\$12,977,782.45

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# EXHIBIT Q-2 – IMPROVEMENT AREA #1 ADDITIONAL BONDS DEBT SERVICE SCHEDULE



#### BOND DEBT SERVICE

City of Kyle, Texas Special Assessment Revenue Bonds, Series 2020 (6 Creeks Public Improvement District Improvement Area #1 Project) Final Numbers 12.15.2020

> Dated Date 12/30/2020 Delivery Date 12/30/2020

Period Ending	Principal	Interest	Debt Service
09/30/2021	105,000	97,019.24	202,019.24
09/30/2022	125,000	142,300.00	267,300.00
09/30/2023	125,000	139,175.00	264,175.00
09/30/2024	125,000	136,050.00	261,050.00
09/30/2025	135,000	132,925.00	267,925.00
09/30/2026	135,000	129,550.00	264,550.00
09/30/2027	140,000	125,500.00	265,500.00
09/30/2028	145,000	121,300.00	266,300.00
09/30/2029	150,000	116,950.00	266,950.00
09/30/2030	155,000	112,450.00	267,450.00
09/30/2031	165,000	107,800.00	272,800.00
09/30/2032	170,000	102,025.00	272,025.00
09/30/2033	180,000	96,075.00	276,075.00
09/30/2034	190,000	89,775.00	279,775.00
09/30/2035	195,000	83,125.00	278,125.00
09/30/2036	205,000	76,300.00	281,300.00
09/30/2037	215,000	69,125.00	284,125.00
09/30/2038	220,000	61,600.00	281,600.00
09/30/2039	230,000	53,900.00	283,900.00
09/30/2040	240,000	45,850.00	285,850.00
09/30/2041	250,000	37,450.00	287,450.00
09/30/2042	260,000	28,700.00	288,700.00
09/30/2043	275,000	19,600.00	294,600.00
09/30/2044	285,000	9,975.00	294,975.00
	4,420,000	2,134,519.24	6,554,519.2

Note: Final Numbers.

# **EXHIBIT Q-3 – IMPROVEMENT AREA #2 INITIAL BONDS DEBT SERVICE SCHEDULE**



#### BOND DEBT SERVICE

City of Kyle, Texas Special Assessment Revenue Bonds, Series 2020 (6 Creeks Public Improvement District Improvement Area #2 Project) Final Numbers 12.15.2020

> Dated Date 12/30/2020 Delivery Date 12/30/2020

Period Ending	Principal	Interest	Debt Service
09/30/2021	Spirit Strategical St.	154,089.38	154,089.38
09/30/2022	170,000	230,175.00	400,175.00
09/30/2023	175,000	225,712.50	400,712.50
09/30/2024	180,000	221,118.76	401,118.76
09/30/2025	185,000	216,393.76	401,393.76
09/30/2026	190,000	211,537.50	401,537.50
09/30/2027	195,000	205,600.00	400,600.00
09/30/2028	200,000	199,506.26	399,506.26
09/30/2029	210,000	193,256.26	403,256.26
09/30/2030	215,000	186,693.76	401,693.76
09/30/2031	220,000	179,975.00	399,975.00
09/30/2032	230,000	172,000.00	402,000.00
09/30/2033	240,000	163,662.50	403,662.50
09/30/2034	245,000	154,962.50	399,962.50
09/30/2035	255,000	146,081.26	401,081.26
09/30/2036	265,000	136,837.50	401,837.50
09/30/2037	275,000	127,231.26	402,231.26
09/30/2038	285,000	117,262.50	402,262.50
09/30/2039	295,000	106,931.26	401,931.26
09/30/2040	310,000	96,237.50	406,237.50
09/30/2041	320,000	85,000.00	405,000.00
09/30/2042	335,000	72,200.00	407,200.00
09/30/2043	345,000	58,800.00	403,800.00
09/30/2044	360,000	45,000.00	405,000.00
09/30/2045	375,000	30,600.00	405,600.00
09/30/2046	390,000	15,600.00	405,600.00
	6,465,000	3,752,464.46	10,217,464.46

Note: Final Numbers.

# EXHIBIT Q-4 – IMPROVEMENT AREA #2 ADDITIONAL BONDS DEBT SERVICE SCHEDULE

### BOND DEBT SERVICE

City of Kyle, Texas Special Assessment Revenue Bonds, Series 2022 (6 Creek Public Improvement District Improvement Area #2B Project) Bonds Callable September 1, 2031 @ Par FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2023	183,000	4.125%	109,000.51	292,000.51	292,000.51
03/01/2024			95,820.00	95,820.00	
09/01/2024	85,000	4.125%	95,820.00	180,820.00	276,640.00
03/01/2025			94,066.88	94,066.88	
09/01/2025	90,000	4.125%	94,066.88	184,066.88	278,133.76
03/01/2026			92,210.63	92,210.63	
09/01/2026	94,000	4.125%	92,210.63	186,210.63	278,421.26
03/01/2027			90,271.88	90,271.88	
09/01/2027	100,000	4.125%	90,271.88	190,271.88	280,543.76
03/01/2028			88,209.38	88,209.38	
09/01/2028	106,000	4.125%	88,209.38	194,209.38	282,418.76
03/01/2029			86,023.13	86,023.13	
09/01/2029	108,000	5.125%	86,023.13	194,023.13	280,046.26
03/01/2030			83,255.63	83,255.63	
09/01/2030	116,000	5.125%	83,255.63	199,255.63	282,511.26
03/01/2031			80,283.13	80,283.13	
09/01/2031	124,000	5.125%	80,283.13	204,283.13	284,566.26
03/01/2032			77,105.63	77,105.63	
09/01/2032	130,000	5.125%	77,105.63	207,105.63	284,211.26
03/01/2033			73,774.38	73,774.38	
09/01/2033	136,000	5.125%	73,774.38	209,774.38	283,548.76
03/01/2034			70,289.38	70,289.38	
09/01/2034	148,000	5.125%	70,289.38	218,289.38	288,578.76
03/01/2035			66,496.88	66,496.88	
09/01/2035	156,000	5.125%	66,496.88	222,496.88	288,993.76
03/01/2036			62,499.38	62,499.38	
09/01/2036	165,000	5.125%	62,499.38	227,499.38	289,998.76
03/01/2037			58,271.25	58,271.25	
09/01/2037	174,000	5.125%	58,271.25	232,271.25	290,542.50
03/01/2038			53,812.50	53,812.50	
09/01/2038	185,000	5.125%	53,812.50	238,812.50	292,625.00
03/01/2039			49,071.88	49,071.88	
09/01/2039	196,000	5.125%	49,071.88	245,071.88	294,143.76
03/01/2040			44,049.38	44,049.38	
09/01/2040	204,000	5.125%	44,049.38	248,049.38	292,098.76
03/01/2041			38,821.88	38,821.88	
09/01/2041	217,000	5.125%	38,821.88	255,821.88	294,643.76
03/01/2042			33,261.25	33,261.25	
09/01/2042	228,000	5.125%	33,261.25	261,261.25	294,522.50
03/01/2043			27,418.75	27,418.75	
09/01/2043	246,000	5.125%	27,418.75	273,418.75	300,837.50
03/01/2044			21,115.00	21,115.00	
09/01/2044	259,000	5.125%	21,115.00	280,115.00	301,230.00
03/01/2045			14,478.13	14,478.13	
09/01/2045	274,000	5.125%	14,478.13	288,478.13	302,956.26
03/01/2046			7,456.88	7,456.88	
09/01/2046	291,000	5.125%	7,456.88	298,456.88	305,913.76
	4,015,000		2,925,126.93	6,940,126.93	6,940,126.93

# **EXHIBIT Q-5 – IMPROVEMENT AREA #3 INITIAL BONDS DEBT SERVICE SCHEDULE**

## BOND DEBT SERVICE

City of Kyle, Texas
Special Assessment Revenue Bonds, Series 2021
(6 Creeks Public Improvement District Improvement Area #3 Project)
Callable 9/1/2031 @ Par
\*\*\*Final Numbers; Subject to Council Approval 10/19/2021\*\*\*

Period	440.00		
Ending	Principal	Interest	Debt Service
09/30/2022		323,586.82	323,586.82
09/30/2023	298,000	408,741.26	706,741.26
09/30/2024	307,000	400,546.26	707,546.26
09/30/2025	317,000	392,103.76	709,103.76
09/30/2026	326,000	383,386.26	709,386.26
09/30/2027	336,000	374,421.26	710,421.26
09/30/2028	349,000	363,081.26	712,081.26
09/30/2029	362,000	351,302.50	713,302.50
09/30/2030	375,000	339,085.00	714,085.00
09/30/2031	389,000	326,428.76	715,428.76
09/30/2032	403,000	313,300.00	716,300.00
09/30/2033	419,000	298,187.50	717,187.50
09/30/2034	437,000	282,475.00	719,475.00
09/30/2035	454,000	266,087.50	720,087.50
09/30/2036	473,000	249,062.50	722,062.50
09/30/2037	492,000	231,325.00	723,325.00
09/30/2038	512,000	212,875.00	724,875.00
09/30/2039	533,000	193,675.00	726,675.00
09/30/2040	555,000	173,687.50	728,687.50
09/30/2041	578,000	152,875.00	730,875.00
09/30/2042	601,000	131,200.00	732,200.00
09/30/2043	628,000	107,160.00	735,160.00
09/30/2044	655,000	82,040.00	737,040.00
09/30/2045	683,000	55,840.00	738,840.00
09/30/2046	713,000	28,520.00	741,520.00
	11,195,000	6,440,993.14	17,635,993.1

# EXHIBIT Q-6 – IMPROVEMENT AREA #3 ADDITIONAL BONDS DEBT SERVICE SCHEDULE

# **EXHIBIT Q-7 – IMPROVEMENT AREA #4 BONDS DEBT SERVICE SCHEDULE**

## BOND DEBT SERVICE

## City of Kyle, Texas Special Assessment Revenue Bonds, Series 2023 (6 Creeks Public Improvement District Improvement Area #4 Project) Bonds Callable September 1, 2033 @ Par FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service
		•		
09/01/2023			489,716.01	489,716.01
09/01/2024	388,000	4.375%	894,912.54	1,282,912.54
09/01/2025	407,000	4.375%	877,937.52	1,284,937.52
09/01/2026	425,000	4.375%	860,131.28	1,285,131.28
09/01/2027	446,000	4.375%	841,537.52	1,287,537.52
09/01/2028	468,000	4.375%	822,025.02	1,290,025.02
09/01/2029	489,000	4.500%	801,550.00	1,290,550.00
09/01/2030	513,000	4.500%	779,545.00	1,292,545.00
09/01/2031	537,000	4.500%	756,460.00	1,293,460.00
09/01/2032	564,000	4.500%	732,295.00	1,296,295.00
09/01/2033	591,000	4.500%	706,915.00	1,297,915.00
09/01/2034	621,000	5.250%	680,320.00	1,301,320.00
09/01/2035	655,000	5.250%	647,717.50	1,302,717.50
09/01/2036	693,000	5.250%	613,330.00	1,306,330.00
09/01/2037	731,000	5.250%	576,947.50	1,307,947.50
09/01/2038	773,000	5.250%	538,570.00	1,311,570.00
09/01/2039	816,000	5.250%	497,987.50	1,313,987.50
09/01/2040	861,000	5.250%	455,147.50	1,316,147.50
09/01/2041	911,000	5.250%	409,945.00	1,320,945.00
09/01/2042	963,000	5.250%	362,117.50	1,325,117.50
09/01/2043	1,018,000	5.250%	311,560.00	1,329,560.00
09/01/2044	1,075,000	5.500%	258,115.00	1,333,115.00
09/01/2045	1,137,000	5.500%	198,990.00	1,335,990.00
09/01/2046	1,205,000	5.500%	136,455.00	1,341,455.00
09/01/2047	1,276,000	5.500%	70,180.00	1,346,180.00
	17,563,000		14,320,407.39	31,883,407.39

# **EXHIBIT Q-8 – IMPROVEMENT AREA #5 BONDS DEBT SERVICE SCHEDULE**

## **EXHIBIT R – BUYER DISCLOSURES**

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

- Improvement Area #1
  - o Lot Type 1
  - o Lot Type 2
  - o Lot Type 3
  - o Lot Type 4
- Improvement Area #2
  - o Lot Type 5
  - o Lot Type 6
  - o Lot Type 7
  - o Lot Type 8
- Improvement Area #3
  - o Lot Type 9
  - o Lot Type 10
  - o Lot Type 11
- Improvement Area #4
  - o Lot Type 12
  - o Lot Type 13
  - o Lot Type 14
  - o Lot Type 15
  - o Lot Type 16
- Improvement Area #5
  - o Lot Type 17

## **LOT TYPE 1 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDIN	IG¹ RETURN TO:
NOTICE OF OBI	LIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 1 PRINCIPAL ASSESSMENT: \$27,767.94

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within 6 *Creeks Public Improvement District Improvement Area #1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.				
DATE:	DATE:			
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>			

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	§	
COUNTY OF	§	
The foregoing instrument was acknown	wledged before m	e byand
, known to me to be to	he person(s) whos	se name(s) is/are subscribed to the
foregoing instrument, and acknowledged to purposes therein expressed.	me that he or she	executed the same for the
Given under my hand and seal of offi	ice on this	, 20
Notary Public, State of Texas] <sup>3</sup>		

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

## **ANNUAL INSTALLMENTS - LOT TYPE 1**

	Improv	ement Area #1 Initi	al Bonds	lı	mprovement Area # Additional Bonds	<b>‡1</b>		
Installments	Principal	Interest [a]	Additional	Principal	Interest [b]	Additional	Annual Collection	Total
Due	ć 500.57	ć 001.2C	Interest [c] \$ 87.48	ć 251.00	ć 246 F0	Interest [c] \$ 51.36	Costs	Installment
1/31/2025	\$ 560.57	•		,	\$ 346.58	•	\$ 65.01	\$ 2,264.25
1/31/2026	586.65	778.14	84.67	351.99	337.78	49.60	66.31	2,255.14
1/31/2027	612.72	753.94	81.74	365.02	327.22	47.84	67.64	2,256.13
1/31/2028	638.79	728.66	78.68	378.06	316.27	46.02	68.99	2,255.47
1/31/2029	664.87	702.31	75.48	391.10	304.93	44.13	70.37	2,253.19
1/31/2030	690.94	674.89	72.16	404.13	293.19	42.17	71.78	2,249.27
1/31/2031	717.01	642.93	68.70	430.21	281.07	40.15	73.22	2,253.29
1/31/2032	756.12	609.77	65.12	443.24	266.01	38.00	74.68	2,252.95
1/31/2033	782.20	574.80	61.34	469.32	250.50	35.79	76.17	2,250.11
1/31/2034	821.31	538.62	57.43	495.39	234.07	33.44	77.70	2,257.95
1/31/2035	860.42	500.64	53.32	508.43	216.73	30.96	79.25	2,249.75
1/31/2036	899.52	460.84	49.02	534.50	198.94	28.42	80.84	2,252.08
1/31/2037	938.63	419.24	44.52	560.57	180.23	25.75	82.45	2,251.40
1/31/2038	990.78	375.83	39.83	573.61	160.61	22.94	84.10	2,247.70
1/31/2039	1,029.89	330.01	34.87	599.68	140.53	20.08	85.78	2,240.85
1/31/2040	1,082.04	282.37	29.72	625.76	119.55	17.08	87.50	2,244.01
1/31/2041	1,134.18	230.98	24.31	651.83	97.64	13.95	89.25	2,242.15
1/31/2042	1,186.33	177.10	18.64	677.90	74.83	10.69	91.04	2,236.53
1/31/2043	1,238.48	120.75	12.71	717.01	51.10	7.30	92.86	2,240.21
1/31/2044	1,303.66	61.92	6.52	743.09	26.01	3.72	94.71	2,239.62
Total	\$ 17,495.11	\$ 9,765.01	\$ 1,046.25	\$ 10,272.83	\$ 4,223.79	\$ 609.40	\$ 1,579.67	\$ 44,992.06

<sup>[</sup>a] Interest is calculated at the rate of the Improvement Area #1 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the rate of the Improvement Area #1 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 2 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING <sup>1</sup>	RETURN TO:
	_
	<del>-</del>
	_ _
NOTICE OF ORLIC	ATION TO DAY IMPROVEMENT DISTRICT ASSESSMENT TO
NOTICE OF OBLIG	ATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
C	ONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 2 PRINCIPAL ASSESSMENT: \$30,366.42

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.				
DATE:	DATE:			
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>			

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	§	
COUNTY OF	§	
The foregoing instrument was acknown	wledged before m	e byand
, known to me to be to	he person(s) whos	se name(s) is/are subscribed to the
foregoing instrument, and acknowledged to purposes therein expressed.	me that he or she	executed the same for the
Given under my hand and seal of offi	ice on this	, 20
Notary Public, State of Texas] <sup>3</sup>		

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

DATE:

DATE:

SIGNATURE OF SELLER

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\_\_.

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

Notary Public, State of Texas ]<sup>4</sup>

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

## **ANNUAL INSTALLMENTS - LOT TYPE 2**

	Improve	ement Area #1 Initi	al Bonds	Ir	nprovement Area # Additional Bonds	<b>‡1</b>		
Installments Due	Principal	Interest [a]	Additional Interest [c]	Principal	Interest [b]	Additional Interest [c]	Annual Collection Costs	Total Installment
1/31/2025	\$ 619.09	\$ 884.90	\$ 96.61	\$ 388.73	\$ 382.75	\$ 56.73	\$ 71.80	\$ 2,500.60
1/31/2026	647.88	859.36	93.51	388.73	373.04	54.78	73.24	2,490.54
1/31/2027	676.68	832.64	90.27	403.13	361.37	52.84	74.70	2,491.63
1/31/2028	705.47	804.72	86.89	417.52	349.28	50.82	76.20	2,490.91
1/31/2029	734.27	775.62	83.36	431.92	336.75	48.74	77.72	2,488.38
1/31/2030	763.06	745.33	79.69	446.32	323.80	46.58	79.27	2,484.05
1/31/2031	791.86	710.04	75.87	475.11	310.41	44.34	80.86	2,488.50
1/31/2032	835.05	673.42	71.91	489.51	293.78	41.97	82.48	2,488.12
1/31/2033	863.84	634.80	67.74	518.31	276.65	39.52	84.13	2,484.98
1/31/2034	907.04	594.85	63.42	547.10	258.50	36.93	85.81	2,493.64
1/31/2035	950.23	552.90	58.89	561.50	239.36	34.19	87.52	2,484.58
1/31/2036	993.42	508.95	54.13	590.29	219.70	31.39	89.27	2,487.16
1/31/2037	1,036.61	463.00	49.17	619.09	199.04	28.43	91.06	2,486.41
1/31/2038	1,094.20	415.06	43.98	633.48	177.38	25.34	92.88	2,482.33
1/31/2039	1,137.39	364.45	38.51	662.28	155.20	22.17	94.74	2,474.75
1/31/2040	1,194.98	311.85	32.83	691.07	132.02	18.86	96.63	2,478.25
1/31/2041	1,252.57	255.09	26.85	719.87	107.84	15.41	98.57	2,476.19
1/31/2042	1,310.16	195.59	20.59	748.66	82.64	11.81	100.54	2,469.99
1/31/2043	1,367.75	133.36	14.04	791.86	56.44	8.06	102.55	2,474.05
1/31/2044	1,439.74	68.39	7.20	820.65	28.72	4.10	104.60	2,473.40
Total	\$ 19,321.29	\$ 10,784.31	\$ 1,155.46	\$ 11,345.14	\$ 4,664.68	\$ 673.01	\$ 1,744.56	\$ 49,688.44

<sup>[</sup>a] Interest is calculated at the rate of the Improvement Area #1 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the rate of the Improvement Area #1 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 3 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	3¹ RETURN TO:
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
-	
	PROPERTY ADDRESS

## LOT TYPE 3 PRINCIPAL ASSESSMENT: \$34,709.92

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.									
DATE:	DATE:								
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>								

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	8	
	§	
COUNTY OF	§	
The foregoing instrument was acknown	wledged before m	e byand
, known to me to be t	he person(s) whos	se name(s) is/are subscribed to the
foregoing instrument, and acknowledged to purposes therein expressed.	me that he or she	executed the same for the
Given under my hand and seal of off	ice on this	, 20
Notary Public, State of Texas] <sup>3</sup>		

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 3**

	Improve	eme	nt Area #1 Initi	al I	Bonds	Improvement Area #1 Additional Bonds							
Installments Due	Principal		Interest [a]		Additional Interest [c]	Principal		Interest [b]		Additional Interest [c]	Ann	ual Collection Costs	Total Installment
1/31/2025	\$ 700.72	\$	1,001.58	\$	109.34	\$ 439.98	\$	433.22	\$	64.21	\$	81.27	\$ 2,830.32
1/31/2026	733.31		972.67		105.84	439.98		422.22		62.01		82.89	2,818.93
1/31/2027	765.90		942.42		102.17	456.28		409.02		59.81		84.55	2,820.16
1/31/2028	798.49		910.83		98.34	472.58		395.33		57.52		86.24	2,819.34
1/31/2029	831.08		877.89		94.35	488.87		381.16		55.16		87.97	2,816.48
1/31/2030	863.67		843.61		90.20	505.17		366.49		52.72		89.73	2,811.58
1/31/2031	896.27		803.67		85.88	537.76		351.34		50.19		91.52	2,816.62
1/31/2032	945.15		762.21		81.40	554.06		332.51		47.50		93.35	2,816.19
1/31/2033	977.74		718.50		76.67	586.65		313.12		44.73		95.22	2,812.63
1/31/2034	1,026.63		673.28		71.78	619.24		292.59		41.80		97.12	2,822.44
1/31/2035	1,075.52		625.80		66.65	635.53		270.92		38.70		99.06	2,812.18
1/31/2036	1,124.41		576.05		61.27	668.13		248.67		35.52		101.05	2,815.10
1/31/2037	1,173.29		524.05		55.65	700.72		225.29		32.18		103.07	2,814.25
1/31/2038	1,238.48		469.79		49.78	717.01		200.76		28.68		105.13	2,809.63
1/31/2039	1,287.36		412.51		43.59	749.60		175.67		25.10		107.23	2,801.06
1/31/2040	1,352.55		352.97		37.15	782.20		149.43		21.35		109.38	2,805.02
1/31/2041	1,417.73		288.72		30.39	814.79		122.06		17.44		111.56	2,802.68
1/31/2042	1,482.91		221.38		23.30	847.38		93.54		13.36		113.79	2,795.67
1/31/2043	1,548.10		150.94		15.89	896.27		63.88		9.13		116.07	2,800.26
1/31/2044	1,629.57		77.40		8.15	928.86		32.51		4.64		118.39	2,799.53
Total	\$ 21,868.88	\$	12,206.26	\$	1,307.81	\$ 12,841.04	\$	5,279.74	\$	761.74	\$	1,974.59	\$ 56,240.07

<sup>[</sup>a] Interest is calculated at the rate of the Improvement Area #1 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the rate of the Improvement Area #1 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 4 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING <sup>1</sup> R	ETURN TO:
NOTICE OF OBLIGA	ΓΙΟΝ ΤΟ PAY IMPROVEMENT DISTRICT ASSESSMENT ΤΟ
	KYLE, TEXAS
CO	NCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 4 PRINCIPAL ASSESSMENT: \$41,817.85

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #1* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.									
DATE:	DATE:								
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>								

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	<b>§</b>	
COUNTY OF	§	
The foregoing instrument was	acknowledged before	ore me byand
, known to me	to be the person(s)	whose name(s) is/are subscribed to the
foregoing instrument, and acknowledge purposes therein expressed.	ged to me that he or	she executed the same for the
Given under my hand and seal	l of office on this	, 20
Notary Public, State of Texas]	1 <sup>3</sup>	

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

## **ANNUAL INSTALLMENTS - LOT TYPE 4**

	Improve	nt Area #1 Initi	onds	Improvement Area #1 Additional Bonds										
Installments	Principal		Interest [a]	Ad			Principal		Interest [b]		Additional	Ann	ual Collection	Total
Due					Interest [c]						Interest [c]		Costs	nstallment
1/31/2025	\$ 844.21	\$	1,206.68	\$	131.74	\$	530.09	\$	521.94	\$	77.35	\$	97.91	\$ 3,409.91
1/31/2026	883.48		1,171.86		127.51		530.09		508.69		74.70		99.87	3,396.19
1/31/2027	922.74		1,135.41		123.10		549.72		492.78		72.05		101.87	3,397.67
1/31/2028	962.01		1,097.35		118.48		569.35		476.29		69.30		103.90	3,396.69
1/31/2029	1,001.27		1,057.67		113.67		588.98		459.21		66.46		105.98	3,393.25
1/31/2030	1,040.54		1,016.37		108.67		608.62		441.54		63.51		108.10	3,387.34
1/31/2031	1,079.80		968.24		103.46		647.88		423.28		60.47		110.26	3,393.41
1/31/2032	1,138.70		918.30		98.07		667.51		400.61		57.23		112.47	3,392.89
1/31/2033	1,177.97		865.63		92.37		706.78		377.24		53.89		114.72	3,388.61
1/31/2034	1,236.87		811.15		86.48		746.05		352.51		50.36		117.01	3,400.42
1/31/2035	1,295.76		753.95		80.30		765.68		326.40		46.63		119.35	3,388.06
1/31/2036	1,354.66		694.02		73.82		804.94		299.60		42.80		121.74	3,391.58
1/31/2037	1,413.56		631.37		67.05		844.21		271.42		38.77		124.17	3,390.55
1/31/2038	1,492.09		565.99		59.98		863.84		241.88		34.55		126.66	3,384.99
1/31/2039	1,550.99		496.98		52.52		903.11		211.64		30.23		129.19	3,374.66
1/31/2040	1,629.52		425.25		44.76		942.37		180.03		25.72		131.77	3,379.43
1/31/2041	1,708.05		347.84		36.62		981.64		147.05		21.01		134.41	3,376.62
1/31/2042	1,786.58		266.71		28.07		1,020.91		112.69		16.10		137.10	3,368.16
1/31/2043	1,865.12		181.85		19.14		1,079.80		76.96		10.99		139.84	3,373.70
1/31/2044	1,963.28		93.26		9.82		1,119.07		39.17		5.60		142.64	3,372.82
Total	\$ 26,347.21	\$	14,705.87	\$	1,575.63	\$	15,470.64	\$	6,360.93	\$	917.73	\$	2,378.95	\$ 67,756.96

<sup>[</sup>a] Interest is calculated at the rate of the Improvement Area #1 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the rate of the Improvement Area #1 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 5 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	31 RETURN TO:
	<del></del>
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 5 PRINCIPAL ASSESSMENT: \$31,425.79

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #2* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.									
DATE:	DATE:								
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>								

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	<b>§</b>	
COUNTY OF	<b>§</b>	
The foregoing instrument v	vas acknowledged bet	fore me byand
, known to	me to be the person(s	) whose name(s) is/are subscribed to the
foregoing instrument, and acknowled purposes therein expressed.	ledged to me that he o	or she executed the same for the
Given under my hand and s	seal of office on this_	, 20
Notary Public, State of Tex	$[as]^3$	

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

## **ANNUAL INSTALLMENTS - LOT TYPE 5**

	Improvement Area #2 Initial Bonds						Improveme	rea #2 Additiona							
Annual Installment	Principal Interest [a]				Principal Interest [b]				Additional	Annual Collection					
Due				• •		est [c]					Interest [c]		Costs		Installment
1/31/2025	\$	600.16	\$	702.01	\$	96.35	\$ 291.97		610.33	\$	60.78	\$	70.21	\$	2,431.80
1/31/2026		616.38		686.25		93.35	304.95	\$	598.28	\$	59.32		71.61		2,430.15
1/31/2027		632.60		666.99		90.27	324.41	\$	585.71	\$	57.79		73.04		2,430.82
1/31/2028		648.82		647.22		87.10	343.88	\$	572.32	\$	56.17		74.50		2,430.03
1/31/2029		681.27		626.95		83.86	350.36	\$	558.14	\$	54.45		75.99		2,431.02
1/31/2030		697.49		605.66		80.45	376.32	\$	540.18	\$	52.70		77.51		2,430.31
1/31/2031		713.71		583.86		76.97	402.27	\$	520.90	\$	50.82		79.06		2,427.58
1/31/2032		746.15		557.99		73.40	421.74	\$	500.28	\$	48.81		80.64		2,429.00
1/31/2033		778.59		530.94		69.67	441.20	\$	478.67	\$	46.70		82.26		2,428.02
1/31/2034		794.81		502.72		65.77	480.13	\$	456.05	\$	44.49		83.90		2,427.88
1/31/2035		827.25		473.91		61.80	506.08	\$	431.45	\$	42.09		85.58		2,428.16
1/31/2036		859.69		443.92		57.66	535.28	\$	405.51	\$	39.56		87.29		2,428.92
1/31/2037		892.13		412.75		53.37	564.48	\$	378.08	\$	36.89		89.04		2,426.73
1/31/2038		924.57		380.41		48.91	600.16	\$	349.15	\$	34.06		90.82		2,428.09
1/31/2039		957.02		346.90		44.28	635.85	\$	318.39	\$	31.06		92.64		2,426.13
1/31/2040		1,005.68		312.21		39.50	661.80	\$	285.80	\$	27.88		94.49		2,427.36
1/31/2041		1,038.12		275.75		34.47	703.97	\$	251.89	\$	24.57		96.38		2,425.15
1/31/2042		1,086.78		234.23		29.28	739.66	\$	215.81	\$	21.05		98.31		2,425.11
1/31/2043		1,119.22		190.75		23.84	798.05	\$	177.90	\$	17.36		100.27		2,427.40
1/31/2044		1,167.88		145.99		18.25	840.23	\$	137.00	\$	13.37		102.28		2,424.99
1/31/2045		1,216.55		99.27		12.41	888.89	\$	93.94	\$	9.16		104.32		2,424.54
1/31/2046		1,265.21		50.61		6.33	944.04	\$	48.38	\$	4.72		106.41		2,425.69
Total	\$	19,270.07	\$	9,477.27	\$ 1	1,247.28	\$ 12,155.72	\$	8,514.15	\$	833.82	\$	1,916.55	\$	53,414.87

<sup>[</sup>a] Interest is calculated at the actual interest rate of the Improvement Area #2 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the actual interest rate of the Improvement Area #2 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 6 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING <sup>1</sup> R	ETURN TO:
NOTICE OF OBLIGA	ΓΙΟΝ ΤΟ PAY IMPROVEMENT DISTRICT ASSESSMENT ΤΟ
	KYLE, TEXAS
CO	NCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 6 PRINCIPAL ASSESSMENT: \$34,568.37

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within 6 *Creeks Public Improvement District Improvement Area #2* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.									
DATE:	DATE:								
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>								

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	§	
	<b>§</b>	
COUNTY OF	§	
The foregoing instrument was acknowledged to purposes therein expressed.	the person(s) who	se name(s) is/are subscribed to the
Given under my hand and seal of of	fice on this	, 20
Notary Public, State of Texas] <sup>3</sup>		

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

## **ANNUAL INSTALLMENTS - LOT TYPE 6**

	Improve	men	nt Area #2 Initial E	Bonds		Improveme	nt .	Area #2 Additional	l Bo	onds			
Annual Installment Due	Principal		Interest [a]		ditional rest [c]	Principal		Interest [b]		Additional Interest [c]	Anr	nual Collection Costs	Total Annual Installment
1/31/2025	\$ 660.18	\$	772.21	\$	105.99	\$ 321.17	\$	671.36	\$	66.86	\$	77.23	\$ 2,674.98
1/31/2026	678.02		754.88		102.68	335.44		658.11	\$	65.25		78.77	2,673.16
1/31/2027	695.86		733.69		99.29	356.85		644.28	\$	63.57		80.35	2,673.90
1/31/2028	713.71		711.94		95.82	378.26		629.56	\$	61.79		81.95	2,673.03
1/31/2029	749.39		689.64		92.25	385.40		613.95	\$	59.90		83.59	2,674.12
1/31/2030	767.23		666.22		88.50	413.95		594.20	\$	57.97		85.26	2,673.34
1/31/2031	785.08		642.25		84.66	442.50		572.99	\$	55.90		86.97	2,670.34
1/31/2032	820.76		613.79		80.74	463.91		550.31	\$	53.69		88.71	2,671.90
1/31/2033	856.45		584.03		76.63	485.32		526.53	\$	51.37		90.48	2,670.82
1/31/2034	874.29		552.99		72.35	528.14		501.66	\$	48.94		92.29	2,670.67
1/31/2035	909.98		521.30		67.98	556.69		474.59	\$	46.30		94.14	2,670.98
1/31/2036	945.66		488.31		63.43	588.81		446.06	\$	43.52		96.02	2,671.81
1/31/2037	981.35		454.03		58.70	620.92		415.89	\$	40.57		97.94	2,669.40
1/31/2038	1,017.03		418.45		53.80	660.18		384.06	\$	37.47		99.90	2,670.89
1/31/2039	1,052.72		381.59		48.71	699.43		350.23	\$	34.17		101.90	2,668.74
1/31/2040	1,106.24		343.43		43.45	727.98		314.38	\$	30.67		103.94	2,670.09
1/31/2041	1,141.93		303.33		37.92	774.37		277.07	\$	27.03		106.02	2,667.66
1/31/2042	1,195.46		257.65		32.21	813.63		237.39	\$	23.16		108.14	2,667.62
1/31/2043	1,231.14		209.83		26.23	877.86		195.69	\$	19.09		110.30	2,670.14
1/31/2044	1,284.67		160.58		20.07	924.25		150.70	\$	14.70		112.50	2,667.48
1/31/2045	1,338.20		109.20		13.65	977.78		103.33	\$	10.08		114.75	2,666.99
1/31/2046	1,391.73		55.67		6.96	1,038.44		53.22	\$	5.19		117.05	2,668.26
Total	\$ 21,197.08	\$	10,425.00	\$	1,372.01	\$ 13,371.29	\$	9,365.56	\$	917.20	\$	2,108.21	\$ 58,756.35

<sup>[</sup>a] Interest is calculated at the actual interest rate of the Improvement Area #2 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the actual interest rate of the Improvement Area #2 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 7 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	G <sup>1</sup> RETURN TO:
	<del></del>
	<del></del>
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 7 PRINCIPAL ASSESSMENT: 39,282.24

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #2* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.									
DATE:	DATE:								
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>								

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>							
	<b>§</b>							
COUNTY OF	§							
The foregoing instrument w	NATURE OF PURCHASER  SIGNATURE OF PURCHASER  FE OF TEXAS							
SIGNATURE OF PURCHASER  TATE OF TEXAS  \$ OUNTY 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 pregoing 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								
foregoing instrument, and acknowled purposes therein expressed.	edged to me that he or	r she executed the same for the						
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 Tex	as] <sup>3</sup>							

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

DATE:

DATE:

SIGNATURE OF SELLER

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\_\_.

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

Notary Public, State of Texas ]<sup>4</sup>

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

## **ANNUAL INSTALLMENTS - LOT TYPE 7**

	Improvement Area #2 Initial Bonds						Improvement Area #2 Additional Bonds							
Annual Installment Due		Principal		Interest [a]		ditional erest [c]	Principal		Interest [b]		Additional Interest [c]	Anı	nual Collection Costs	Total Annual Installment
1/31/2025	\$	750.20	\$	877.51	\$	120.44	\$ 364.96	\$	762.91	\$	75.97	\$	87.76	\$ 3,039.75
1/31/2026		770.48		857.82		116.69	381.18		747.86	\$	74.15		89.51	3,037.68
1/31/2027		790.75		833.74		112.83	405.52		732.13	\$	72.24		91.30	3,038.52
1/31/2028		811.03		809.03		108.88	429.85		715.40	\$	70.21		93.13	3,037.53
1/31/2029		851.58		783.68		104.83	437.96		697.67	\$	68.07		94.99	3,038.78
1/31/2030		871.86		757.07		100.57	470.40		675.23	\$	65.88		96.89	3,037.89
1/31/2031		892.13		729.83		96.21	502.84		651.12	\$	63.52		98.83	3,034.48
1/31/2032		932.68		697.49		91.75	527.17		625.35	\$	61.01		100.81	3,036.25
1/31/2033		973.24		663.68		87.08	551.50		598.33	\$	58.37		102.82	3,035.02
1/31/2034		993.51		628.40		82.22	600.16		570.07	\$	55.62		104.88	3,034.85
1/31/2035		1,034.06		592.38		77.25	632.60		539.31	\$	52.62		106.98	3,035.20
1/31/2036		1,074.61		554.90		72.08	669.10		506.89	\$	49.45		109.12	3,036.15
1/31/2037		1,115.17		515.94		66.71	705.60		472.60	\$	46.11		111.30	3,033.41
1/31/2038		1,155.72		475.52		61.13	750.20		436.44	\$	42.58		113.52	3,035.11
1/31/2039		1,196.27		433.62		55.35	794.81		397.99	\$	38.83		115.79	3,032.66
1/31/2040		1,257.10		390.26		49.37	827.25		357.25	\$	34.85		118.11	3,034.19
1/31/2041		1,297.65		344.69		43.09	879.97		314.86	\$	30.72		120.47	3,031.44
1/31/2042		1,358.48		292.78		36.60	924.57		269.76	\$	26.32		122.88	3,031.39
1/31/2043		1,399.03		238.44		29.81	997.57		222.37	\$	21.70		125.34	3,034.25
1/31/2044		1,459.85		182.48		22.81	1,050.28		171.25	\$	16.71		127.85	3,031.23
1/31/2045		1,520.68		124.09		15.51	1,111.11		117.42	\$	11.46		130.40	3,030.67
1/31/2046		1,581.51		63.26		7.91	1,180.05		60.48	\$	5.90		133.01	3,032.11
Total	\$	24,087.59	\$	11,846.59	\$	1,559.10	\$ 15,194.65	\$	10,642.69	\$	1,042.27	\$	2,395.69	\$ 66,768.58

<sup>[</sup>a] Interest is calculated at the actual interest rate of the Improvement Area #2 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the actual interest rate of the Improvement Area #2 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 8 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	G <sup>1</sup> RETURN TO:
	<del></del>
	<del></del>
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 8 PRINCIPAL ASSESSMENT: \$47,138.69

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #2* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.									
DATE:	DATE:								
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>								

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	8				
	§				
COUNTY OF	§				
The foregoing instrument was acknown	E OF TEXAS  \$ TTY 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 ing instrument, and acknowledged to me that he or she executed the same for the				
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					
foregoing instrument, and acknowledged to purposes therein expressed.	me that he or she	executed the same for the			
Given under my hand and seal of off	ice on this	, 20			
Notary Public, State of Texas] <sup>3</sup>					

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 8**

	Improvement Area #2 Initial Bonds						Improvement Area #2 Additional Bonds								
Annual Installment Due		Principal		Interest [a]		dditional terest [c]		Principal		Interest [b]		Additional Interest [c]	Ann	ual Collection Costs	Total Annual Installment
1/31/2025	\$	900.24	\$	1,053.01	\$	144.53	\$	437.96	\$	915.49	\$	91.17	\$	105.31	\$ 3,647.71
1/31/2026		924.57		1,029.38		140.02		457.42	\$	897.43	\$	88.98		107.42	3,645.22
1/31/2027		948.91		1,000.49		135.40		486.62	\$	878.56	\$	86.69		109.56	3,646.22
1/31/2028		973.24		970.83		130.66		515.82	\$	858.49	\$	84.26		111.75	3,645.04
1/31/2029		1,021.90		940.42		125.79		525.55	\$	837.21	\$	81.68		113.99	3,646.53
1/31/2030		1,046.23		908.49		120.68		564.48	\$	810.27	\$	79.05		116.27	3,645.47
1/31/2031		1,070.56		875.79		115.45		603.41	\$	781.34	\$	76.23		118.60	3,641.37
1/31/2032		1,119.22		836.98		110.10		632.60	\$	750.42	\$	73.21		120.97	3,643.50
1/31/2033		1,167.88		796.41		104.50		661.80	\$	718.00	\$	70.05		123.39	3,642.03
1/31/2034		1,192.21		754.08		98.66		720.19	\$	684.08	\$	66.74		125.85	3,641.82
1/31/2035		1,240.88		710.86		92.70		759.12	\$	647.17	\$	63.14		128.37	3,642.24
1/31/2036		1,289.54		665.88		86.50		802.92	\$	608.27	\$	59.34		130.94	3,643.38
1/31/2037		1,338.20		619.13		80.05		846.72	\$	567.12	\$	55.33		133.56	3,640.10
1/31/2038		1,386.86		570.62		73.36		900.24	\$	523.72	\$	51.09		136.23	3,642.13
1/31/2039		1,435.52		520.35		66.42		953.77	\$	477.59	\$	46.59		138.95	3,639.20
1/31/2040		1,508.52		468.31		59.25		992.70	\$	428.70	\$	41.82		141.73	3,641.03
1/31/2041		1,557.18		413.63		51.70		1,055.96	\$	377.83	\$	36.86		144.57	3,637.72
1/31/2042		1,630.17		351.34		43.92		1,109.49	\$	323.71	\$	31.58		147.46	3,637.66
1/31/2043		1,678.83		286.13		35.77		1,197.08	\$	266.85	\$	26.03		150.41	3,641.10
1/31/2044		1,751.82		218.98		27.37		1,260.34	\$	205.50	\$	20.05		153.42	3,637.48
1/31/2045		1,824.82		148.91		18.61		1,333.33	\$	140.91	\$	13.75		156.48	3,636.81
1/31/2046		1,897.81		75.91		9.49		1,416.06	\$	72.57	\$	7.08		159.61	3,638.54
Total	\$	28,905.11	\$	14,215.91	\$	1,870.92	\$	18,233.58	\$	12,771.22	\$	1,250.73	\$	2,874.83	\$ 80,122.30

<sup>[</sup>a] Interest is calculated at the actual interest rate of the Improvement Area #2 Initial Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

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

<sup>[</sup>b] Interest is calculated at the actual interest rate of the Improvement Area #2 Additional Bonds.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

## **LOT TYPE 9 HOMEBUYER DISCLOSURE**

### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDIN	G <sup>1</sup> RETURN TO:
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

### LOT TYPE 9 PRINCIPAL ASSESSMENT: \$38,114.85

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within 6 *Creeks Public Improvement District Improvement Area #3* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

of a binding contract for the purchase of the real property at th	e address described above.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
The undersigned seller acknowledges providing this rebefore the effective date of a binding contract for the purchase of described above.	
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	§	
COUNTY OF	§	
The foregoing instrument was acknown	wledged before m	e byand
, known to me to be to	he person(s) whos	se name(s) is/are subscribed to the
foregoing instrument, and acknowledged to purposes therein expressed.	me that he or she	executed the same for the
Given under my hand and seal of offi	ice on this	, 20
Notary Public, State of Texas] <sup>3</sup>		

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 9**

	Lot Type 9 - Improvement Area #3 Initial Bonds										Lot Type 9 - Improvement Area #3 Additional Bonds							
Installment					Capitalized Additional								Additional	Annual		To	Total Annual	
Due	P	rincipal	In	terest [a]	In	terest		nterest [c]		Principal	li	nterest [b]		nterest [c]	Colle	ection Costs	lr	stallment
1/31/2025	\$	754.96	\$	933.83	\$	-	\$	126.10	\$	681.13	\$	378.94	\$	-	\$	73.04	\$	2,948.00
1/31/2026		776.40		913.07		-		122.33		297.70		702.23		61.06		74.50		2,947.29
1/31/2027		800.21		891.72		-		118.45		316.75		685.12		59.58		75.99		2,947.81
1/31/2028		831.17		864.71		-		114.45		333.42		666.90		57.99		77.51		2,946.15
1/31/2029		862.13		836.66		-		110.29		354.86		647.73		56.32		79.06		2,947.05
1/31/2030		893.09		807.56		-		105.98		378.67		627.33		54.55		80.64		2,947.82
1/31/2031		926.44		777.42		-		101.51		400.11		605.55		52.66		82.26		2,945.94
1/31/2032		959.78		746.15		-		96.88		426.30		582.55		50.66		83.90		2,946.22
1/31/2033		997.88		710.16		-		92.08		454.88		558.03		48.52		85.58		2,947.15
1/31/2034		1,040.75		672.74		-		87.09		481.08		531.88		46.25		87.29		2,947.08
1/31/2035		1,081.24		633.71		-		81.89		512.04		504.22		43.84		89.04		2,945.98
1/31/2036		1,126.49		593.16		-		76.48		543.00		474.77		41.28		90.82		2,946.01
1/31/2037		1,171.74		550.92		-		70.85		578.72		443.55		38.57		92.63		2,946.99
1/31/2038		1,219.37		506.98		-		64.99		614.45		410.28		35.68		94.49		2,946.23
1/31/2039		1,269.38		461.25		-		58.90		652.55		374.94		32.60		96.38		2,946.01
1/31/2040		1,321.78		413.65		-		52.55		693.04		337.42		29.34		98.30		2,946.09
1/31/2041		1,376.55		364.08		-		45.94		735.91		297.57		25.88		100.27		2,946.21
1/31/2042		1,431.33		312.46		-		39.06		783.54		255.26		22.20		102.27		2,946.12
1/31/2043		1,495.63		255.21		-		31.90		831.17		210.20		18.28		104.32		2,946.72
1/31/2044		1,559.94		195.39		-		24.42		883.57		162.41		14.12		106.41		2,946.25
1/31/2045		1,626.62		132.99		-		16.62		940.73		111.61		9.70		108.53		2,946.80
1/31/2046		1,698.07		67.92		-		8.49		1,000.26		57.52		5.00		110.70		2,947.97
Total	\$	25,220.96	\$	12,641.72	\$	-	\$	1,647.28	\$	12,893.89	\$	9,626.01	\$	804.09	\$	1,993.93	\$	64,827.88

<sup>[</sup>a] Interest is calculated at the actual rate of the PID Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Interest is calculated at a 5.75% rate for illustrative purposes.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

### **LOT TYPE 10 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	G <sup>1</sup> RETURN TO:
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 10 PRINCIPAL ASSESSMENT: \$41,442.33

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within 6 *Creeks Public Improvement District Improvement Area #3* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

of a binding contract for the purchase of the real property at th	e address described above.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
The undersigned seller acknowledges providing this rebefore the effective date of a binding contract for the purchase of described above.	
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	<b>§</b>	
COUNTY OF	§	
The foregoing instrument w	as acknowledged before	ore me byand
, known to r	me to be the person(s)	whose name(s) is/are subscribed to the
foregoing instrument, and acknowled purposes therein expressed.	edged to me that he or	r she executed the same for the
Given under my hand and s	eal of office on this_	, 20
Notary Public, State of Tex	as] <sup>3</sup>	

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

DATE:

DATE:

SIGNATURE OF SELLER

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\_\_.

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

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 10**

	Lot Type 10 - Improvement Area #3 Initial Bonds									• • • • • • • • • • • • • • • • • • • •		Improvementional Bonds						
Installment						Capitalized Additional					Additional						Total Annual	
Due		Principal	li	nterest [a]		Interest	li li	nterest [c]		Principal	li	nterest [b]	Interest [c]	Colle	ection Costs	In	stallment	
1/31/2025	\$	820.87	\$	1,015.35	\$	-	\$	137.11	\$	740.60	\$	412.02	\$ -	\$	79.42	\$	3,205.37	
1/31/2026		844.18		992.78		-		133.01		323.69		763.54	66.39		81.01		3,204.59	
1/31/2027		870.07		969.56		-		128.79		344.40		744.93	64.78		82.63		3,205.16	
1/31/2028		903.73		940.20		-		124.44		362.53		725.12	63.05		84.28		3,203.36	
1/31/2029		937.40		909.70		-		119.92		385.84		704.28	61.24		85.96		3,204.33	
1/31/2030		971.06		878.06		-		115.23		411.73		682.09	59.31		87.68		3,205.17	
1/31/2031		1,007.31		845.29		-		110.38		435.04		658.42	57.25		89.44		3,203.12	
1/31/2032		1,043.57		811.29		-		105.34		463.52		633.40	55.08		91.23		3,203.43	
1/31/2033		1,085.00		772.16		-		100.12		494.59		606.75	52.76		93.05		3,204.44	
1/31/2034		1,131.61		731.47		-		94.70		523.08		578.31	50.29		94.91		3,204.37	
1/31/2035		1,175.63		689.03		-		89.04		556.74		548.24	47.67		96.81		3,203.16	
1/31/2036		1,224.83		644.95		-		83.16		590.41		516.22	44.89		98.74		3,203.20	
1/31/2037		1,274.03		599.02		-		77.04		629.25		482.27	41.94		100.72		3,204.27	
1/31/2038		1,325.82		551.24		-		70.67		668.09		446.09	38.79		102.73		3,203.44	
1/31/2039		1,380.20		501.52		-		64.04		709.52		407.68	35.45		104.79		3,203.20	
1/31/2040		1,437.17		449.76		-		57.14		753.54		366.88	31.90		106.88		3,203.28	
1/31/2041		1,496.73		395.87		-		49.95		800.15		323.55	28.13		109.02		3,203.41	
1/31/2042		1,556.29		339.74		-		42.47		851.94		277.54	24.13		111.20		3,203.32	
1/31/2043		1,626.20		277.49		-		34.69		903.73		228.56	19.87		113.43		3,203.97	
1/31/2044		1,696.12		212.44		-		26.56		960.70		176.59	15.36		115.70		3,203.47	
1/31/2045		1,768.63		144.60		-		18.07		1,022.85		121.35	10.55		118.01		3,204.06	
1/31/2046		1,846.31		73.85		-		9.23		1,087.59		62.54	5.44		120.37		3,205.33	
Total	\$	27,422.79	\$	13,745.36	\$	-	\$	1,791.09	\$	14,019.54	\$	10,466.38	\$ 874.29	\$	2,168.00	\$	70,487.46	

<sup>[</sup>a] Interest is calculated at the actual rate of the PID Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Interest is calculated at a 5.75% rate for illustrative purposes.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

### **LOT TYPE 11 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING <sup>1</sup>	RETURN TO:
	_
	<del>-</del>
	_ _
NOTICE OF ORLIC	ATION TO DAY IMPROVEMENT DISTRICT ASSESSMENT TO
NOTICE OF OBLIG	ATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
C	ONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 11 PRINCIPAL ASSESSMENT: \$53,585.50

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #3* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

of a binding contract for the purchase of the real p	property at the address described above.
DATE:	DATE:
SIGNATURE OF PURCHASER	SIGNATURE OF PURCHASER
The undersigned seller acknowledges probefore the effective date of a binding contract for t described above.	oviding this notice to the potential purchaser the purchase of the real property at the address
DATE:	DATE:
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	<b>§</b>	
COUNTY OF	§	
	to be the person(s) veed to me that he or	
Notary Public, State of Texas] <sup>3</sup>	}	

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 11**

	Lot Type 11 - Improvement Area #3 Initial Bonds									• •	Improvemen litional Bonds							
Installment					Cap	oitalized		Additional					Į.	Additional		Annual	То	tal Annual
Due	P	Principal	In	terest [a]	In	iterest		Interest [c]		Principal	- h	nterest [b]	- I	nterest [c]	Colle	ection Costs	In	stallment
1/31/2025	\$	1,061.40	\$	1,312.86	\$	-	\$	177.29	\$	957.60	\$	532.74	\$	-	\$	102.69	\$	4,144.58
1/31/2026		1,091.53		1,283.68		-		171.98		418.53		987.27		85.85		104.74		4,143.58
1/31/2027		1,125.01		1,253.66		-		166.53		445.32		963.20		83.76		106.84		4,144.31
1/31/2028		1,168.54		1,215.69		-		160.90		468.76		937.60		81.53		108.97		4,141.99
1/31/2029		1,212.07		1,176.25		-		155.06		498.89		910.64		79.19		111.15		4,143.25
1/31/2030		1,255.60		1,135.34		-		149.00		532.37		881.96		76.69		113.37		4,144.33
1/31/2031		1,302.47		1,092.97		-		142.72		562.51		851.34		74.03		115.64		4,141.68
1/31/2032		1,349.35		1,049.01		-		136.21		599.34		819.00		71.22		117.96		4,142.07
1/31/2033		1,402.92		998.41		-		129.46		639.52		784.54		68.22		120.31		4,143.38
1/31/2034		1,463.19		945.80		-		122.45		676.35		747.77		65.02		122.72		4,143.29
1/31/2035		1,520.11		890.93		-		115.13		719.88		708.88		61.64		125.18		4,141.74
1/31/2036		1,583.73		833.93		-		107.53		763.40		667.48		58.04		127.68		4,141.79
1/31/2037		1,647.34		774.54		-		99.61		813.63		623.59		54.23		130.23		4,143.16
1/31/2038		1,714.31		712.76		-		91.37		863.85		576.80		50.16		132.84		4,142.09
1/31/2039		1,784.62		648.47		-		82.80		917.42		527.13		45.84		135.49		4,141.78
1/31/2040		1,858.28		581.55		-		73.88		974.34		474.38		41.25		138.20		4,141.89
1/31/2041		1,935.29		511.86		-		64.59		1,034.61		418.36		36.38		140.97		4,142.06
1/31/2042		2,012.30		439.29		-		54.91		1,101.58		358.87		31.21		143.79		4,141.94
1/31/2043		2,102.71		358.80		-		44.85		1,168.54		295.53		25.70		146.66		4,142.78
1/31/2044		2,193.11		274.69		-		34.34		1,242.20		228.33		19.86		149.60		4,142.12
1/31/2045		2,286.86		186.97		-		23.37		1,322.56		156.91		13.64		152.59		4,142.90
1/31/2046		2,387.31		95.49				11.94		1,406.27		80.86		7.03		155.64		4,144.53
Total	\$	35,458.04	\$	17,772.94	\$	-	\$	2,315.91	\$	18,127.46	\$	13,533.17	\$	1,130.47	\$	2,803.26	\$	91,141.24

<sup>[</sup>a] Interest is calculated at the actual rate of the PID Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Interest is calculated at a 5.75% rate for illustrative purposes.

<sup>[</sup>c] Additional Interest is calculated at the Additional Interest Rate.

### **LOT TYPE 12 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	RETURN TO:
	<u> </u>
	_
	<del>-</del> -
	<u> </u>
NOTICE OF OBLIC	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
(	CONCERNING THE FOLLOWING PROPERTY
_	PROPERTY ADDRESS

### LOT TYPE 12 PRINCIPAL ASSESSMENT: \$32,911.39

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #4* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.					
DATE:	DATE:				
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>				

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	<b>§</b>	
COUNTY OF	<b>§</b>	
	me to be the person(s	fore me byand ) whose name(s) is/are subscribed to the or she executed the same for the
Given under my hand and so	eal of office on this_	
Notary Public, State of Texa	as] <sup>3</sup>	

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 12**

Improvement Area #4 - Lot Type 12

<b>Annual Installment</b>			Additional	Annual Collection	Total Annual
Due	Principal	Interest [a]	Interest [b]	Costs	Installment
1/31/2025	\$ 784.81	\$ 1,682.34	\$ 164.57	\$ 111.46	\$ 2,743.19
1/31/2026	810.13	1,648.01	160.67	113.69	2,732.50
1/31/2027	848.10	1,612.56	156.60	115.96	2,733.23
1/31/2028	898.73	1,575.46	152.33	118.28	2,744.80
1/31/2029	936.71	1,536.14	147.84	120.65	2,741.34
1/31/2030	987.34	1,493.99	143.16	123.06	2,747.55
1/31/2031	1,025.32	1,449.56	138.24	125.52	2,738.64
1/31/2032	1,075.95	1,403.42	133.10	128.03	2,740.50
1/31/2033	1,139.24	1,355.00	127.69	130.59	2,752.53
1/31/2034	1,189.87	1,303.73	122.03	133.21	2,748.84
1/31/2035	1,253.16	1,241.27	116.08	135.87	2,746.38
1/31/2036	1,329.11	1,175.47	109.80	138.59	2,752.98
1/31/2037	1,405.06	1,105.70	103.16	141.36	2,755.28
1/31/2038	1,481.01	1,031.93	96.16	144.19	2,753.29
1/31/2039	1,569.62	954.18	88.75	147.07	2,759.62
1/31/2040	1,645.57	871.77	80.93	150.01	2,748.28
1/31/2041	1,746.84	785.38	72.68	153.01	2,757.91
1/31/2042	1,848.10	693.67	63.95	156.07	2,761.79
1/31/2043	1,949.37	596.65	54.72	159.19	2,759.93
1/31/2044	2,063.29	494.30	44.97	162.38	2,764.94
1/31/2045	2,177.22	380.82	34.67	165.62	2,758.33
1/31/2046	2,303.80	261.08	23.77	168.94	2,757.58
1/31/2047	2,443.04	134.37	12.23	172.32	2,761.95
Total	\$ 32,911.39	\$ 24,786.79	\$ 2,348.10	\$ 3,215.07	\$ 63,261.36

<sup>[</sup>a] Interest is calculated at the actual rate of the Improvement Area #4 Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

### **LOT TYPE 13 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	G <sup>1</sup> RETURN TO:
	<del></del>
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 13 PRINCIPAL ASSESSMENT: \$38,811.59

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #4* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.					
DATE:	DATE:				
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>				

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	<b>§</b>	
COUNTY OF	§	
The foregoing instrument was	acknowledged before	ore me byand
, known to me	to be the person(s)	whose name(s) is/are subscribed to the
foregoing instrument, and acknowledge purposes therein expressed.	ged to me that he or	she executed the same for the
Given under my hand and seal	l of office on this	, 20
Notary Public, State of Texas]	1 <sup>3</sup>	

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 13**

Improvement Area #4 - Lot Type 13

<b>Annual Installment</b>			Additional	Annual Collection	Total Annual
Due	Principal	Interest [a]	Interest [b]	Costs	Installment
1/31/2025	\$ 913.04	\$ 1,983.99	\$ 193.95	\$ 122.61	\$ 3,213.58
1/31/2026	956.52	1,944.04	189.49	125.06	3,215.11
1/31/2027	1,014.49	1,902.19	184.69	127.56	3,228.94
1/31/2028	1,057.97	1,857.81	179.65	130.11	3,225.54
1/31/2029	1,101.45	1,811.52	174.36	132.71	3,220.05
1/31/2030	1,159.42	1,761.96	168.84	135.37	3,225.58
1/31/2031	1,217.39	1,709.78	163.04	138.07	3,228.29
1/31/2032	1,275.36	1,655.00	156.97	140.84	3,228.17
1/31/2033	1,333.33	1,597.61	150.60	143.65	3,225.19
1/31/2034	1,405.80	1,537.61	143.92	146.53	3,233.85
1/31/2035	1,478.26	1,463.80	136.90	149.46	3,228.42
1/31/2036	1,565.22	1,386.20	129.50	152.45	3,233.36
1/31/2037	1,652.17	1,304.02	121.67	155.49	3,233.36
1/31/2038	1,753.62	1,217.28	113.40	158.60	3,242.92
1/31/2039	1,840.58	1,125.22	104.67	161.78	3,232.24
1/31/2040	1,942.03	1,028.59	95.45	165.01	3,231.08
1/31/2041	2,057.97	926.63	85.72	168.31	3,238.63
1/31/2042	2,173.91	818.59	75.42	171.68	3,239.60
1/31/2043	2,304.35	704.46	64.54	175.11	3,248.46
1/31/2044	2,434.78	583.48	53.04	178.61	3,249.91
1/31/2045	2,565.22	449.57	40.89	182.19	3,237.86
1/31/2046	2,724.64	308.48	28.04	185.83	3,246.98
1/31/2047	2,884.06	158.62	14.42	189.55	 3,246.65
Total	\$ 38,811.59	\$ 29,236.43	\$ 2,769.15	\$ 3,536.58	\$ 74,353.75

<sup>[</sup>a] Interest is calculated at the actual rate of the Improvement Area #4 Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

### **LOT TYPE 14 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDIN	IG¹ RETURN TO:
NOTICE OF OBI	LIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

## LOT TYPE 14 PRINCIPAL ASSESSMENT: \$71,415.79

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #4* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 before the effective date of a binding contract for the purchase described above.						
DATE:	DATE:					
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>					

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	§	
COUNTY OF	§	
The foregoing instrument was acknown	wledged before m	e byand
, known to me to be to	he person(s) whos	se name(s) is/are subscribed to the
foregoing instrument, and acknowledged to purposes therein expressed.	me that he or she	executed the same for the
Given under my hand and seal of offi	ice on this	, 20
Notary Public, State of Texas] <sup>3</sup>		

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 14**

Improvement Area #4 - Lot Type 14

<b>Annual Installment</b>			Additiona	al	Annual Collection	Total Annual
Due	Principal	Interest [a]	Interest [l	b]	Costs	Installment
1/31/2025	\$ 1,689.47	\$ 3,650.62	\$ 357	7.07	\$ 133.75	\$ 5,830.91
1/31/2026	1,768.42	3,576.70	348	3.60	136.43	5,830.15
1/31/2027	1,855.26	3,499.33	339	9.77	139.16	5,833.52
1/31/2028	1,942.11	3,418.16	330	0.50	141.94	5,832.70
1/31/2029	2,036.84	3,333.20	320	).77	144.78	5,835.58
1/31/2030	2,131.58	3,241.54	310	0.60	147.67	5,831.39
1/31/2031	2,234.21	3,145.62	299	9.93	150.63	5,830.39
1/31/2032	2,344.74	3,045.08	288	3.77	153.64	5,832.23
1/31/2033	2,455.26	2,939.57	277	7.05	156.71	5,828.59
1/31/2034	2,581.58	2,829.08	264	1.76	159.85	5,835.26
1/31/2035	2,723.68	2,693.55	251	L.85	163.04	5,832.12
1/31/2036	2,881.58	2,550.55	238	3.23	166.30	5,836.67
1/31/2037	3,039.47	2,399.27	223	3.82	169.63	5,832.20
1/31/2038	3,213.16	2,239.70	208	3.63	173.02	5,834.50
1/31/2039	3,394.74	2,071.01	192	2.56	176.48	5,834.78
1/31/2040	3,584.21	1,892.78	175	5.59	180.01	5,832.60
1/31/2041	3,789.47	1,704.61	157	7.69	183.61	5,835.39
1/31/2042	4,002.63	1,505.66	138	3.75	187.29	5,834.33
1/31/2043	4,231.58	1,295.53	118	3.73	191.03	5,836.87
1/31/2044	4,468.42	1,073.37	97	7.57	194.85	5,834.21
1/31/2045	4,728.95	827.61	75	5.22	198.75	5,830.52
1/31/2046	5,013.16	567.51	51	L.58	202.72	5,834.97
1/31/2047	5,305.26	291.79	26	5.53	206.78	5,830.36
Total	\$ 71,415.79	\$ 53,791.83	\$ 5,094	1.54	\$ 3,858.09	\$ 134,160.25

<sup>[</sup>a] Interest is calculated at the actual rate of the Improvement Area #4 Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

### **LOT TYPE 15 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	1 RETURN TO:
	<u> </u>
	<del>_</del>
NOTICE OF OBLI	GATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
_	
	PROPERTY ADDRESS

## LOT TYPE 15 PRINCIPAL ASSESSMENT: \$77,367.11

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #4* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.					
DATE:	DATE:				
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>				

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	§	
COUNTY OF	§	
The foregoing instrument was acknown	wledged before m	e byand
, known to me to be to	he person(s) whos	se name(s) is/are subscribed to the
foregoing instrument, and acknowledged to purposes therein expressed.	me that he or she	executed the same for the
Given under my hand and seal of offi	ice on this	, 20
Notary Public, State of Texas] <sup>3</sup>		

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 15**

Improvement Area #4 - Lot Type 15

<b>Annual Installment</b>				Additional	Α	nnual Collection	Total Annual
Due	Principal	Interest [a]	I	Interest [b]		Costs	Installment
1/31/2025	\$ 1,830.26	\$ 3,954.83	\$	386.82	\$	144.90	\$ 6,316.82
1/31/2026	1,915.79	3,874.76		377.65		147.80	6,316.00
1/31/2027	2,009.87	3,790.94		368.08		150.75	6,319.65
1/31/2028	2,103.95	3,703.01		358.04		153.77	6,318.76
1/31/2029	2,206.58	3,610.96		347.50		156.84	6,321.88
1/31/2030	2,309.21	3,511.67		336.48		159.98	6,317.34
1/31/2031	2,420.39	3,407.75		324.93		163.18	6,316.26
1/31/2032	2,540.13	3,298.84		312.83		166.44	6,318.24
1/31/2033	2,659.87	3,184.53		300.13		169.77	6,314.30
1/31/2034	2,796.71	3,064.84		286.82		173.17	6,321.53
1/31/2035	2,950.66	2,918.01		272.84		176.63	6,318.13
1/31/2036	3,121.71	2,763.10		258.08		180.16	6,323.06
1/31/2037	3,292.76	2,599.21		242.48		183.77	6,318.21
1/31/2038	3,480.92	2,426.34		226.01		187.44	6,320.71
1/31/2039	3,677.63	2,243.59		208.60		191.19	6,321.01
1/31/2040	3,882.89	2,050.51		190.22		195.01	6,318.65
1/31/2041	4,105.26	1,846.66		170.83		198.91	6,321.67
1/31/2042	4,336.18	1,631.14		150.31		202.89	6,320.53
1/31/2043	4,584.21	1,403.49		128.62		206.95	6,323.27
1/31/2044	4,840.79	1,162.82		105.70		211.09	6,320.39
1/31/2045	5,123.03	896.57		81.49		215.31	6,316.40
1/31/2046	5,430.92	614.81		55.88		219.62	6,321.22
1/31/2047	5,747.37	316.11		28.74		224.01	6,316.22
Total	\$ 77,367.11	\$ 58,274.48	\$	5,519.09	\$	4,179.59	\$ 145,340.27

<sup>[</sup>a] Interest is calculated at the actual rate of the Improvement Area #4 Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

## **LOT TYPE 16 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure:
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	31 RETURN TO:
	<del></del>
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

# LOT TYPE 16 PRINCIPAL ASSESSMENT: \$34,349.40

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within *6 Creeks Public Improvement District Improvement Area #4* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 n before the effective date of a binding contract for the purchase of described above.						
DATE:	DATE:					
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>					

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
, known to me	e to be the person(s)	re me byand whose name(s) is/are subscribed to the she executed the same for the
Given under my hand and sea	al of office on this	, 20
Notary Public, State of Texas	$]^3$	

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

The undersigned seller acknowledges providing a separate copy of the notice required

by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 16**

Improvement Area #4 - Lot Type 16

<b>Annual Installment</b>				Additional		Annual Collection	Total Annual	
Due		Principal		Interest [a]	Interest [b]		Costs	Installment
1/31/2025	\$	819.28	\$	1,755.74	\$ 171.72	2	\$ 117.03	\$ 2,863.77
1/31/2026		855.42		1,719.89	167.65	5	119.37	2,862.34
1/31/2027		891.57		1,682.47	163.40		121.76	2,859.20
1/31/2028		939.76		1,643.46	158.95	5	124.20	2,866.36
1/31/2029		975.90		1,602.35	154.27	7	126.68	2,859.20
1/31/2030		1,024.10		1,558.43	149.38	3	129.21	2,861.12
1/31/2031		1,072.29		1,512.35	144.25	5	131.80	2,860.68
1/31/2032		1,132.53		1,464.10	138.88	3	134.43	2,869.94
1/31/2033		1,180.72		1,413.13	133.24	1	137.12	2,864.22
1/31/2034		1,240.96		1,360.00	127.33	3	139.87	2,868.16
1/31/2035		1,313.25		1,294.85	121.12	2	142.66	2,871.89
1/31/2036		1,385.54		1,225.90	114.57	7	145.52	2,871.53
1/31/2037		1,457.83		1,153.16	107.64	1	148.43	2,867.06
1/31/2038		1,542.17		1,076.63	100.33	3	151.40	2,870.52
1/31/2039		1,626.51		995.66	92.63	L	154.42	2,869.20
1/31/2040		1,722.89		910.27	84.45	5	157.51	2,875.12
1/31/2041		1,819.28		819.82	75.84	1	160.66	2,875.60
1/31/2042		1,927.71		724.31	66.73	3	163.88	2,882.62
1/31/2043		2,036.14		623.10	57.10		167.15	2,883.50
1/31/2044		2,144.58		516.20	46.92	2	170.50	2,878.20
1/31/2045		2,277.11		398.25	36.17	7	173.91	2,885.44
1/31/2046		2,409.64		273.01	24.83	L	177.38	2,884.84
1/31/2047		2,554.22		140.48	12.76	5	180.93	2,888.39
Total	\$	34,349.40	\$	25,863.58	\$ 2,450.12	2	\$ 3,375.83	\$ 66,038.92

<sup>[</sup>a] Interest is calculated at the actual rate of the Improvement Area #4 Bonds.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

# **LOT TYPE 17 HOMEBUYER DISCLOSURE**

#### NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

- 1) under a court order or foreclosure sale;
- 2) by a trustee in bankruptcy;
- 3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- 4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- 5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- 6) from one co-owner to another co-owner of an undivided interest in the real property;
- 7) to a spouse or a person in the lineal line of consanguinity of the seller;
- 8) to or from a governmental entity; or
- 9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING	G <sup>1</sup> RETURN TO:
	<del></del>
NOTICE OF OBL	IGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
	KYLE, TEXAS
	CONCERNING THE FOLLOWING PROPERTY
	PROPERTY ADDRESS

# LOT TYPE 17 PRINCIPAL ASSESSMENT: \$50,760.56

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within 6 *Creeks Public Improvement District Improvement Area #5* (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

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

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 rebefore the effective date of a binding contract for the purchase of described above.					
DATE:	DATE:				
SIGNATURE OF SELLER	SIGNATURE OF SELLER] <sup>2</sup>				

[The undersigned purchaser acknowledges receipt of this notice before the effective date

<sup>&</sup>lt;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	<b>§</b>	
	<b>§</b>	
COUNTY OF	<b>§</b>	
The foregoing instrument w	vas acknowladgad hat	Fore me byand
foregoing instrument, and acknowl purposes therein expressed.	_	whose name(s) is/are subscribed to the r she executed the same for the
Given under my hand and s	eal of office on this_	
Notary Public, State of Tex	as] <sup>3</sup>	

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

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

DATE:

DATE:

SIGNATURE OF SELLER

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\_\_.

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

Notary Public, State of Texas ]<sup>4</sup>

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

# **ANNUAL INSTALLMENTS - LOT TYPE 17**

Improvement Area #5 - Lot Type 17

Annual Installment					Additional	Annual Collection	Total Annual
Due	Principal		Interest [a]	Capitalized Interest		Costs	Installment
1/31/2025	\$		\$ (1,532.51)			\$ -	\$ -
1/31/2026	-	57.75	2,982.18	· · · · · · · -	253.80	430.99	4,624.72
1/31/2027	1,01	14.08	2,925.92	-	249.01	439.61	4,628.62
1/31/2028	1,07	70.42	2,866.34	-	243.94	448.40	4,629.10
1/31/2029	1,12	26.76	2,803.45	-	238.59	457.37	4,626.17
1/31/2030	1,19	7.18	2,737.25	-	232.96	466.51	4,633.91
1/31/2031	1,26	57.61	2,666.92	-	226.97	475.84	4,637.34
1/31/2032	1,33	88.03	2,592.45	-	220.63	485.36	4,636.47
1/31/2033	1,40	08.45	2,513.84	-	213.94	495.07	4,631.30
1/31/2034	1,49	92.96	2,431.09	-	206.90	504.97	4,635.92
1/31/2035	1,57	77.46	2,343.38	-	199.44	515.07	4,635.35
1/31/2036	1,66	51.97	2,250.70	-	191.55	525.37	4,629.59
1/31/2037	1,76	0.56	2,153.06	-	183.24	535.88	4,632.74
1/31/2038	1,85	9.15	2,049.63	-	174.44	546.59	4,629.82
1/31/2039	1,97	71.83	1,940.40	-	165.14	557.53	4,634.90
1/31/2040	2,08	34.51	1,824.56	-	155.28	568.68	4,633.03
1/31/2041	2,23	L1.27	1,702.10	-	144.86	580.05	4,638.27
1/31/2042	2,33	88.03	1,572.18	-	133.80	591.65	4,635.67
1/31/2043	2,47	78.87	1,434.82	-	122.11	603.48	4,639.29
1/31/2044	2,63	19.72	1,289.19	-	109.72	615.55	4,634.18
1/31/2045	2,77	74.65	1,135.28	-	96.62	627.87	4,634.41
1/31/2046	2,94	13.66	972.27	-	82.75	640.42	4,639.10
1/31/2047	3,13	12.68	799.33	-	68.03	653.23	4,633.27
1/31/2048	3,29	95.77	616.46	-	52.46	666.30	4,631.00
1/31/2049	3,49	92.96	422.83	-	35.99	679.62	4,631.40
1/31/2050	3,70	)4.23	217.62	-	18.52	693.21	4,633.58
Total	\$ 50,76	0.56	\$ 45,710.76	\$ 1,532.51	\$ 4,020.70	\$ 13,804.61	\$ 115,829.15

<sup>[</sup>a] Interest is calculated at a 5.875% rate for illustrative purposes.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

<sup>[</sup>b] Additional Interest is calculated at the Additional Interest Rate

# **EXHIBIT S – PREPAYMENTS OF ASSESSMENTS IN FULL**

The following is a list of all Parcels or Lots that made a Prepayment in full.

Property ID	Address	Lot Type	Prepayment Date
R163874	633 Coyote Creek Way	1	3/30/2020
R165538	188 Wading River Lane	4	9/22/2020
R170012	171 Fawn River Run	1	9/9/2021

# **EXHIBIT T- PARTIAL PREPAYMENTS OF ASSESSMENTS**

The following is a list of all Parcels or Lots that made a partial Prepayment.

Improvement Area #1						
Property ID	Address	Lot Type	Prepayment Date			
R163940	133 Silver Pass	1	5/15/2020			
R163940	133 Silver Pass	1	6/4/2020			
R163940	133 Silver Pass	1	7/10/2020			
R163940	133 Silver Pass	1	7/23/2020			
R163940	133 Silver Pass	1	8/20/2020			
R163940	133 Silver Pass	1	9/25/2020			
R163940	133 Silver Pass	1	10/23/2020			
R163940	133 Silver Pass	1	11/20/2020			
R163940	133 Silver Pass	1	12/31/2020			
R163940	133 Silver Pass	1	1/31/2021			
R163940	133 Silver Pass	1	3/2/2021			

Improvement Area #1				
Property ID	Address	Lot Type	Prep	ayment Amount
R163940	133 Silver Pass	1	\$	1,681.00

Improvement Area #3					
Property ID	Address	Lot Type [a]	Pre	payment Amount	
R182408	236 Pigeon Rd	9	\$	16,016.68	
R182336	246 Milam Creek Dr	9	\$	16,016.68	

Note: [a] Properties R182408 and R182336 were originally classified as Lot Type 11. The partial prepayment for these properties reduced their Assessment to the amount of Assessment equal to a Lot Type 9 at the time of the prepayment and the properties have been re-classified as Lot Type 9.

#### **EXHIBIT U-1 – DISTRICT LEGAL DESCRIPTION**

Blanco River Ranch 858.70 acres

# PROPERTY DESCRIPTION EXHIBIT A

BEING 858.70 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ½ LEAGUE NO. 14, ABSTRACT 360, AND THE CALEB W. BAKER SURVEY, ABSTRACT 31 HAYS COUNTY, TEXAS AND BEING A PORTION OF TRACT I, A CALLED 1,971.29 ACRE TRACT AND ALL OF TRACT II, A CALLED 195.14 ACRE TRACT AS DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 858.70 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARING REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

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

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

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

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

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

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

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

**THENCE**, with the northerly line of said 1,971.29 acre tract,  $582^{\circ}42'45''E$ , 432.46 feet to a point located in the centerline of the remains of an old stone fence corner for an angle point in the north line of the herein described tract, from which a  $\frac{1}{2}$ "-inch iron rod bears  $588^{\circ}19'W$ , 37.5 feet;

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

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

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

- a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;
- S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays County Plat Records;
- 3. With the southwesterly line of said subdivision, S46°06'19"E, 409.08 feet to ½-inch iron rod for angle point;
- 4. S47°09'10"E, 405.41 feet to ½-inch iron rod for angle point;
- 5. S47°52'54"E, 295.90 feet to ½-inch iron rod for angle point;
- 6. S47°18'52"E, 296.88 feet to 1/2-inch iron rod for angle point;
- 7. S47°21'24"E, 132.10 feet to ½-inch iron rod for angle point;
- 8. \$47°07'34"E, 179.01 feet to ½-inch iron rod for angle point;
- S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC and recorded in Volume 3416, Page 789 of said Official Public Records;
- 10. S45°43'31"E, 436.59 feet to a fence post for angle point;
- 11. S46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
- 12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
- 13. S50°23'48"E, 255.70 feet to a fence post for angle point;
- 14. N40°43'43"E, 42.89 feet to a 1/2-inch iron rod with cap stamped "AST" set;
- 15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a½-inch iron rod with cap stamped "AST" set;
- 16. N43°53'50"E, 92.19 feet to a 1/2-inch iron rod with cap stamped "AST" set;
- 17. S78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);

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

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

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

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

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

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

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

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

#### SURVEYOR'S STATEMENT

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

Paul C. Sauve, Jr., RPLS #2518

Austin Spatial Technologies, LLC

December 5, 2016

#### **EXHIBIT U-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION**

#### **Section 1 Legal Description**

#### METES AND BOUNDS DESCRIPTION FOR

A 34.391 ACRE, TRACT OF LAND COMPRISED OF A PORTION OF THE 61.49 ACRE TRACT CONVEYED TO HMBRR DEVELOPMENT, INC. BY INSTRUMENT RECORDED IN DOCUMENT NO. 17034173 IN THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS, A PORTION OF THE 188.51 ACRE TRACT CONVEYED TO HMBRR, LP BY INSTRUMENT RECORDED IN DOCUMENT NO. 17034176 IN SAID OFFICIAL PUBLIC RECORDS, AND A PORTION OF 608.70 ACRE TRACT CONVEYED TO HMBRR LP # 2 BY INSTRUMENT RECORDED IN DOCUMENT NO. 17034180 IN SAID OFFICIAL PUBLIC RECORDS, IN THE SAMUEL PHARASS ¼ LEAGUE NO. 14, ABSTRACT 360, PARTIALLY IN THE CITY OF KYLE, HAYS COUNTY, TEXAS. SAID 34.391 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE SOUTH CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00;

BEGINNING: AT A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON" ON THE WEST RIGHT-OF-WAY OF OLD STAGECOACH ROAD, A VARIABLE WIDTH RIGHT-OF-WAY, FROM WHICH A FOUND ½" IRON ROD WITH CAP MARKED "AST" ON THE WEST RIGHT-OF-WAY OF SAID OLD STAGECOACH ROAD, AT THE MOST EASTERLY NORTHEAST CORNER OF SAID 61.49 ACRE TRACT AND A SOUTHEAST CORNER OF SAID 608.70 ACRE TRACT BEARS S 16°21'49" E, A DISTANCE OF 1.69 FEET;

THENCE: S 16°21'49" E, ALONG AND WITH THE WEST RIGHT-OF-WAY LINE OF SAID OLD STAGECOACH ROAD, A DISTANCE OF 1423.43 FEET TO A FOUND MAG NAIL;

THENCE: S 16°46'59" E, CONTINUING ALONG AND WITH THE WEST RIGHT-OF-WAY LINE OF SAID OLD STAGECOACH ROAD, A DISTANCE OF 559.73 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

THENCE: DEPARTING THE WEST RIGHT-OF-WAY LINE OF SAID OLD STAGECOACH ROAD, OVER AND ACROSS SAID 61.49 ACRE TRACT THE FOLLOWING BEARINGS AND DISTANCES:

SOUTHWESTERLY, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 89°58'06", A CHORD BEARING AND DISTANCE OF S 28°12'04" W, 21.21 FEET, FOR AN ARC LENGTH OF 23.55 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

S 73°11'07" W, A DISTANCE OF 43.79 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

SOUTHWESTERLY, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 275.00 FEET, A CENTRAL ANGLE OF 10°34'19", A CHORD BEARING AND DISTANCE OF

S 78°28'16" W, 50.67 FEET, FOR AN ARC LENGTH OF 50.74 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

S 83°45'26" W, A DISTANCE OF 59.00 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

NORTHWESTERLY, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 83°42'30", A CHORD BEARING AND DISTANCE OF N 54°23'19" W, 20.02 FEET, FOR AN ARC LENGTH OF 21.91 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

NORTHWESTERLY, ALONG A REVERSE CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 350.00 FEET, A CENTRAL ANGLE OF 28°52'03", A CHORD BEARING AND DISTANCE OF N 26°58'06" W, 174.48 FEET, FOR AN ARC LENGTH OF 176.34 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 41°24'07" W, A DISTANCE OF 182.22 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

NORTHWESTERLY, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 275.00 FEET, A CENTRAL ANGLE OF 20°58'41", A CHORD BEARING AND DISTANCE OF N 30°54'47" W, 100.13 FEET, FOR AN ARC LENGTH OF 100.69 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 20°25'27" W, A DISTANCE OF 68.68 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

NORTHWESTERLY, ALONG A TANGENT CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 325.00 FEET, A CENTRAL ANGLE OF 24°24'10", A CHORD BEARING AND DISTANCE OF N 32°37'32" W, 137.38 FEET, FOR AN ARC LENGTH OF 138.42 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 45°10'23" E, A DISTANCE OF 120.09 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 49°03'14" W, A DISTANCE OF 64.36 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 56°13'41" W, A DISTANCE OF 57.67 FEET TO A SET  $\frac{1}{2}$ " IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 56°10'39" W, A DISTANCE OF 95.45 FEET TO A SET  $\frac{1}{2}$ " IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

N 38°25'46" W, A DISTANCE OF 91.92 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

N 34°10'46" W, A DISTANCE OF 50.00 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

S 55°49'14" W, A DISTANCE OF 120.00 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 34°10'46" W, A DISTANCE OF 100.00 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

S 55°49'14" W, A DISTANCE OF 50.00 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

NORTHWESTERLY, ALONG A NON-TANGENT CURVE TO THE LEFT, SAID CURVE HAVING, A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 90°00'00", A CHORD BEARING AND DISTANCE OF N 79°10'46" W, 21.21 FEET, FOR AN ARC LENGTH OF 23.56 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 34°10'46" W, A DISTANCE OF 50.00 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

NORTHEASTERLY, ALONG A NON-TANGENT CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 90°00'00", A CHORD BEARING AND DISTANCE OF N 10°49'14" E, 21.21 FEET, FOR AN ARC LENGTH OF 23.56 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 34°10'46" W, A DISTANCE OF 100.00 FEET TO A SET  $\frac{1}{2}$ " IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

S 55°49'14" W, A DISTANCE OF 127.69 FEET TO A SET  $\frac{1}{2}$ " IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

S 35°10'02" W, A DISTANCE OF 42.81 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

S 33°02'18" W, A DISTANCE OF 151.46 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

S 26°43'21" W, A DISTANCE OF 74.14 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 45°35'23" W, A DISTANCE OF 55.21 FEET TO A SET  $\frac{1}{2}$ " IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

S 69°43'34" W, A DISTANCE OF 202.47 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

NORTHWESTERLY, ALONG A NON-TANGENT CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 775.00 FEET, A CENTRAL ANGLE OF 02°19'30", A CHORD BEARING AND DISTANCE OF N 21°26'11" W, 31.45 FEET, FOR AN ARC LENGTH OF 31.45 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

S 67°02'44" W, A DISTANCE OF 142.32 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON" ON A WEST LINE OF SAID 61.49 ACRE TRACT AND AN EAST LINE OF SAID 188.51 ACRE TRACT:

THENCE: N 22°06'03" W, ALONG AND WITH A WEST LINE OF 61.49 ACRE TRACT AND AN EAST LINE OF SAID 188.51 ACRE TRACT, A DISTANCE OF 60.01 FEET TO A POINT;

THENCE: N 19°59'52" W, CONTINUING ALONG AND WITH THE WEST LINE OF 61.49 ACRE TRACT AND THE EAST LINE OF SAID 188.51 ACRE TRACT, AT A DISTANCE OF 288.91 FEET PASSING AN ANGLE POINT OF SAID 61.49 ACRE TRACT, CONTINUING OVER AND ACROSS SAID 188.51 ACRE TRACT, A TOTAL DISTANCE OF 365.06 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

THENCE: NORTHEASTERLY, CONTINUING OVER AND ACROSS SAID 188.51 ACRE TRACT, ALONG A NON-TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 350.00 FEET, A CENTRAL ANGLE OF 11°10'10", A CHORD BEARING AND DISTANCE OF N 79°03'09" E, 68.12 FEET, FOR AN ARC LENGTH OF 68.23 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

THENCE: N 03°23'28" W, OVER AND ACROSS SAID 188.51 ACRE TRACT, AT A DISTANCE OF 0.75 FEET PASSING AN ANGLE POINT OF SAID 188.51 ACRE TRACT AND AN ANGLE POINT OF SAID 61.49 ACRE TRACT, CONTINUING ALONG AND WITH AN EAST LINE OF SAID 188.51 ACRE TRACT AND A WEST LINE OF SAID 61.49 ACRE TRACT, A TOTAL DISTANCE OF 50.03 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

THENCE: DEPARTING AN EAST LINE OF SAID 188.51 ACRE TRACT AND A WEST LINE OF SAID 61.49 ACRE TRACT, OVER AND ACROSS SAID 61.49 ACRE TRACT, THE FOLLOWING BEARINGS AND DISTANCES:

NORTHEASTERLY, ALONG A NON-TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 400.00 FEET, A CENTRAL ANGLE OF 01°53'32", A CHORD BEARING AND DISTANCE OF N 85°49'48" E, 13.21 FEET, FOR AN ARC LENGTH OF 13.21 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 03°13'26" W, A DISTANCE OF 133.36 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 64°50'45" W, A DISTANCE OF 15.48 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON" ON AN EAST LINE OF SAID 188.51 ACRE TRACT AND A WEST LINE OF SAID 61.49 ACRE TRACT:

THENCE: N 03°23'28" W, ALONG AND WITH AN EAST LINE OF SAID 188.51 ACRE TRACT AND A WEST LINE OF SAID 61.49 ACRE TRACT, AT A DISTANCE OF 87.69 FEET PASSING A POINT ON A SOUTHEAST LINE OF SAID 608.70 ACRE TRACT, AT THE NORTHEAST CORNER OF SAID 188.51 ACRE TRACT AND THE NORTHWEST CORNER OF SAID 61.49 ACRE TRACT, CONTINUING OVER AND ACROSS SAID 608.70 ACRE TRACT, A TOTAL DISTANCE OF 88.67 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

THENCE: OVER AND ACROSS SAID 608.70 ACRE TRACT, THE FOLLOWING BEARINGS AND DISTANCES:

NORTHEASTERLY, ALONG A NON-TANGENT CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 1560.00 FEET, A CENTRAL ANGLE OF 03°58'00", A CHORD BEARING AND DISTANCE OF N 52°07'56" E, 107.98 FEET, FOR AN ARC LENGTH OF 108.00 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 50°08'56" E, A DISTANCE OF 260.13 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

THENCE: SOUTHEASTERLY, OVER AND ACROSS SAID 608.70 ACRE TRACT AND SAID 61.49 ACRE TRACT, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 30.00 FEET, A CENTRAL ANGLE OF 94°37'43", A CHORD BEARING AND DISTANCE OF S 82°32'11" E, 44.11 FEET, FOR AN ARC LENGTH OF 49.55 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

THENCE: CONTINUING OVER AND ACROSS SAID 61.49 ACRE TRACT, THE FOLLOWING BEARINGS AND DISTANCES:

N 56°23'10" E, A DISTANCE OF 60.01 FEET TO A SET  $\frac{1}{2}$ " IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 34°10'46" W, A DISTANCE OF 11.96 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

THENCE: NORTHEASTERLY, OVER AND ACROSS SAID 61.49 ACRE TRACT AND SAID 608.70 ACRE TRACT, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 30.00 FEET, A CENTRAL ANGLE OF 84°19'42", A CHORD BEARING AND DISTANCE OF N 07°59'05" E, 40.28 FEET, FOR AN ARC LENGTH OF 44.15 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

THENCE: OVER AND ACROSS SAID 608.70 ACRE TRACT, THE FOLLOWING BEARINGS AND DISTANCES:

N 50°08'56" E, A DISTANCE OF 51.45 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

NORTHEASTERLY, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 615.00 FEET, A CENTRAL ANGLE OF 14°30'01", A CHORD BEARING AND DISTANCE OF N 57°23'57" E, 155.23 FEET, FOR AN ARC LENGTH OF 155.64 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON";

N 64°38'57" E, A DISTANCE OF 515.04 FEET TO A SET ½" IRON ROD WITH A YELLOW CAP MARKED "PAPE-DAWSON":

SOUTHEASTERLY, ALONG A TANGENT CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 100.00 FEET, A CENTRAL ANGLE OF 98°59'13", A CHORD BEARING AND DISTANCE OF S 65°51'26" E, 152.07 FEET, FOR AN ARC LENGTH OF 172.76 FEET TO THE POINT OF BEGINNING, AND CONTAINING 34.391 ACRES IN THE CITY OF KYLE, HAYS COUNTY, TEXAS. SAID TRACT BEING DESCRIBED IN ACCORDANCE WITH A SURVEY MADE ON THE GROUND AND A SURVEY DESCRIPTION AND MAP PREPARED UNDER JOB NUMBER 8141-08 BY PAPE-DAWSON ENGINEERS, INC.

#### **Section 2 Legal Description**

#### METES AND BOUNDS DESCRIPTION FOR

A 28.040 acre, more or less, tract of land comprised of a portion of the 61.49 acre tract conveyed to HMBRR Development, Inc. by instrument recorded in Document No. 17034173 in the Official Public Records of Hays County, Texas, and a portion of the 188.51 acre tract conveyed to HMBRR, LP by instrument recorded in Document No. 17034176 in said Official Public Records, in the Samuel Pharass ¼ League No. 14, Abstract 360, in Hays County, Texas. Said 28.040 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00;

COMMENCING: At a found mag nail at the southernmost corner of said 188.51 acre tract;

THENCE: N 48°29′18″ E, along and with the southeast line of said 188.51 acre tract, at a distance of 111.03 feet passing the west corner of the 132.59 acre tract described in Volume 5224, Page 246 in said Official Public Records, continuing along and with the southeast line of said 188.51 acre tract, a total distance of 2127.82 feet to a found ½″ iron rod marked "Vickrey", at an angle point of said 188.51 acre tract and an angle point of said 132.59 acre tract;

THENCE: Along and with the southeast line of said 188.51 acre tract and the northwest line of said 132.59 acre tract, the following bearings and distances:

N 25°44′10″ E, a distance of 39.08 feet to a found mag nail, at an angle point of said 188.51 acre tract and an angle point of said 132.59 acre tract;

S 49°37′46″ E, a distance of 34.21 feet to a found mag nail, at an angle point of said 188.51 acre tract and an angle point of said 132.59 acre tract;

N 48°35′53″ E, a distance of 1423.66 feet to a set ½″ iron rod with a yellow cap marked "Pape-Dawson", at the POINT OF BEGINNING of the herein described tract;

THENCE: Departing the southeast line of said 188.51 acre tract and the northwest line of said 132.59 acre tract, over and across said 188.51 acre tract and said 61.49 acre tract, the following bearings and distances:

N 59°52'52" W, a distance of 211.37 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 300.00 feet, a central angle of 00°27'37", a chord bearing and distance of N 29°53'20" E, 2.41 feet, for an arc length of 2.41 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 60°20'29" W, a distance of 115.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 22°50'13" E, a distance of 43.95 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 09°11'38" E, a distance of 43.95 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 03°37'26" W, a distance of 41.26 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

N 21°09'38" W, a distance of 46.64 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 41°24'07" W, a distance of 51.61 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 41°24'07" W, a distance of 150.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 48°35'53" W, a distance of 130.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 41°24'07" E, a distance of 20.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

S 48°35'53" W, a distance of 380.33 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 63°07'22" W, a distance of 179.85 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 83°18'36" W, a distance of 373.56 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 06°41'24" W, a distance of 135.26 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 1025.00 feet, a central angle of 02°33'53", a chord bearing and distance of S 85°52'45" W, 45.88 feet, for an arc length of 45.88 feet to a point;

S 87°09'41" W, a distance of 35.21 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 02°50'19" W, a distance of 50.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 06°41'24" W, a distance of 438.42 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 06°41'24" W, a distance of 50.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 06°41'24" W, a distance of 161.57 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 17°22'23" W, a distance of 115.59 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 22°04'53" W, a distance of 56.05 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 67°02'44" E, a distance of 142.32 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 775.00 feet, a central angle of 02°19'30", a chord bearing and distance of S 21°26'11" E, 31.45 feet, for an arc length of 31.45 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 69°43'34" E, a distance of 202.47 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

S 45°35'23" E, a distance of 55.21 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 26°43'21" E, a distance of 74.14 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 33°02'18" E, a distance of 151.46 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 35°10'02" E, a distance of 42.81 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

N 55°49'14" E, a distance of 127.69 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

S 34°10'46" E, a distance of 100.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of S 10°49'14" W, 21.21 feet, for an arc length of 23.56 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 34°10'46" E, a distance of 50.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of  $90^{\circ}00'00''$ , a chord bearing and distance of S  $79^{\circ}10'46''$  E, 21.21 feet, for an arc length of 23.56 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 55°49'14" E, a distance of 50.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

S 34°10'46" E, a distance of 100.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 55°49'14" E, a distance of 120.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 34°10'46" E, a distance of 50.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 38°25'46" E, a distance of 91.92 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 56°10'39" E, a distance of 95.45 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

S 56°13'41" E, a distance of 57.67 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

S 49°03'14" E, a distance of 64.36 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 45°10'23" W, a distance of 120.09 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 325.00 feet, a central angle of 24°24'10", a chord bearing and distance of S 32°37'32" E, 137.38 feet, for an arc length of 138.42 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 20°25'27" E, a distance of 68.68 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the left, said curve having a radius of 275.00 feet, a central angle of 20°58'41", a chord bearing and distance of S 30°54'47" E, 100.13 feet, for an arc length of 100.69 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 41°24'07" E, a distance of 182.22 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having a radius of 350.00 feet, a central angle of 28°52'03", a chord bearing and distance of S 26°58'06" E, 174.48 feet, for an arc length of 176.34 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a reverse curve to the left, said curve having a radius of 15.00 feet, a central angle of 83°42'30", a chord bearing and distance of S 54°23'19" E, 20.02 feet, for an arc length of 21.91 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 83°45'26" E, a distance of 59.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the left, said curve having a radius of 275.00 feet, a central angle of 10°34'19", a chord bearing and distance of N 78°28'16" E, 50.67 feet, for an arc length of 50.74 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 73°11'07" E, a distance of 43.79 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

Northeasterly, along a tangent curve to the left, said curve having a radius of 15.00 feet, a central angle of 89°58'06", a chord bearing and distance of N 28°12'04" E, 21.21 feet, for an arc length of 23.55 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on the west right-ofway of Old Stagecoach Road, a variable width right-of-way, and the east line of said 61.49 acre tract;

THENCE: S 16°46'59" E, along and with the west right-of-way line of said Old Stagecoach Road and the east line of said 61.49 acre tract, at a distance of 238.11 feet passing a found ½"

iron rod, continuing a total distance of 238.92 feet to a point, at the southeast corner of said 61.49 acre tract;

THENCE: S 36°01'08" W, departing the west right-of-way line of said Old Stagecoach Road, along and with the southeast line of said 61.49 acre tract, a distance of 42.61 feet to a found mag nail, at an angle point of said 61.49 acre tract and the northernmost corner of said 132.59 acre tract;

THENCE: S 48°35'53" W, along and with the northwest line of said 132.59 acre tract, the southeast line of said 61.49 acre tract and the southeast line of said 188.51 acre tract, a distance of 159.68 feet to the POINT OF BEGINNING, and containing 28.040 acres in Hays County, Texas. Said tract being described in accordance with a survey made on the ground by Pape-Dawson Engineers, Inc.

## **Section 3 Legal Description**

#### METES AND BOUNDS DESCRIPTION FOR

A 34.398 acre, more or less, tract of land comprised of a portion of the 188.51 acre tract conveyed to HMBRR, LP by instrument recorded in Document No. 17034176 in the Official Public Records of Hays County, Texas, and a portion of the 608.70 acre tract conveyed to HMBRR LP # 2 by instrument recorded in Document No. 17034180 in said Official Public Records, in the Samuel Pharass ¼ League No. 14, Abstract 360, Hays County, Texas. Said 34.398 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00;

COMMENCING: At a found mag nail at the southernmost corner of said 188.51 acre tract;

THENCE: N 48°29′18″ E, along and with the southeast line of said 188.51 acre tract, at a distance of 111.03 feet passing the west corner of the 132.59 acre tract described in Volume 5224, Page 246 in said Official Public Records, continuing a total distance of 1356.51 feet to a point from which a found ½″ iron rod marked "Vickrey", at an angle point of said 188.51 acre tract and said 132.59 acre tract bears N 48°29′18″ E, distance of 771.31 feet;

THENCE: N 41°30′42 W, departing the southeast line of said 188.51 acre tract and the northwest line of said 132.59 acre tract, over and across said 188.51 acre tract, a distance of 2513.94 feet, to the POINT OF BEGINNING of the herein described tract;

N 40°08'34" E, a distance of 176.64 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 60.00 feet, a central angle of 14°28'39", a chord bearing and distance of N 57°05'46" W, 15.12 feet, for an arc length of 15.16 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S  $40^{\circ}08'34''$  W, a distance of 166.50 feet to set  $\frac{1}{2}$  iron rod with a yellow cap marked "Pape-Dawson":

N 21°04'28" W, a distance of 177.56 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

N 21°52'32" E, a distance of 170.23 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 68°18'00" E, a distance of 164.26 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 89°38'05" E, a distance of 70.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 43°11'52" E, a distance of 156.28 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 34°18'30" E, a distance of 110.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 43°12'35" E, a distance of 140.48 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 51°41'58" E, a distance of 72.36 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 64°27'27" E, a distance of 63.77 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 24°37'09" E, a distance of 185.86 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

N 04°30'09" E, at a distance of 25.00 feet passing the north line of said 188.51 acre tract and a south line of said 608.70 acre tract, continuing over and across said 608.70 acre tract, a total distance of 29.28 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Northeasterly, continuing over and across said 608.70 acre tract, along a non-tangent curve to the left, said curve having a radius of 1560.00 feet, a central angle of 15°36'05", a chord bearing and distance of N 86°50'20" E, 423.47 feet, for an arc length of 424.78 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Southeasterly, over and across said 608.70 acre tract and said 188.51 acre tract, along a reverse curve to the right, said curve having a radius of 85.00 feet, a central angle of 87°39'40", a chord bearing and distance of S 57°07'52" E, 117.73 feet, for an arc length of 130.05 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Over and across said 188.51 acre tract, the following bearings and distances:

S 13°18'02" E, a distance of 25.78 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

N 76°41'58" E, a distance of 80.00 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 13°18'02" E, a distance of 8.58 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having a radius of 386.50 feet, a central angle of 05°40'15", a chord bearing and distance of S 10°27'55" E, 38.24 feet, for an arc length of 38.25 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 07°37'47" E, a distance of 67.78 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the left, said curve having a radius of 363.50 feet, a central angle of 05°39'38", a chord bearing and distance of S 10°27'36" E, 35.90 feet, for an arc length of 35.91 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 13°17'25" E, a distance of 10.24 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

Southeasterly, along a non-tangent curve to the left, said curve having a radial bearing of N 76°37'59" E, a radius of 450.54 feet, a central angle of 26°42'29", a chord bearing and distance of S 26°43'15" E, 208.12 feet, for an arc length of 210.02 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 38°07'47" E, a distance of 98.19 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

Southeasterly, along a tangent curve to the right, said curve having a radius of 430.00 feet, a central angle of 31°26'23", a chord bearing and distance of S 22°24'36" E, 233.00 feet, for an arc length of 235.95 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S  $06^{\circ}41'24''$  E, a distance of 364.55 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having a radius of 3030.00 feet, a central angle of 03°05'56", a chord bearing and distance of S 05°08'26" E, 163.86 feet, for an arc length of 163.88 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a reverse curve to the left, said curve having a radius of 15.00 feet, a central angle of 89°14'50", a chord bearing and distance of S 48°12'54" E, 21.07 feet, for an arc length of 23.36 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 02°50'19" E, a distance of 50.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the left, said curve having a radial bearing of S 02°50'19" E, a radius of 15.00 feet, a central angle of 89°14'50", a chord bearing and distance of S 42°32'16" W, 21.07 feet, for an arc length of 23.36 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a reverse curve to the right, said curve having a radius of 3030.00 feet, a central angle of 02°34'04", a chord bearing and distance of S 00°48'07" E, 135.78 feet, for an arc length of 135.79 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S 00°28'54" W, a distance of 137.29 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

Southeasterly, along a tangent curve to the left, said curve having a radius of 470.00 feet, a central angle of 35°42'17", a chord bearing and distance of S 17°22'14" E, 288.17 feet, for an arc length of 292.89 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a compound curve to the left, said curve having a radius of 65.00 feet, a central angle of  $52^{\circ}43'35''$ , a chord bearing and distance of  $561^{\circ}35'10''$  E, 57.73 feet, for an arc length of 59.82 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a reverse curve to the right, said curve having a radius of 72.00 feet, a central angle of 271°38'52", a chord bearing and distance of S 47°52'29" W, 100.35 feet, for an arc length of 341.36 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the left, said curve having a radius of 65.00 feet, a central angle of 41°07'54", a chord bearing and distance of N  $16^{\circ}52'02"$  W, 45.67 feet, for an arc length of 46.66 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a reverse curve to the right, said curve having a radius of 530.00 feet, a central angle of  $37^{\circ}54'54''$ , a chord bearing and distance of N  $18^{\circ}28'32''$  W, 344.36 feet, for an arc length of 350.72 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 00°28'22" E, a distance of 149.14 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 89°44'49" W, a distance of 100.61 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 87°36'04" W, a distance of 83.98 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 80°15'00" W, a distance of 83.98 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

N 72°53'56" W, a distance of 83.98 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson":

N 66°01'03" W, a distance of 84.03 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 59°14'33" W, a distance of 575.03 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 60°29'27" W, a distance of 66.99 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 71°07'00" W, a distance of 63.44 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

N 83°27'43" W, a distance of 63.44 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 89°38'05" W, a distance of 453.82 feet to the POINT OF BEGINNING, and containing 34.398 acres in Hays County, Texas. Said tract being described in accordance with a survey made on the ground and a survey description and map prepared under job number 8141-08 by Pape-Dawson Engineers, Inc.

## **EXHIBIT U-3 – IMPROVEMENT AREA #2 LEGAL DESCRIPTION**



## METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 4

A 39.039 acre, or 1,700,519 square feet more or less, tract of land out of that 153.0288 acre tract conveyed to HMBRR Development, Inc. by deed recorded in Instrument No. 20006092 of the Official Public Records of Hays County, Texas, and out of that 61.49 acre tract conveyed to HMBRR Development, Inc by deed recorded in Instrument No. 17034173 of the Official Public Records of Hays County, Texas, situated in the Samuel Pharass ½ League No.14, Abstract 360, Hays County, Texas. Said 39.039 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING: At a found 1/2" iron rod with a yellow cap stamped "Pape-Dawson" at the east

most south corner of 6 Creeks-Phase 1, Section 2 subdivision recorded in Instrument No. 20008055 of the Map and Plat Records of Hays County, Texas,

on the southeast line of said 153.0288 acre tract;

THENCE: S 48°35'53" W, with the southeast line of said 153.0288 acre tract, a distance of

1332.57 feet to a point, from which a found mag nail at a corner of said 153.0288

acre tract bears S 48°35'53" W, a distance of 91.09 feet;

THENCE: Departing the southeast line of said 153.0288 acre tract, over and across said

153.0288 acre tract, the following bearings and distances:

N 41°24'07" W, a distance of 306.70 feet to a point;

N 79°25'32" W, a distance of 67.08 feet to a point;

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 315.00 feet, a central angle of 01°30'26", a chord bearing and distance of S 11°55'33" W, 8.29 feet, for an arc length of 8.29 feet to a point;

N 77°19'14" W, a distance of 183.38 feet to a point;

N 74°56'18" W, a distance of 101.57 feet to a point on the southeast line of 6 Creeks, Phase 1, Section 3 recorded in Instrument No. 19020754 of the Map and Plat Records of Hays County, Texas;

## Page 1 of 5

TBPE Firm Registration #470 ITBPLS Firm Registration #10028800.

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THENCE:

With the east line of said 6 Creeks-Phase 1, Section 3, the following bearings and distances:

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 72.00 feet, a central angle of 120°03'15", a chord bearing and distance of N 27°55'19" W, 124.74 feet, for an arc length of 150.86 feet to a point;

Northwesterly, along a reverse curve to the right, said curve having a radius of 65.00 feet, a central angle of 52°43'35", a chord bearing and distance of N 61°35'10" W, 57.73 feet, for an arc length of 59.82 feet to a point;

Northwesterly, along a compound curve to the right, said curve having a radius of 470.00 feet, a central angle of 35°42'17", a chord bearing and distance of N 17°22'14" W, 288.17 feet, for an arc length of 292.89 feet to a point;

N 00°28'54" E, a distance of 137.29 feet to a point;

Northwesterly, along a tangent curve to the left, said curve having a radius of 3030.00 feet, a central angle of 02°34'04", a chord bearing and distance of N 00°48'07" W, 135.78 feet, for an arc length of 135.79 feet to a point;

Northeasterly, along a reverse curve to the right, said curve having a radius of 15.00 feet, a central angle of 89°14'50", a chord bearing and distance of N 42°32'16" E, 21.07 feet, for an arc length of 23.36 feet to a point;

N 02°50'19" W, a distance of 50.00 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 89°14'50", a chord bearing and distance of N 48°12'54" W, 21.07 feet, for an arc length of 23.36 feet to a point;

Northwesterly, along a reverse curve to the left, said curve having a radius of 3030.00 feet, a central angle of 03°05'56", a chord bearing and distance of N 05°08'26" W, 163.86 feet, for an arc length of 163.88 feet to a point;

N 06°41'24" W, a distance of 364.55 feet to a point;

Northwesterly, along a tangent curve to the left, said curve having a radius of 430.00 feet, a central angle of 31°26'23", a chord bearing and distance of N 22°24'36" W, 233.00 feet, for an arc length of 235.95 feet to a point;



N 38°07'47" W, a distance of 98.19 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 450.54 feet, a central angle of 26°42'29", a chord bearing and distance of N 26°43'15" W, 208.12 feet, for an arc length of 210.02 feet to a point;

N 13°17'25" W, a distance of 10.24 feet to a point;

Northwesterly, along a tangent curve to the right, said curve having a radius of 363.50 feet, a central angle of 05°39'38", a chord bearing and distance of N 10°27'36" W, 35.90 feet, for an arc length of 35.91 feet to a point;

N 07°37'47" W, a distance of 67.78 feet to a point;

Northwesterly, along a tangent curve to the left, said curve having a radius of 386.50 feet, a central angle of 05°40'15", a chord bearing and distance of N 10°27'55" W, 38.24 feet, for an arc length of 38.25 feet to a point;

N 13°18'02" W, a distance of 8.58 feet to a point on the southeast right-of-way line of 6 Creeks Boulevard Phase 1, Section 2, a variable width public right-of-way dedicated in Instrument No. 19019778 of the Map and Plat Records of Hays County, Texas;

THENCE:

N 13°18'02" W, with the southeast right-of-way line of said 6 Creeks Boulevard, the northwest line of said 153.0288 acre tract, a distance of 12.40 feet to a point;

THENCE:

Northeasterly, continuing with the southeast right-of-way line of said 6 Creeks Boulevard, the northwest line of said 153.0288 acre tract, along a tangent curve to the right, said curve having a radius of 110.00 feet, a central angle of 71°21'18", a chord bearing and distance of N 22°22'37" E, 128.31 feet, for an arc length of 136.99 feet to a point;

THENCE:

Northeasterly, departing the southeast right-of-way line of said 6 Creeks Boulevard, with the northwest line of said 153.0288 acre tract, the south line of a 608.70 acre tract conveyed to HMBR LP #2 by deed recorded in Instrument No. 17034180 of the Official Public Records of Hays County, Texas, along a non-tangent curve to the left, said curve having a radius of 1560.00 feet, a central angle of 16°14'06", a chord bearing and distance of N 62°02'46" E, 440.56 feet, for an arc length of 442.03 feet to a to the northwest corner of 6 Creeks-Phase



1, Section 1 recorded in Instrument No. 19019778 of the Map and Plat Records of Hays County, Texas;

THENCE:

With the west lines of said 6 Creeks-Phase 1, Section 1 and the west and south lines of 6 Creeks-Phase 1, Section 2 recorded in Instrument No. 20008055 of the Map and Plat Records of Hays County, Texas, the following bearings and distances:

S 03°23'28" E, a distance of 87.69 feet;

S 64°50'45" E, a distance of 15.48 feet to a point;

S 03°13'26" E, a distance of 133.36 feet to a point;

Southwesterly, along a non-tangent curve to the left, said curve having a radius of 400.00 feet, a central angle of 01°53'32", a chord bearing and distance of S 85°49'48" W, 13.21 feet, for an arc length of 13.21 feet to a point;

S 03°23'28" E, a distance of 50.03 feet to a point;

Southwesterly, along a non-tangent curve to the left, said curve having a radius of 350.00 feet, a central angle of 11°10′10″, a chord bearing and distance of S 79°03′09″ W, 68.12 feet, for an arc length of 68.23 feet to a point;

S 19°59'52" E, a distance of 365.06 feet to a point;

S 22°06'03" E, a distance of 60.01 feet to a point;

S 22°04'53" E, a distance of 56.05 feet to a point;

S 17°22'23" E, a distance of 115.59 feet to a point;

S 06°41'24" E, a distance of 649.99 feet to a point;

S 02°50'19" E, a distance of 50.00 feet to a point;

N 87°09'41" E, a distance of 35.21 feet to a point;

Northeasterly, along a tangent curve to the left, said curve having a radius of 1025.00 feet, a central angle of 02°33'53", a chord bearing and distance of N 85°52'45" E, 45.88 feet, for an arc length of 45.88 feet to a point;



S 06°41'24" E, a distance of 135.26 feet to a point;

N 83°18'36" E, a distance of 373.56 feet to a point;

N 63°07'22" E, a distance of 179.85 feet to a point;

N 48°35'53" E, a distance of 380.33 feet to a point;

N 41°24'07" W, a distance of 20.00 feet to a point;

N 48°35'53" E, a distance of 130.00 feet to a point;

S 41°24'07" E, a distance of 201.61 feet to a point;

S 21°09'38" E, a distance of 46.64 feet to a point;

S 03°37'26" E, a distance of 41.26 feet to a point;

S 09°11'38" W, a distance of 43.95 feet to a point;

S 22°50'13" W, a distance of 43.95 feet to a point;

S 60°20'29" E, a distance of 115.00 feet to a point;

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 300.00 feet, a central angle of 00°27'37", a chord bearing and distance of S 29°53'20" W, 2.41 feet, for an arc length of 2.41 feet to a point;

#### THENCE:

S 59°52′52″ E, a distance of 211.37 feet to the POINT OF BEGINNING and containing 39.039 acres in Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-13 by Pape-Dawson Engineers, Inc.

PREPARED BY:

Pape-Dawson Engineers, Inc.

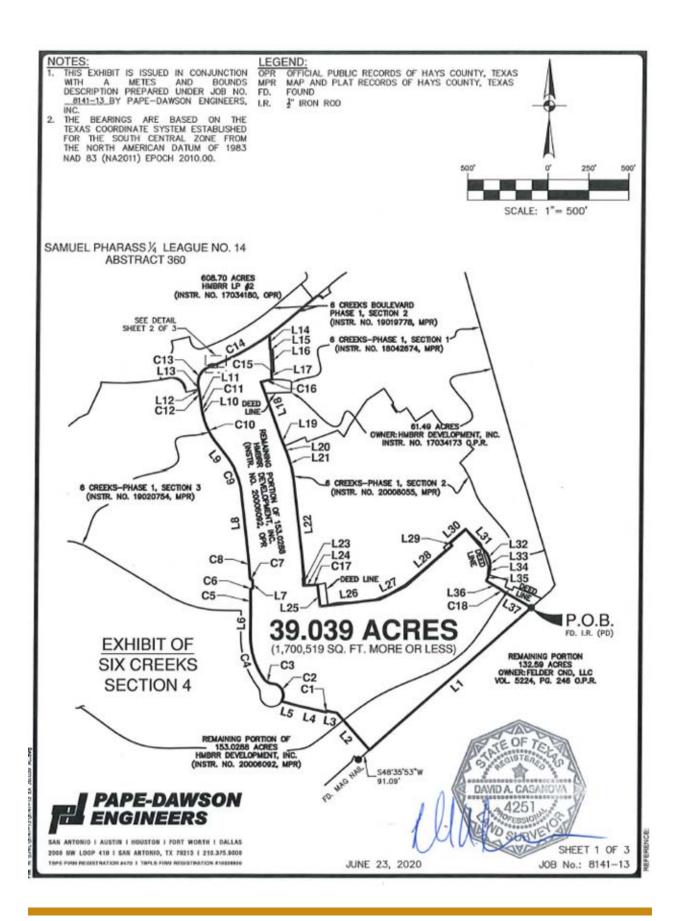
DATE: JOB NO. June 23, 2020 8141-13

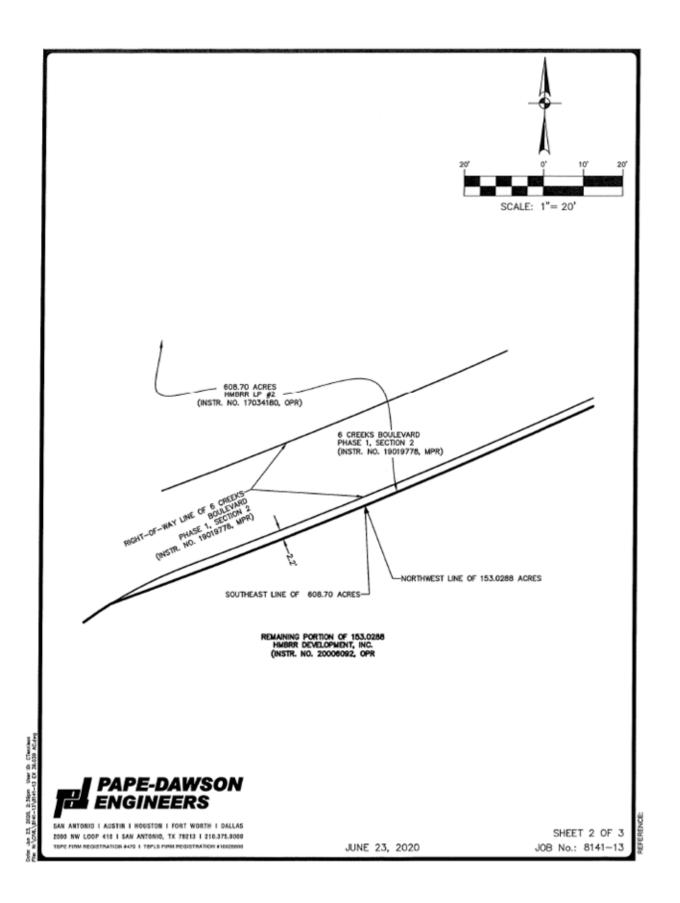
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	LINE TABLE				
LINE	BEARING	LENGTH			
L1	S48'35'53"W	1332.57			
L2	N41'24'07"W	306.70			
L3	N79°25'32"W	67.08'			
L4	N77"19'14"W	183.38'			
L5	N74'56'18"W	101.57			
L6	N00'28'54"E	137.29			
L7	N02'50'19"W	50.00			
L8	N06'41'24"W	364.55'			
L9	N38'07'47"W	98.19'			
L10	N1317'25"W	10.24			
L11	N07'37'47"W	67.78'			
L12	N1318'02"W	8.58'			
L13	N1318'02"W	12.40'			
L14	S03'23'28"E	87.69			

LINE TABLE				
LINE	BEARING	LENGTH		
L15	S64'50'45"E	15.48		
L16	S03'13'26"E	133.36'		
L17	S03'23'28*E	50.03		
L18	S19*59'52"E	365.06		
L19	S22'06'03"E	60.01		
L20	S22'04'53"E	56.05		
L21	S17'22'23"E	115.59*		
L22	S06'41'24"E	649.99'		
L23	S02'50'19"E	50.00'		
L24	N87'09'41"E	35.21		
L25	S06'41'24"E	135.26'		
L26	N83*18'36"E	373.56		
L27	N63'07'22"E	179.85		
L28	N48'35'53"E	380.33		

	LINE TABLE				
LINE	BEARING	LENGTH			
L29	N41*24*07"W	20.00*			
L30	N48'35'53"E	130.00'			
L31	S41"24"07"E	201.61			
L32	S21*09*38"E	46.64			
L33	S03*37*26*E	41.26			
L34	S09"11'38"W	43.95			
L35	S22°50'13"W	43.95			
L36	S60'20'29"E	115.00'			
L37	S59*52'52"E	211.37			

CURVE TABLE					
CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	315.00	1'30'26"	S11*55'33"W	8.29'	8.29
C2	72.00	120'03'15"	N27'55'19"W	124.74	150.86
C3	65.00'	52'43'35"	N61*35'10"W	57.73'	59.82
C4	470.00	35'42'17"	N17*22'14*W	288.17	292.89
C5	3030.00'	2'34'04"	N00'48'07"W	135.78	135.79'
C6	15.00"	89"14"50"	N42*32*16*E	21.07	23.36
C7	15.00'	89"14'50"	N4812'54"W	21.07	23.36'
C8	3030.00'	3'05'56"	N05'08'26"W	163.86'	163.88'
C9	430.00'	31*26'23"	N22*24'36"W	233.00	235.95'
C10	450.54'	26*42'29"	N26'43'15"W	208.12	210.02
C11	363.50	5*39'38"	N10'27'36"W	35.90'	35.91
C12	386.50'	5*40'15"	N10*27'55"W	38.24	38.25'
C13	110.00*	71'21'18"	N22'22'37"E	128.31	136.99
C14	1560.00'	16'14'06"	N62'02'46"E	440.56	442.03'
C15	400.00'	1'53'32"	S85'49'48"W	13.21	13.21
C16	350.00'	11'10'10"	S79°03'09"W	68.12'	68.23'
C17	1025.00'	2'33'53"	N85'52'45"E	45.88'	45.88
C18	300.00'	0'27'37"	S29'53'20"W	2.41'	2.41'



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JUNE 23, 2020

SHEET 3 OF 3 JOB No.: 8141-13

# NOTAL\ST40-13\S141-13 EX 30.039 AC



## METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 5A AND 5B

A 38.378 acre, or 1,671,764 square feet more or less, tract of land out of that 153.0288 acre tract described in deed to HMBRR Development Inc., recorded under Document No. 20006092 of the Official Public Records of Hays County, Texas, out of the Samuel Pharass ¼ League No. 14, Abstract 360, Hays County, Texas. Said 38.378 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found mag nail at the southernmost corner of said 153.0288 acre tract of land:

THENCE:

N 77°17'13" W, along and with the south line of said 153.0288 acre tract, a distance of 59.15 feet the POINT OF BEGINNING of the herein described

tract;

THENCE:

N 77°17'13" W, continuing with the south line of said 153.0288 acre tract, a distance of 540.79 feet to a fence post, at the southwest corner of said 153.0288 acre tract and on the east line of that 260.12 acre tract described in Volume 4459, Page 137 of said Official Public Records;

THENCE:

Along and with the common line of said 153.0288 acre tract and said 260.12 acre tract, the following bearings and distances:

N 16°56'02" W, a distance of 270.22 feet to a found mag nail;

N 17°13'23" W, a distance of 159.03 feet to a point, from which a found ½" iron rod with cap marked "Kent" bears N 17°13'23" W, a distance of 1449.32 feet, at a west corner of said 153.0288 acre tract and the north corner of said 260.12 acre tract:

THENCE:

Departing the east line of said 260.12 acre tract, over and across said 153.0288 acre tract, the following bearings and distances:

N 76°35'35" E, a distance of 185.82 feet to a point;

N 76°35'35" E, a distance of 197.59 feet to a point;

#### Page 1 of 5

TBPE Firm Registration #470 | TBPLS Firm Registration #10028800
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N 33°06'54" E, a distance of 55.61 feet to a point;

N 10°30'44" E, a distance of 54.14 feet to a point;

N 14°01'02" W, a distance of 64.88 feet to a point;

N 37°06'44" W, a distance of 46.97 feet to a point;

N 67°36'50" W, a distance of 79.26 feet to a point;

N 89°33'24" W, a distance of 44.72 feet to a point;

N 61°41'53" W, a distance of 133.53 feet to a point;

N 49°28'21" W, a distance of 245.65 feet to a point;

N 14°35'21" W, a distance of 117.96 feet to a point;

N 00°00'39" E, a distance of 115.20 feet to a point;

N 05°41'47" E, a distance of 73.95 feet to a point;

N 58°46'10" E, a distance of 84.42 feet to a point;

N 82°08'41" E, a distance of 116.16 feet to a point;

S 70°36'49" E, a distance of 107.76 feet to a point;

S 27°25'27" E, a distance of 107.88 feet to a point;

S 59°39'17" W, a distance of 131.27 feet to a point;

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 60.00 feet, a central angle of 20°45'26", a chord bearing and distance of S 15°43'07" W, 21.62 feet, for an arc length of 21.74 feet to a point;

N 59°39'17" E, a distance of 129.28 feet to a point;

S 30°20'43" E, a distance of 115.97 feet to a point;

S 73°47'17" E, a distance of 172.14 feet to a point;



N 23°51'47" E, a distance of 50.57 feet to a point;

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 330.00 feet, a central angle of 104°49'55", a chord bearing and distance of N 27°10'39" E, 523.02 feet, for an arc length of 603.79 feet to a point;

N 79°35'36" E, a distance of 412.52 feet to a point;

Northeasterly, along a tangent curve to the right, said curve having a radius of 530.00 feet, a central angle of 18°09'54", a chord bearing and distance of N 88°40'32" E, 167.33 feet, for an arc length of 168.03 feet to a point;

S 82°14'31" E, a distance of 180.34 feet to a point;

Northeasterly, along a tangent curve to the left, said curve having a radius of 270.00 feet, a central angle of 47°51′53″, a chord bearing and distance of N 73°49′33″ E, 219.06 feet, for an arc length of 225.56 feet to a point;

N 49°53'36" E, a distance of 13.75 feet to a point;

Northeasterly, along a tangent curve to the left, said curve having a radius of 63.50 feet, a central angle of 46°49'12", a chord bearing and distance of N 26°29'00" E, 50.46 feet, for an arc length of 51.89 feet to a point;

N 03°52'24" E, a distance of 1.92 feet to a point;

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 63.50 feet, a central angle of 41°56'35", a chord bearing and distance of N 16°17'54" W, 45.45 feet, for an arc length of 46.48 feet to a point;

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 65.24 feet, a central angle of 42°18'34", a chord bearing and distance of S 17°30'38" E, 47.09 feet, for an arc length of 48.17 feet to a point;

Southeasterly, along a non-tangent curve to the left, said curve having a radius of 72.00 feet, a central angle of 87°32'06", a chord bearing and distance of \$40°04'08" B, 99.61 feet, for an arc length of 110.00 feet to a point;



Southwesterly, along a compound curve to the left, said curve having a radius of 65.00 feet, a central angle of 46°16'12", a chord bearing and distance of S 73°01'43" W, 51.08 feet, for an arc length of 52.49 feet to a point;

S 49°53'36" W, a distance of 14.60 feet to a point;

Southwesterly, along a tangent curve to the right, said curve having a radius of 330.00 feet, a central angle of 03°58'38", a chord bearing and distance of S 51°52'55" W, 22.90 feet, for an arc length of 22.91 feet to a point;

S 36°07'46" E, a distance of 121.39 feet to a point;

S 58°21'56" W, a distance of 87.95 feet to a point;

S 62°05'51" W, a distance of 54.60 feet to a point;

S 21°38'04" E, a distance of 233.77 feet to a point;

S 48°29'18" W, a distance of 261.53 feet to a point;

N 41°30'42" W, a distance of 2.00 feet to a point;

S 48°29'18" W, a distance of 638.08 feet to a point;

S 48°29'18" W, a distance of 306.92 feet to a point;

S 70°18'17" W, a distance of 102.84 feet to a point;

S 22°55'26" W, a distance of 108.60 feet to a point;

Southeasterly, along a tangent curve to the left, said curve having a radius of 25.00 feet, a central angle of 109°28'18", a chord bearing and distance of S 31°48'43" B, 40.82 feet, for an arc length of 47.77 feet to a point;

S 03°27'08" W, a distance of 50.00 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 300.00 feet, a central angle of 05°45'28", a chord bearing and distance of N 83°40'08" W, 30.14 feet, for an arc length of 30.15 feet to a point;



Southwesterly, along a reverse curve to the left, said curve having a radius of 25.00 feet, a central angle of 82°31'49", a chord bearing and distance of S 57°56'42" W, 32.98 feet, for an arc length of 36.01 feet to a point;

Southwesterly, along a compound curve to the left, said curve having a radius of 370.00 feet, a central angle of 08°59'50", a chord bearing and distance of S 12°10'52" W, 58.04 feet, for an arc length of 58.10 feet to a point;

S 07°40'57" W, a distance of 198.31 feet to a point;

THENCE:

Southeasterly, along a tangent curve to the left, said curve having a radius of 25.00 feet, a central angle of 84°58'10", a chord bearing and distance of S 34°48'08" E, 33.77 feet, for an arc length of 37.07 feet the POINT OF BEGINNING and containing 38.378 acres in Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-13 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.

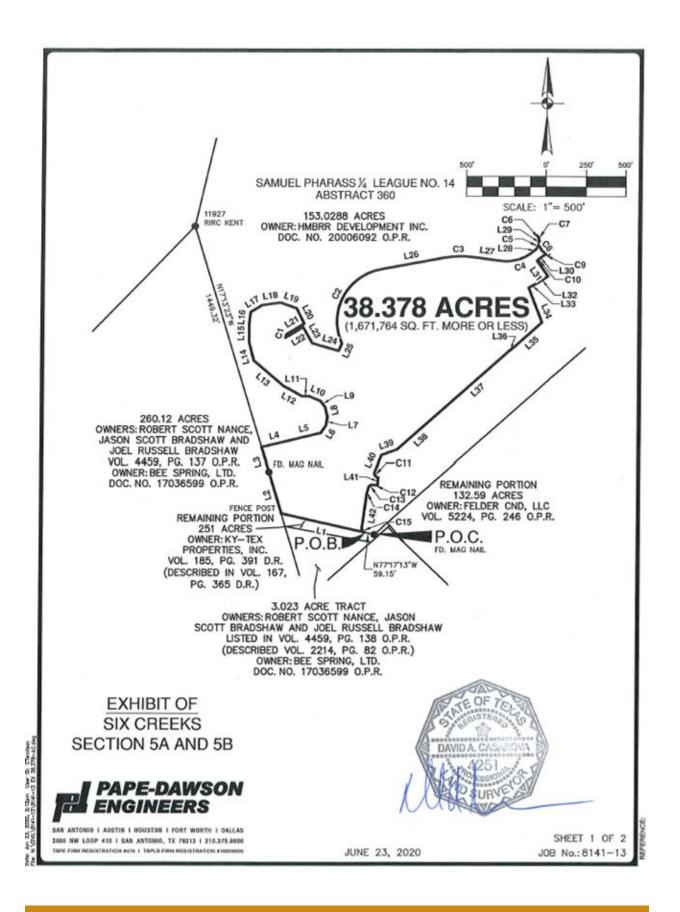
DATE: JOB NO. June 23, 2020 8141-13

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LINE TABLE			
LINE	BEARING	LENGTH	
L1	N771713*W	540.79*	
L2	N16*56'02"W	270.22	
L3	N17"13'23"W	159.03	
L4	N76'35'35"E	185.82	
L5	N76'35'35"E	197.59	
L6	N33'06'54"E	55.61"	
L7	N10'30'44"E	54.14	
L8	N14'01'02"W	64.88	
L9	N37'06'44"W	46.97*	
L10	N67*36'50"W	79.26"	
L11	N89'33'24"W	44.72	
L12	N61'41'53"W	133.53	
L13	N49'28'21"W	245.65	
L14	N14'35'21"W	117.96*	

LINE TABLE			
LINE	BEARING	LENGTH	
L15	N00,00,38,E	115.20	
L16	N05*41'47"E	73.95'	
L17	N58'46'10"E	84.42	
L18	N82'08'41"E	116.16'	
L19	S70'36'49"E	107.76	
L20	S27*25'27"E	107.88	
L21	S59'39'17"W	131.27	
L22	N59*39'17"E	129.28	
L23	S30'20'43"E	115.97	
L24	S73*47'17"E	172.14	
L25	N23'51'47"E	50.57	
L26	N79*35'36"E	412.52	
L27	S82"14"31"E	180.34	
L28	N49'53'36"E	13.75	

	LINE TABLE				
LINE	BEARING	LENGTH			
L29	N03'52'24"E	1.92			
L30	S49'53'36"W	14.60'			
L31	S36'07'46"E	121.39			
L32	S58'21'56"W	87.95'			
L33	S62'05'51"W	54.60'			
L34	S21*38'04"E	233.77			
L35	S48*29*18*W	261.53			
L36	N41*30'42"W	2.00'			
L37	S48'29'18"W	638.08			
L38	S48'29'18"W	306.92			
L39	S70"18'17"W	102.84			
L40	S22'55'26"W	108.60			
L41	S03'27'08"W	50.00'			
L42	S07'40'57"W	198.31			

CURVE TABLE					
CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	60.00'	20'45'26"	S15'43'07"W	21.62	21.74
C2	330.00'	104'49'55"	N27'10'39"E	523.02	603.79
C3	530.00'	18'09'54"	N88'40'32"E	167.33	168.03
C4	270.00'	47'51'53"	N73'49'33"E	219.06'	225.56
C5	63.50*	46'49'12"	N26*29'00"E	50.46	51.89*
C6	63.50'	41'56'35"	N16*17'54"W	45.45'	46.48
C7	65.24	42"18"34"	S17'30'38"E	47.09	48.17
C8	72.00'	87'32'06"	S40'04'08"E	99.61'	110.00'
C9	65.00	46'16'12"	S73'01'43"W	51.08	52.49*
C10	330.00	3'58'38"	S51'52'55"W	22.90'	22.91
C11	25.00"	109"28"18"	S31'48'43"E	40.82	47.77
C12	300.00	5'45'28"	N83'40'08"W	30.14	30.15
C13	25.00*	82'31'49"	S57*56'42"W	32.98'	36.01
C14	370.00	8*59*50"	S12*10'52*W	58.04	58.10*
C15	25.00'	84*58'10"	S34'48'08"E	33.77'	37.07

EXHIBIT OF SIX CREEKS SECTION 5A AND 5B



SAN ANTONIO I AUSTIN I HOUSTON I FORT WORTH E DALLAS 2000 NW LOOP 410 I SAN ANTONIO, TX 78213 I 210.375.9000 TOPE FURN REGISTRATION #470 I TOPLS FIRM REGISTRATION #10000000

JUNE 23, 2020

SHEET 2 OF 2 JOB No.: 8141-13

Defenden 23, 2020, 2-11pm. User Er. Charakasa Planto-American and American Property and

### EXHIBIT U-4 – IMPROVEMENT AREA #3 LEGAL DESCRIPTION



#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 8A

A 25.702 acre, or 1,119,571 square feet more or less, tract of land out of the 50.575 acre tract described in instrument to Taylor Morrison of Texas, Inc. recorded in Document No. 21004493 in the Official Public Records of Hays County, Texas, in the Samuel Pharass ¼ League No. 14, Abstract 360 and the Caleb W. Baker Survey, Abstract 31, in the City of Kyle, Hays County, Texas. Said 25.702 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING: At a found 1/2" iron rod with a yellow cap marked "Pape-Dawson", at the east corner of

said 50.575 acre tract;

THENCE: Along and with the southeast line of said 50.575 acre tract, the following bearings and

distances:

S 24"12'47" W, a distance of 275.00 feet to a found ½" iron rod with a yellow cap marked

"Pape-Dawson";

S 31"06'49" W, a distance of 77.06 feet to a found %" iron rod with a yellow cap marked

"Pape-Dawson";

S 40"21'04" W, a distance of 72.35 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 49°14'20" W, a distance of 72.37 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 56\*05'28" W, a distance of 238.96 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson":

THENCE:

Over and across said 50.575 acre tract, the following bearings and distances:

N 33°54'32" W, a distance of 129.55 feet to a point;

N 36°07'13" W, a distance of 50.00 feet to a point;

Southwesterly, along a non-tangent curve to the left, said curve having a radius of 650.00 feet, a central angle of 02\*23'55", a chord bearing and distance of \$ 52\*40'49" W, 27.21 feet, for an arc length of 27.21 feet to a point;

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N 43\*40'06" W, a distance of 123.03 feet to a point;

N 70°45'00" W, a distance of 186.78 feet to a point;

N 81\*46'51" W, a distance of 110.54 feet to a point;

N 78°09'15" W, a distance of 148.64 feet to a point;

N 66°32'09" W, a distance of 38.88 feet to a point;

N 54°34'21" W, a distance of 101.84 feet to a point;

S 39°59'04" W, a distance of 15.23 feet to a point;

N 49"40'29" W, a distance of 60.00 feet to a point on a northwest line of said 50.575 acre tract;

#### THENCE:

Along and with said 50.575 acre tract, the following bearings and distances:

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 1220.00 feet, a central angle of 01\*34'08", a chord bearing and distance of N 39\*32'27" E, 33.41 feet, for an arc length of 33.41 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N  $61^{\circ}39^{\circ}11^{\circ}$  W, a distance of 77.24 feet to a found % iron rod with a yellow cap marked "Pape-Dawson";

N 55\*21'07" W, a distance of 89.24 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 42°51'27" W, a distance of 91.95 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 30\*21'48" W, a distance of 91.95 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 17°52'08" W, a distance of 91.95 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

N 07°57'55" W, a distance of 92.51 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson":



Job No.:8141-38 25.702 Acres Page 3 of 5

S 87\*01'52" W, a distance of 131.01 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 69°58'02" W, a distance of 100.32 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

N 34"06'11" W, a distance of 83.77 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 19°22'02" W, a distance of 90.56 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 19\*34'30" E, a distance of 32.81 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

S 79°46'04" E, a distance of 128.26 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 60.00 feet, a central angle of 14"28'39", a chord bearing and distance of N 17"28'15" E, 15.12 feet, for an arc length of 15.16 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

N 79\*46'04" W, a distance of 127.70 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 19"34'30" E, a distance of 141.79 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", at the northwest corner of said 50.575 acre tract:

THENCE:

Southeasterly, along and with a north line of said 50.575 acre tract, along a non-tangent curve to the right, said curve having a radius of 1184.66 feet, a central angle of 21°30'36", a chord bearing and distance of \$ 86°58'35" E, 442.14 feet, at an arc length of 58.30 feet passing an angle point of the 608.70 acre tract described in Document No. 17034180 in said Official Public Records, continuing along and with a north line of said 50.575 acre tract for a total arc length of 444.75 feet to a found iron rod with cap marked "Atwell", at an angle point of said 50.575 acre tract;

THENCE:

N 14\*04\*37\* E, along and with a west line of said 50.575 acre tract, a distance of 15.06 feet to a point on the proposed southwesterly right-of-way line of 6 Creeks Boulevard, Phase 1, Section 3, at an angle point of said 50.575 acre tract;



Job No.:8141-38 25.702 Acres Page 4 of 5

#### THENCE:

Along and with the proposed southwest right-of-way line of said 6 Creeks Boulevard, Phase 1, Section 3 and the northeast line of said 50.575 acre tract, the following bearings and distances:

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 1351.24 feet, a central angle of 07°56'47", a chord bearing and distance of \$69°38'47" E, 187.25 feet, for an arc length of 187.40 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 65\*45'20" E, a distance of 218.65 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 25.00 feet, a central angle of 89"56'56", a chord bearing and distance of \$ 20"45'41" E, 35.34 feet, for an arc length of 39.25 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

S 65°43'50" E, a distance of 60.01 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 25.00 feet, a central angle of 90°01'54", a chord bearing and distance of N 69°13'53" E, 35.37 feet, for an arc length of 39.29 feet to a found  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 65\*45'20" E, a distance of 766.75 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having a radius of 25.00 feet, a central angle of 90°02'54", a chord bearing and distance of \$ 20°43'53" E, 35.37 feet, for an arc length of 39.30 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson":

S 65°45'51" E, a distance of 50.01 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

### THENCE:

Departing the proposed southwest right-of-way line of said 6 Creeks Boulevard, Phase 1, Section 3, along and with said 50.575 acre tract, the following bearings and distances:

S 24°12'47" W, a distance of 51.73 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";



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S 65\*47\*13" E, a distance of 130.00 feet to the POINT OF BEGINNING and containing 25.702 acres in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-38 by Pape-Dawson Engineers, Inc.

PREPARED BY:

Pape-Dawson Engineers, Inc.

DATE: JOB NO. June 21, 2021 8141-38

DOC. ID.

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#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 8B

A 24.873 acre, or 1,083,474 square feet more or less, tract of land out of the 50.575 acre tract described in instrument to Taylor Morrison of Texas, Inc. recorded in Document No. 21004493 in the Official Public Records of Hays County, Texas, in the Samuel Pharass % League No. 14, Abstract 360, in the City of Kyle, Hays County, Texas. Said 24.873 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING:

At a found %" iron rod with a yellow cap marked "Pape-Dawson", at the south corner of said 50.575 acre tract, from which a found iron rod with cap marked "AST", at the west corner of in the 249.051 acre tract described in Document No. 20042658 in said Official Public Records bears 5 77"33'31" W, a distance of 2652.74 feet;

THENCE:

Along and with said 50.575 acre tract, the following bearings and distances:

N 24\*53'30" W, a distance of 50.00 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 275.00 feet, a central angle of 20"31'31", a chord bearing and distance of N 54"50'44" E, 97.99 feet, for an arc length of 98.51 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 45\*25'01" W, a distance of 183.15 feet to a found 1/4" iron rod with a yellow cap marked "Pape-Dawson";

N 41°06'29" E, a distance of 29.32 feet to a found  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 10\*40'56" E, a distance of 32.38 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson":

N 79\*19'04" W, a distance of 187.65 feet to a found 3/" iron rod with a yellow cap marked "Pape-Dawson";

N 54\*33'30" W, a distance of 145.69 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

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N 41°54'40" W, a distance of 140.64 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson":

N 32°24'47" W, a distance of 72.16 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 2025.00 feet, a central angle of 00°50'13", a chord bearing and distance of \$ 59°34'36" W, 29.58 feet, for an arc length of 29.58 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

N 33°19'28" W, a distance of 50.09 feet to a found  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 1975.01 feet, a central angle of 00°02'33", a chord bearing and distance of N 60°03'29" E, 1.47 feet, for an arc length of 1.47 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 59°50'25" E, a distance of 13.55 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

N 33\*19'28" W, a distance of 223.39 feet to a found  ${\mbox{\sc M}}''$  iron rod with a yellow cap marked "Pape-Dawson";

N 45"25'09" W, a distance of 71.59 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 33\*19'28" W, a distance of 295.97 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

S 87\*31'23" E, a distance of 154.99 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 60.00 feet, a central angle of 14°41'28", a chord bearing and distance of N 09°38'56" W, 15.34 feet, for an arc length of 15.38 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

N 87\*31'23" W, a distance of 130.98 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson":



N 37\*10'16" W, a distance of 37.56 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 41"11'41" E, a distance of 123.39 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 53\*26'21" E, a distance of 93.04 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson":

N 79°30'31" E, a distance of 108.50 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 84\*08'01" E, a distance of 93.25 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 88°35'41" E, a distance of 91.96 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 75"59'18" E, a distance of 91.96 feet to a found ¾" iron rod with a yellow cap marked "Pape-Dawson";

S 63°32'59" E, a distance of 91.95 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

\$  $51^{\circ}03'07^{\circ}$  E, a distance of 66.08 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 45"34'44" E, a distance of 243.77 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson":

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 1220.00 feet, a central angle of 00°50'27", a chord bearing and distance of N 40°44'45" E, 17.91 feet, for an arc length of 17.91 feet to a point;

THENCE:

Over and across said 50.575 acre tract, the following bearings and distances:

S 49\*40'29" E, a distance of 60.00 feet to a point;

N 39\*59'04" E, a distance of 15.23 feet to a point;

\$ 54°34'21" E, a distance of 101.84 feet to a point;



S 66°32'09" E, a distance of 38.88 feet to a point;

S 78°09'15" E, a distance of 148.64 feet to a point;

5 81\*46'51" E, a distance of 110.54 feet to a point:

S 70°45'00" E, a distance of 186.78 feet to a point;

S 43°40'06" E, a distance of 123.03 feet to a point;

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 650.00 feet, a central angle of 02\*23'55", a chord bearing and distance of N 52\*40'49" E, 27.21 feet, for an arc length of 27.21 feet to a point;

S 36"07'13" E, a distance of 50.00 feet to a point;

S 33°54'32" E, a distance of 129.55 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson", at an angle point of said 50.575 acre tract;

THENCE:

Along and with said 50.575 acre tract, the following bearings and distances:

S 53\*05'23" W, a distance of 50.59 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 40°32'51" W, a distance of 226.80 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 49\*27'09" W, a distance of 130.00 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson":

S 40"32"51" W, a distance of 15.00 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 49°27'09" E, a distance of 130.00 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

S 40°32'51" W, a distance of 145.55 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 69"26'18" W, a distance of 225.98 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";



Job No.:8141-38 24.873 Acres Page 5 of 5

S 02°35'56" E, a distance of 77.36 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 28\*55'21" W, a distance of 75.29 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 38"02'33" W, a distance of 74.34 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson":

N 51°57'27" W, a distance of 138.07 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 325.00 feet, a central angle of 27°03'57", a chord bearing and distance of \$51°34'31" W, 152.10 feet, for an arc length of 153.53 feet to the POINT OF BEGINNING and containing 24.873 acres in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-38 by Pape-Dawson Engineers, Inc.

"THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

PREPARED BY:

Pape-Dawson Engineers, Inc.

DATE:

June 21, 2021 8141-38

JOB NO. DOC, ID.

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#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 9

A 33.298 acre, or 1,450,463 square feet more or less, tract of land out of the 249.051 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 20042658 in the Official Public Records of Hays County, Texas, in the Samuel Pharass ¼ League No. 14, Abstract 360, in the City of Kyle, Hays County, Texas. Said 33.298 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found iron rod with cap marked "AST", at the west corner of said 249.051 acre tract,

from which a found iron rod with cap marked "AST", at an angle corner of said 249.051 acre tract bears southeasterly, along a non-tangent curve to the right, said curve having a radius of 1025.00 feet, a central angle of 05°13'02", a chord bearing and distance of

S 56°13'28" E, 93.30 feet, for an arc length of 93.33 feet;

THENCE: N 67°03'30" E, over and across said 249.051 acre tract, a distance of 548.47 feet to the

POINT OF BEGINNING of the herein described tract;

CONTRACTOR CONTRACTOR

THENCE: Continuing over and across said 249.051 acre tract, the following bearings and distances:

N 39"02'18" E, a distance of 125.27 feet to a point;

N 43°52'10" E, a distance of 283.11 feet to a point;

N 65°40'28" E, a distance of 152.21 feet to a point;

S 80°00'04" E, a distance of 202.33 feet to a point;

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 500.53 feet, a central angle of 09"52'43", a chord bearing and distance of S 82°41'56" E, 86.19 feet, for an arc length of 86.30 feet to a point;

N 30°57'29" E, a distance of 156.59 feet to a point;

N 34\*36'32" E, a distance of 235.22 feet to a point;

N 44"42"14" E, a distance of 300.95 feet to a point;

N 87\*00'05" E, a distance of 63.87 feet to a point;

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S 57°58'12" E, a distance of 122.69 feet to a point;

Southwesterly, along a non-tangent curve to the left, said curve having a radius of 1025.00 feet, a central angle of 03\*24'47", a chord bearing and distance of S 50\*47'10" W, 61.05 feet, for an arc length of 61.06 feet to a point;

S 40°55'13" E, a distance of 50.00 feet to a point;

S 47°25'19" E, a distance of 329.24 feet to a point;

S 32\*06'48" E, a distance of 333.20 feet to a point;

S 13"53'06" E, a distance of 116.94 feet to a point;

S 00°48'32" E, a distance of 117.67 feet to a point;

S 12°49'43" W, a distance of 126.62 feet to a point;

S 31"15'41" W, a distance of 220.00 feet to a point;

S 58"44'19" E, a distance of 10.00 feet to a point;

S 31°15'41" W, a distance of 50.00 feet to a point;

N 58°44'19" W, a distance of 194.68 feet to a point;

Northwesterly, along a tangent curve to the right, said curve having a radius of 350.00 feet, a central angle of 30°23'16", a chord bearing and distance of N 43°32'41" W, 183.46 feet, for an arc length of 185.63 feet to a point;

S 42°29'30" W, a distance of 469.22 feet to a point;

S 48\*31'13" W, a distance of 153.83 feet to a point;

S 28\*14'14" W, a distance of 194.56 feet to a point;

S 75°16'28" W, a distance of 112.91 feet to a point;

N 61°56'13" W, a distance of 141.99 feet to a point;

N 48\*28'26" W, a distance of 177.39 feet to a point;



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N 20"48'47" W, a distance of 86.12 feet to a point;

N 08\*16'30" E, a distance of 342.14 feet to a point;

N 48\*45'01" W, a distance of 60.00 feet to a point;

N 41\*14'59" E, a distance of 135.00 feet to a point;

N 41\*38'12" W, a distance of 14.47 feet to a point;

S 49°33'40" W, a distance of 220.06 feet to a point;

N 77\*40'15" W, a distance of 168.53 feet to a point;

N 36\*39'55" W, a distance of 173.66 feet to the POINT OF BEGINNING and containing 33.298 acres in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-38 by Pape-Dawson Engineers, Inc.

"THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

PREPARED BY:

Pape-Dawson Engineers, Inc.

DATE: JOB NO. June 21, 2021 8141-38

DOC. ID.

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#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 10

A 27.797 acre, or 1,210,821 square feet more or less, tract of land out of the 249.051 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 20042658 in the Official Public Records of Hays County, Texas, in the Samuel Pharass % League No. 14, Abstract 360, in the City of Kyle, Hays County, Texas. Said 27.797 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found iron rod with cap marked "AST", at the west corner of said 249.051 acre tract, from

which a found iron rod with cap marked "AST", at an angle corner of said 249.051 acre tract bears southeasterly, along a non-tangent curve to the right, said curve having a radius of 1025.00 feet, a central angle of 05\*13'02", a chord bearing and distance of \$56\*13'28" E,

93.30 feet, for an arc length of 93.33 feet;

THENCE: N 52\*20'17" E, over and across said 249.051 acre tract, a distance of 2002.54 feet to the POINT

OF BEGINNING of the herein described tract;

THENCE: Continuing over and across said 249.051 acre tract, the following bearings and distances:

N 03"08'46" W, a distance of 101.69 feet to a point;

N 31"53'50" E, a distance of 50.53 feet to a point;

N 63"51'16" E, a distance of 69.27 feet to a point;

N 83\*18'06" E, a distance of 187.15 feet to a point;

S 49\*43'13" E, a distance of 103.45 feet to a point;

THENCE: \$ 33"19'28" E, at a distance of 222.55 feet passing a found %" iron rod with a yellow cap

marked "Pape-Dawson", at an angle point of the 50.575 acre tract described in Document No. 21004493 in said Official Public Records, continuing along and with said 50.575 acre tract, a total distance of 272.64 feet to a found "iron rod with a yellow cap marked "Pape-Dawson",

at an angle point of said 50.575 acre tract;

THENCE: Along and with said 50.575 acre tract, the following bearings and distances:

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telaphone: 210-375-9000 address: 2000 NW LOOP 410 SAN ANTONIO, TX 78213 website: PAPE-DAWSON.COM
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Job No.:8141-38 27.797 Acres Page 2 of 5

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 2025.00 feet, a central angle of 00°50'13", a chord bearing and distance of N 59°34'36" E, 29.58 feet, for an arc length of 29.58 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 32"24'47" E, a distance of 72.16 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

S 41°54'40" E, a distance of 140.64 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

 $$54^*33'30"$  E, a distance of 145.69 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";

S 79"19'04" E, a distance of 187.65 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S  $10^{\circ}40'56''$  W, a distance of 32.38 feet to a found %'' iron rod with a yellow cap marked "Pape-Dawson";

S 41"06'29" W, a distance of 29.32 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 45°25'01" E, a distance of 183.15 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 275.00 feet, a central angle of 20°31'31", a chord bearing and distance of \$ 54°50'44" W, 97.99 feet, for an arc length of 98.51 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 24°53'30" E, at a distance of 50.00 feet passing a found 3" iron rod with a yellow cap marked "Pape-Dawson", at the south corner of said 50.575 acre tract, continuing over and across said 249.051 acre tract, a total distance of 245.30 feet to a point;

THENCE:

Over and across said 249.051 acre tract, the following bearings and distances:

S 03"48'06" E, a distance of 111.96 feet to a point;

5 03"13'40" W, a distance of 95.64 feet to a point;

5 10°15'26" W, a distance of 95.64 feet to a point;

S 17\*17\*12" W, a distance of 95.64 feet to a point;



S 23\*28'46" W, a distance of 95.73 feet to a point;

S 31°15'41" W, a distance of 432.60 feet to a point;

S 35"01'10" W, a distance of 94.49 feet to a point;

S 60°08'28" W, a distance of 252.29 feet to a point;

S 35'49'10" W, a distance of 188.25 feet to a point;

S 12°30'20" W, a distance of 140.22 feet to a point;

S 27°47'17" W, a distance of 98.07 feet to a point;

N 58°27'23" W, a distance of 149.79 feet to a point;

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 325.00 feet, a central angle of 02°38'54", a chord bearing and distance of S 34°31'47" W, 15.02 feet, for an arc length of 15.02 feet to a point;

S 58°27'23" E, a distance of 156.91 feet to a point;

S 07\*24'46" E, a distance of 52.79 feet to a point;

S 31°32'37" W, a distance of 115.68 feet to a point;

S 55\*23'59" W, a distance of 85.58 feet to a point;

S 58°32'28" W, a distance of 147.27 feet to a point;

N 62\*31'50" W, a distance of 103.37 feet to a point;

N 08"53'04" W, a distance of 255.68 feet to a point;

N 13\*21'04" W, a distance of 55.56 feet to a point;

N 33\*50'18" E, a distance of 150.81 feet to a point;

N 25"23'23" E, a distance of 83.89 feet to a point;

N 21°01'24" E, a distance of 151.72 feet to a point;

N 22"39'54" E, a distance of 88.42 feet to a point;



N 32"56'54" E, a distance of 80.24 feet to a point;

N 36"03'20" E, a distance of 297.50 feet to a point;

N 78°00'43" E, a distance of 85.88 feet to a point;

N 31"15'41" E, a distance of 80.00 feet to a point;

S 58°44'19" E, a distance of 10.00 feet to a point;

N 31°15'41" E, a distance of 50.00 feet to a point;

N 58°44'19" W, a distance of 10.00 feet to a point;

N 31°15'41" E, a distance of 220.00 feet to a point;

N 12°49'43" E, a distance of 126.62 feet to a point;

N 00°48'32" W, a distance of 117.67 feet to a point;

N 13°53'06" W, a distance of 116.94 feet to a point;

N 32°06'48" W, a distance of 333.20 feet to a point;

N 47°25'19" W, a distance of 329.24 feet to a point;

N 40°55'13" W, a distance of 50.00 feet to a point;

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 1025.00 feet, a central angle of 08°02′52", a chord bearing and distance of N 53°06′13" E, 143.85 feet, for an arc length of 143.97 feet to a point;

Northeasterly, along a reverse curve to the left, said curve having a radius of 15.00 feet, a central angle of 93°00'50", a chord bearing and distance of N 10°37'14" E, 21.76 feet, for an arc length of 24.35 feet to a point;

N 35°53'11" W, a distance of 71.56 feet to a point;

Northwesterly, along a tangent curve to the left, said curve having a radius of 15.00 feet, a central angle of 57°46'09", a chord bearing and distance of N 64°46'15" W, 14.49 feet, for an arc length of 15.12 feet to a point;



Job No.:8141-38 27.797 Acres Page 5 of 5

Northwesterly, along a reverse curve to the right, said curve having a radius of 60.00 feet, a central angle of 94°50'13", a chord bearing and distance of N 46°14'13" W, 88.36 feet, for an arc length of 99.31 feet to a point;

N 84\*01'18" W, a distance of 165.81 feet to the POINT OF BEGINNING and containing 27.797 acres in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-38 by Pape-Dawson Engineers, Inc.

"THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

PREPARED BY:

Pape-Dawson Engineers, Inc.

DATE:

June 21, 2021

8141-38

JOB NO. DOC. ID.

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# **EXHIBIT U-5 – IMPROVEMENT AREA #4 LEGAL DESCRIPTION**

Improvement Area #4 consists of Section 6A, Section 7, Section 12 and Section 13 as described below

#### **EXHIBIT U-6 – SECTION 6A LEGAL DESCRIPTION**



#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 6A PID

A 22.253 acre, or 969,339 square feet more or less, tract of land out of the 153.0288 acre tract described in Document No. 20006092 in the Official Public Records of Hays County, Texas, in the Samuel Pharass % League No. 14, Abstract 360, Hays County, Texas. Said 22.253 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING:

At a found mag nail with washer marked "Pape-Dawson" on the west right-of-way line of Rio Blanco Way, a 60-foot public right-of-way dedicated in Clerk File No. 19020754 in the Plat Records of Hays County, Texas, at the southeast corner of Lot 50, Block G, 6 Creeks – Phase 1, Section 3 recorded in Clerk File No. 19020754 in said Plat Records;

THENCE:

Along and with the west right-of-way line of said Rio Blanco Way, the following bearings and distances:

S 00°28'22" W, a distance of 149.14 feet to a point;

Southeasterly, along a non-tangent curve to the left, said curve having a radius of 530.00 feet, a central angle of 10°19'05", a chord bearing and distance of \$ 04°40'38" E, 95.32 feet, for an arc length of 95.45 feet to a point, at the northeast corner of Lot 52, Block G, 6 Creeks – Phase 1, Section 5A recorded in Clerk File No. 21014391 in said Plat Records;

THENCE:

Departing the west right-of-way line of said Rio Blanco Way, along and with the north line of said Lot 52, the following bearings and distances:

Northwesterly, along a curve to the left, said curve having a radius of 15.00 feet, a central angle of 85°47'28", a chord bearing and distance of N 52°43'55" W, 20.42 feet, for an arc length of 22.46 feet to a point;

S 84°22'21" W, a distance of 54.65 feet to a point;

Southwesterly, along a tangent curve to the right, said curve having a radius of 325.00 feet, a central angle of 08°04'11", a chord bearing and distance of S 88°24'27" W, 45.74 feet, for an arc length of 45.77 feet to a point;

S 02°10'38" W, a distance of 124.88 feet to a point;

N 80°15'00" W, a distance of 237.59 feet to a point;

N 72°53'56" W, a distance of 190.04 feet to a point;

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Job No.:8141-52 22.253 Acres Page 2 of 3

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 225.00 feet, a central angle of 35°24'10", a chord bearing and distance of 5 56°36'06" W, 136.83 feet, for an arc length of 139.03 feet to a point;

S 74°18'11" W, a distance of 116.67 feet to a point;

Southwesterly, along a tangent curve to the right, said curve having a radius of 525.00 feet, a central angle of 22°38'16", a chord bearing and distance of \$85°37'19" W, 206.08 feet, for an arc length of 207.43 feet to a point;

N 83°03'33" W, a distance of 343.32 feet to a point;

Southwesterly, along a tangent curve to the left, said curve having a radius of 175.00 feet, a central angle of 17°04'37", a chord bearing and distance of \$ 88°24'08" W, 51.97 feet, for an arc length of 52.16 feet to a point;

S 79°51'50" W, a distance of 90.21 feet to a point;

Northwesterly, along a tangent curve to the right, said curve having a radius of 125.00 feet, a central angle of 58°41'10", a chord bearing and distance of N 70°47'36" W, 122.51 feet, for an arc length of 128.03 feet to a point;

S 57°13'32" W, a distance of 125.35 feet to a point;

N 38°27'18" W, a distance of 65.75 feet to a point;

THENCE:

Departing the north line of said Lot 52, over and across said 153.0288 acre tract, the following bearings and distances:

N 02°41'04" W, a distance of 116.14 feet to a point;

N 11°49'01" E, a distance of 85.93 feet to a point;

N 20°26'31" E, a distance of 234.89 feet to a point;

N 34°42'53" E, a distance of 169.72 feet to a point;

N 81°47'13" E, a distance of 13.72 feet to a point;

N 06°38'55" E, a distance of 94.89 feet to a point;

N 28°50'51" W, a distance of 134.85 feet to a point;

THENCE:

N 40°08'34" E, a distance of 2.96 feet to the southwest corner of Lot 29, of said Block G of said 6 Creeks-Phase 1. Section 3;



Job No.:8141-52 22.253 Acres Page 3 of 3

THENCE:

Along and with the south line of said Block G of said 6 Creeks-Phase 1, Section 3, the following bearings and distances:

S 89\*38'05" E, a distance of 453.82 feet to a found  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 83°27'43" E, a distance of 63.44 feet to a found ¾" iron rod with a yellow cap marked "Pape-Dawson";

 $5.71^{\circ}07^{\circ}00^{\circ}$  E, a distance of 63.44 feet to a found  $\frac{1}{2}$  iron rod with a yellow cap marked "Pape-Dawson";

S  $60^{\circ}29^{\circ}27^{\circ}$  E, a distance of 66.99 feet to a found % iron rod with a yellow cap marked "Pape-Dawson";

S 59°14'33" E, a distance of 575.03 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 66°01'03" E, a distance of 84.03 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 72°53'56" E, a distance of 83.98 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S  $80^{\circ}15'00''$  E, a distance of 83.98 feet to a found  $\frac{1}{2}''$  iron rod with a yellow cap marked "Pape-Dawson";

S 87°36'04" E, a distance of 83.98 feet to a found  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 89°44'49" E, a distance of 100.61 feet to the POINT OF BEGINNING and containing 22.253 acres in Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-52 by Pape-Dawson Engineers, Inc.

"THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

PREPARED BY:

Pape-Dawson Engineers, Inc.

DATE:

May 31, 2022

JOB NO.

8151-52

DOC. ID.

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#### **EXHIBIT U-7 – SECTION 7 LEGAL DESCRIPTION**



#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 7 PID

A 17.756 acre, more or less, tract of land out of the 153.0288 acre tract described in Document No. 20006092 in the Official Public Records of Hays County, Texas, in the Samuel Pharass ¼ League No. 14, Abstract 360, Hays County, Texas. Said 17.756 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING:

At a found ½' iron rod with a yellow cap marked "Pape-Dawson" on the south right-ofway line of Cold River Run, a 60-foot public right-of-way dedicated in Clerk File No. 19019778 in the Plat Records of Hays County, Texas, at the northeast corner of Lot 39, Block E, 6 Creeks-Phase 1, Section 5A recorded in Clerk File No. 21014391 in said Plat Records;

THENCE:

Along and with the south right-of-way line of said Cold River Run, the following bearings and distances:

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 330.00 feet, a central angle of  $03^{\circ}58^{\circ}38^{\circ}$ , a chord bearing and distance of N  $51^{\circ}52^{\circ}55^{\circ}$  E, 22.90 feet, for an arc length of 22.91 feet to a found % iron rod with a yellow cap marked "Pape-Dawson":

N 49°53'36" E, a distance of 14.60 feet to a found  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 65.00 feet, a central angle of 46°16'12", a chord bearing and distance of N 73°01'43" E, 51.08 feet, for an arc length of 52.49 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson" on the south right-of-way line of Rio Blanco Way, a 60-foot public right-of-way dedicated in Clerk File No. 19020754 in said Plat Records:

THENCE:

Northeasterly, along and with the south right-of-way line of said Rio Blanco Way, along a reverse curve to the left, said curve having a radius of 72.00 feet, a central angle of 64°12'39", a chord bearing and distance of N 64°03'29" E, 76.53 feet, for an arc length of 80.69 feet to a point, at the southwest corner of Lot 41, Block E, 6 Creeks Phase 1, Section 4B recorded in Clerk File No. 21049387 in said Plat Records;

THENCE:

Departing the south right-of-way line of said Rio Blanco Way, along and with said 6 Creeks Phase 1, Section 4B, the following bearings and distances:

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S 74°50'05" E, a distance of 101.51 feet to a point;

S 77°19'14" E, a distance of 183.38 feet to a point;

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 315.00 feet, a central angle of 01°30'26", a chord bearing and distance of N 11°55'33" E, 8.29 feet, for an arc length of 8.29 feet to a point;

S 79°25'32" E, a distance of 66.67 feet to a point;

S 41°26'59" E, a distance of 307.03 feet to a point on a southeast line of said 153.0288 acre tract and the northwest line of Lot 13, Block E, Cypress Forest Phase 3, Section A recorded in Clerk File No. 19001176 in said Plat Records, at the southwest corner of Lot 11, Block D of said 6 Creeks Phase 1, Section 4B;

THENCE:

S 48°35'53" W, along and with a southeast line of said 153.0288 acre tract and the northwest line of said Lot 13, a distance of 91.09 feet to a found mag nail, at an angle point of said 153.0288 acre tract, the west corner of said Lot 13, the north corner of Lot 5 and an angle point of Lot 4 both of said Block E of said Cypress Forest Phase 3, Section A;

THENCE:

Along and with the common line of said 153.0288 acre tract and said Lot 4, the following bearings and distances:

N 49°37'46" W, a distance of 34.21 feet to a found mag nail;

S 25°44'10" W, a distance of 39.08 feet to a found iron rod with cap marked "Delta";

THENCE:

S 48°29'18" W, along and with a southeast line of said 153.0288 acre tract, the northwest line of said Cypress Forest Phase 3, Section A, the northwest line of Cypress Forest Phase 2 recorded in Clerk File No. 18008955 in said Plat Records, the northwest line of Cypress Forest Phase 3B recorded in Clerk File No. 21033082 in said Plat Records and the northwest line of Cypress Forest Phase 4B recorded in Clerk File No. 21033095 in said Plat Records, a distance of 2127.82 feet to a found mag nail, at the southernmost corner of said 153.0288 acre tract;

THENCE:

N 77°17'13" W, along and with the south line of said 153.0288 acre tract, a distance of 59.15 feet to a point;

THENCE:

Over and across said 153.0288 acre tract, the following bearings and distances:



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Northwesterly, along a tangent curve to the right, said curve having a radius of 25.00 feet, a central angle of 84°58'10", a chord bearing and distance of N 34°48'08" W, 33.77 feet, for an arc length of 37.07 feet to a point;

N 07°40'57" E, a distance of 198.31 feet to a point;

Northeasterly, along a tangent curve to the right, said curve having a radius of 370.00 feet, a central angle of 08°59'50", a chord bearing and distance of N 12°10'52" E, 58.04 feet, for an arc length of 58.10 feet to a point;

Northeasterly, along a compound curve to the right, said curve having a radius of 25.00 feet, a central angle of 82°31'49", a chord bearing and distance of N 57°56'42" E, 32.98 feet, for an arc length of 36.01 feet to a point;

Southeasterly, along a reverse curve to the left, said curve having a radius of 300.00 feet, a central angle of 05°45'28", a chord bearing and distance of S 83°40'08" E, 30.14 feet, for an arc length of 30.15 feet to a point;

N 03°27'08" E, a distance of 50.00 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 25.00 feet, a central angle of 109°28'18", a chord bearing and distance of N 31°48'43" W, 40.82 feet, for an arc length of 47.77 feet to a point;

N 22°55'26" E, a distance of 108.60 feet to a point;

N 70°18'17" E, a distance of 102.84 feet to a point;

N 48\*29'18" E, a distance of 945.00 feet to a point;

S 41°30'42" E, a distance of 2.00 feet to a point;

N 48°29'18" E, a distance of 261.53 feet to a point;

N 21°38'04" W, a distance of 233.77 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", at the southeast corner of Lot 37 and the southwest corner of Lot 38, both of said Block E of said 6 Creeks-Phase 1, Section 5A;

THENCE:

Along and with said 6 Creeks-Phase 1, Section 5A, the following bearings and distances:



Job No.:8141-52 17.756 Acres Page 4 of 4

N 62"05'51" E, a distance of 54.60 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 58"21'56" E, a distance of 87.95 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 36°07'46" W, a distance of 121.39 feet to the POINT OF BEGINNING and containing 17.756 acres in Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-52 by Pape-Dawson Engineers, Inc.

"THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

PREPARED BY:

Pape-Dawson Engineers, Inc.

DATE:

May 12, 2022 (Revised: May 31, 2022)

JOB NO.

8151-52

DOC. ID.

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#### **EXHIBIT U-8 – SECTION 12 LEGAL DESCRIPTION**



#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 12 PID

A 19.168 acre, or 834,937 square feet more or less, tract of land out of the 249.051 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 20042658 in the Official Public Records of Hays County, Texas, in the Samuel Pharass ¼ League No. 14, Abstract 360, partially in the City of Kyle, Hays County, Texas. Said 19.168 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

#### BEGINNING:

At a found iron rod with cap marked "AST" on the north right-of-way line of Six Creeks Boulevard, a 120-foot public right-of-way dedicated in Clerk File No. 19019778 in the Plat Records of Hays County, Texas, at the southwest corner of the 5.964 acre tract described in Document No. 21068715 in said Official Public Records;

#### THENCE:

Along and with the north right-of-way line of said Six Creeks Boulevard, the following bearings and distances:

S 13"18'02" E, a distance of 26.84 feet to a point;

Southwesterly, along a tangent curve to the right, said curve having a radius of 72.00 feet, a central angle of 92°58'50", a chord bearing and distance of \$33°11'23" W, 104.44 feet, for an arc length of 116.84 feet to a point;

Southwesterly, along a compound curve to the right, said curve having a radius of 1440.00 feet, a central angle of 01\*21'27", a chord bearing and distance of S 80\*21'31" W, 34.11 feet, for an arc length of 34.11 feet to a point;

S 08°51'19" E, a distance of 5.88 feet to a point on the north right-of-way line of Six Creeks Boulevard, a variable width public right-of-way dedicated in Clerk File No. 21038005 in said Plat Records:

#### THENCE:

Along and with the north right-of-way line of said Six Creek Boulevard (21038005), the following bearings and distances:

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 1445.99 feet, a central angle of 22°04'10", a chord bearing and distance of N 87°57'12" W, 553.53 feet, for an arc length of 556.97 feet to a point;

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 1261.43 feet, a central angle of 09°04′04″, a chord bearing and distance of N 72°31′39″ W, 199.43 feet, for an arc length of 199.63 feet to a point;

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#### THENCE:

Departing the north right-of-way line of said Six Creeks Boulevard (21038005), over and across said 249.051 acre tract, the following bearings and distances:

N 16°30'34" E, a distance of 61.44 feet to a point;

N 08°42'03" E, a distance of 178.44 feet to a point;

N 43°09'26" E, a distance of 55.88 feet to a point:

\$ 73°21'26" E, a distance of 135.12 feet to a point;

N 16°38'34" E, a distance of 15.00 feet to a point;

N 73°21'26" W, a distance of 135.12 feet to a point;

N 16"26'46" E, a distance of 84.62 feet to a point;

N 00°44'57" E, a distance of 44.61 feet to a point;

N 27"38"02" W, a distance of 184.86 feet to a point;

N 11°45'06" W, a distance of 100.80 feet to a point;

N 04°01'02" W, a distance of 56.88 feet to a point;

N 89°51'00" E, a distance of 111.78 feet to a point;

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 350.00 feet, a central angle of 02°27'23". a chord bearing and distance of N 01°04'42" E, 15.00 feet, for an arc length of 15.00 feet to a point;

S 89°51'00" W, a distance of 111.39 feet to a point;

N 06°02'18" E, a distance of 65.88 feet to a point;

N 13"46'22" E, a distance of 62.19 feet to a point;

N 21°30'26" E, a distance of 66.10 feet to a point;

N 28°29'13" E, a distance of 71.05 feet to a point;

N 39°48'13" E, a distance of 125.67 feet to a point;

N 54°40'34" E, a distance of 195.15 feet to a point;



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N 71°10'42" E, a distance of 72.45 feet to a point;

S 76°01'26" E, a distance of 135.43 feet to a point;

S 41"18'06" W, a distance of 126.42 feet to a point;

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 55.00 feet, a central angle of 16°44'26", a chord bearing and distance of S 50°58'25" E, 16.01 feet, for an arc length of 16.07 feet to a point;

N 41°18'06" E, a distance of 146.07 feet to a point;

\$ 56"15'02" E, a distance of 84.11 feet to a point on the west line of said 5.964 acre tract;

THENCE: Along and with the west line of said 5.964 acre tract, the following bearings and distances:

Southeasterly, along a non-tangent curve to the left, said curve having a radius of 1740.00 feet, a central angle of 11\*26'48", a chord bearing and distance of S 07°34'38" E, 347.04 feet, for an arc length of 347.62 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

S 13"18'02" E, a distance of 213.02 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE: Departing the west line of said 5.964 acre tract, over and across said 249.051 acre tract, the following bearings and distances:

Southwesterly, along a tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of 5 31°41'58" W, 21.21 feet, for an arc length of 23.56 feet to a point;

\$ 13°18'02" E, a distance of 50.00 feet to a point;

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord hearing and distance of \$ 58°18'02" F, 21.21 feet, for an arc length of 23.56 feet to a point on the west line of said 5.964 acre tract;

THENCE: Along and with said 5.964 acre tract, the following bearings and distances:

S 13°18'02" E, a distance of 293.81 feet to a found ¾" iron rod with a yellow cap marked "Pape-Dawson";



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> Southeasterly, along a tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of 10°32'17", a chord bearing and distance of S 08°01'54" E, 45.92 feet, for an arc length of 45.98 feet to a found 1/2" iron rod with a yellow cap marked "Pape-Dawson";

> S 02°45'46" E, a distance of 49.39 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

> Southeasterly, along a tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of 10°32'17", a chord bearing and distance of S 08°01'54" E, 45.92 feet, for an arc length of 45.98 feet to a found 1/2" iron rod with a yellow cap marked "Pape-Dawson";

> S 13°53'54" E, a distance of 59.16 feet to the POINT OF BEGINNING and containing 19.168 acres partially in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-52 by Pape-Dawson Engineers, Inc.

"THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

PREPARED BY: Pape-Dawson Engineers, Inc.

DATE:

December 1, 2022

JOB NO.

8141-52

DOC. ID.

N:\CIVIL\8141-52\WORD\8141-52 FN 19.168 AC.docx





#### **EXHIBIT U-9 – SECTION 13 LEGAL DESCRIPTION**



#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 13A PID

A 15.103 acre, or 657,896 square feet more or less, tract of land comprised of a portion of the 93.991 acre tract described in instrument to Pulte Homes of Texas, L.P. recorded in Document No. 21068918 in the Official Public Records of Hays County, Texas, the 5.964 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 21068715 in said Official Public Records and the 249.051 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 20042658 in said Official Public Records, in the Samuel Pharass ¼ League No. 14, Abstract 360, partially in the City of Kyle, Hays County, Texas. Said 15.103 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING: At a found iron rod with cap marked "AST", on the north right-of-way line of Six Creeks

Boulevard, a 120-foot wide public right-of-way dedicated in Clerk File No. 19019778 in the Plat Records of Hays County, Texas, at the southwest corner of said 5.964 acre tract;

THENCE:

Departing the north right-of-way line of said Six Creeks Boulevard, along and with the west line of said 5.964 acre tract, the following bearings and distances:

N 13°53'54" W, a distance of 59.16 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of 10°32'17", a chord bearing and distance of N 08°01'54" W, 45.92 feet, for an arc length of 45.98 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 02°45'46" W, a distance of 49.39 feet to a found 12" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of  $10^{\circ}32'17''$ , a chord bearing and distance of N  $08^{\circ}01'54''$  W, 45.92 feet, for an arc length of 45.98 feet to a found 3'' iron rod with a yellow cap marked "Pape-Dawson";

N 13°18'02" W, a distance of 293.81 feet to a point;

THENCE:

Departing the west line of said 5.964 acre tract, over and across said 249.061 acre tract, the following bearings and distances:

Transportation | Water Resources | Land Dovelopment | Surveying | Environmental

telephone: 210-375-9000 address: 2000 NW LOOP 410 SAN ANTONIO, TX 78213 website: PAPE-DAWSON.COM
San Antonio | Austin | Houston | Fort Worth | Dallas Texas Engineering Firm #470 Texas Surveying Firm #10026000

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Northwesterly, along a tangent curve to the left, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 58°18'02" W, 21.21 feet, for an arc length of 23.56 feet to a point;

N 13°18'02" W, a distance of 50.00 feet to a point;

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 31°41'58" E, 21.21 feet, for an arc length of 23.56 feet to a point on the west line of said 5.964 acre tract;

THENCE:

N 76°41'58" E, over and across said 5.964 acre tract, a distance of 80.00 feet to a point on the east line of said 5.964 acre tract and a west line of said 93.991 acre tract:

THENCE:

Departing the east line of said 5.964 acre tract, over and across said 93.991 acre tract, the following bearings and distances;

Southeasterly, along a non-tangent curve to the left, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of \$58°18'02" E, 21.21 feet, for an arc length of 23.56 feet to a point;

N 76°41'58" E, a distance of 123.00 feet to a point;

Northeasterly, along a tangent curve to the left, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 31°41'58" E, 21.21 feet, for an arc length of 23.56 feet to a point;

N 76°41'58" E, a distance of 50.00 feet to a point;

N 13\*18'02" W, a distance of 109.02 feet to a point;

N 76°42'05" E, a distance of 73.21 feet to a point;

N 72\*15'35" E, a distance of 70.52 feet to a point;

N 60°06'13" E, a distance of 59.45 feet to a point;

N 53°53'54" E, a distance of 195.00 feet to a point;

N 49°11'17" E, a distance of 63.01 feet to a point;

N 37°16'24" E, a distance of 131.69 feet to a point;



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N 21\*51'23" E, a distance of 60.65 feet to a point;

S 73°07'09" E, a distance of 129.83 feet to a point;

S 73°17'00" E, a distance of 50.00 feet to a point;

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 525.00 feet, a central angle of 09°22'23", a chord bearing and distance of S 21°24'11" W, 85.79 feet, for an arc length of 85.89 feet to a point;

Southeasterly, along a reverse curve to the left, said curve having a radius of 15.00 feet, a central angle of 85°45'07", a chord bearing and distance of S 16°47'11" E, 20.41 feet, for an arc length of 22.45 feet to a point;

S 30"20'16" W, a distance of 50.00 feet to a point;

Southwesterly, along a non-tangent curve to the left, said curve having a radius of 15.00 feet, a central angle of 85°45'07", a chord bearing and distance of S 77°27'42" W, 20.41 feet, for an arc length of 22.45 feet to a point;

Southwesterly, along a reverse curve to the right, said curve having a radius of 525.00 feet, a central angle of 11°32'58", a chord bearing and distance of \$ 40°21'37" W, 105.65 feet, for an arc length of 105.83 feet to a point;

S 48°58'42" E, a distance of 424.26 feet to a point;

S 55°49'14" W, at a distance of 147.36 feet passing a found ½" iron rod with a yellow cap marked "Pape-Dawson" on the north right-of-way line of Six Creeks Boulevard, a variable width public right-of-way dedicated in Clerk File No. 18037331 in said Plat Records, continuing along and with the north right-of-way of said Six Creeks Boulevard (18037331), a total distance of 207.36 feet to a found iron rod with cap marked "AST";

THENCE:

Along and with the north right-of-way line of said Six Creeks Boulevard (18037331) and the south line of said 93.991 acre tract, the following bearings and distances:

S 34°10'46" E, a distance of 33.31 feet to a found 1/2" iron rod;

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 30.02 feet, a central angle of 84°16'18", a chord bearing and distance of \$ 07°59'05" W, 40.28 feet, for an arc length of 44.15 feet to a found %" iron rod with a yellow cap marked "Pape-Dawson";



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THENECE:

S 50°08'56" W, along and with the north right-of-way line of said Six Creeks Boulevard (18037331), the north right-of-way line of said Six Creeks Boulevard (19019778) and the south line of said 93.991 acre tract, a distance of 278.00 feet to a found iron rod with cap marked "AST";

THENCE:

Continuing along and with the north right-of-way line of said Six Creeks Boulevard (19019778) and the south line of said 93.991 acre tract, the following bearings and distances:

Southwesterly, along a tangent curve to the right, said curve having a radius of 1440.00 feet, a central angle of 19°24'42", a chord bearing and distance of \$59°51'17" W, 485.54 feet, for an arc length of 487.87 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", at the most southerly southwest corner of said 93.991 acre tract;

Northwesterly, along a compound curve to the right, said curve having a radius of 57.00 feet, a central angle of 97°08'19", a chord bearing and distance of N 61°52'12" W, 85.47 feet, for an arc length of 96.64 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 13°18'02" W, a distance of 32.89 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson", at the most westerly southwest corner of said 93.991 acre tract and the southeast corner of said 5.964 acre tract:

THENCE:

S 76°44'31" W, along and with the north right-of-way line of said Six Creeks Boulevard (19019778) and the south line of said 5.964 acre tract, a distance of 114.00 feet to the POINT OF BEGINNING and containing 15.103 acres, partially in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-52 by Pape-Dawson Engineers, Inc.

"THIS DOCUMENT WAS PREPARED UNDER 22TAC663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

PREPARED BY: Pape-Dawson Engineers, Inc.

DATE:

May 31, 2022

JOB NO.

8141-52

DOC. ID.

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#### METES AND BOUNDS DESCRIPTION FOR SIX CREEKS SECTION 13B PID

A 29.050 acre, or 1,265,433 square feet more or less, tract of land comprised of a portion of the 93.991 acre tract described in instrument to Pulte Homes of Texas, L.P. recorded in Document No. 21068918 in the Official Public Records of Hays County, Texas and the 5.964 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 21068715 in said Official Public Records, in the Samuel Pharass ¼ League No. 14, Abstract 360, partially in the City of Kyle, Hays County, Texas. Said 29.050 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

COMMENCING: At a found iron rod with cap marked "AST", on the north right-of-way line of Six Creeks

Boulevard, a 120-foot wide public right-of-way dedicated in Clerk File No. 19019778 in
the Plat Records of Hays County, Texas, at the southwest corner of said 5.964 acre tract;

THENCE:

Departing the north right-of-way line of said Six Creeks Boulevard, along and with the west line of said 5.964 acre tract, the following bearings and distances:

N 13°53'54" W, a distance of 59.16 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of 10°32'17", a chord bearing and distance of N 08°01'54" W, 45.92 feet, for an arc length of 45.98 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 02°45'46" W, a distance of 49.39 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of 10°32'17", a chord bearing and distance of N 08"01'54" W, 45.92 feet, for an arc length of 45.98 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 13\*18'02" W, a distance of 373.81 feet to the POINT OF BEGINNING of the herein described tract;

THENCE:

Continuing along and with the west line of said 5.964 acre tract, the following bearings and distances:

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N 13°18'02" W, a distance of 213.02 feet to a found  $\mbox{\it 12}$  iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 1740.00 feet, a central angle of 29°04'49", a chord bearing and distance of N 01°14'22" E, 873.68 feet, for an arc length of 883.13 feet to a found ½" iron rod with a yellow cap marked "Pape-Dawson";

N 15°46'46" E, a distance of 108.59 feet to a set %" iron rod with yellow cap stamped "Pape-Dawson";

THENCE:

S 74°13'14" E, over and across said 5.964 acre tract, a distance of 80.00 feet to a point on the east line of said 5.964 acre tract and a west line of said 93.991 acre tract;

THENCE:

Departing the east line of said 5.964 acre tract, over and across said 93.991 acre tract, the following bearings and distances:

Northeasterly, along a non-tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 60°46'46" E, 21.21 feet, for an arc length of 23.56 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 74°13'14" E, a distance of 267.55 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 15°46'46" W, a distance of 125.00 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 74°13'14" E, a distance of 136.10 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 475.00 feet, a central angle of 02°54'41", a chord bearing and distance of N 35°15'21" E, 24.13 feet, for an arc length of 24.14 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 56°11'59" E, a distance of 50.00 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S  $69^{\circ}43'59''$  E, a distance of 54.75 feet to a set %'' iron rod with yellow cap stamped "Pape-Dawson";



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S 75°08'32" E, a distance of 217.66 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 88°47'34" E, a distance of 195.49 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson":

Northeasterly, along a non-tangent curve to the left, said curve having a radius of 275.00 feet, a central angle of 12°53'16", a chord bearing and distance of N 07°29'35" E, 61.73 feet, for an arc length of 61.86 feet to a set  $\frac{1}{2}$ " iron rod with yellow cap stamped "Pape-Dawson";

S 88°57'03" E, a distance of 285.47 feet to a point on the northwest line of a 4.870 acre tract recorded in Volume 5358, Page 588 of the Official Public Records of Hays County, Texas;

THENCE: S 40°24'12" W, along and with the northwest line of said 4.870 acre tract, at a distance of

34.98 feet, passing the west corner of said 4.870 acre tract, the north corner of a 1.259 acre tract recorded in Document No. 18015398 of the Official Public Records of Hays County, Texas, and continuing for a total distance of 165.95 feet to a point for the west corner of said 1.259 acre tract, from which a found ½" iron rod with cap stamped "RPLS 4341" bears N 40°24'12" E, 2.24 feet and from which a found ½" iron rod with cap

stamped "RPLS 4341" bears S 50°22'34" E, 2.24 feet;

THENCE: S 50°22'34" E, along and with a southwest line of said 1.259 acre tract, a distance of

256.13 feet to a cedar post;

THENCE: N 40°11'13" E, along and with a southeast line of said 1.259 acre tract, a distance of 43.39

feet to a cedar post;

THENCE: S 52°36'14" E, along and with a southwest line of said 1.259 acre tract, a distance of 85.70

feet to a found ½" iron rod for the southeast corner of said 1.259 acre tract, the west corner of a 0.72 acre tract recorded in Volume 4689, Page 364 of the Official Public

Records of Hays County, Texas;

THENCE: S 51"46'44" E, along and with the east line of said 0.72 acre tract, a distance of 159.05

feet to a set 1/2" iron rod with yellow cap stamped "Pape-Dawson";

THENCE: N 43°45'16" E, along and with the east line of said 0.72 acre tract, a distance of 92.40 feet

to a found 1/2" iron rod;



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THENCE: S 78°19'50" E, along and with the south line of said 0.72 acre tract, a distance of 101.35

feet to a found 1/2" iron rod with cap stamped "RPLS 4341" on the west right-of-way line

of Old Stagecoach Road, a variable width right-of-way;

THENCE: S 16°18'42" E, along and with the west right-of-way line of said Old Stagecoach Road, a

distance of 182.48 feet to the intersection of Six Creeks Boulevard, dedicated in

Document No. 18037331 of the Plat Records of Hays County, Texas;

THENCE: Along and with the northwest right-of-way line of said Six Creeks Boulevard the following

bearings and distances:

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 480.00 feet, a central angle of 35°08'55", a chord bearing and distance of \$ 47°04'30" W, 289.87 feet, for an arc length of 294.46 feet to a found ½" iron rod with cap stamped

"AST";

S 64°38'57" W, a distance of 388.58 feet to a found 1/2" iron rod with cap stamped "AST";

Southwesterly, along a tangent curve to the left, said curve having a radius of 735.00 feet, a central angle of 14°30'01", a chord bearing and distance of S 57°23'57" W, 185.52 feet, for an arc length of 186.01 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 50°08'56" W, a distance of 33.57 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 30.00 feet, a central angle of 95°40'18", a chord bearing and distance of N 82°00'55" W, 44.47 feet, for an arc length of 50.09 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

N 34\*10'46" W, a distance of 21.39 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

THENCE: Departing the northwest right-of-way line of said Six Creeks Boulevard, over and across said 93.991 acre tract the following bearings and distances:

N 55°49'14" E, a distance of 147.36 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

N 48°58'42" W, a distance of 424.26 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson":



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Northeasterly, along a non-tangent curve to the left, said curve having a radius of 525.00 feet, a central angle of 11°32'58", a chord bearing and distance of N 40°21'37" E, 105.65 feet, for an arc length of 105.83 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

Northeasterly, along a reverse curve to the right, said curve having a radius of 15.00 feet, a central angle of 85°45'07", a chord bearing and distance of N 77°27'42" E, 20.41 feet, for an arc length of 22.45 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

N 30°20'16" E, a distance of 50.00 feet to a set  $\frac{1}{2}$ " iron rod with yellow cap stamped "Pape-Dawson";

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 85°45'07", a chord bearing and distance of N 16°47'11" W, 20.41 feet, for an arc length of 22.45 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

Northeasterly, along a reverse curve to the left, said curve having a radius of 525.00 feet, a central angle of 09°22'23", a chord bearing and distance of N 21°24'11" E, 85.79 feet, for an arc length of 85.89 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

N 73°17'00" W, a distance of 50.00 feet to a set  $\frac{1}{2}$ " iron rod with yellow cap stamped "Pape-Dawson";

N 73°07'09" W, a distance of 129.83 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson":

S 21°51'23" W, a distance of 60.65 feet to a set  $\frac{1}{2}$ " iron rod with yellow cap stamped "Pape-Dawson";

S 37°16'24" W, a distance of 131.69 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 49°11'17" W, a distance of 63.01 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 53°53'54" W, a distance of 195.00 feet to a set 1/4" iron rod with yellow cap stamped "Pape-Dawson";



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S 60°06'13" W, a distance of 59.45 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 72°15'35" W, a distance of 70.52 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 76°42'05" W, a distance of 73.21 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 13°18'02" E, a distance of 109.02 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

S 76\*41'58" W, a distance of 50.00 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of  $90^{\circ}00'00''$ , a chord bearing and distance of S  $31^{\circ}41'58''$  W, 21.21 feet, for an arc length of 23.56 feet to a set  $\frac{1}{2}$ " iron rod with yellow cap stamped "Pape-Dawson";

S 76\*41'58" W, a distance of 123.00 feet to a set ½" iron rod with yellow cap stamped "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 15.00 feet, a central angle of 90°00'00", a chord bearing and distance of N 58\*18'02" W, 21.21 feet, for an arc length of 23.56 feet to a point on a west line of said 93.991 acre tract and the east line of said 5.964 acre tract;

THENCE:

S 76\*41'58" W, departing a west line of said 93.991 acre tract, over and across said 5.964 acre tract, a distance of 80.00 feet to the POINT OF BEGINNING and containing 29.050 acres partially in the City of Kyle, Bexar County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-52 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.

DATE: May 31, 2022 JOB NO. 8141-52

DOC. ID. N:\CIVIL\8141-52\WORD\8141-52 FN 29.420 AC.docx

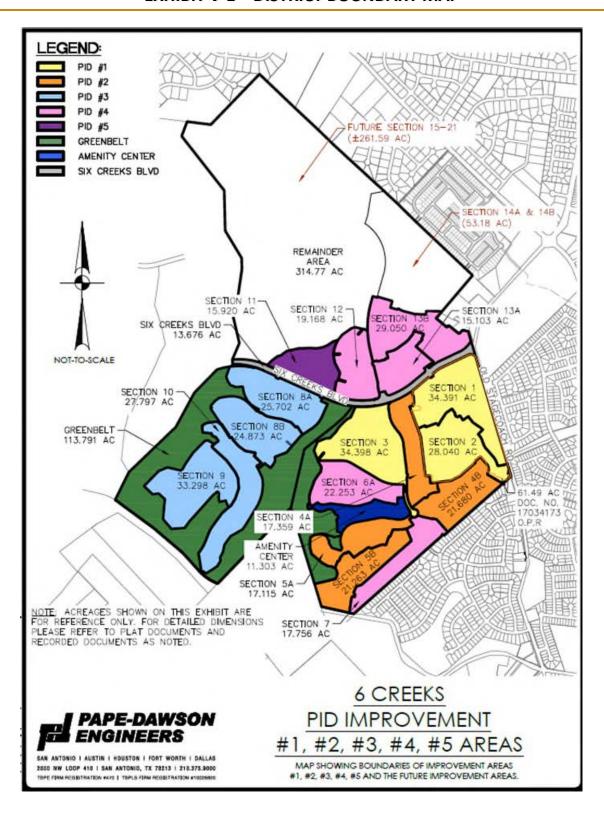




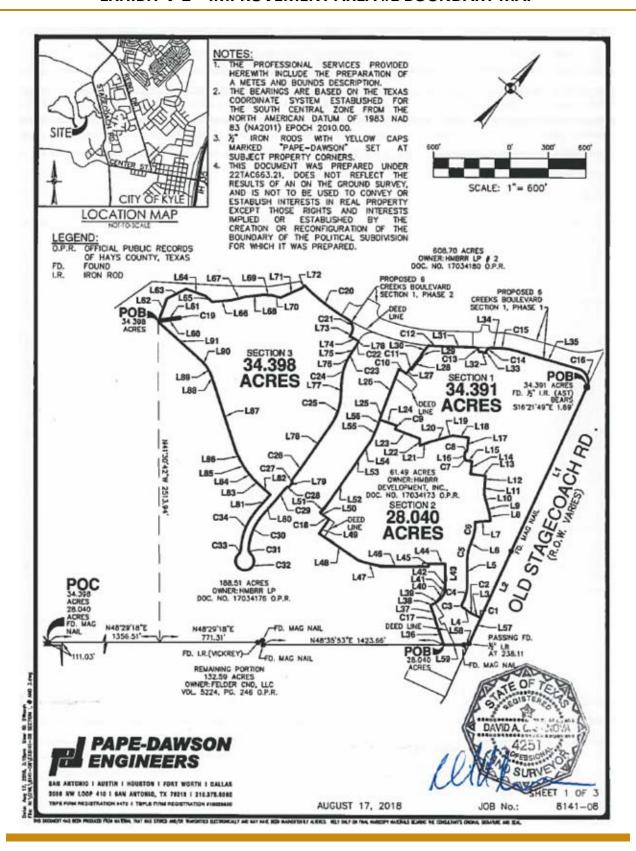
# **EXHIBIT U-10 – IMPROVEMENT AREA #5 LEGAL DESCRIPTION**

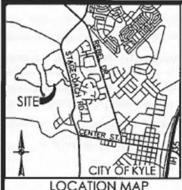
[DEVELOPER TO PROVIDE]

### **EXHIBIT V-1 – DISTRICT BOUNDARY MAP**



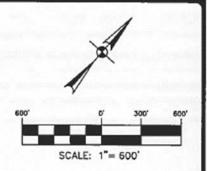
### EXHIBIT V-2 – IMPROVEMENT AREA #1 BOUNDARY MAP





LEGEND:

O.P.R. OFFICIAL PUBLIC RECORDS
OF HAYS COUNTY, TEXAS
FD. FOUND
I.R. IRON ROD



LOCATION MAP

	UNE TABLE	:
LINE	BEARING	LENGTH
L1	S16"21'49"E	1423.43
L2	S16'46'59"E	559.73
L3	S7371'07"W	43.79
L4	S83'45'26"W	59.00'
L5	N41'24'07"W	182.22
L6	N20'25'27"W	68.68
L7	N4510'23"E	120.09
LB	N49°03'14"W	64.36
L9	N56'13'41"W	57.67
L10	N5670'39"W	95.45
L11	N38'25'46"W	91.92
L12	N3410'46"W	50.00
L13	S55'49'14"W	120.00
L14	N3410'46"W	100.00
L15	S55'49'14"W	50.00
L16	N3470'46"W	50.00
L17	N34"10"46"W	100.00
L18	S55'49'14"W	127.69
L19	S35'10'02"W	42.81
L20	S33'02'18"W	151.46
L21	S26'43'21"W	74.14
L22	N45'35'23"W	55.21'
L23	S69'43'34"W	202.47
L24	S67'02'44"W	142.32
L25	N22'06'03"W	60.01

	LINE TABLE				LINE TABLE	
LINE	BEARING	LENGTH	1	LINE	BEARING	LENGTH
L26	N19*59'52*W	365.06		L51	N02'50'19"W	50.00*
L27	N03'23'28"W	50.03		L52	N06'41'24"W	438.42
L28	N0313'26"W	133.36	1	L53	N06'41'24"W	50.00
L29	N64'50'45"W	15.48	ı	L54	N06'41'24"W	161.57
L30	N03'23'28"W	88.67*		L55	N17'22'23"W	115.59
L31	N50"08"56"€	260.13	ı	L56	N22'04'53"W	56.05
L32	N56'23'10"E	60.01		L57	\$16"46"59"E	238.92
L33	N3410'46"W	11.96'		L58	S36'01'08"W	42.61
L34	N50"08"56"E	51.45		L59	S48'35'53"W	159.68'
L35	N64'38'57"E	515.04		L60	N40'08'34"E	176.64
L36	N59'52'52"W	211.37	1	L61	S40'08'34"W	166.50
L37	N60'20'29"W	115.00		L62	N21°04'28"W	177.56'
L38	N22"50'13"E	43.95		L63	N21'52'32"E	170.23
L39	N09"11"38"E	43.95		L64	N68"18"00"E	164.26
L40	N03'37'26"W	41.26	ŀ	L65	\$89"38"05"E	70.00
L41	N21'09'38"W	45.64		L66	N43"11"52"E	156.28'
L42	N41'24'07"W	51.61*		L67	N3418'30"E	110.00
L43	S41'24'07"E	150.00		L68	N43"12'35"E	140.48
L44	S48'35'53"W	130.00	l	L69	N51'41'58"E	72.36
L45	S41'24'07"E	20.00	l	L70	N64"27"27"E	63.77
L46	S48'35'53"W	380.33'	ı	L71	N24'37'09"E	185.86
L47	S63'07'22*W	179.85		L72	N04'30'09"E	29.28
L48	S83'18'36"W	373.56		L73	\$1378'02"E	25.78
L49	N06'41'24"W	135.26		L74	N76'41'58"E	80.00
L50	S87'09'41"W	35.21		L75	S07'37'47"E	67.78*

	LINE TABLE								
LINE	BEARING	LENGTH							
L76	S1317'25"E	10.24							
L77	S38'07'47'E	98.19							
L78	\$1318'02*E	8.58'							
L78	S06'41'24"E	364.55							
L79	S02'50'19"E	50.00							
L80	S00"28"54"W	137.29							
L81	N00'28'22"E	149.14							
L82	N89'44'49"W	100.61*							
L83	N87*36'04*W	83.98'							
L84	N8015'00"W	83.98							
L85	N72"53'56"W	83.98							
L86	N66'01'03"W	84.03							
L87	N5974'33"W	575.03							
L88	N60'29'27"W	66.99							
L89	N71"07'00"W	63.44							
L90	N83*27'43*W	63.44							
L91	N89"38"05"W	453.82							



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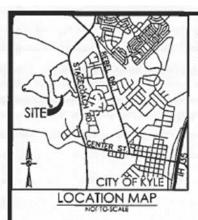
AUGUST 17, 2018

SHEET 2 OF 3

JOB No.:

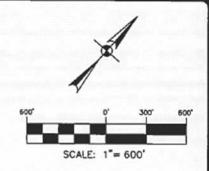
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LEGEND:

O.P.R. OFFICIAL PUBLIC RECORDS
OF HAYS COUNTY, TEXAS
FD. FOUND
I.R. IRON ROD



		CUF	RVE TABLE					CUR	VE TABLE		
CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH	CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	15.00'	89'58'06"	S2872'04"W	21.21	23.55'	C18	1025.00	2'33'53"	\$85*52'45*W	45.88	45.88
C2	275.00°	10'34'19"	S78'28'16"W	50.67	50.74	C19	60.00	14"28"39"	N57'05'46"W	15.12	15.16'
C3	15.00"	83'42'30"	N54'23'19"W	20.02	21.91	C20	1560.00	15'36'05"	N86*50'20"E	423.47	424.78
C4	350.00	28'52'03"	N26'58'06"W	174.48	176.34	C21	85.00	87'39'40"	\$57'07'52"E	117.73	130.05
C5	275.00	20'58'41"	N30'54'47"W	100.13	100.69	C22	386.50	5*40'15*	S10'27'55"E	38.24	38.25
C6	325.00	24"24"10"	N32'37'32"W	137.38	138.42	C23	363.50	5'39'38"	\$10'27'36"E	35.90	35.91
C7	15.00°	90,00,00,	N79"10'46"W	21.21	23.56	C24	450.54	26'42'29"	S25"43"15"E	208.12	210.02
C8	15.00*	90.00,00	N10'49'14"E	21.21	23.56'	C25	430.00	31'26'23"	S22"24"36"E	233.00	235.95
C9	775.00	219'30"	N21'26'11"W	31.45	31.45	C26	3030.00	3'05'56"	S05'08'26"E	163.86	163.88
C10	350.00'	11'10'10"	N79'03'09"E	68.12	68.23'	C27	15.00	89"14"50"	S4812'54"E	21.07	23.36
C11	400.00'	1'53'32"	N85'49'48"E	13.21	13.21	C28	15.00'	89"14"50"	S42'32"16"W	21.07*	23.36
C12	1560.00	3'58'00"	N52'07'56"E	107.98	108.00*	C29	3030.00	2'34'04"	500'48'07"E	135.78	135.79
C13	30.00	94'37'43"	S82'32'11"E	44.11	49.55'	C30	470.00	35'42'17"	S17"22'14"E	288.17	292.89
C14	30.00	84'19'42"	N07"59"05"E	40.28	44.15	C31	65.00	52"43"35"	S61'35'10"E	57.73	59.82
C15	615.00	14'30'01"	N57"23"57"E	155.23	155.64	C32	72.00	271'38'52"	S47'52'29"W	100.35	341.36
C16	100.00	98"59"13"	S65'51'26"E	152.07	172.76	C33	65.00	41'07'54"	N16'52'02"W	45.67	46.66
C17	300.00	0'27'37"	N29"53"20"E	2.41	2.41'	C34	530.00	37'54'54"	N18'28'32"W	344.36	350.72



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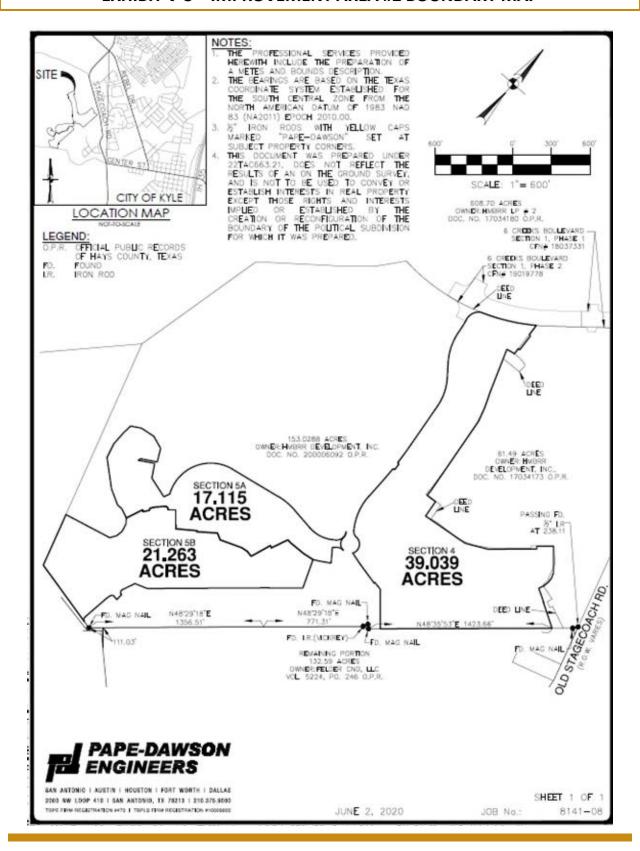
SAN ANTONIO I AUSTIN I HOUSTON I FORT WORTH I DALLAS 2000 NW LOOP 410 I SAN ANTONIO, TX 78213 I 210.375.9000 TRPE FIRM REGISTRATION #470 & TRPLE FIRM REGISTRATION #10628

AUGUST 17, 2018

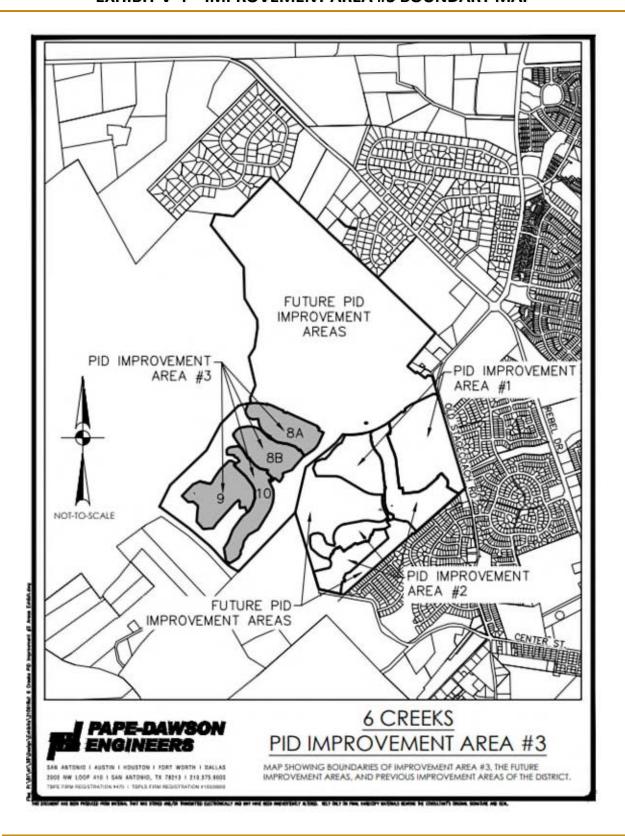
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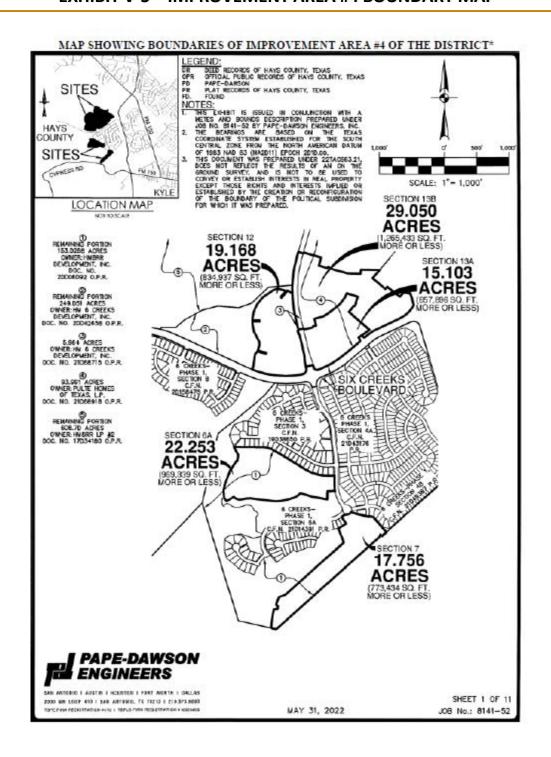
### **EXHIBIT V-3 – IMPROVEMENT AREA #2 BOUNDARY MAP**



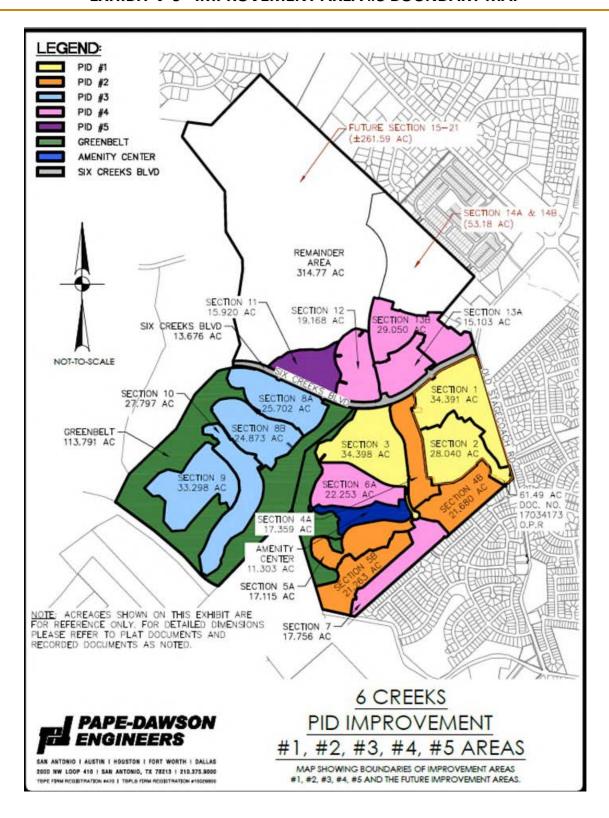
# **EXHIBIT V-4 – IMPROVEMENT AREA #3 BOUNDARY MAP**



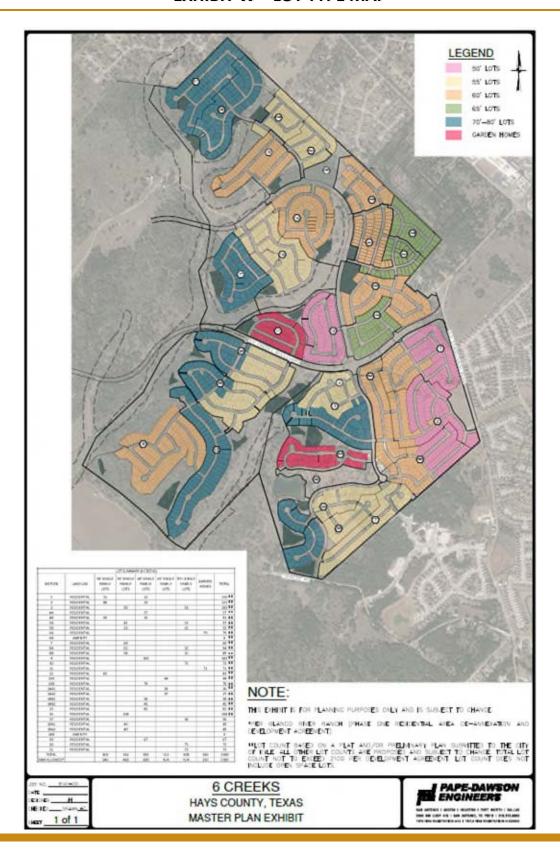
#### EXHIBIT V-5 – IMPROVEMENT AREA #4 BOUNDARY MAP



### **EXHIBIT V-6 - IMPROVEMENT AREA #5 BOUNDARY MAP**



## **EXHIBIT W - LOT TYPE MAP**



# **EXHIBIT X – ESTIMATED BUILDOUT VALUE**

									Per Lot Type		
						Ass	sessment per	A	verage Annual		
Lot Size	Lot Type	Но	me Price	# Lots <sup>1</sup>	Total Value		Lot	Ins	tallment Per Lot	E	quivalent Tax Rate
				lm	provement Area	#1					
Section 1 - 50'	1	\$	300,000	71	21,300,000	\$	27,767.94	\$	2,249.60	\$	0.7531
Section 2 - 50'	1	\$	300,000	88	26,400,000	\$	27,767.94	\$	2,249.60	\$	0.7531
Section 3 - 55'	2	\$	330,000	50	16,500,000	\$	30,666.42	\$	2,484.42	\$	0.7561
Section 1 - 60'	3	\$	375,000	37	13,875,000	\$	34,709.92	\$	2,812.00	\$	0.7531
Section 2 - 60'	3	\$	375,000	33	12,375,000	\$	34,709.92	\$	2,812.00	\$	0.7531
Section 3 - 70'	4	\$	450,000	52	23,400,000	\$	41,817.85	\$	3,387.85	\$	0.7561
Improver	Improvement Area #1 Total					\$1	0,552,646.27	\$	854,916.31	\$	0.7540

#### Notes

<sup>&</sup>lt;sup>1</sup>Does not include 2 fully prepaid Lot Type 1 lots and 1 fully prepaid Lot Type 4 lot.

										Per Lot Type	
							Asse	essment per	А	verage Annual	
	Lot Size	Lot Type	Н	ome Price	# Lots	Total Value		Lot	Ins	tallment Per Lot	Equivalent Tax Rate
					lm	provement Area	#2				
50'		5	\$	300,000	59	\$ 17,700,000	\$	31,425.79	\$	2,427.95	\$ 0.8093
55'		6	\$	330,000	75	\$ 24,750,000	\$	34,568.37	\$	2,670.74	\$ 0.8093
60'		7	\$	375,000	89	\$ 33,375,000	\$	39,282.24	\$	3,034.94	\$ 0.8093
70'		8	\$	450,000	37	\$ 16,650,000	\$	47,138.69	\$	3,641.92	\$ 0.8093
	Improvement A	Area #2 Tota	ıl		260	\$ 92,475,000	\$	9,687,000	\$	748,415.11	\$ 0.8093

_										Per Lot Type		
							Ass	sessment per	A	verage Annual		
	Lot Size	Lot Type	Н	me Price	# Lots	Total Value		Lot	Ins	tallment Per Lot	E	quivalent Tax Rate
					lm	provement Area	#3					
55'		9	\$	441,000	122	\$ 53,802,000	\$	38,114.85	\$	2,946.72	\$	0.6682
60'		10	\$	479,500	102	\$ 48,909,000	\$	41,442.33	\$	3,203.98	\$	0.6682
70'		11	\$	620,000	133	\$ 82,460,000	\$	53,585.50	\$	4,142.78	\$	0.6682
	Improvement Area #3 Total				357	\$185,171,000	\$	16,004,000	\$	1,237,295.83	\$	0.6682

,								Per Lot Type	
					As	sessment per	ļ	Average Annual	
Lo	t Size Lot Type	Home Price	# Lots	Total Value		Lot	Ins	stallment Per Lot	Equivalent Tax Rate
			lm	provement Area	#4				
Garden	12	500,000	79	\$ 39,500,000	\$	32,911.39	\$	2,750.49	\$ 0.5501
55'	13	550,000	69	\$ 37,950,000	\$	38,811.59	\$	3,232.77	\$ 0.5878
60'	14	600,000	79	\$ 47,400,000	\$	71,415.79	\$	5,833.05	\$ 0.9722
65'	15	650,000	44	\$ 28,600,000	\$	77,367.11	\$	6,319.14	\$ 0.9722
50'	16	525,000	83	\$ 43,575,000	\$	34,349.40	\$	2,871.26	\$ 0.5469
	Improvement Area #4 Tota	al	354	\$197,025,000	\$	17,175,000	\$	1,360,459.64	\$ 0.7033

								Per Lot Type		
						Assessment p	er <i>l</i>	Average Annual		
	Lot Size	Lot Type	Home Price	# Lots	Total Value	Lot	ln:	stallment Per Lot	E	quivalent Tax Rate
				lm	provement Area	a #5				
Garden		17	475,000	71	\$ 33,725,000	\$ 50,760.5	6 \$	4,633.17	\$	0.9754
	Improvement A	Area #5 Tota	71	\$ 33,725,000	\$ 3,604,00	00 \$	328,954.79	\$	0.9754	

# **EXHIBIT Y – REMAINDER AREA ANNUAL INSTALLMENT SCHEDULE**

	Ro	emainder Area Re	imbursement Obligation	on
<b>Annual Installment</b>			Annual Collection	Total Annual
Due	Principal	Interest	Costs	Installment
1/31/2025	-	-	-	-
1/31/2026	-	-	-	-
1/31/2027	-	-	-	-
1/31/2028	-	-	-	-
1/31/2029	-	-	-	-
1/31/2030	-	-	-	-
1/31/2031	-	-	-	-
1/31/2032	-	-	-	-
1/31/2033	-	-	-	-
1/31/2034	-	-	-	-
1/31/2035	-	-	-	-
1/31/2036	-	-	-	-
1/31/2037	2,968,189.66	-	-	2,968,189.66
Total	\$ 2,968,189.66	\$ -	\$ -	\$ 2,968,189.66

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 Z – REMAINDER AREA ASSESSMENT ROLL**

Property ID [a] [b]	Lot Type	Remainder Area Outstanding Assessment	Annual Installment due 1/31/2025
156316	Remainder Area Initial Parcel	\$ 441,366.19	\$ -
156317	Remainder Area Initial Parcel	\$ 2,493,686.65	\$ -
16899	Remainder Area Initial Parcel	\$ 33,136.81	\$ -
Remainder Area Total		\$ 2,968,189.66	\$ -

#### Notes:

<sup>[</sup>a] Property IDs within the District still to be finalized with Hays Central Appraisal District.

<sup>[</sup>b] Until a plat has been recorded within the Remainder Area Initial Parcel, the Remainder Area Annual Installment will be allocated to each property ID within the Remainder Area Initial Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

# APPENDIX D

## FORM OF OPINION OF BOND COUNSEL



February 27, 2025



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

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

DRAFT

IN REGARD to the authorization and issuance of the "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)" (the "Bonds"), dated February 27, 2025, in the principal amount of \$\_\_\_,\_\_\_, we have examined the legality and validity of the issuance thereof by the City of Kyle, Texas (the "City") solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature, unless redeemed prior to maturity in accordance with the terms stated on the Bonds, on September 1 in each of the years specified in the Bonds, all in accordance with the Indenture of Trust (the "Indenture"), dated as of February 1, 2025, between the City and BOKF, NA, as trustee (the "Trustee), approved by the City Council of the City pursuant to an ordinance (the "Ordinance") adopted by the City Council of the City on February 4, 2025 authorizing the issuance of the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

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

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

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

Page 2 of Legal Opinion of Norton Rose Fulbright US LLP

Re: City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)

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

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

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

Norton Rose Fulbright US LLP

### APPENDIX E-1

### FORM OF DISCLOSURE AGREEMENT OF THE ISSUER



# CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (6 CREEKS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #5 PROJECT)

### CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of February 1, 2025 (this "Disclosure Agreement") is executed and delivered by and between the City of Kyle, Texas (the "Issuer"), P3Works, LLC (the "Administrator") and BOKF, NA, Houston, Texas, acting solely in its capacity of dissemination agent (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)" (the "Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. <u>Definitions</u>. In addition to the definitions set forth above and in the Indenture of Trust, dated as of February 1, 2025, 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:

"2025 Amended and Restated Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall mean the Issuer or the person or independent firm designated by the Issuer who shall have the responsibility provided in the 2025 Amended and Restated Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

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

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

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

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

"Bond" or "Bonds" shall mean those certain "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project) that are secured by the Trust Estate, consisting primarily of actual revenues received by or on behalf of the Issuer from the collection of Improvement Area #5 Assessments levied against Assessed Property, or the Annual Installments thereof, for the Improvement Area #5 Projects.

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close.

"Designated Successors and Assigns" shall mean (i) an entity to which Developer assigns (in writing) its rights and obligations contained in the Financing Agreement, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Developer.

"Developer" shall mean, with respect to Improvement Area #5, HM 6 Creeks Development and/or its Designated Successors and Assigns.

"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of the Developer dated as of February 1, 2025, executed and delivered by the Developer, P3Works, LLC, as Administrator and the Dissemination Agent.

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

"Dissemination Agent" shall mean BOKF, NA, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity of dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean 6 Creeks Public Improvement District.

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

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Financing Agreement" means that certain "Blanco River Ranch Public Improvement District Financing Agreement" between the Issuer, HMBRR Development, and the

Original Landowner Affiliates, dated as of July 18, 2017, which provides, in part, for the issuance of bond and the deposit of proceeds from the issuance and sale of such bonds, including the Bonds Similarly Secured, for the payment of Actual Costs of Authorized Improvements within the District, the reimbursement of Actual Costs to the Landowner and the Original Landowner Affiliates from the proceeds of bonds or assessments for funds advanced by the applicable Landowner or one or more of the Original Landowner Affiliates and used to pay Actual Costs of Authorized Improvements, including the Improvement Area #5 Projects, and other matters related thereto, and as amended by the First Amendment to the 6 Creeks Public Improvement District Financing Agreement, effective on April 16, 2019, as such agreement may be further amended from time to time.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the 12 month period from October 1 through September 30.

"HM 6 Creeks Development" means HM 6 Creeks Development, Inc., a Texas corporation.

"HMBRR Development" means HMBRR Development, Inc., a Texas corporation.

"Improvement Area #5" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #5 Assessment(s)" shall have the meaning assigned to such term in the Indenture.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall mean the registered owner of any Bonds.

"Participating Underwriter" shall mean FMSbonds, Inc. and its successors and assigns.

"Prepayments" shall have the meaning assigned to such term in the Indenture.

"Redemption Price" shall have the meaning assigned to such term in the Indenture.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall mean BOKF, NA, a national banking association duly organized and existing under the laws of the United States or any successor trustee pursuant to the Indenture.

### SECTION 3. <u>Provision of Annual Issuer Reports.</u>

The Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, commencing with the Fiscal Year ending September 30, 2025, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report, if audited financial statements are not available by that date; provided, however, if the audited financial statements are not complete within such period, then the Issuer shall provide unaudited financial statements within such period. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. The Issuer is providing the audited financial statement in connection with the requirements of this Disclosure Agreement and the Rule; notwithstanding such requirements, the Bonds are special obligations of the Issuer and do not give rise to a charge against the general credit or taxing power of the Issuer and are payable solely from the sources identified in the Indenture. If the Issuer's Fiscal Year changes, it shall file notice of such change (and of the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Issuer Report pursuant to this paragraph. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the date specified in Section 4 of this Disclosure Agreement for providing the Annual Issuer Report to the MSRB, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer.

If by the fifth (5th) day before the filing date required under Section 4 of this Disclosure Agreement, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the filing date required under Section 4 of this Disclosure Agreement; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report within the time required under this Disclosure Agreement, state the date by which the Annual Issuer Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than six months after the end of each Fiscal Year; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day of the six month period after the end of the Fiscal Year, provided, however, the Issuer may notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Issuer Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Issuer Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the filing date required under Section 4 of this Disclosure Agreement. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the filing date required under Section 4 of this Disclosure Agreement.

- (b) The Issuer shall or shall cause the Dissemination Agent to:
- (i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a);
- (ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof; and
- (iii) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.
- SECTION 4. <u>Content and Timing of Annual Issuer Reports</u>. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:
- (a) Within six (6) months after the end of each Fiscal Year the Annual Financial Information of the Issuer (any or all of which may be unaudited) being:
  - (i) Tables setting forth the following information, as of the end of such Fiscal Year:
    - (A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the principal amount remaining Outstanding and the interest amount remaining Outstanding;
    - (B) The amounts in the funds and accounts securing the Bonds; and
    - (C) The assets and liabilities of the Trust Estate.
  - (ii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

- (iii) Any changes to the land use designation for the property in Improvement Area #5 from the purposes identified in the 2025 Amended and Restated Service and Assessment Plan.
- (iv) Updates to the information in the 2025 Amended and Restated Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Improvement Area #5 Assessments.
- (v) The aggregate taxable assessed valuation for parcels or lots within Improvement Area #5 based on the most recent certified tax roll available to the Issuer.
- (vi) With respect to single-family residential lots, until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total Improvement Area #5 Assessments levied, the Annual Financial Information (in the SAP Update or otherwise) shall include the following:
  - (A) the number of new homes completed in Improvement Area #5 during such Fiscal Year; and
  - (B) the aggregate number of new homes completed within Improvement Area #5 since filing the initial Annual Issuer Report for the Fiscal Year ended September 30, 2025.
- (vii) Listing of any property or property owners in Improvement Area #5 representing more than five percent (5%) of the levy of Improvement Area #5 Assessments, the amount of the levy of Improvement Area #5 Assessments against such landowners, and the percentage of such Improvement Area #5 Assessments relative to the entire levy of Improvement Area #5 Assessments, all as of the October 1 billing date for the Fiscal Year.
- (viii) Collection and delinquency history of the Improvement Area #5 Assessments for the past five Fiscal Years, in substantially the following format:

#### Collection and Delinquent History of Improvement Area #5 Assessments

	Improvement						Total Improvement
Collected in	Area #5		Delinquent	Delinquent	Delinquent	Delinquent	Area #5
Fiscal Year	Assessment	Parcels	Amount	Percentage	Amount	Percentage	Assessments
Ending 9/30	<u>Billed</u>	Levied	<u>as of 3/1</u>	<u>as of 3/1</u>	<u>as of 9/1</u>	<u>as of 9/1</u>	Collected <sup>(1)</sup>
20							
20							
20							
20							
20							
(1)	Collected as of	. 20	Includes \$	attributable	to Prenayments		

- (ix) For each calendar year, if the total amount of Annual Installments that are delinquent as of September 1 in such calendar year is equal to or greater than ten percent (10%) of the total amount of Annual Installments due in such calendar year, a list of parcel numbers for which the Annual Installments are delinquent.
- (x) Total amount of Prepayments collected, as of February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).
  - (xi) The amount of delinquent Improvement Area #5 Assessments by Fiscal Year:
  - (A) which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);
  - (B) for which foreclosure proceedings have been instituted but have not been concluded:
    - (C) which have been reduced to judgment but not collected;
    - (D) which have been reduced to judgment and collected; and
  - (E) the result of any foreclosure sales of assessed property within Improvement Area #5 if the assessed property sold at a foreclosure sale represents more than five percent (5%) of the total amount of Improvement Area #5 Assessments.
- (xii) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.
- (b) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If such audited financial statements are not complete within the time period specified in subsection 4(a) above, then the Issuer shall provide unaudited financial statements within such period and shall provide audited financial statements for the applicable Fiscal Year when and if the audit report on such statements becomes available.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. The Issuer has designated P3Works, LLC as the Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

### SECTION 5. Reporting of Significant Events.

- (a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:
  - 1. Principal and interest payment delinquencies.
  - 2. Non-payment related defaults, if material.
  - 3. Unscheduled draws on debt service reserves reflecting financial difficulties.
  - 4. Unscheduled draws on credit enhancements reflecting financial difficulties.
  - 5. Substitution of credit or liquidity providers, or their failure to perform.
- 6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
  - 7. Modifications to rights of Owners, if material.
  - 8. Bond calls, if material, and tender offers.
  - 9. Defeasances.
- 10. Release, substitution, or sale of property securing repayment of the bonds, if material.
  - 11. Rating changes.
  - 12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
- 13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- 14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
- 15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
- 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The Issuer does not intend for any sale by the Developer of real property within Improvement Area #5 in the ordinary course of the Developer's business to be considered a significant event for the purposes of number 10 above.

Any event described in number 12 above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in numbers 15 and 16 above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Issuer. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to

investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

- (c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is <u>not</u> material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).
- SECTION 6. <u>Termination of Reporting Obligations</u>. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent and the Administrator may assume that the Issuer is an obligated person with respect to the Bonds until it receives written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).
- SECTION 7. <u>Dissemination Agent</u>. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be BOKF, NA. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer.
- SECTION 8. <u>Amendment; Waiver</u>. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:
- (a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 9. <u>Additional Information</u>. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 10. <u>Default</u>. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Bonds may, and the Trustee (at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

### SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitations the Annual Issuer Report) prepared by the Issuer pursuant to this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #5, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent shall not be responsible for the Issuer's failure to submit a complete Annual Issuer Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) Except as otherwise provided herein, the Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Annual Collection Costs collected from the property owners in Improvement Area #5, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as

and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

- (c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY OTHER PARTY TO THIS DISCLOSURE AGREEMENT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.
- SECTION 12. <u>Assessment Timeline</u>. The basic expected timeline for the collection of Improvement Area #5 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #5 Assessments is set forth in <u>Exhibit C</u> which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #5 Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.
- SECTION 13. <u>No Personal Liability</u>. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.
- SECTION 14. <u>Severability</u>. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for

its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

- SECTION 15. <u>Sovereign Immunity</u>. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.
- SECTION 16. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.
- SECTION 17. <u>Dissemination Agent and Administrator Compensation</u>. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the 2025 Amended and Restated Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #5, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.
- SECTION 18. <u>Statutory Verifications</u>. The Dissemination Agent and the Administrator, each respectively, make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.
- (a) Not a Sanctioned Company. The Dissemination Agent and the Administrator, each respectively, represent that neither the Dissemination Agent, the Administrator, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent or the Administrator, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

- (b) No Boycott of Israel. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
- (c) <u>No Discrimination Against Firearm Entities</u>. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.
- (d) No Boycott of Energy Companies. The Dissemination Agent and the Administrator, each respectively, hereby verify that the Dissemination Agent, the Administrator and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent and the Administrator, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.
- SECTION 19. <u>Disclosure of Interested Parties</u>. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.
- SECTION 20. <u>Governing Law and Venue</u>. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Hays County, Texas.
- SECTION 21. <u>Counterparts</u>. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(Signature pages follow)

# By: \_\_\_\_\_\_City Manager

BOK	KF, NA
(as I	Dissemination Agent)
By:	
-	Authorized Officer

(as Ad	ministrator)	
By:		
<i>Dy</i>	Authorized Officer	

P3WORKS, LLC

### **EXHIBIT A**

## NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT

Name of Issuer:	City of Kyle, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2025
	(6 Creeks Public Improvement District Improvement Area #5
CITICID 11	Project)(the "Bonds")
CUSIP Nos.:	[insert CUSIP Numbers]
Date of Delivery:	, 20
	EBY GIVEN that the City of Kyle, Texas (the "Issuer"), has not provided
	[annual audited financial statements] with respect to the above-named
	Continuing Disclosure Agreement of Issuer dated as of February 1, 2025,
	Vorks, LLC, as "Administrator" and BOKF, NA, as "Dissemination
=	nticipates that [the Annual Issuer Report][annual audited financial
statements] will be filed b	·y·
Dated:	
	BOKF, NA
	on behalf of the City of Kyle, Texas
	(as Dissemination Agent)
	Rve
	By:
	Title:

cc: City of Kyle, Texas

### **EXHIBIT B**

# CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (6 CREEKS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #5 PROJECT)

			IMPRO	V EI	MENT A	KEA #	5 PKOJ	IECT)		
			AN	INU	JAL ISS	UER RI	EPORT	*		
Del	ivery Date:	_	,	20_	_					
CU	SIP Nos.:	Nos.: [insert CUSIP Numbers]								
DIS	SEMINATIO	N A(	GENT							
City Tele	lress:		OKF, NA							
Sec	tion 4(a)(i)(A)	)	В	ON	DS OUT	<b>FSTAN</b> I	DING			
-	CUSIP Number	1	Maturity Date	]	Interest Rate	Orig Princ Amo	cipal	Outstar Princi Amo	pal	Outstanding Interest Amount
Sec	tion 4(a)(i)(B)				INVEST	MENT	S			
	Fund/ Account Name		Investmen Description		Par V	/alue	Book	Value	Ma	arket Value

<sup>\*</sup>Excluding Audited Financial Statements of the Issuer

### Section 4(a)(i)(C)

### ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE **ASSETS** Bond Proceed Balance, if any Funds and Accounts [list] **TOTAL ASSETS LIABILITIES Outstanding Bond Principal** Outstanding Expenses (if any) TOTAL LIABILITIES **EQUITY** Assets Less Liabilities **OUTSTANDING IMPROVEMENT** AREA #5 ASSESSMENTS Form of Accounting Accrual Modified Accrual Cash

ITEMS REQUIRED BY SECTIONS 4(a)(ii) – (vii) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO THE CITY OF KYLE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (6 CREEKS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #5 PROJECT)

Unaudited

Audited

[Insert a line item for each applicable listing]

SECTION 4(a)(viii) COLLECTION AND DELINQUENCY HISTORY OF THE IMPROVEMENT AREA #5 ASSESSMENTS FOR THE PAST FIVE FISCAL YEARS, IN THE FOLLOWING FORMAT:

### Collection and Delinquent History of Improvement Area #5 Assessments

Collected in Fiscal Year Ending 9/30	Improvement Area #5 Assessment Billed	Parcels <u>Levied</u>	Delinquent Amount as of 3/1	Delinquent Percentage as of 3/1	Delinquent Amount as of 9/1	Delinquent Percentage as of 9/1	Total Improvement Area #5 Assessments Collected(1)
20							
20							
20							
20							
20							\$
(1)	Collected as o	f	. 20 Includes \$	attribu	table to Prepaymer	nts	

ITEMS REQUIRED BY SECTIONS 4(a)(ix) – (xii) OF THE CONTINUING DISCLOSURE AGREEMENT OF ISSUER RELATING TO THE CITY OF KYLE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (6 CREEKS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #5 PROJECT)

[Insert a line item for each applicable listing]

### **EXHIBIT C**

### BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES<sup>1</sup>

Date	Delinquency Clock (Days)	Activity
January 31	Clock (Days)	Annual Installments of Improvement Area #5 Assessments are due.
February 1	1	Annual Installments of Improvement Area #5 Assessments Delinquent if not received.
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.
		Issuer and/or Administrator should be aware of actual and specific delinquencies.
		Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payments on March 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified in writing.
		Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment.
		Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September.
		At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Annual Installments of Improvement Area #5 Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the

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<sup>&</sup>lt;sup>1</sup> Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Improvement Area #5 Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Hays County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure.

If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties.

Trustee pays bond interest payments to Owners.

Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate.

Issuer, or the Trustee, on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw on the Reserve Fund for debt service.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

Issuer determines whether or not any Annual Installments of **Improvement** Area Assessments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments **Improvement** of Area #5 Assessments.

If any property owner with ownership of property responsible for more than \$10,000 of the Annual Installments of Improvement Area #5 Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Annual Installments of Improvement Area #5 Assessments.

March 1 29/30

March 20 48/49

April 15	74/75	Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity.
		If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.
May 1	90/91	If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
May 15	104/105	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 121/122).
June 15	135/136	Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.
July 1	151/152	Foreclosure action to be filed with the court.
		If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the City Manager, Assistant City Manager or the Director of Finance to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day 30 if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Improvement Area #5 Assessments.



### APPENDIX E-2

### FORM OF DISCLOSURE AGREEMENT OF THE DEVELOPER



# CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (6 CREEKS PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #5 PROJECT)

### CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of February 1, 2025 (this "Disclosure Agreement") is executed and delivered by and among HM 6 Creeks Development, Inc., a Texas corporation (the "Developer"), P3Works, LLC (the "Administrator"), and BOKF, NA, acting solely in the capacity of dissemination agent (the "Dissemination Agent") with respect to the "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project)" (the "Bonds"). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. <u>Definitions</u>. In addition to the definitions set forth above and in the Indenture of Trust, dated as of February 1, 2025, 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:

"2025 Amended and Restated Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall mean the Issuer or the person or independent firm designated by the City who shall have the responsibility provided in the 2025 Amended and Restated Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. The Issuer has selected P3Works, LLC as the current Administrator.

"Affiliate" shall mean an entity that owns property within the District and is controlled by, controls, or is under common control with the Developer, including any Homebuilder.

"Agreement of Sale and Purchase" shall mean, with respect to lots or land within Improvement Area #5 of the District, any agreement of sale and purchase between a Homebuilder and a Developer to purchase lots or to purchase land.

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

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

"Annual Service Plan Update" mean the annual review and update of the 2025 Amended and Restated Service and Assessment Plan required by the PID Act and the 2025 Amended and Restated Service and Assessment Plan.

"Bond" or "Bonds" shall mean those certain "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District Improvement Area #5 Project) that are secured by the Trust Estate, consisting primarily of actual revenues received by or on behalf of the Issuer from the collection of Improvement Area #5 Assessments levied against Improvement Area #5 Assessed Property, or the Annual Installments thereof, for the Improvement Area #5 Projects.

"Business Day" means any day other than a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close.

"Certification Letter" shall mean a certification letter provided by the Developer or Significant Homebuilder, if any, pursuant to Section 3, in substantially the form attached as Exhibit D.

"Designated Successors and Assigns" shall mean (i) an entity to which Developer or Original Developer Affiliate assigns (in writing) its rights and obligations contained in the Financing Agreement or the Development Agreement, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Developer.

"Developer" shall mean, with respect to Improvement Area #5, HM 6 Creeks Development and/or its Designated Successors and Assigns.

"Developer Listed Event" shall have the meaning set forth in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of the Issuer, dated as of February 1, 2025, executed and delivered by and among the Issuer, the Administrator and the Dissemination Agent.

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

"District" shall mean 6 Creeks Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System available on the internet at <a href="http://emma.msrb.org">http://emma.msrb.org</a>.

"Financing Agreement" means that certain "Blanco River Ranch Public Improvement District Financing Agreement" between the Issuer, HMBRR Development, and the Original Landowner Affiliates, dated as of July 18, 2017, which provides, in part, for the issuance of bond and the deposit of proceeds from the issuance and sale of such bonds, including the Bonds Similarly Secured, for the payment of Actual Costs of Authorized Improvements within the District, the reimbursement of Actual Costs to the Landowner and the Original Landowner Affiliates from the proceeds of bonds or assessments for funds advanced by the applicable Landowner or one or more of the Original Landowner Affiliates and used to pay Actual Costs of Authorized Improvements, including the Improvement Area #5 Projects, and other matters related thereto, and as amended by the First Amendment to the 6 Creeks Public Improvement District Financing Agreement, effective on April 16, 2019, as such agreement may be further amended from time to time.

"Homebuilder(s)" shall mean any merchant homebuilder or affiliate thereof who enters into an Agreement of Sale and Purchase with the Developer, and the successors and assigns of such homebuilder under such Agreement of Sale and Purchase.

"Improvement Area #5" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #5 Assessments" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #5 Projects" shall mean, collectively, the Improvement Area #5 Improvements and Improvement Area #5's allocable share of the Major Improvements.

"Issuer" shall mean the City of Kyle, Texas.

"Listed Events" shall mean any of the events listed in Sections 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.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall have the meaning assigned to such term in the Indenture.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Person" shall mean any legal person, including any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision thereof.

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

- "Private Improvements" shall mean the community center, swimming pool and related improvements to be constructed by or on behalf of the Developer within the District to be owned and/or operated by a homeowners association.
- "Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning June 30, 2025.
- "Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date, being February 15, May 15, August 15, and November 15.
- "Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.
- "Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as <u>Exhibit A</u> hereto.
- "Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilders who have acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.
- "Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.
- "SEC" shall mean the United States Securities and Exchange Commission.
- "Significant Homebuilder" shall mean a Homebuilder, including any affiliates of such Homebuilder, that then owns ten (10) or more lots within Improvement Area #5.
- "Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.
- "Trustee" shall mean BOKF, NA, a national banking association duly organized and existing under the laws of the United States or any successor trustee pursuant to the Indenture.

### SECTION 3. Quarterly Reports.

(a) The Developer, with respect to Improvement Area #5 and all real property in Improvement Area #5 (except as provided in the last sentence of this subsection (a)), and any other Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with June 30, 2025, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain

obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property so transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report.

The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly

Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the Quarterly Information listed in <u>Exhibit A</u> attached hereof.

# SECTION 4. Event Reporting Obligations.

- (a) Pursuant to the provisions of this Section 4, each of the following is a Developer Listed Event with respect to the Bonds:
  - (i) Failure to pay any real property taxes or Improvement Area #5 Assessments levied within Improvement Area #5 on a Parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #5 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section nor a breach or default of this Disclosure Agreement;
  - (ii) Material damage to or destruction of any development or improvements within Improvement Area #5, including the Improvement Area #5 Projects, and the Private Improvements;
  - (iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development, or permanent financing of Improvement Area #5 undertaken by the Developer or any of the Developer's Affiliates;
  - (iv) Material default by the Developer or any of Developer's Affiliates on any loan secured by property within Improvement Area #5 owned by the Developer or any of the Developer's Affiliates;
  - (v) The bankruptcy, insolvency, or similar filing of the Developer or any of the Developer's Affiliates or any determination that the Developer or any of the Developer's Affiliates is unable to pay its debts as they become due;
  - (vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's Affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  - (vii) The filing of any lawsuit with a claim for damages in excess of \$1,000,000 against the Developer or any of the Developer's Affiliates that may adversely affect the completion of development of Improvement Area #5, or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

- (viii) Any material change in the legal structure, chief executive officer, or controlling ownership of the Developer;
- (ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 or 6 herein; and
- (x) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement, if any.
- (b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:
  - (i) Failure to pay any real property taxes or Improvement Area #5 Assessments levied within Improvement Area #5 on a lot or Parcel owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #5 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;
  - (ii) The bankruptcy, insolvency, or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;
  - (iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of such Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  - (iv) Any material change in the type of legal entity, chief executive officer, or controlling ownership of such Significant Homebuilder;
  - (v) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein; and
  - (vi) Early termination of or material default by such Significant Homebuilder under a Purchase Agreement, if any.
- (c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such

notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Significant Homebuilder.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

- (d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.
- (e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsection (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

#### SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person, unless an affiliate of the Developer, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #5 Projects or Private Improvements to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from

each Person, unless an affiliate of the Developer, who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #5 Projects or Private Improvements in substantially the form attached as <a href="Exhibit E">Exhibit E</a> (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the assigned construction of the Improvement Area #5 Projects or Private Improvements. Notwithstanding anything to the contrary elsewhere herein, after such assignment, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement.

# SECTION 6. <u>Assumption of Reporting Obligations by Significant Homebuilders.</u>

If a Homebuilder acquires ownership of real property in Improvement Area #5 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Sections 3 and Section 4(b) hereof, with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 6 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the disclosure obligations, as described in (i) above.

- (b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (a)(i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).
- (c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement.

# SECTION 7. Termination of Reporting Obligations.

- (a) The reporting obligations of the Developer under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when the Developer, including its respective affiliates and/or successors and assigns, no longer owns five percent (5%) or more of the single family residential lots within Improvement Area #5, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Improvement Area #5 Assessed Property owned by the Developer, including its respective affiliates and/or successors and assigns. Notwithstanding the foregoing, if the Developer is reporting on behalf of a Significant Homebuilder, the Developer's reporting obligations, with respect to the property owned by the Significant Homebuilder, terminates in accordance with subsection (b) below.
- (b) The reporting obligations of a Significant Homebuilder that is a Reporting Party, if any, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, (ii) when such Significant Homebuilder, including its respective affiliates and/or successors and assigns, no longer owns five percent (5%) or more of the single family residential lots within Improvement Area #5, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Improvement Area #5 Assessed Property owned by such Significant Homebuilder, including its respective affiliates and/or successors and assigns.
- (c) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) or (b), as applicable, of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.
- (d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b) of this Section 7 and any Termination Notice required by subsection (c) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.
- SECTION 8. <u>Dissemination Agent</u>. The initial Dissemination Agent appointed hereunder shall be BOKF, NA. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of the Issuer, the Issuer has agreed to

provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

- SECTION 9. <u>Amendment; Waiver</u>. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:
- (a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party, or the type of business conducted; and
- (b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).
- (c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.
- SECTION 10. 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. <u>Content of Disclosures</u>. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.
- SECTION 12. <u>Default</u>. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and

upon being indemnified to its satisfaction in accordance with the terms of the Indenture) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this Disclosure Agreement by any other Reporting Party 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.

- The Dissemination Agent shall not have any duty with respect to the content of any (a) disclosures made by a Reporting Party and/or the Administrator pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If any Reporting Party or the Administrator does not provide the information required by Section 3(d) hereof in a timely manner as required by Sections 3(a) or (b) hereof or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Information or Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.
- (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 Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator

and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

- (c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.
- (d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY OTHER REPORTING PARTY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT OR A REPORTING PARTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.
- SECTION 14. <u>No Personal Liability</u>. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.
- SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. <u>Beneficiaries</u>. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. <u>Dissemination Agent Compensation</u>. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #5, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. <u>Administrator Compensation</u>. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #5, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. <u>Governing Law and Venue</u>. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Hays County, Texas.

SECTION 20. <u>Notice.</u> Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer: HM 6 Creeks Development, Inc., a Texas corporation

Attn: Jay Hanna, President 1011 North Lamar Blvd. Austin, TX 78703

E-mail: Jay@JayHanna.com

If to the Dissemination Agent or BOKF, NA

Trustee: 1401 McKinney Street, Suite 1000

Houston, Texas 77010

E-mail: rachel.roy@bankoftexas.com

If to Administrator: P3Works, LLC

9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182 E-mail: admin@p3-works.com

If to the Issuer: City of Kyle, Texas

100 W. Center Street Kyle, Texas 78640

E-mail: pmoheet@cityofkyle.com

If to Participating Underwriter: FMSbonds, Inc.

5 Cowboys Way, Suite 300-25

Frisco, Texas 75034

E-mail: tdavenport@fmsbonds.com

SECTION 21. <u>Counterparts.</u> This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The Developer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

(Signature pages follow.)

BOKF, NA	
as Dissemination Agent)	
By:	
Authorized Officer	

HM 6 CREEKS DEVELOPMENT, INC a Texas corporation, (as Developer)
By:
By:
By:

# P3WORKS, LLC (as Administrator)

By:		
-	Name:	
	Title:	

#### **EXHIBIT A**

# CITY OF KYLE, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (6 CREEKS PUBLIC IMPROVEMENT DISTRICT **IMPROVEMENT AREA #5 PROJECT)**

# **DEVELOPER QUARTERLY REPORT**

	[INSERT QUARTEI	RLY ENDING DATE]
Delivery Date:	, 20	
CUSIP Numbers:	[Insert CUSIP Numbers]	
DISSEMINATION	AGENT	
Name: Address: Email: City: Telephone: Contact Person:	BOKF, NA  I. Unit Mix in In	mprovement Area #5
Pr	oduct Type	Number of Units

#### II. Ownership of Lots/Units in Improvement Area #5

# PLANNED LOTS IN IMPROVEMENT AREA #5: 71

Of the 71 lots in Improvement Area #5:

- 1. Number of lots owned by the Developer: 0
  - a. Number of lots under contract but not closed to Homebuilder(s): 0
- 2. Number of lots owned by all Homebuilder(s): All<sup>1</sup>
  - a. Number of lots owned by Highland Homes: 50.7% undivided interest.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> The land in Improvement Area #5 was sold in two bulk sales in February of 2024. Highland Homes has purchased an undivided 50.7% interest and PHAU has purchased an undivided 49.3% interest in the land within Improvement

<sup>&</sup>lt;sup>2</sup> It is expected that Highland Homes will construct 36 homes on the land it owns within Improvement Area #5.

		b. Number of lots owned by PHAU/Perry Homes: 49.3% undivided interest. <sup>3</sup> c. CHART**
3	3.	Number of units owned by homeowners: []
		III. Lot Status in Improvement Area #5
Of the l	ots	s in Improvement Area #5, status:
		Planned lots as of the date of issuance of the Bonds: 71
		If different from (1), Planned lots as of the date of this Quarterly Report: []
		Number of Lots developed: []  Expected completion data of all lots in Improvement Area #5 (if incomplete):
2	+.	Expected completion date of all lots in Improvement Area #5 (if incomplete):
		IV Home Color Information in Languagement August 45
		IV. Home Sales Information in Improvement Area #5
PLANN	<b>IE</b>	D HOMES IN IMPROVEMENT AREA #5: 71
Of the 7	71	homes planned for Improvement Area #5:
		How many total building permits were issued <u>during the current quarter</u> ? []
		a. Number of building permits issued during the current quarter for [insert name
		of Homebuilder]: []*
		b. Number of building permits issued during the current quarter for [insert name of Homebuilder]: []*
3	3.	How many total homes have closed with homebuyers during the current quarter?
		[]
		a. Number of homes closed with homebuyers during the current quarter for
		[insert name of Homebuilder]: []*
		b. Number of homes closed with homebuyers during the current quarter for [insert name of Homebuilder]: []*
۷	1	How many total homes have closed with homebuyers <b>cumulatively</b> ? []
	••	a. Number of homes closed with homebuyers cumulatively for Highland Homes:
		[]
		b. Number of homes closed with homebuyers cumulatively for Perry Homes:
		[]

<sup>&</sup>lt;sup>3</sup> PHAU, an affiliate of Perry Homes, purchased an undivided 49.3% interest in the land within Section 11 for 35 45' lots. Perry Homes will be the homebuilder responsible for constructing the 35 homes on the land owned by PHAU.

<sup>\*\*</sup> If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

	V. Expenditures Paid from Accounts under Indenture
1.	Total Budgeted Costs required to complete the Improvement Area #5 Projects <sup>4</sup> : \$
2.	Of the total budgeted costs for Improvement Area #5 Projects shown in the Service and

a. Actual costs drawn from the Improvement Area Improvement Account<sup>5</sup>: \$[\_\_\_\_\_]

b. Actual costs drawn from the Major Improvement Account: N/A

c. Actual costs drawn from the Developer Improvement Account: N/A

# VI. Status of Improvements in Improvement Area #5

1. Actual/Excepted date of completion of the Improvement Area #5 Projects: [\_\_\_\_\_]

2. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed:

# VII. Private Improvements

TOTAL E	XPECTED/ACTUAL COSTS OF PRIVATE IMPROVEMENTS <sup>6</sup> : \$[_	]
Of the \$[_	] [expected/actual] costs of the Private Improvements:	
1.	Amount spent as of Quarterly Ending Date: \$[]	
2.	[Actual/Expected] completion date of Private Improvements: [	1

# VIII. <u>Material Changes</u>

Describe any material changes, if applicable:

1. <u>Permits and Approvals</u> - Since the issuance of the Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Improvement Area #5 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

<sup>&</sup>lt;sup>4</sup> "Improvement Area #5 Projects," as used in this Exhibit A, refers to the "Improvement Area #5 Projects," as defined in the Indenture.

<sup>&</sup>lt;sup>5</sup> The "Improvement Area Improvement Account" refers to the "Improvement Area #5 Projects Account" of the Project Fund, as defined in the Indenture.

<sup>&</sup>lt;sup>6</sup> Private Improvements expected to consist of, among other things, amenity centers and swimming pools.

- 2. <u>Mortgage Loans</u> Since the issuance of the Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Improvement Area #5 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 3. <u>Builder Contracts</u> Since the issuance of the Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the Improvement Area #5 Assessments securing the Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.
- 4. <u>Ownership</u> Since the issuance of the Bonds, other than a sale to a homebuilder pursuant to a Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Improvement Area #5 Assessments securing the Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgment pursuant to the Disclosure Agreement?
- 5. [Completion Agreement Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Improvement Area #5 Projects pursuant to the terms of a Completion Agreement? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #5 Projects. If the Developer has completed the Improvement Area #5 Projects, please attach the Completion Agreement Release (as defined in the related Completion Agreement).]
- 6. <u>Amendments</u> Since the issuance of the Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.
- 7. **Other** Provide any other material information that should be disclosed.

(Remainder of page intentionally left blank)

# **EXHIBIT B**

# NOTICE TO MSRB OF FAILURE TO [PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Kyle, Texas
Name of Bond:	Special Assessment Revenue Bonds, Series 2025
Issue:	(6 Creeks Public Improvement District Improvement Area #5 Project)
	(the "Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	, 20
NOTICE IS I	HEREBY GIVEN that HM 6 Creeks Development, Inc., a Texas corporation <sup>7</sup>
	as not provided the [Quarterly Information][Quarterly Report] for the period
	arterly Ending Date] with respect to the Bonds as required by the Continuing
Disclosure Agreeme	ent of Developer dated February 1, 2025, by and among the Developer,
	the "Administrator" and BOKF, NA, as "Dissemination Agent". The
	ant Homebuilder] anticipates that the [Quarterly Information][Quarterly
Report] will be [prov	vided][filed] by
Dated:	
	BOKF, NA
	on behalf of the Developer
	(as Dissemination Agent)
	By:
	Title:
cc: City of Kyle, Tex	cas
••• ••• •• •• •• •• •• •• •• •• •• •• •	

<sup>&</sup>lt;sup>7</sup> If applicable, replace with applicable Designated Successors and Assigns.

# **EXHIBIT C**

# TERMINATION NOTICE

[DATE]

Name of Issuer: Name of Bond Issue:	-	essment Revenue Bonds, Series 2025
		ublic Improvement District at Area #5 Project)
CUSIP Numbers:	[insert CUSI	<b>3</b> ,
Date of Delivery:		, 20
FMSbonds, Inc.		BOKF, NA
5 Cowboys Way, Suite Frisco, Texas 75034	2 300-25	1401 McKinney Street, Suite 1000 Houston, Texas 77010
City of Kyle, Texas 100 W. Center Street Kyle, Texas 78640		
(the "Developer"), that is ot or parcel (excluding constructed) within Im Disclosure Agreement) Continuing Disclosure	the City of Kyllots utilized for provement Ar , thereby term Agreement of I and among	N by HM 6 Creeks Development, Inc., a Texas corporation le, Texas has issued the certificate of occupancy for the last or model homes upon which a model home has actually been rea #5 (as defined in the hereinafter defined Continuing minating the Developer's reporting obligations under the Developer (the "Continuing Disclosure Agreement"), dated the Developer, P3Works, LLC and BOKF, NA (the
Dated:		
		P3Works, LLC on behalf of the Developer (as Administrator)
		By:
		Title:

 $<sup>^{\</sup>rm l}$  If applicable, replace with applicable Designated Successors and Assigns.

# **EXHIBIT D**

# **CERTIFICATION LETTER**

[DATE]

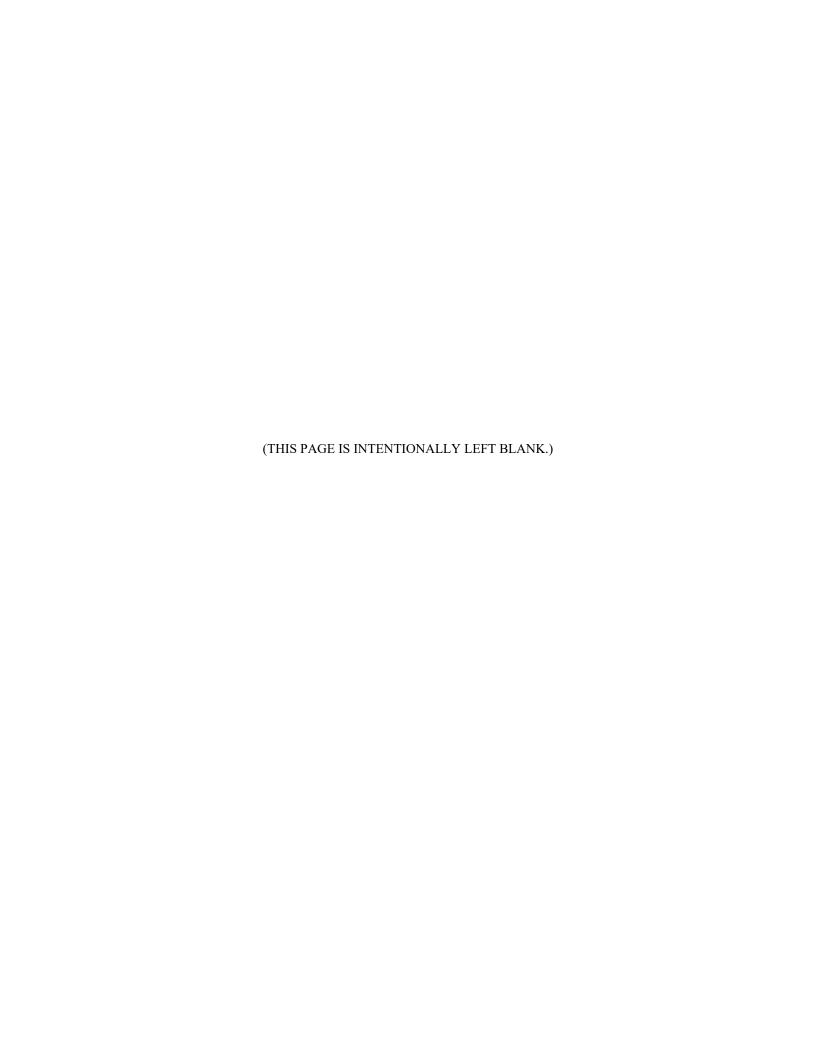
	1	
Name of Issuer: Name of Bond Issue:	City of Kyle, Texas Special Assessment Revenue Bonds, Series 2025 (6 Creeks Public Improvement District	
CUSIP Nos.: Quarterly Ending Date:	Improvement Area #5 Project) [insert CUSIP NOs.], 20	
Re: Quarterly Report for 6	Creeks Public Improvement District	
To whom it may concern:		
1, 2025 by and among HM P3Works, LLC (the "Adnostitutes the certificate [, as a "Sig submitted by the Admir constitutes the [portion [Developer][Significant H [Developer][Significant H period ending on [Insert Q as of [insert date].	ntinuing Disclosure Agreement of the Developer dated as of Februal 6 Creeks Development, Inc., a Texas corporation (the "Developer ministrator") and BOKF, NA (the "Dissemination Agent"), this let stating that the Quarterly Information, provided by the [Developer ministrator, on behalf of the [Developer][Significant Homebuilder of the [Developer][Significant Homebuilder of the [Quarterly Report required to be furnished by Itomebuilder]. Any and all Quarterly Information, provided by Itomebuilder], contained in this Quarterly Report for the three more contact our office if you have and questions or comments.	r"), tter per] rein er], the the onth
	[DEVELOPER]	
	By: Title:	
	OR	
	[SIGNIFICANT HOMEBUILDER] (as Significant Homebuilder)	
	By: Title:	

 $<sup>^{\</sup>rm 1}$  If applicable, replace with applicable Designated Successors and Assigns.



# APPENDIX F

# FINANCING AGREEMENT



# BLANCO RIVER RANCH PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT

#### Recitals:

WHEREAS, HMBRR Development, Inc., owns approximately 61.49 acres, which is more particularly described in attached Exhibit "B-1";

WHEREAS, HMBRR, LP, owns approximately 188.51 acres, which is more particularly described in attached Exhibit "B-2";

WHEREAS, HMBRR, LP #2, owns approximately 608.7 acres, which is more particularly described in attached <u>Exhibit "B-3"</u>;

WHEREAS, the term "**Property**" means and refers to the 858.7 acres so owned by HMBRR Development, Inc., HMBRR, LP and HMBRR LP #2;

WHEREAS, it is intended that the Property will be developed as a single family residential development (the "**Project**");

WHEREAS, the Kyle City Council ("City Council") authorized the formation of the Blanco River Ranch Public Improvement District (the "District") on June 6, 2017, pursuant to City resolution no. 1065 in accordance with the PID Act (as defined in Exhibit "A");

WHEREAS, pursuant to the terms of this Agreement, the City has agreed to allow financing of certain public improvements conferring special benefits to the Property via a public improvement district;

WHEREAS, the Owner proposes to construct certain improvements over time to serve Property located in the District (or portions thereof) and transfer some or all of those improvements to the City or County in accordance with the terms and provisions of this Agreement;

WHEREAS, contemporaneously herewith the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement), at the request, and with the consent, approval, and agreement of, the Owner, adopt a form of the Service and Assessment Plan (as defined herein) that provides for the construction and financing of certain public improvements conferring special benefits within the District pursuant to the Service and

Assessment Plan, payable in whole or in part, by and from assessments levied against property within the District, as more specifically provided for in the Service and Assessment Plan;

WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement) levy Assessments on all or a portion of the property located within the District and issue bonds in one or more series for payment of costs associated with construction and/or acquisition of the Authorized Improvements (as defined herein) included in the Service and Assessment Plan, as such plan may be amended from time to time; and

WHEREAS, the City has determined that it is in its best interests to contract with the Owner\_for the construction 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 the apportionment, levying, and collection of Assessments on the Property (Article II), the Construction of Authorized Improvements to be acquired by the City or County (Article III), advancement of construction funds through the issuance of the PID Bonds (defined herein), acquisition and maintenance of Authorized Improvements within the District (Article IV), and the issuance of bonds for the financing of the Authorized Improvements (Article V). Definitions used herein are set forth in attached Exhibit "A" and in the Service and Assessment Plan.

# ARTICLE II. APPORTIONMENT, LEVY, AND COLLECTION OF ASSESSMENTS

# **Section 2.01.** Preliminary Matters

- (a) On June 6, 2017, the City approved a resolution authorizing the formation of the District. The District includes all of the Property.
- (b) The Property may be developed in phases. It is anticipated that some Authorized Improvements will be constructed that benefit only Improvement Area #1 or a Future Improvement Area, while other Authorized Improvements will benefit the entire District. As a result, Assessments will be levied only on Improvement Area #1 and certain Future Improvement Areas from time to time as the development in the District progresses. As such, it is currently contemplated that there will be bonds issued for Improvement Area #1 and Future Improvement Areas: the "Improvement Area #1 Bonds," "Additional Improvement Area #1 Bonds," and "Future Improvement Area Bonds" (all as further defined in Exhibit "A").
- (c) The initial Service and Assessment Plan for the Property is attached as <u>Exhibit "C."</u> The Owner acknowledges and agrees 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 City Council for review and approval prior to Assessments being levied and PID Bonds being issued. Thereafter, the Service and Assessment Plan will be updated and amended by the City or its Administrator at least once per year, and submitted for the City Council's review and approval. Notwithstanding the above, it is understood and acknowledged by the Parties that the Assessments associated with the Improvement Area #1 Bonds and Additional Improvement Area #1 Bonds are the only Assessments that can currently be addressed with reasonable certainty in the Service and Assessment Plan. As a result, the Service and Assessment Plan will need to be amended over time if any Future Improvement Area Bonds are issued and Future Improvement Areas are developed (and applicable PID Bonds are issued) in accordance with the terms set forth in this Agreement. Nevertheless, the basic terms and methodology described in the Service and Assessment Plan will generally apply to Additional Improvement Area #1 Bonds and Future Improvement Area Bonds.

- (d) Assessments on any portion of the Property will bear a direct proportional relationship to and be less than or equal to the special benefit of the Authorized Improvements within the District (or specific Improvement Area, as applicable).
- (e) Assessments on any portion of the Property may be adjusted in connection with subsequent PID Bond issues or otherwise so long as the Assessments are determined in accordance with the Service and Assessment Plan.
  - (f) The Property may also be subject to an Owner's Association assessment.
- (g) Promptly following submission to the City of an updated Service and Assessment Plan (or any subsequent amendment or supplement to the Service and Assessment Plan) acceptable in form and substance to the City and to the Owner with respect to the matters therein that require approval by the Owner as provided in this Agreement, the City Council shall consider an Assessment Ordinance relating to the applicable plan or amendment or supplement. If an Assessment Ordinance is adopted, the City shall use reasonable, good faith efforts to expeditiously initiate and approve all necessary documents and ordinances required to effectuate the Service and Assessment Plan and Assessment Ordinance.

# **Section 2.02.** Apportionment and Levy of Assessments

The City intends to levy Assessments on the Property in accordance herewith and with the Service and Assessment Plan (as such plan is amended from time to time) at such time prior to or as PID Bonds are issued in accordance with Article IV hereof. The City's apportionment and levy of Assessments will be made in accordance with the PID Act.

### **Section 2.03.** Collection of Assessments

(a) The City covenants and agrees that it will, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected 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 City covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Assessments due on any portion of the Property until the PID bonds related to that particular portion of the Property are no longer outstanding, whether as a result of payment in full,

defeasance, or otherwise. The City shall use best efforts to collect the Assessments consistent with the City's policies and standard practices applicable to the collection of City ad valorem taxes and assessments.

- (b) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, once PID Bonds are issued, the Assessment Revenues collected annually from the Property will be deposited in the Pledged Revenue Fund and transferred in the priority set forth in the Indenture.
- (c) Owner will be reimbursed for Actual Costs associated with the Authorized Improvements from Assessments collected by the City and held by the City pursuant to an applicable Acquisition and Reimbursement Agreement. Any reimbursement obligation to Owner under an Acquisition and Reimbursement Agreement will be subordinate to payment of the applicable PID Bonds.
- (d) Further, notwithstanding anything to the contrary herein, the City covenants and agrees to use best efforts to contract with Hays County Tax Collector for the collection of the Assessments such that the Assessments will be included on the ad valorem tax bill(s) for the Assessed Parcels and will be collected as part of and in the same manner as ad valorem taxes.

# Section 2.04. Approval and Recordation of Assessments through Landowner Agreement

Concurrently with the levy of the Assessments for any portion of the Property, the Owner shall execute (and shall cause any other owner of any of the Property that will be subject to the future assessments to execute a Landowner Agreement (herein so called) in which the Landowner shall approve and accept the apportionment of assessments in the Service and Assessment Plan and the levy of the Assessments by the City. The Landowner Agreement further shall (a) evidence the Owner's intent that the Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Assessments, including applicable interest thereon, as and when due and payable thereunder, and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and (b) provide that the liens created by the levy of the Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State of Texas ("State"), County, school district or City.

# Section 2.05 Reimbursement Of Actual Costs

The Assessments levied for Improvement Area #1 Improvements may not be in an amount sufficient to fully fund the Improvement Area #1 Improvements. Owner's right, title and interest in the payments of unreimbursed Actual Costs, as described herein, shall be the sole and exclusive property of Owner and no other third party shall have any claim or right to such funds unless Owner collaterally transfers its rights to its unreimbursed Actual Costs to a Transferee in writing as described in this Section 2.05, and otherwise in accordance with the requirements set forth herein or assigns this Agreement as to all or a part of the Project to a Designated Successor or Assignor as described in Section 8.03(a) Owner has the right to collaterally convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Owner's right, title, or interest under this Agreement including, but not limited to, any right, title

or interest of Owner in and to payment of its unreimbursed Actual Costs (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**"). No Transfer shall be effective, however, until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by Owner without any obligation to investigate or confirm the Transfer. Any sale of a portion of the Property or assignment of any right hereunder will not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer.

#### **Section 2.06.** Obligations Secured by Pledged Revenues

THE PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN THE INDENTURE) AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE PID BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT SECURED EXCEPT AS PROVIDED IN THE INDENTURE. THE OWNERS OF THE BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND ANY OTHER FUNDS HELD UNDER THE INDENTURE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES.

# ARTICLE III. CONSTRUCTION AND ACQUISITION

#### **Section 3.01.** Acquisition of Authorized Improvements

The owner will dedicate the applicable Improvement Area #1 Improvements identified in Exhibit "D" to the City or County (as applicable, "Entity") upon completion of those Improvements, after confirmation by the Entity's construction representative that the Improvement Area #1 Improvements have been completed in accordance with this agreement and the design guidelines mutually agreed to by the owner and Entity. Applicable City and County requirements shall govern the procedure for inspection, dedication, and acceptance of the Improvement Area #1 Improvements being conveyed to the City and County, respectively. The City's Subdivision Ordinance shall govern the procedure for inspection, dedication, and acceptance of the Improvement Area #1 Improvements being conveyed to the City.

# **Section 3.02.** Acquisition of Subsequent Authorized Improvements

The provisions of Section 3.01 will apply to the Improvement Area #1 Improvements and any other Authorized Improvements constructed concurrent with or after the Improvement Area #1 Improvements; provided however once the applicable Authorized Improvements to be funded with a particular Future Improvement Area Bond are identified, Exhibit "F" will be revised to delineate which Authorized Improvements will be dedicated to which Entity and what easements, if any, are needed.

#### **Section 3.03.** Designation of Construction Manager, Construction Engineers

- (a) The City hereby designates the Owner, or its assignees, as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Authorized Improvements in accordance with the provisions of this Article III.
- (b) Except as otherwise provided herein, inspection of the construction of any Authorized Improvement being conveyed to the City will be by City Construction Representative or its designee and in accordance with any requirements of the City. The Owner agrees to notify the City within 24 hours of the scheduling of any City Inspection, and at that same time to provide any design or construction-related documents to be used as part of the inspection. The Owner agrees that the City Construction Representative may be present at any City inspection, and is responsible for ensuring the City Construction Representative is informed of the date, time, and location of each City inspection.
- (c) The Owner shall be entitled to a separate Construction Management Fee for the construction of each Segment, unless Owner contracts with a third party to act as the Construction Manager with respect to construction of the Authorized Improvements.
- (d) The City shall cooperate with the Owner in connection with its services as Construction Manager.
- (e) The Owner shall designate the consulting engineers for the Authorized Improvements for the compensation specified by the Owner.

#### **Section 3.04.** Designation of Construction Manager Subcontractor

The City acknowledges and agrees that Owner may subcontract out all or some of the duties of Construction Manager to a third party. Owner may designate an individual, company, or partnership or other entity as a subcontractor for construction management services for one or more Authorized Improvements or distinct Segments thereof provided 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 8.03(a) of this Agreement.

# Section 3.05. Project Funding and Completion

- (a) If at any time there are not sufficient funds in the Project Fund to complete an Authorized Improvement, the Owner will demonstrate committed capital (including by proof of bank financing) to the City in an amount confirmed by an engineer's estimate of probable cost, which represents the difference between the budgeted cost to complete the public improvements assumed to be complete in the Appraisal and the net proceeds of the PID bonds. The City acknowledges that it will accept such proof.
- (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 City may require the Owner to post fiscal security for the estimated cost of constructing the Authorized Improvements. The Owner shall give the City a copy of any such claims within three (3) business days of receipt of the claim.

- (1) If the Owner has commenced construction but fails or refuses to complete the construction of a particular Authorized Improvement (or Segment thereof) 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 City will have the right, but not the obligation, to draw on the funds within the Project Fund and complete (or cause the completion of) the applicable Authorized Improvement (or Segment thereof).
- (2) If the City elects to complete an Authorized Improvement (or Segment thereof), 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 (or Segment thereof) by the Owner or its engineers or contractors before such default described in paragraph (c) above, will become the property of the City. In such event, the Owner will provide, within five (5) business days of the City's request, documentation to the City that the above listed items have been conveyed and have become the property of the City. Notwithstanding anything to the contrary contained herein, if the Owner fails or refuses to timely complete the construction of a Authorized Improvement (or Segment thereof) and such default cannot reasonably be cured in 30 days, Owner will have such additional time as 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 (or Segment thereof) after the notice and cure periods provided for above, the City shall either:
- (i) Assume the construction management role and direct the completion of the applicable Authorized Improvement (or Segment thereof); or
- (ii) Assume the construction management role and direct the closeout of the applicable Authorized Improvement (or Segment thereof).
- (3) In the event the City assumes the construction management role for a given Authorized Improvement (or Segment thereof) (as provided above) then the Owner agrees as follows:
- (i) The City may draw down funds from the Project Fund to complete the Authorized Improvement (or Segment thereof) in question;
- (ii) All construction contracts, related completion bonds, warranties, plans and specifications, designs, easements, and improvements acquired, produced, or installed in connection with completing such Authorized Improvement (or Segment thereof) 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 (or Segment thereof), will automatically without further action by the Owner become the property of the City; and

(iii) The Owner will automatically forgo and release any claims or rights to those items listed in (ii) above.

# **Section 3.06.** Maintenance of Project, Warranties

Unless otherwise provided for, the Owner shall maintain each Authorized Improvement (or Segment thereof) in good and safe condition until such Authorized Improvement (or Segment thereof) 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 (or Segment thereof), 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 (or Segment thereof). Prior to or concurrently with the Entity's acceptance of an Authorized Improvement (or Segment thereof), Owner shall provide a two-year maintenance bond for that Authorized Improvement.

#### **Section 3.07.** Sales and Use Tax Exemptions

- (a) The Parties agree that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the Entity are exempt under the Texas Tax Code from sales and use taxes levied by the State, 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 City will provide such certifications to the Owner and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.
- (c) The City and the Owner shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in Texas Tax Code Section 151.309) for exemption from sales and use taxes.

#### Section 3.08. Public Bidding Requirements/City Cooperation in Plan Review

- (a) The City and the Owner anticipate that the Authorized Improvements will be exempt from any public bidding or other City purchasing and procurement policies to the extent that the Authorized Improvements meet the standard of Texas Local Government Code Section 252.022(a)(9).
- (b) The City 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 3.09.** Additional Requirements for Authorized Improvements Funded with Progress Payments

The following additional requirements shall be applicable to Authorized Improvements funded in accordance with the procedures set forth in Section 4.02:

- (a) Prior to the later to occur of (i) the Effective Date, or (ii) commencing construction of any such Authorized Improvements, the Project Engineer shall review all plans and specifications, construction contracts, and related materials for the applicable Authorized Improvements, and shall certify to the Owner, City, and Trustee that the Project Funds plus the committed capital referenced in Section 3.05(a) above are anticipated sufficient to fund the full cost of design and construction of the applicable Authorized Improvements (but excluding any Construction Management Fees or contingencies (if any) as set forth in the Service and Assessment Plan).
- (b) 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 un-advanced amounts out of the segregated accounts in the Project Fund under the applicable Indenture as compared to the remaining costs to complete each applicable Authorized Improvements. The Construction Manager will provide such monthly reports to the Owner, the City Construction Representative, and the Trustee.
- (c) After bids and construction contracts have been executed for the applicable Authorized Improvements, all change orders or costs increases for such applicable Authorized Improvements must be approved by the Owner, Construction Manager and the City Construction Representative, to the extent any such change order is in excess of \$100,000.00 for any Segment of such applicable Authorized Improvement. The Construction Manager shall provide copies of all approved change orders to the PID Administrator and Trustee within ten (10) days after approval.

#### ARTICLE IV. PAYMENT FOR AUTHORIZED IMPROVEMENTS

# **Section 4.01.** Overall Requirements

- (a) The City shall not be obligated to provide funds for any Authorized Improvement except from the proceeds of the PID Bonds or from Assessments. The City makes no warranty, either express or implied, that the proceeds of the PID Bonds available for the payment of the Actual Cost of the Authorized Improvements to be constructed for or acquired by the City (or the County) 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 and Assessments available for Authorized Improvements.
- (b) The City shall not be obligated to provide funds for any Authorized Improvement unless and until the City determines that: (i) the Owner is in then current compliance with its obligations under this Agreement and PID-related obligations of the Blanco River Ranch (Phase

One Residential Area) De-Annexation and Development Agreement (the "**Development Agreement**"); and (ii) the City has approved the Authorized Improvements, including inspection and acceptance, if applicable (except this subsection (ii) will not apply if payment is being made through progress payments as provided herein); and, if PID Bonds have been issued, (iii) the PID Administrator provides written confirmation of compliance with the conditions and provisions of the Disclosure Agreement of Developer at the time of the withdrawal of funds from the Project Fund, or from any other eligible account or fund under the Indenture.

- (c) Upon written acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period, the Entity accepting the Authorized Improvement shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.
  - (d) The Parties hereby acknowledge and agree that:
- (1) When PID Bonds are issued, the City shall bill, collect, and deposit into the Pledged Revenue Fund of the Indenture all Assessment Revenue constituting "pledged revenues" as defined in the Indenture.
- (2) When PID Bonds have been defeased, the City shall bill, collect, and immediately deposit the Assessments collected into an Assessment Reimbursement Fund (excluding Administrative Expenses and Delinquent Collection Costs). Funds in the Assessment Reimbursement Fund shall only be used to pay Costs of the Authorized Improvements in accordance with this Agreement.
- (3) The Improvement Area #1 Improvements may be funded by progress payments through PID Bonds (i.e., PID Bonds are sold and then Improvement Area #1 Improvements are funded by PID Bond proceeds) and to that extent will be governed by Section 4.02 of this Agreement. Other Authorized Improvements may be funded by progress payments through PID Bonds in the same manner as Improvement Area #1 Improvements and in such case will be governed by Section 4.02 of this Agreement.
- (4) If requested by the Owner, the City agrees to allow for construction and funding of Authorized Improvements to be handled in accordance with progress payments (Section 4.02), reimbursement payments pursuant to an Acquisition and Reimbursement Agreement (Section 4.03), or a combination thereof.
- (5) Except as otherwise provided herein, the Authorized Improvements are intended to be constructed pursuant to one or more Acquisition and Reimbursement Agreements and paid for by the Owner prior to the issuance of PID Bonds intended to fund such Authorized Improvements. Such funding of the Authorized Improvements will be governed by the applicable Acquisition and Reimbursement Agreement and Section 4.03 of this Agreement.
- (e) The procedures set forth in Section 4.02 below will apply to all Certifications for Payment regardless of which account within the Project Fund the actual funds are being paid from.

#### **Section 4.02.** Progress Payments for Authorized Improvements

- Owner shall deliver and the City shall accept the Authorized Improvements to be (a) conveyed to the City in accordance with the terms herein. The net proceeds from the issuance of the PID Bonds will be held by the Trustee in various segregated accounts under the Project Fund. Those sums held in the various segregated accounts will be advanced to the Owner by the Trustee to fund the costs of construction, City and County inspection and administrative costs, and other soft costs (as more particularly specified herein and in the Service and Assessment Plan) upon receipt of a completed Certification for Payment (in the form as attached in Exhibit "E"). Payments will be made to Owner, or subcontractor (as provided in Section 4.02(b)) periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.02 and the Indenture. As set forth in the Indenture, such payments shall be made by Trustee on a monthly basis and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the City Director of Finance. The City Construction Representative or its designee shall deliver to the City Director of Finance his/her concurrence to pay pursuant to a completed Certification for Payment within fifteen (15) calendar days after its receipt of the required submittal items pursuant to either subparagraph (b) or (c) below, as applicable and the City Director of Finance will then have up to ten (10) calendar days to forward the executed Certification for Payment to the Trustee for payment. If the City disapproves any Certification for Payment, the City shall provide a written explanation of the reasons for such disapproval so that if the Certification for Payment is revised in accordance with City's comments, the Certification for Payment can be approved. Notwithstanding anything to the contrary contained herein, if the monthly reconciliation provided by the Construction Manager pursuant to Section 3.09(b) above for a particular Authorized Improvement shows there are not enough funds in the segregated account to fund the remaining design and construction costs of that Authorized Improvement after taking into consideration any contingencies, the City Construction Representative, the City Director of Finance, and the PID Administrator shall not be obligated to authorize payments of funds exceeding the balance in the segregated account until such time as Owner provides evidence satisfactory to the City Construction Representative that Owner has or will provide funds in an amount sufficient to fully fund the remaining design and construction costs of that Authorized Improvement.
- (b) During the design phase for any Authorized Improvement to be funded by the PID Bonds, Owner will be entitled to receive draws (not to exceed one (1) per month) based on the percentage of design work completed up to the date of the draw. The submittal items necessary for a design payment are as follows:
- (1) A Certification for Payment executed by the Project Engineer and Construction Manager specifying the percentage of design that has been completed on the applicable Authorized Improvement; and
  - (2) Copies of all supporting invoices with respect to such design payment.
- (c) The submittal for the last draw for design work will also include evidence of approval of design phase documents by the applicable Entity.

- (d) During the construction phase for any Authorized Improvement to be funded by PID Bonds, Owner shall be entitled to receive draws (not to exceed two (2) per month) based on the Actual Cost of the construction completed. The City is not obligated to authorize a construction payment until such time that the applicable Entity has approved the plans and specifications for the applicable Authorized Improvement (if such approval is required pursuant to this Agreement). The items required for a construction payment are as follows:
- (1) A Certification for Payment executed by the Project Engineer and Construction Manager specifying the amount of work that has been performed and the cost thereof;
  - (2) A Bills Paid Affidavit from the contractor;
  - (3) Copies of all supporting invoices with respect to such payment; and
- (4) 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 City, any subcontractors for the current Certification for Payment.
- (e) In addition to the submitted items required in subparagraph (c) above, in order to obtain the final payment for an Authorized Improvement funded by the PID Bonds pursuant to this Section 4.02, the following are required:
- (1) The Owner will have provided to the City or the County, as applicable, an assignment of the warranties and guaranties, if applicable, for the Authorized Improvement;
- (2) Before the final Certification for Payment is submitted to the City, the Project Engineer shall conduct a review for the County 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. Upon confirmation by the Project Engineer to the City Construction 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, the City Construction Representative shall within fifteen (15) calendar days thereafter accept such Authorized Improvement and the City Construction Representative shall sign the Certification for Payment and forward the same to the City Director of Finance and the PID Administrator. The City Director of Finance shall then have up to ten (10) calendar days to forward the executed Certification for Payment to the Trustee for payment. The City agrees to instruct the Project Engineer to conduct each such review in an expeditious manner not to exceed fifteen (15) calendar days after the Certification for Payment is submitted to the City.
- (f) The Parties acknowledge that certain Authorized Improvements identified on Exhibit "D" will be dedicated to the City and certain Authorized Improvements identified on Exhibit "D" will dedicated to the County. Therefore, with respect to the Authorized Improvements that are to be dedicated to and accepted by (1) the City, the terms, conditions and

procedures set forth in Section 4.02(a)-(e) shall apply and (2) the County, the terms, conditions and procedures set forth in Section 4.02(a) – (e) shall apply except as set forth below:

- (1) The County (not the City) will be accepting such Authorized Improvements;
- (2) The County (not the City) will be approving the plans and specifications for such Authorized Improvements;
- (3) The County (not the City) will be inspecting such Authorized Improvements subject to City participation as described in Section 3.03 of this Agreement; and
- (4) In order to obtain the final payment for such Authorized Improvements a written acknowledgement from the County that all requirements for acceptance of such Authorized Improvements (and except any applicable maintenance-bond period) have been complied with shall be provided to the City. Upon receipt of such written acknowledgment from the County, the City Construction Representative, within fifteen (15) days thereafter, shall sign the Certification for Payment and forward the same to the City Director of Finance. The City Director of Finance shall then have up to ten (10) calendar days to forward the executed Certification for Payment to the Trustee for payment.
- (g) The Owner has determined that prior to the Effective Date, it has expended funds for costs reimbursable under the PID Act, including: (i) the design of the Authorized Improvements and associated due diligence matters (e.g., environmental and wetland studies), (ii) construction of the Authorized Improvements, (iii) costs in obtaining permits required for the construction of the Authorized Improvements, and (iv) other costs associated with the formation of the District ("Initial Owner Expended Funds"). Owner will submit to the City information documenting the amount of Initial Owner Expended Funds paid by Owner between September 1, 2016 and July 18, 2017. The total amount of Initial Owner Expended Funds approved by the City pursuant to this Section 4.02 and the PID Act shall be referred to herein as the "Initial Reimbursement Payment."
- (h) Prior to disbursement of proceeds of the PID Bonds, (1) Owner may submit to the City a Closing Disbursement Request satisfactory to the City and the Trustee for the remainder of the Initial Reimbursement Payment and (2) the City, upon verifying the accuracy of all representations of the Owner made in such Closing Disbursement Request, will sign the Closing Disbursement Request and deliver that Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, Owner shall be reimbursed an amount equal to the Initial Reimbursement Payment and such amount shall be transferred to the Trustee for distribution to the Owner or the Owner's designee.
- (i) At the closing of the PID Bonds, the Owner shall be reimbursed Bond Issuance Costs for PID Bonds paid by the Owner, as described in the Service and Assessment Plan and approved by the City. Such Bond Issuance Costs paid at closing shall be set forth in a closing memorandum issued by the Underwriter or the Financial Advisor and included in the Certification for Payment. Bond Issuance Costs for any Future Improvement Area Bonds will be paid after the closing of the applicable Future Improvement Area Bonds upon submittal of proper

documentation so long as such Bond Issuance Costs are described in the Service and Assessment Plan and funds remain in the respective Costs of Issuance Account described in the Indenture.

## **Section 4.03.** Payments for Completed Authorized Improvements

- (a) Pursuant to the terms of an Acquisition and Reimbursement Agreement entered into prior to commencement of construction of an applicable Authorized Improvement, the Owner shall convey, and the City or the County (as applicable) shall acquire, 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 under an Acquisition and Reimbursement Agreement is as follows:
- Agreement to finance the Authorized Improvements as agreed between the Parties, which will provide for Assessments that will reimburse the Owner for Actual Costs incurred in connection with certain Authorized Improvements until PID Bonds are issued in an amount necessary to reimburse Owner for the Actual Costs of those certain Authorized Improvements less any amounts already reimbursed to Owner pursuant to the Acquisition and Reimbursement Agreement. The form of the Acquisition and Reimbursement Agreement shall be reasonably acceptable to both the City (as applicable) and Owner and substantially in accordance with the form attached as Exhibit "H".
- (2) Simultaneously, the Service and Assessment Plan will be amended to reflect the Assessments and those certain Authorized Improvements as contemplated by the Acquisition and Reimbursement Agreement. The City will levy the Assessment for the associated improvement area.
- (3) Owner will construct or cause the construction of the Authorized Improvements for the associated improvement area.
- (4) After the levy of the Assessments contemplated by an Acquisition and Reimbursement Agreement, the City will begin collecting the Annual Installments for the associated improvement area. Upon collection of such Annual Installments, the City will place such Annual Installments in a designated account separate from the City's other accounts. The funds within the account will be used to reimburse Owner for the Actual Costs of the Authorized Improvements pursuant to the terms of the Acquisition and Reimbursement Agreement. If the PID Bonds are issued in an amount that is not sufficient to fully 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, then Additional PID Bonds may be issued to reimburse the Owner for any Actual Costs not reimbursed by such PID Bonds and Acquisition and Reimbursement Agreement.
- (5) Upon completion of the Authorized Improvements contemplated by the Acquisition and Reimbursement Agreement and compliance with the applicable Future Bond Test, the City intends to issue PID Bonds to reimburse the Owner for Actual Cost of those Authorized Improvements less any amounts already reimbursed to Owner pursuant to the Acquisition and Reimbursement Agreement.

- (6) If the PID Bonds issued as described in subparagraph 4 above are not sufficient to fully reimburse the Owner for the Actual Costs of those Authorized Improvements less any amounts already reimbursed to Owner pursuant to the Acquisition and Reimbursement Agreement, then so long as the applicable Future Bond Test is satisfied, Additional PID Bonds may be issued to reimburse the Owner for any Actual Costs not reimbursed by the PID Bonds and Acquisition and Reimbursement Agreement.
- (b) To receive funds from the proceeds of the Improvement Area #1 Bonds or Additional Improvement Area #1 Bonds (as applicable) to pay the Actual Cost of a particular Improvement Area #1 Improvement, the Owner shall deliver to the City and the Project Engineer (x) documentation evidencing the Actual Cost, (y) documentation evidencing the acceptance of the Improvement Area #1 Improvement by the City or County, as applicable, and (z) an assignment of the warranties and guaranties, if applicable, for such Authorized Improvement, in form reasonably acceptable to the City (if the City is the entity accepting such Authorized Improvements) or the County (if the County is the entity accepting such Authorized Improvement). Nothing herein shall prohibit Owner from being reimbursed for design costs associated with an Improvement Area #1 Improvement (provided that the plans and specifications for such applicable Improvement Area #1 Improvement have been accepted by the City or County, as applicable) prior to the completion of construction of such Improvement Area #1 Improvement or for other costs that are otherwise eligible to be paid under the PID Act prior to completion of construction of such Improvement.
- (c) At the time of the closing of any PID Bonds, Owner may, concurrently with the initial draw from the PID Bonds and under substantially the same procedures as set forth above, be reimbursed for (i) the Unpaid Balance under the applicable Acquisition and Reimbursement Agreement and (ii) any other qualified and permitted costs approved by the City under substantially the same procedures as set forth above (collectively, the "Owner Expended Funds"). The total amount of Owner Expended Funds approved by the City pursuant to this Section shall be referred to herein as the "Reimbursement Payment."
- (d) The City, in its discretion, may allow for construction and funding of Authorized Improvements to be handled in accordance with Section 4.02 or with a combination of progress payments (Section 4.02) and reimbursement payments pursuant to an Acquisition and Reimbursement Agreement (Section 4.03). If the City, in its discretion, elects to allow for such combination, this Agreement shall be modified accordingly to reflect such terms.

#### ARTICLE V. PID BONDS

#### **Section 5.01.** Issuance of PID Bonds

(a) Subject to the terms and conditions set forth in this Article \(\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\frac{\fra

the time of such proposed sale. In addition to the criteria outlined in the applicable Future Bonds Test, the City may consider additional requirements prior to authorizing the issuance of any Future Improvement Area Bonds, including but not limited to a market condition assessment (including market study update), development of the District and current status of Owner, developers, and related builder positions. The City Council may require a recommendation from City staff, advisors and consultants.

- (b) The aggregate principal amount of PID Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Authorized Improvements, (ii) required reserves and capitalized interest 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) Bond Issuance Costs. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances.
- (c) The final maturity for each series of PID Bonds shall occur no later than 30 years from the issuance date of those PID Bonds.
- (d) PID Bonds are not required to be issued under this Article V unless (i) the statutory requirements set forth in Chapter 372 of the Texas Local Government Code have been satisfied; (ii) the City receives at the time of issuance of such PID Bonds an opinion of counsel selected by the City stating in effect that the PID Bonds are legal and valid under Texas law and that all preconditions to their issuance under State law have been satisfied; and (iii) the Attorney General of the State of Texas has issued an opinion approving issuance of the bonds as required by the PID Act.
  - (e) The foregoing requirements apply to each series of PID Bonds issued.
- (f) If proceeds from the PID Bonds or Future Improvement Area Bonds are still available after all the Authorized Improvements are accepted by the City or County and Owner has been reimbursed for all unreimbursed Actual Costs incurred in connection therewith, the proceeds may be utilized to finance other Authorized Improvements within the Property as allowed by the PID Act, if approved by the City.

## Section 5.02. Project Fund

The City hereby covenants and agrees that if PID Bonds are issued, the Indenture will establish a Project Fund as a separate fund to be held by the Trustee under the Indenture. The portion of the proceeds of the PID Bonds issued to pay Actual Costs of Authorized Improvements and Bond Issuance Costs shall be deposited upon issuance into separate accounts within the Project Fund, as described in the Indenture.

#### **Section 5.03.** Denomination, Maturity, Interest, and Security for Bonds

- (a) Each series of PID Bonds shall be finally authorized by the City Council 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 Ordinance or Indenture, as applicable.
- (b) The final and adopted versions of the PID Bond Ordinance 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 as are mutually approved by the City and the Owner.

#### **Section 5.04.** Sale of PID Bonds.

The PID Bonds, if issued by the City, shall be marketed and sold through negotiated sale to an approved third party(s) by an approved Underwriter with the cooperation and assistance of the Owner in all respects with respect to the preparation of marketing/offering documents, such as preliminary and final official statements or in such other marketing and/or sales method mutually agreed upon by the City and the Owner.

#### **Section 5.05.** Sale of PID Bonds

Notwithstanding the foregoing, the City may authorize the issuance of the PID Bonds contemporaneously with authorizing the execution of this Agreement. The Authorized Improvements to be constructed and funded in connection with the PID Bonds are more particularly described on attached <u>Exhibit "D"</u>.

#### Section 5.06. Phased Issuance of Debt

As previously noted, the proposed bond issuance program is anticipated to entail a series of bond financings that will finance the Authorized Improvements required for the development of the Project. This financing will be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the issuance of the Improvement Area #1 Bonds, Additional Improvement Area #1 Bonds and/or Future Improvement Area Bonds may be issued over the upcoming years as the subsequent phases of the Project are gradually constructed.

The purpose of this gradual issuance of any Additional Improvement Area #1 Bonds and Future Improvement Area Bonds in phases is to mirror the actual private development of the Authorized Improvements. The Additional Improvement Area #1 Bonds and Future Improvement Area Bonds to be issued are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Additional Improvement Area #1 Bonds and Future Improvement Area Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to

issuing debt and encumbering property within the District prior to the need for the Authorized Improvements.

# Section 5.07. Phased Assessments

In connection with the issuance of Additional Improvement Area #1 Bonds and Future Improvement Area Bonds and/or execution of related Acquisition and Reimbursement Agreements, the Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within an Improvement Area receives from the specific Authorized Improvements funded with those Improvement Area Bonds issued with respect to that Improvement Area.

It is acknowledged and agreed that one or more of the following types of PID Bonds contemplated to be issued for this Project (Additional Improvement Area #1 Bonds and Future Improvement Area Bonds) may be covered under a new and separate Indenture; however, all of the Assessments pledged for the payment of any PID Bonds will have the same lien priority as the Assessments pledged for the payment of Improvement Area #1 Bonds.

If the total Assessments levied on a particular Parcel within the Project consist of Assessments stemming from two or more different types of PID Bonds and an owner of an Assessed Parcel pays only a portion of the Annual Installment due for such Assessments, then such payment will be allocated pro-rata to the payment of the Annual Installment based on the portions of each Assessment as it relates to the total Assessments. For example, assume that a parcel has Assessments totaling \$20,000, \$12,000 of which is for the Improvement Area #1 Bonds and \$8,000 of which is for an Additional Improvement Area #1 Bond. Further assume that the Annual Installment for such Parcel is \$1,000 which consists of a \$550 annual installment from the Improvement Area #1 Bonds and a \$450 annual installment from the Additional Improvement Area #1 Bonds and an owner of an Assessed Parcel pays \$600, then the \$600 will be allocated as follows:

\$360 (60% of \$600) will go towards the Assessment for the Improvement Area #1 Bonds; and

\$240 (40% of \$600) will go towards the Assessment for the Additional Improvement Area #1 Bonds

**Total**: \$600

Further detail regarding partial payments of the Annual Installments will be contained in the Indenture relating to Additional Improvement Area #1 Bonds and Future Improvement Area Bonds.

## **Section 5.08.** Acquisition and Reimbursement Agreements

The costs of some Authorized Improvements will be initially financed through Acquisition and Reimbursement Agreements. As provided in Section 4.03 above, prior to commencing construction of any such Authorized Improvements, the Owner and the City will

enter into an Acquisition and Reimbursement Agreement, which will provide for Assessments that will reimburse the Owner for Actual Costs incurred in connection with those Authorized Improvements until PID Bonds are issued in an amount equal to the outstanding Special Assessments.

#### **Section 5.09.** Future Bonds Tests

- (a) The City has reserved the right to issue Additional Improvement Area #1 Bonds to pay the Improvement Area #1 Reimbursement Obligation, in accordance with the conditions set forth below. Terms used in this Section but not defined herein shall have the meanings assigned to them in the Indenture for the Improvement Area #1 Bonds:
- (i) The City Representative shall certify that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in the Indenture;
- (ii) The Developer, through an authorized representative, shall certify that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the PID-related terms, provisions and conditions applicable to the Developer contained in the Development Agreement, or in the performance and observance of any provisions and conditions applicable to the Developer contained in this Agreement, any Acquisition and Reimbursement Agreement applicable to Improvement Area # 1, or any continuing disclosure agreement entered into by the Developer relating to PID Bonds, unless any defaults under the foregoing agreement (except for disagreements under any continuing disclosure agreements entered into by the Developer, which shall be cured) are disclosed in a certificate from the Developer to the City, acting by and through its City Council, elects to proceed with the issuance of Additional Improvement Area #1 Bonds regardless of the existence of such default or defaults;
- (iii) A certificate or report from the Developer, through an authorized representative, shall certify that (A) certificates of occupancy have been issued for a minimum of thirty-five percent (35%) of the single-family homes to be built within Improvement Area #1; and a certificate or report from an independent certified appraiser or appraisal firm (that may rely on County assessed value figures for the completed homes as to their value) that, assuming completion of the improvements to be financed with the proceeds of the Additional Improvement Area #1 Bonds or with funds withdrawn from the Developer Improvement Account of the Project Fund, as applicable, (B) the appraised value of the property within Improvement Area #1 of the PID is equal to at least four (4) times the principal amount of the Outstanding Bonds Similarly Secured, taking into account the Additional Improvement Area #1 is at least three (3) times the portion of the principal amount of any Outstanding Bonds Similarly Secured, taking into account the Additional Improvement Area #1 Bonds to be issued, that is allocated to each such parcel;

- (iv) The principal of and interest on the Additional Improvement Area #1 Bonds must be scheduled to be paid or mature on March 1 or September 1, or both, of the years in which each principal or interest are scheduled to be paid or mature;
- (v) There shall be deposited to the Reserve Fund an amount equal to the Reserve Fund Requirement taking into account the Outstanding Bonds Similarly Secured, and the Additional Improvement Area #1 Bonds then proposed to be issued;
- (vi) The maximum amount of Additional Improvement Area #1 Bonds that may be issued, subject to the approval of the City, in total, is the then outstanding balance of the Improvement Area #1 Reimbursement Obligation; and
- (vii) The Developer, through an authorized representative, shall certify that the Developer is in compliance with any further conditions established by the City, its advisors, or the underwriter(s).
- (b) The City has reserved the right to issue Future Improvement Area Bonds for any purpose permitted by the Act, and in accordance with the conditions set forth below:
- (i) The City Representative shall certify that the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in the Indenture;
- (ii) The Developer, through an authorized representative, shall certify that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the PID-related terms, provisions and conditions applicable to the Developer contained in the Development Agreement, or in the performance and observance of any provisions and conditions applicable to the Developer contained in this Agreement, any Acquisition and Reimbursement Agreement applicable to Improvement Area # 1, or any continuing disclosure agreement entered into by the Developer relating to PID Bonds, unless any defaults under the foregoing agreement (except for disagreements under any continuing disclosure agreements entered into by the Developer, which shall be cured) are disclosed in a certificate from the Developer to the City, acting by and through its City Council, elects to proceed with the issuance of Future Improvement Area Bonds regardless of the existence of such default or defaults;
- (iii) A certificate or report from the Developer, through an authorized representative, shall certify that either (A) seventy-five percent (75%) or less of the Lots within Improvement Area #1 have been sold to end-users, and at least fifty percent (50%) of the Lots within the particular Future Improvement Area for which Authorized Improvements are financed by the Future Improvement Area Bonds are under contract with merchant builders unaffiliated with the Owner; or that (B) more than seventy-five (75%) of the Lots within Improvement Area #1 have been sold to end users, and at least thirty-five percent (35%) of the Lots within the particular Future Improvement Area for which Authorized Improvements are financed by the Future Improvement Area Bonds are under contract with merchant builders unaffiliated with the Owner.

- (iv) The ratio of the appraised value of all of the land in the particular Future Improvement Area of the PID, based on an independent appraisal and assuming completion of the improvements within such phase to be financed with the proceeds of the Future Improvement Area Bonds to be issued, to the principal amount of the Future Improvement Area Bonds to be issued must be at least 3.0:1;
- (v) Construction contracts for One-hundred percent (100%) of the costs of the Authorized Improvements in such Future Improvement Area to be paid with proceeds of the applicable series of Future Improvement Area Bonds must be executed and ready to proceed, and the construction of each such Authorized Improvement must be no less than seventy-five percent (75%) complete; and
- (vi) The Developer, through an authorized representative, shall certify that the Developer is in compliance with any further conditions established by the City, its advisors, or the underwriter(s).

## Section 5.10. Non-Bank Qualified Debt

- If in any calendar year (including 2018) the City issues debt obligations that would be qualified tax-exempt obligations but for the issuance of the PID Bonds or other bonds supporting public improvements for non-City owned development projects, including bonds authorized by the Act, then the Owner shall pay to the City a fee (the "PID Bond Fee") to compensate the City for the interest savings the City would have achieved had the debt issued by the City been qualified tax-exempt obligations, provided that all other developers or owners benefitting from the City issuing debt for non-City owned development projects are similarly burdened with an obligation to compensate the City proportionately based on the original principal amount of such PID Bonds or other City debt supporting public improvements for non-City owned development projects. The City and the Owner shall approve an estimate of the PID Bond Fee for all series of PID Bonds at least 10 business days prior to pricing the first series of PID Bonds. The Owner agrees to pay the approved estimated PID Bond Fee to the City on the later of (1) five business days prior to the closing of any series of PID Bonds or other City-issued debt, or (2) five business days after the City and the Owner approve the estimated PID Bond Fee. The City shall not be required to sell any series of PID Bonds until the Owner has paid the approved estimated PID Bond Fee.
- (b) To the extent any developer or owner (including the Owner, as applicable) has paid all or part of a PID Bond Fee estimate for any particular calendar year, any such PID Bond Fee estimate paid subsequently by a developer or owner (including the Owner, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer or owner (including the Owner, as applicable) as necessary so as to put all developers and owners so paying for the same calendar year in the required payment proportion as set forth above, such reimbursement to be made by the City within 10 business days after its receipt of such subsequent payments of the estimated PID Bond Fee. The City will deposit all payments of a PID Bond Fee estimate received from a developer or owner (including the Owner, as applicable) into a segregated account until such time as (1) the City transfers funds from the segregated

account to a capital improvement project fund in conjunction with issuing City debt; and/or (2) the City refunds a portion of the estimated PID Bond Fee consistent with the pro rata formula described above within 10 days of issuing the PID Bonds. On or before January 15<sup>th</sup> of the following calendar year, the final PID Bond Fee shall be agreed to by the City and the Owner. By January 31<sup>st</sup> of such year, any funds in excess of the final PID Bond Fee that remain in such segregated account on December 31<sup>st</sup> of the preceding calendar year shall be refunded to the developers or owners (including the Owner as applicable), and any deficiencies in the estimated PID Bond Fee paid to the City by any developer or owner (including the Owner, as applicable) shall be remitted to the City by the respective developer or owner (including the Owner, as applicable).

#### ARTICLE VI. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION

## **Section 6.01.** Representations and Warranties of City

The City makes the following covenants, representations and warranties for the benefit of the Owner:

- (a) The City will deliver 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 Texas Tax Code and the income tax regulations issued thereunder relating to the use of the proceeds of the PID Bonds or of any monies, securities or other obligations on deposit to the credit of any of the funds and accounts created by the Indenture or this Agreement or otherwise that may be deemed to be proceeds of the Bonds within the meaning of Section 148 of the Tax Code (collectively, "Bond Proceeds").
- (b) The City is a political subdivision of the State of Texas, incorporated, organized, and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute, and deliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

#### **Section 6.02.** Covenants, Representation, and Warranties of Owner

The Owner makes the following representations, warranties and covenants for the benefit of the City:

- (a) The Owner represents and warrants that each Owner entity is 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 validly executed and delivered on behalf of the Owner.

- (c) The Owner represents and warrants that this Agreement is valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.
- (d) The Owner covenants that once it commences construction of an Authorized Improvement or Segment, it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause such Authorized Improvement or Segment to be completed in accordance with this Agreement.
- (e) 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, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition, or restriction now or hereafter affecting the Property or the Project.
- (f) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to Payment Requests.
- (g) For a period of two (2) years after the final Acceptance Date of each applicable Authorized Improvement, the Owner covenants to maintain proper books of record and account for the Authorized Improvements and all costs related thereto. The Owner covenants that such accounting books will be maintained in accordance with sound accounting practices, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.
- (h) The Owner agrees to provide the information required pursuant to the Owner Continuing Disclosure Agreement executed by the Owner in connection with the issuance of the PID Bonds.
- (i) The Owner covenants that, in its contracts with builders, it shall require that a builder for an assessed parcel shall distribute informational brochures about the existence and effect of the PID in prospective homebuyer sales packets, if such brochures are prepared and provided by the City. For this section 6.01(i), a builder mean a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.
- (j) The Owner covenants to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Owner further covenants that (i) such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the best of the knowledge of the officers of the Owner providing such facts and estimates, true, correct and complete as of that date, and (ii) the Owner will make reasonable inquires to ensure such truth, correctness and completeness. The Owner covenants that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use or investment of the Bond Proceeds that would cause any of the covenants or agreements of the City contained in the Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the

interest payable on the PID Bonds for federal income tax purposes.

(k) The Owner agrees not to take any action or actions to reduce the total amount of such Assessments to be levied as of the Effective Date.

### **Section 6.03.** Indemnification and Hold Harmless by Owner

THE OWNER WILL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES, AND AGENTS (IN THIS SECTION, THE "CITY") AGAINST AND FROM, AND WILL PAY TO THE CITY, THE AMOUNT OF, ALL ACTIONS, DAMAGES, CLAIMS, LOSSES, OR EXPENSE OF ANY TYPE. WHETHER OR NOT INVOLVING A THIRD-PARTY (COLLECTIVELY, "DAMAGES"), ARISING DIRECTLY OR INDIRECTLY, FROM (i) THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE OWNER; (ii) THE NEGLIGENT DESIGN, ENGINEERING, OR CONSTRUCTION BY THE OWNER OF ANY AUTHORIZED IMPROVEMENT ACQUIRED BY THE CITY; (iii) THE OWNER'S NONPAYMENT UNDER CONTRACTS WITH THE OWNER FOR ANY AUTHORIZED IMPROVEMENT UNDER THIS AGREEMENT; (iv) ANY CLAIMS AGAINST THE CITY RELATING TO ANY AUTHORIZED IMPROVEMENT ACQUIRED UNDER THIS AGREEMENT; OR (v) ANY THIRD PARTY CLAIMS RELATING TO ANY AUTHORIZED IMPROVEMENT ACQUIRED UNDER THIS AGREEMENT, INCLUDING ANY CLAIM RELATING TO NEGLIGENCE OF THE CITY. THE OWNER WILL DEFEND THE CITY AGAINST ALL SUCH CLAIMS AND THE CITY WILL REASONABLY COOPERATE AND ASSIST IN PROVIDING SUCH DEFENSE. THE CITY WILL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE OWNER IN FULFILLING ITS OBLIGATIONS HEREUNDER. THE CITY RESERVES THE RIGHT, BUT IS NOT REQUIRED, TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE AT THE OWNER SHALL RETAIN CITY-APPROVED DEFENSE ITS OWN EXPENSE. COUNSEL WITHIN 10 BUSINESS DAYS OF WRITTEN NOTICE THAT THE CITY IS INVOKING ITS RIGHT TO INDEMNIFICATION AND IF THE OWNER DOES NOT DO SO, THE CITY MAY RETAIN ITS OWN DEFENSE COUNSEL AND THE OWNER WILL BE LIABLE FOR ALL REASONABLE SUCH COSTS. 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 VII. DEFAULT AND REMEDIES

- (a) A Party will be deemed in default under this Agreement (which will be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements, or obligations hereunder or breaches or violates any of its representations contained in this Agreement.
- (b) Before any failure of any Party to perform its obligations under this Agreement will 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), subject, however, in the case of nonmonetary default, to the terms and provisions of subparagraph (c) below. Upon a breach of this Agreement, the nondefaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Authorized Improvements (or take any other action related to or in furtherance of same) while the City is in default under this Agreement).

(c) 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, acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a "force majeure" event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.

#### ARTICLE VIII. GENERAL PROVISIONS

#### Section 8.01. Notices.

Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as may be specified in writing by any Party hereto to the other parties hereto. Each notice which mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: Scott Sellers

City Manager City of Kyle 100 W. Center St. Kyle, TX 78640

Facsimile: (512) <u>262-3987</u>

## With a copy to:

Bickerstaff Heath Delgado Acosta LLP

Attn: David Méndez

3711 S. MoPac Expressway

Building One Suite 300

Austin, Texas 78746

Facsimile: (512) 320-5638

If to Owner: Blake Magee Co.

Attn: Blake Magee 1011 North Lamar Blvd Austin, Texas 78703

Facsimile: (512) 481-0333

With a copy to: Armbrust & Brown, PLLC

Attn: Sharon Smith

100 Congress Avenue, Suite 1300

Austin, Texas 78701

Facsimile: (512) 435-2360

## **Section 8.02.** Fee Arrangement /Administration of District

(a) The Owner agrees that it will pay all of the City's costs and expenses (including the City's third party advisors and consultants) related to the creation and administration of the District, as well as costs and expenses relating to the development and review of the Service and Assessment Plan (including legal fees and financial advisory fees) ("City PID Costs"). The Owner and the City will make best efforts to agree to a budget for the City's costs and expenses. Prior to closing of the PID Bonds, the City shall (i) submit to the Owner and the Trustee invoices and other supporting documentation evidencing the City PID Costs and (ii) direct the Trustee to pay these fees, as applicable, to the City or on behalf of the City from proceeds of the PID Bonds. In addition to any City PID Costs pursuant to the preceding sentences, all fees of City legal counsel related to the issuance of the PID Bonds, including fees for the review of the District creation and District administration documentation, the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing from proceeds of the PID Bonds. Further, the Owner or agrees that it or the District will be responsible for paying the Administrative Expenses.

- (b) The Owner will be solely responsible for the costs associated with the issuance of any Additional Improvement Area #1 Bonds and Future Improvement Area Bonds. The terms of subparagraph (a) above will apply to the Owner in the event that such bonds are issued.
- (c) The City may enter into a separate agreement with an Administrator to administer the District after Closing. The Administrative Expenses 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 8.03.** Assignment and Other Transfers

- (a) Subject to subparagraph (b) below, 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 City thirty (30) days prior written notice of any such assignment. 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.
- (b) Any sale of a portion of the Property or assignment of any right hereunder will 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.
- (c) For the purposes of 17 Code of Federal Regulations 240.15c2-12 and municipal securities disclosure, a purchaser of Property, or an assignee under this section 8.03, is an "Obligated Person" to the extent the purchaser or assignee meets the definition of "Obligated Person" in the Owner Continuing Disclosure Agreement.

## **Section 8.04.** Term of Agreement

This Agreement will terminate on the date on which the City and Owner discharge all of their obligations hereunder; provided, that if the Assessments are not levied on or before the date five years after the effective date of the creation of the PID, the City may dissolve the District and the Owner hereby consents to the City taking any and all steps necessary to dissolve the District in accordance with Section 372.011, Texas Local Government Code. This section is a covenant running with the land and is binding on the Owner's successors and assigns.

#### **Section 8.05.** 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 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 will 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, and 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 will, unless the form of such instrument is specifically provided, be in writing signed by an 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 will not apply in the interpretation of this Agreement.

## **Section 8.06.** 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 will not be deemed to affect the meaning, construction, or effect of any of its provisions.

#### Section 8.07. Amendments.

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

#### Section 8.08. Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

## **Section 8.09.** Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

## **Section 8.10.** Entire Agreement

This Agreement contains the entire agreement of the Parties.

# Section 8.11. 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 8.12.** Owner as Independent Contractor

In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not an agent of the City.

# Section 8.13. Supplemental Agreements

Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are included in the Service and Assessment Plan, the Assessment Ordinance, PID Bond Ordinance and Indenture.

#### Section 8.14. Audit

The City Construction Representative or City Finance Director will have the right, during normal business hours and upon the giving of three business days' prior written notice to the Owner, to review 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 8.15. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit A - Definitions

Exhibits B-1, B-2, and B-3 Property Description for Project

Exhibit B-4 Improvement Areas

Exhibit C - Form of Service and Assessment Plan

Exhibit D - Major Improvements

Exhibit E - Form of Certification for Payment

Exhibit F - Improvement Area #1 Improvements

Exhibit G - Closing Disbursement Request

Exhibit H - Acquisition and Reimbursement Agreement

[Signature Pages to Follow]

# CITY OF KYLE, TEXAS, a municipal corporation

By: Travis Mitche

Title: Mayor

[Signatures Continue on Next Page]

# HMBRR DEVELOPMENT, INC.,

a Texas corporation

By:

Name Title:

President

HMBRR, LP, a Texas limited partnership

By:

Name Title:

HMBRR, LP #2, a Texas limited partnership

By:

Name:

Title: Tan

#### Exhibit "A"

#### **DEFINITIONS**

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

"Acceptance Date" means, with respect to a Segment, the date that the Actual Cost thereof is paid to the Owner pursuant to the terms hereof.

"Acquisition and Reimbursement Agreement" means agreement that obligates the City to reimburse the Owner for Actual Costs of an Authorized Improvement not funded with PID Bonds, secured solely by Assessments to be paid to Owner pursuant to an agreement between the City and the Owner.

"Actual Costs" mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of owners and developers of the Property: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the City; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) to acquire easements and other right-of-way; (5) for third-party professional consulting services including, but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (6) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; (7) the City's cost of reviewing a Certification for Payment; (8) of fees charged by the City or any other political subdivision or governmental authority; and (9) to implement, administer, and manage the above-described activities including, but not limited to, a construction management fee equal to four percent (4%) of construction costs if managed by or on behalf of the owners or developers. Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in approximately equal monthly installments over the term of the applicable construction management contract. Amounts expended for costs described in subsections (3), (4), (5), and (8) above shall be excluded from the amount upon which the general contractor and construction management fees are calculated.

"Additional Improvement Area #1 Bonds" means bonds issued to fund Improvement Area #1 Improvements or refund the Improvement Area #1 Reimbursement Obligation, in whole or in part, that are secured by the Improvement Area #1 Assessments.

"Administrative Expenses" means the actual or budgeted costs and expenses related to the creation and operation of the PID, the issuance and sale of PID Bonds, and the administration of construction of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records

with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to assessment rolls and annual Service Plan updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this SAP and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. Administrative Expenses collected but not expended in any year shall be carried forward and applied to reduce Administrative Expenses for subsequent years.

"Administrator" means the person or independent firm designated by the City Council to perform the duties and obligations of the Administrator in the Service and Assessment Plan. The initial Administrator is PIDWorks, LLC, and Administrator includes any successor designated by the City.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Installment" has the meaning given in the Service and Assessment Plan.

"Appraisal"	means the Appraisal of Blanco River Ranch dated effective	<del>,</del>
prepared by	·	

- "Assessed Parcel" means, for any year, Parcels within the District other than Non-Benefited Property.
- "Assessment Ordinance" means each ordinance adopted by the City Council levying the Assessments on the Property, as required by Article II of this Agreement.
- "Assessment Revenues" means money collected by or on behalf of the City from any one or more of the following: (i) an Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs (as defined in the Indenture), and (iv) Foreclosure Proceeds (as defined in the Indenture).
- "Assessments" means the assessments levied against properties in the District, as provided for in the applicable Assessment Ordinance 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.
  - "Attorney General" means the Texas Attorney General's Office.
- "Authorized Improvements" means collectively the Major Improvements described in Exhibit "D", and Improvement Area #1 Improvements described in Exhibit "F", together with any and all of the improvements which are included in the Service and Assessment Plan as such plan is amended and updated from time to time.

"Bond Counsel" means Bickerstaff Heath Delgado Acosta LLP or its successor.

**"Bond Issuance Cost"** means the total of the expenses associated with the sale of PID Bonds, including such items as underwriter's discount, if any, and financial advisory, bond counsel, other counsel and rating agency fees, printing costs, and other expenses relating to the sale of the PID Bonds.

"Bond Issuance Request" means written request made by Owner to the City in good faith as evidenced by Owner's expenditure of necessary amounts for market studies, financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

"Bond Proceeds" has the meaning given to them in Section 6.01(a) hereof.

"Certification for Payment" means the certificate (whether one or more) in substantially the same form as attached Exhibit "E".

"City Construction Representative" means the \_\_\_\_\_\_ or such other person selected by the City to oversee the construction of the Authorized Improvements on behalf of the City.

"City Council" means the governing body of the City.

"City PID Costs" shall have the meaning given in Section 8.02 of this Agreement.

"Closing Disbursement Request" means the request (whether one or more) in substantially the same form as attached Exhibit "G".

"Construction Management Fee" means 4% of the costs incurred by or on behalf of Owner for the construction of each Segment.

"Construction Manager" means initially the Owner, and thereafter subject to change in accordance with Section 3.03 of this Agreement. The City 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.

"Cost of Issuance Account" shall have the meaning given in the Indenture.

**"Debt"** means any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City related exclusively to the District.

"Designated Successors and Assigns" shall mean (i) an entity to which Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

- "**District**" has the meaning given in the recitals to this Agreement.
- "Effective Date" has the meaning given in this Agreement.
- "Future Bonds Test" means the additional investment and underwriting criteria which must be met prior to the issuance of PID Bonds (other than the PID Bonds that are being issued concurrently herewith) which are more particularly described in an Indenture.
- "Future Improvement Area Bonds" means bonds issued to fund Authorized Improvements (or a portion thereof) in a Future Improvement Area. In connection with the Future Improvement Area Bonds, Assessments will be levied only on Parcels located within the Future Improvement Area in question.
- "Future Improvement Areas" means the property within the District, excluding Improvement Area #1, as depicted on the map on Exhibit B-4 consisting of approximately \_\_\_\_\_ acres within the District. Future Improvement Areas may be developed in phases after Improvement Area #1, as generally depicted in Exhibit B-4. The Future Improvement Areas are subject to adjustment and are shown for example only.
- "Improvement Area #1" means the initial area to be developed within the PID, consisting of approximately \_\_\_ acres within the District and as specifically described in **Exhibit B** and as depicted in **Exhibit B-4.**
- "Improvement Area #1 Bonds" means the "City of Kyle, Texas, Assessment Revenue Bonds, Series 2018 (Blanco River Ranch Public Improvement District Improvement Area #1 Project)" that are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Improvement Area #1 Improvements.
- "Improvement Area #1 Improvements" means (i) the pro rata portion of the Major Improvements that benefit the entire District, allocable to Improvement Area #1, and (ii) the Authorized Improvements which only benefit the Improvement Area #1 Assessed Property and are described in Section III.A. of the Service and Assessment Plan, and which are to be financed with Improvement Area #1 Bonds.
- "Improvement Area #1 Reimbursement Obligation" means the \$3,710,000 secured by Improvement Area #1 Assessed Property to be paid to Owner pursuant to the "Blanco River Ranch Public Improvement District Improvement Area #1 Acquisition and Reimbursement Agreement" with an effective date of \_\_\_\_\_\_\_.
- "**Indenture**" means the applicable Indenture of Trust between the City and a trustee relating to the issuance of a series of PID Bonds for financing costs of Authorized Improvements, as it may be amended from time to time.
- "Initial Owner Expended Funds" has the meaning given in Section 4.02(g) of this Agreement.

- "Initial Reimbursement Payment" has the meaning given in Section 4.02(g) of this Agreement.
- "Interest" mean the interest rate charged for the PID Bonds or Acquisition and Reimbursement Agreement or such other interest rate as may be required by applicable law.
  - "Issue Date" means the date of the initial delivery of any of the PID Bonds.
- "Major Improvements" means both onsite and offsite Authorized Improvements which benefit Improvement Area #1 as well as Future Improvement Areas, and as further described in attached Exhibit F.
- "Nonbenefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements, including Owners Association Property, Public Property.
  - "Notice" means any notice, writing, or other communication given under this Agreement.
  - "Owner" has the meaning given in the recitals to this Agreement.
- "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.
- "Owner Continuing Disclosure Agreement" shall have the meaning given in the Indenture or any purchase agreement relating to the sale of the PID Bonds.
  - "Owner Expended Funds" has the meaning given in Section 4.03(c).
- "Parcel" means a property identified by either a tax map identification number assigned by the Hays Central Appraisal District for real property tax purpose, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the Official Public Records of Hays County, or by any other means determined by the City.
- "Party" means the Owner or the City, as parties to this Agreement, and "Parties" means collectively, the Owner and the City.
  - "Payment Request" means the Certification for Payment.
  - "PID Act" means Chapter 372 of the Texas Local Government Code, as amended.
- "PID Bond Ordinance" means and refers to the ordinance(s) of the City Council that will authorize and approve the issuance and sale of the PID Bonds and provide for their security

and payment, either under the terms of the bond ordinance or a trust indenture related to the PID Bonds.

"PID Bond Security" means the funds that are to be pledged in or pursuant to the PID Bond Ordinance or the Indenture to the payment of the debt service requirements on the PID Bonds, consisting of the Assessments, including earnings and income derived from the investment or deposit of Assessments in the special funds or accounts created and established for the payment and security of the PID Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government.

"PID Bonds" means the bonds to be issued by the City, in one or more series, to finance the Authorized Improvements that confer special benefit on the Property, which may include funds for any required reserves and amounts necessary to pay the PID Bond Issuance Costs, and to be secured by a pledge of the Assessments pursuant to the authority granted in the PID Act, for the purposes of (i) financing the 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. This term is used to collectively refer to the Improvement Area #1 Bonds and the Future Improvement Area Bonds throughout this SAP.

"Pledged Revenue Fund" means the separate and unique fund established by the City under such name pursuant to the Indenture wherein the Assessment Revenues are deposited.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment 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, which is currently Kimley-Horn and Associates.

"**Project Fund**" means the separate and unique fund established by the City under such name pursuant to the Indenture as described in Section 5.02 hereof.

"**Property**" has the meaning given in the recitals to this Agreement.

"Public Property" means property, real property, right of way, and easements located within the boundaries of the District owned by or irrevocably offered for dedication to the federal government, the State, the County, the City, a school district, a public utility provider, or any other political subdivision or public agency, whether in fee simple, through an easement, or by plat.

"Regulatory Requirements" means the requirements and provisions of any state or federal law, and any permits, rules, orders or regulations issued or adopted from time to time by

any regulatory authority, state, federal or other, having jurisdiction over the Authorized Improvements, as adjusted by the Development Agreement.

"Reimbursement Payment" has the meaning given in Section 4.03(c).

"SAP Consultant" means PIDWorks, LLC.

"Segment" or "Segments" means the discrete portions of the Authorized Improvements identified as such.

"Service and Assessment Plan" means the Blanco River Ranch Public Improvement District Service and Assessment Plan (as such plan is amended and updated from time to time), to be initially adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the District having terms, provisions, and findings approved and agreed to by the Owner, as required by Article II of this Agreement.

"**Subdivision Ordinance**" means the Hays County Subdivision and Development Regulations in effect as of the Effective Date.

"Tax Certificate" shall have the meaning given in Section 6.01(a) hereof.

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

"**Transfer**" shall have the meaning given in Section 2.05(b) hereof.

"**Transferee**" shall have the meaning given in Section 2.05(b) hereof.

"Trustee" means the trustee (or successor trustee) under an Indenture.

"Underwriter" means \_\_\_\_\_\_, or its successor.

"Unpaid Balance" shall have the meaning given in the applicable Acquisition and Reimbursement Agreement.

# Exhibits "B-1"

# PROPERTY DESCRIPTION FOR PROJECT

# Exhibit "B-4"

# IMPROVEMENT AREAS

# Exhibit "C"

# FORM OF SERVICE AND ASSESSMENT PLAN

[See Attached]

# Exhibit "D"

# MAJOR IMPROVEMENTS

Major Improvements	Dedicated to City or County	Estimated Cost

# EXHIBIT "E" FORM OF CERTIFICATION FOR PAYMENT (Blanco River Ranch)

	("Construction	Manager")
hereby requests payment for the Actual Cost of the work (the "Dr	aw Actual Costs")	described in
attached Attachment A. Capitalized undefined terms shall have the	ne meanings ascrib	ed thereto in
the Blanco River Ranch Public Improvement District Financing	Agreement between	en HMBRR
Development, Inc., and HMBRR, L.P. (the "Owner"), and the Ci	ty of Kyle, Texas	(the "City"),
dated as of (the "Finance Agreement"). In con-	nnection with this	Certification
for Payment, the undersigned, in his or her capacity as the	of Constructi	on Manager,
to his or her knowledge, hereby represents and warrants to the City	y as follows:	_

- 1. He (she) is an authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
- 2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A and payment for such requested amounts and purposes has not been subject to any previously submitted request for payment.
- 3. Attached as <u>Attachment B</u> is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in <u>Attachment A</u> has been paid in full for all work completed through the previous Certification for Payment.
- 4. Attached as <u>Attachment C</u> are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs for which payment is requested.

[Signature Page Follows]

# SIGNATURE PAGE TO

# FORM OF CERTIFICATION FOR PAYMENT

Date :	[Construction Manager Signature Block to be
	addedl

# APPROVAL BY THE CITY

The Draw Actual Co	sts of each Segment described in Atta	achment A have been reviewed,
verified, and approved by the	ne City Construction Representative.	Payment of the Draw Actual
Costs of each such Segment	is hereby approved.	

Date:	CITY OF KYLE, TEXAS	
	Bv:	

# ATTACHMENT A TO CERTIFICATION OF PAYMENT

<u>Segment</u> <u>Description of Work Completed</u> <u>Draw Actual Costs</u> <u>under this Certification for Payment</u>

# ATTACHMENT B TO CERTIFICATION OF PAYMENT

[attached – bills paid affidavit]

#### ATTACHMENT C TO CERTIFICATION OF PAYMENT

[attached – receipts]

#### Exhibit "F"

#### IMPROVEMENT AREA #1 IMPROVEMENTS

[To be provided prior to prior to or simultaneously with issuance of Improvement Area #1 Bonds.]

#### Exhibit "G"

#### FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is a lawfully authorized representative for HMBRR Development, Inc., and HMBRR, L.P. (the "Owner"), and requests payment from the Costs of Issuance Account of the Project Fund (as defined in the Blanco River Ranch Public Improvement District Financing Agreement) from (the "Trustee") in the amount of (\$
Ranch Public Improvement District (the " <u>District</u> "), as follows.
In connection to the above referenced payment, the Owner represents and warrants to the City as follows:
1. The undersigned is an authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds has not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below itemized costs is a true and accurate representation of the Actual Costs incurred by Owner with the establishment of the District at the time of the delivery of the PID Bonds, and such costs are in compliance with the Service and Assessment Plan. The itemized costs are as follows:
[insert itemized list of costs here]
TOTAL REQUESTED: \$
4. The Owner is in compliance with the terms and provisions of the Blanco River Ranch Public Improvement District Financing Agreement, the Indenture and the Service and Assessment Plan.
5. All conditions set forth in the Indenture and [the Acquisition and Reimbursement Agreement for] for the payment hereby requested have been satisfied.
6. The Owner agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete its review.

#### Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions]

I hereby declare that the above representations and warranties are true and correct.

By:		
By:		
Name:		
Title:		

#### **APPROVAL OF REQUEST BY CITY**

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include the payments in the City Certificate submitted to the Trustee directing payments to be made from Cost of Issuance Account upon delivery of the Bonds.

#### CITY OF KYLE, TEXAS

By:	 	
Name:		
Title:		

#### Exhibit "H"

## ACQUISITION AND REIMBURSEMENT AGREEMENT

[See Attached]

## BLANCO RIVER RANCH PUBLIC IMPROVEMENT DISTRICT ACQUISITION AND REIMBURSEMENT AGREEMENT

This Blanco River Ranch Public Improvement District Acquisition and Reimbursement Agreement (this " <u>Agreement</u> ") is executed between HMBRR Development, Inc., a Texas corporation, HMBRR, LP, a Texas limited partnership, and HMBRR, LP #2, a Texas limited partnership (including their designated successors and assigns, the " <u>Owner</u> ") and the City of Kyle, Texas (the " <u>City</u> ") to be effective
RECITALS
WHEREAS, on June 6, 2017, the Kyle City Council (the " <u>City Council</u> ") passed and approved a resolution (the " <u>Creation Resolution</u> ") authorizing the creation of the Blanco River Ranch Public Improvement District (the "PID" or " <u>District</u> ") covering approximately 858.7 acres of land described by a map thereof in the Creation Resolution (the " <u>District Property</u> "); and
WHEREAS, on, 2017, the City Council approved the Blanco River Ranch Public Improvement District Financing Agreement by and between the Owner and City (the " <u>PID Financing Agreement</u> ");
WHEREAS, the purpose of the District is to finance certain improvements authorized by

and confer a special benefit on the Assessed Property within the District; and

WHEREAS, Assessments have been levied against the Assessed Property within the District
for the construction of the Authorized Improvements in accordance with the Blanco River Ranch
Public Improvement District Service and Assessment Plan (as the same may be amended or

Chapter 372, Texas Local Government Code (the "Act") that promote the interests of the City

Public Improvement District Service and Assessment Plan (as the same may be amended or updated from time to time, the "SAP") which was originally approved by the City Council on \_\_\_\_\_\_\_, 2018; and

WHEREAS, the SAP recommended an assessment be levied against the District Property in the amount of \$\_\_\_\_\_ (the "Assessment"); and

WHEREAS, the SAP recommended that each of the lots within District Property be assessed \$\_\_\_\_\_\_; and

WHEREAS, the PID Financing Agreement between the Owner and the City states that certain Authorized Improvements are intended to be constructed pursuant to one or more Acquisition and Reimbursement Agreements and paid for by the Owner prior to the issuance of PID Bonds intended to fund such Authorized Improvements and that the funding of such improvements will be governed by the applicable Acquisition and Reimbursement Agreement and Article IV of the PID Financing Agreement; and

WHEREAS, Owner is ready to commence the design and/or construction of the Authorized Improvements (herein so called) which are more particularly described in the SAP and on the attached Exhibit A; and

WHEREAS, all revenue received and collected by the City from the Assessment (excluding any reasonable collection and/or administrative costs, the "Assessment Revenue") shall be deposited into an account held by the City that is segregated from all other funds of the City and used solely for the purposes set forth herein (the "Assessment Reimbursement Fund"); and

WHEREAS, the Parties intend that the Repayment Amount (defined below) shall be reimbursed to Owner from (i) the Assessment Reimbursement Fund, and/or (ii) the net proceeds of PID Bonds issued by the City and secured by the Project Fund; and

WHEREAS, capitalized terms not defined herein shall have the meaning ascribed to them in the PID Financing Agreement.

NOW THEREFORE, FOR VALUABLE CONSIDERATION THE RECEIPT AND ADEQUACY OF WHICH ARE ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. <u>Recitals</u>. The recitals in the "WHEREAS" clauses of this Agreement are true and correct, and are incorporated as part of this Agreement for all purposes.

#### 2. Assessment Reimbursement Fund.

- (a) When PID Bonds are issued, the City shall bill, collect, and deposit into the Pledged Revenue Fund of the Indenture all Assessment Revenue constituting "pledged revenues" as defined in the Indenture.
- (b) When PID Bonds have been defeased, the City shall bill, collect, and immediately deposit the Assessments collected into an Assessment Reimbursement Fund (excluding Administrative Expenses and Delinquent Collection Costs). Funds in the Assessment Reimbursement Fund shall only be used to pay Costs of the Authorized Improvements in accordance with this Agreement.
- 3. Repayment Amount. Subject to the terms, conditions, and requirements contained herein, the City agrees to reimburse the Owner, and the Owner shall be entitled to receive from the City, the amount equal to the Actual Cost of the Authorized Improvements (the "Repayment Amount") plus interest on the unpaid balance in accordance with the terms of this Agreement until \_\_\_\_\_\_\_, 20\_\_\_\_ (the "Maturity Date"); provided, however, the Repayment Amount shall not exceed \$\_\_\_\_\_\_. The Repayment Amount shall be payable to the Owner solely from: (i) the Assessment Revenues deposited in the Assessment Reimbursement Fund; (ii) the net proceeds (after payment of costs of issuance) of PID Bonds issued by the City and secured by the Assessment Revenues; or (iii) a combination of items (i) and (ii). The Repayment Amount is authorized by the Act, was approved by the City Council, and represents the total costs to be assessed against the Assessed Property for the Authorized Improvements which, upon completion, will be dedicated in fee and accepted by the City or County, pursuant to the terms of the PID Financing Agreement. The unpaid

Repayment Amount shall bear simple interest per annum at the rate of (x) \_\_\_\_\_ % for years one through five and (y) \_\_\_\_\_ % for years six through the Maturity Date or until PID Bonds are sold, whichever is earlier. If any portion of the Repayment Amount remains unpaid after the City has elected to sell PID Bonds, the interest rate paid to the Owner shall be the same as the interest rate on the PID Bonds; however, such rate shall not exceed \_\_\_\_\_\_\_%. The interest rate has been approved by the City Council and complies with the Act.

- 4. <u>Unpaid Balance</u>. The Repayment Amount, plus interest as described above (collectively, the "<u>Unpaid Balance</u>"), is payable to the Owner and secured under this Agreement solely as described herein. No other City funds, revenue, taxes, income, or property shall be used even if the Unpaid Balance is not paid in full at the Maturity Date. The City acknowledges and agrees that until the Unpaid Balance is paid in full, the obligation of the City to use the Assessment Reimbursement Fund to pay the Unpaid Balance to Owner is absolute and unconditional and that the City does not have, and will not assert, any defenses to such obligation.
- 5. City Collection Efforts. The City will use all reasonable efforts to receive and collect Assessment Revenue concurrently with the collection of City ad valorem taxes (including the foreclosure of liens resulting from the nonpayment of the Assessments, or other charges due and owing under the SAP), and upon receipt and collection, immediately deposit the same into the Assessment Reimbursement Fund. Notwithstanding its collection efforts, if the City fails to receive all or any part of the Assessments, such failure and inability shall not constitute default by the City under this Agreement. This Agreement and/or any of the PID Bonds shall never give rise to or create:
  - (a) a charge against the general credit or taxing powers of the City or any other taxing unit; or
  - (b) a debt or other obligation of the City payable from any source of revenue, taxes, income, or properties of the City other than from the Assessments or from the net proceeds of the PID Bonds.
- 6. Process for Payment from the Assessment Reimbursement Fund. After completion of design or construction of the Authorized Improvements, Owner may submit (but not more frequently than monthly) to the City a written request for payment from the Assessment Reimbursement Fund in the form attached hereto as Schedule 1 (each a "Payment Request") to disburse all or a portion of the Assessment Reimbursement Fund to pay for the cost of constructing the Authorized Improvements. Each Payment Request shall designate the Authorized Improvements (or portion thereof) to which the Payment Request pertains. This process will continue until the Unpaid Balance is paid in full, whether through the issuance of PID Bonds or not.
- 7. <u>Issuance of PID Bonds</u>. The City intends to issue PID Bonds to reimburse the Developer for the Unpaid Balance. If the PID Bonds are not sufficient to fully reimburse the Developer for the Unpaid Balance, then, in addition to receiving the net proceeds of the PID Bonds, the Owner may continue to receive the Periodic Repayment Amounts from eligible accounts and

funds established in the Indenture. Furthermore, if the Owner has still not received the entire Unpaid Balance after the foregoing actions, then, the City intends to issue Additional PID Bonds to reimburse Owner for the Unpaid Balance. In the case where net proceeds of the PID Bonds do not cover the entire Unpaid Balance, then PID Bonds Assessment Revenues shall first be used to service the PID Bonds and then to reimburse Owner for the Unpaid Balance in accordance with the Indenture. The Parties acknowledge that the approval of the issuance of any PID Bonds by the City Council is a governmental function within the City Council's sole discretion.

- 8. Termination. Once all payments paid to the Owner under this Agreement (including net proceeds of PID Bonds) equal the Unpaid Balance, this Agreement shall terminate; provided, however that if on the Maturity Date, after application of the net proceeds of any PID Bonds, any portion of the Unpaid Balance remains unpaid, such Unpaid Balance shall be canceled and for all purposes of this Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL; if any Assessment Revenue remains due and payable and are uncollected on the Maturity Date, such Assessment Revenue, when, as, and if collected after the Maturity Date, shall be applied to any amounts due in connection with outstanding PID Bonds, and then paid to the Owner and applied to the Unpaid Balance in accordance with the Indenture.
- 9. <u>Nonrecourse Obligation</u>. The obligations of the City under this Agreement are nonrecourse and payable only from (i) Assessments, or (ii) net proceeds of PID Bonds; such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income, or property. None of the City or any of its elected or appointed officials or any of its employees 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 omission under this Agreement.
- 10. No Defense. Following the City's inspection and approval of the Authorized Improvements, there will be no conditions or defenses to the obligation of the City to use the proceeds of any PID Bonds to pay the Unpaid Balance and to pledge the Assessment Revenues as security for such bonds, other than the City's right to pay costs of issuance of such bonds, costs of collection and administration, and/or other costs incurred by the City relating to the Authorized Improvements. As applicable, the City agrees to transfer such portion of the Assessment Revenues to the Trustee under the Indenture.
- 11. <u>No Waiver</u>. Nothing in this Reimbursement Agreement is intended to constitute a waiver by the City of any remedy the City may otherwise have outside this Agreement against any person or entity involved in the design, construction, or installation of the Authorized Improvements.
- 12. <u>Amendment for Additional PID Bonds</u>. If Additional PID Bonds are issued in the future, the Owner and City agree to amend this Agreement (if required or reasonably necessary) to adjust defined terms and/or other applicable provisions.

- 13. Governing Law Venue. This Agreement is being executed and delivered, and is intended to be performed in the State of 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 Agreement. In the event of a dispute involving this Agreement, venue for such dispute shall lie in any court of competent jurisdiction in Hays County, Texas.
- 14. <u>Notice</u>. Any notice required or contemplated by this Agreement shall be deemed given at the addresses shown below: (i) when delivered by a national company such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person was the named addressee; or (ii) 24 hours after the notice was deposited with the United States Postal Service, Certified Mail, Return Receipt Requested. Any Party may change its address by delivering written notice of such change in accordance with this section.

If to City: Scott Sellers

City Manager
City of Kyle
100 W. Center St.
Kyle, Texas 78640
Facsimile: (512)

If to Owner: Blake Magee

1011 North Lamar Blvd. Austin, Texas 78703 Facsimile: (512) 481-0333

With a copy to: Armbrust & Brown, PLLC

Attn: Sharon Smith

100 Congress Avenue, Suite 1300

Austin, Texas 78701 Facsimile: (512) 435-2360

- 15. <u>Invalid Provisions</u>. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions, and the remainder of this Agreement shall remain in full force and effect.
- 16. Exclusive Rights of Owner. Owner's right, title and interest into the payments of Repayment Amounts, as described herein, shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its Unpaid Balance to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Subject to the terms of Section 17 hereof, Owner has the right to collaterally convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of Owner's right, title, or interest under this Agreement including, but not limited to, any right, title or interest regarding receipt of payments of Owner in and to payment of its Unpaid Balance (a "Transfer," and the person or

entity to whom the transfer is made, a "<u>Transferee</u>"). Further, any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a Transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a Transfer. No Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by Owner without any obligation to investigate or confirm the Transfer.

#### 17. Assignment.

- (a) Subject to subparagraph (b) below, Owner may, in its sole and absolute discretion, assign this Agreement with respect to all or part of the Property from time to time to any third party. Owner shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Owner shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement for the part of the Project so assigned. The City, may, in its discretion, determine that an assignee is an "Obligated Person," for the purposes of compliance with 17 C.F.R. § 240.15c2-12 (f)(10). For the purposes of 17 Code of Federal Regulations 240.15c2-12 and municipal securities disclosure, an assignee under this section 17(a) is an "Obligated Person" to the extent the assignee meets the definition of "Obligated Person" in the Owner Continuing Disclosure Agreement.
- (b) 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.
- (c) "<u>Designated Successors and Assigns</u>" shall mean (i) an entity to which Owner assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 16; (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.
- 18. <u>Right to Designate Right to Receive Payments.</u> The Owners, in its sole discretion, may designate, by written notice to the City, which party comprising the Owner will receive payments under this Agreement, and if payments are to be allocated between more than one such Owner, what percentage or amount is payable to each such Owner party.

#### 19. Failure; Default; Remedies.

(a) If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." Upon the occurrence of a Failure by a nonperforming Party, the other Party shall notify the nonperforming Party in writing specifying in reasonable detail the nature of the Failure.

The nonperforming Party to whom notice of a Failure is given shall have at least 30 days from receipt of the notice within which to cure the Failure; however, if the Failure cannot reasonably be cured within 30 days and the nonperforming Party has diligently pursued a cure within such 30-day period and has provided written notice to the other Party that additional time is needed, then the cure period shall be extended for an additional period (not to exceed 90 days) so long as the nonperforming Party is diligently pursuing a cure.

- (b) If the Owner is in Default, the City's sole and exclusive remedy shall be to seek specific enforcement of this Agreement. No Default by the Owner, however, shall: (1) affect the obligations of the City to use the net proceeds of the PID Bonds as provided in Sections 6 and 7 of this Agreement; or (2) entitle the City to terminate this Agreement. In addition to specific enforcement, the City shall be entitled to attorney's fees, court costs, and other costs of the City to obtain specific enforcement.
- (c) If the City is in Default, the Owner's sole and exclusive remedies shall be to: (1) seek a writ of mandamus to compel performance by the City; or (2) seek specific enforcement of this Agreement.

#### 20. Miscellaneous.

- (a) The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.
- (b) The City does not waive or surrender any of its governmental powers, immunities, or rights except to the extent permitted by law and necessary to allow the Owner to enforce its remedies under this Agreement.
- (c) Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City and the Owner any rights, remedies, or claims under or by reason of this Agreement, and all covenants, conditions, promises, and agreements in this Agreement shall be for the sole and exclusive benefit of the City and the Owner.
- (d) This Agreement may be amended only by written agreement of the Parties.
- (e) This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Signature pages to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of
, 20, to be effective as of the date written on the first page of this
Agreement.
CITY OF KYLE, TEXAS

By:
Name:
Title:

[Signatures Continue on Next Page]

	RR DEVELOPMENT, INC., s corporation
Ву:	Blake J. Magee, President
HMBl	RR, LP, a Texas limited partnership
Ву:	Hanna Magee GP #1, Inc., a Texas corporation, its General Partner
Ву:	Blake J. Magee, President
HMBl	RR, LP #2, a Texas limited partnership
Ву:	Hanna Magee GP #1, Inc., a Texas corporation, its General Partner
Ву:	Blake J. Magee, President

#### Exhibit A

## Authorized Improvements

## Schedule 1

Form of Payment Request

[Insert example from Financing Agreement]

# FIRST AMENDMENT TO THE 6 CREEKS PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT

This First Amendment to the 6 Creeks Public Improvement District Financing Agreement (the "Amendment") is made, entered into and effective as of April 16, 2019 (the "Amendment Effective Date") by the City of Kyle, a Texas home-rule municipal corporation (the "City") and HMBRR Development, Inc., a Texas corporation, HMBRR, L.P., a Texas limited partnership, and HMBRR, LP #2, a Texas limited partnership (collectively the "Owner"). The City and the Owner are herein referred to together as the "Parties."

#### Recitals:

WHEREAS, the City entered into that certain Blanco River Ranch Public Improvement District Financing Agreement with the Owner, dated effective as of July 18, 2017 (the "Financing Agreement"); and

WHEREAS, on September 18, 2018, the City Council approved the renaming of the District from Blanco River Ranch Public Improvement District to the 6 Creeks Public Improvement District and adopted Resolution No. 1118; and

WHEREAS, this City Council intends to issue City of Kyle, Texas Special Assessment Revenue Bonds, Series 2019 (6 Creeks Public Improvement District Improvement Area #1 Project) to fund, among other things, the Improvement Area #1 Projects described in the District's service and assessment plan (the "Series 2019 Bonds"); and

WHEREAS, an Indenture of Trust by and between the City and UMB Bank, N.A., as Trustee, will be executed at the time the Series 2019 Bonds are authorized (the "Indenture"); and

WHEREAS, Section 13.2 of the Indenture lists the parameters for the issuance of Additional Improvement Area #1 Bonds and Refunding Bonds; and

WHEREAS, the Parties desire to replace Section 5.09 of the Financing Agreement in its entirety to conform the parameters for the issuance of Additional Improvement Area #1 Bonds and Refunding Bonds as stated in the Financing Agreement to Section 13.2(c) of the Indenture; and

WHEREAS, the Parties desire to add provisions to the Financing Agreement to address the ownership, operation, and maintenance of detention ponds in the District by amending Section 4.01(c);

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. RECITALS; DEFINITIONS

Section 1.01. Recitals. The foregoing recitals are incorporated herein and made a part of this Amendment for all purposes.

Section 1.02. Definitions. Words and phrases used in this Amendment shall, if defined in the Financing Agreement and not specifically modified by this Amendment, shall have the definition and meaning as provided in the Financing Agreement.

#### ARTICLE II. AMENDMENTS

Section 2.01. Section 5.09 of the Financing Agreement is hereby removed in its entirety and replaced with the following:

#### 5.09. Additional Obligations or Other Liens; Additional Parity Bonds.

(a) For this Section 5.09, the following terms, which will also be defined in the Indenture of Trust by and between the City and UMB Bank, N.A., as Trustee, securing the City of Kyle, Texas Special Assessment Revenue Bonds, Series 2019 (6 Creeks Public Improvement District Improvement Area #1 Project) (the "Series 2019 Indenture") shall have the meanings specified below. To the extent that there is any conflict between any definition as stated in this Section 5.09(a) and the Series 2019 Indenture, the applicable definition as stated in the Series 2019 Indenture shall control.

"2019 Amended and Restated Service and Assessment Plan" means the Service and Assessment Plan, as amended and restated by the Amended and Restated Service and Assessment Plan passed and approved by City Council on the date that it approved the issuance and sale of the PID Bonds, as same may be further amended, updated, supplemented or otherwise modified from time to time.

"Additional Improvement Area #1 Bonds" means Bonds issued to fund Improvement Area #1 Projects or refund the Improvement Area #1 Reimbursement Obligation, in whole or in part, that are secured by the Assessments.

"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 securing the Bonds and the Improvement Area #1 Reimbursement Obligation, levied against property within the District in accordance with the PID Act.

"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).

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"Assessed Property" means for any year, any Parcel within Improvement Area #1 of the District against which an Assessment is levied, other than Non-Benefited Property.

"Assessment Roll" means the Assessment Roll for the Assessed Properties within Improvement Area #1 of the District, included in the 2019 Amended and Restated Service and Assessment Plan as Exhibit F, or any other Assessment Roll in an amendment or supplement to the 2019 Amended and Restated Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Assessments, as updated, modified or amended from time to time in accordance with the procedures set forth in the 2019 Amended and Restated Service and Assessment Plan 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

"Assessments" mean the aggregate assessments 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 2019 Amended and Restated Service and Assessment Plan and the PID Act.

"Bonds" or "Bond" means all bonds or any bond authorized by a bond ordinance to finance one or more Authorized Improvements.

"Bond Year" means the one-year period beginning and ending on the dates specified in the applicable indenture of trust.

"City Representative" means the City Manager and/or any official or agent of the City authorized by the City Council to undertake the action referenced herein.

"Closing Date" means the date of the initial delivery of and payment for the applicable Series of Bonds.

"Improvement Area #1 Reimbursement Obligation" means an amount not to exceed \$4,420,000 secured, on a subordinate basis to the PID Bonds, by the Assessments levied against Assessed Properties to be paid to the Landowner to reimburse the Landowner for advancing Actual Costs of the Improvement Area #1 Projects, pursuant to the Acquisition and Reimbursement Agreement.

"Landowner" means HMBRR Development, Inc., a Texas corporation, HMBRR, L.P., a Texas limited partnership, and HMBRR, LP #2, a Texas limited partnership, collectively.

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

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

"Outstanding" means, as of any particular date when used with reference to one or several of the Bonds, all such Bonds except (i) any Bond that has been canceled by the Trustee for the

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

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

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

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

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

"Supplemental Indenture" means an indenture which has been duly executed by the Trustee and the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements the indenture for the PID Bonds.

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

- (b) The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.
- (c) Other than the Additional Improvement Area #1 Bonds (issued in accordance with subsection (d) below) and Refunding Bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien, or charge on any portion of the Trust Estate, and will not cause or allow any matter or things whereby the lien of this Series 2019 Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Series 2019 Indenture as a lien or charge upon the Trust Estate; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

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- (d) The City reserves the right, but shall be under no obligation, to issue Additional Improvement Area #1 Bonds, to finance the Actual Costs of the Improvement Area #1 Projects, including payment of the Improvement Area #1 Reimbursement Obligation, and in accordance with the conditions set forth below:
  - (i) The City Representative shall provide the Trustee a certificate certifying that (A) the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Series 2019 Indenture and (B) the Landowner is not delinquent with respect to fees or any other funds or commitments to be paid to the City in accordance with the Development Agreement or Financing Agreement;
  - (ii) The Landowner shall provide the Trustee, through an authorized representative, a certificate certifying that the Landowner is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Landowner contained in the Financing Agreement, the Acquisition and Reimbursement Agreement, or the Development Agreement;
  - (iii) The Administrator shall provide the Trustee a certificate certifying that the Landowner is not delinquent with respect to the payment of Assessments or any ad valorem taxes (other than any ad valorem taxes being contested in good faith);
  - (iv) The City and the Trustee shall receive a certificate or report from an independent certified appraiser, appraisal firm, or financial consultant, assuming completion of the Improvement Area #1 Projects, demonstrating that the ratio of the aggregate appraised value of all Assessed Properties within Improvement Area #1 to the aggregate principal amount of the Outstanding Bonds and the Additional Improvement Area #1 Bonds to be issued (the "Value to Lien Ratio") is at least 5:1. In calculating the Value to Lien Ratio, the independent certified appraiser, appraisal firm or financial consultant may rely on builder contracts, a certificate from the Administrator identifying lots for which home construction has commenced or the Hays County Tax Assessor/Collector's estimated assessed valuation for completed homes (home and lot assessed valuation) and estimated lot valuation for lots on which homes are under construction;
  - (v) The Landowner shall provide the City and the Trustee a certificate, through an authorized representative, certifying that no less than 162 single-family lots located within Improvement Area #1 (A) contain completed single-family homes or (B) have been issued a construction permit by the City;
  - (vi) The principal (including sinking fund installments) of the Additional Improvement Area #1 Bonds must be scheduled to mature on September 1 of the years in which principal is scheduled to mature;

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- (vii) The interest on the Additional Improvement Area #1 Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid;
- (viii) The Reserve Account Requirement shall be increased by an amount equal to no less than 25% of the Maximum Annual Debt Service on the proposed Additional Improvement Area #1 Bonds to be issued as of the Closing Date therefor and such amount shall be deposited as of the same;
- (ix) The issuance of such Additional Improvement Area #1 Bonds shall not cause the amount of the Annual Installments to be collected in any year after the issuance of such Additional Improvement Area #1 Bonds to exceed the amount of the Annual Installments collected in the year of the issuance of such Additional Improvement Area #1 Bonds; and
- (x) The maximum principal amount of Additional Improvement Area #1 Bonds that may be issued, subject to the approval of the City, in total, is the lesser of (i) the then outstanding balance of the Improvement Area #1 Reimbursement Obligation and (ii) the then outstanding Assessments, less the Assessments required to pay the principal of the Series 2019 Bonds.
- (e) The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State, and in accordance with the conditions set forth below:
  - (i) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption, or mature on September 1 of the years in which such principal is scheduled to be paid, subject to mandatory sinking fund redemption or maturity. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture; and
  - (ii) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 5.09 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution, and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

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- Section 2.02. Section 4.01(c) of the Financing Agreement is hereby removed in its entirety and replaced with the following:
- (c) (1) Except as provided in subsection (2) of this Section 4.01(c), upon written acceptance of an Authorized Improvement, and subject to any applicable maintenance-bond period, the Entity accepting the Authorized Improvement shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.
- The Owner, or property owners association, if Owner establishes a property owners association, shall enter into a maintenance and operations agreement (the "M&O Agreement") in a form agreed upon by the City whereby Owner or property owners association is responsible for all operations and maintenance of the detention and water quality pond improvements included in the Service and Assessment Plan prior to the City's acceptance of the detention and water quality pond improvements. The execution of the M&O Agreement will not cause any tax exempt financing instruments issued by the City and used to finance the detention and water quality pond improvements to constitute "Private Activity Bonds" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"), and the terms of the M&O Agreement shall meet the safe harbor conditions set forth in IRS Rev. Proc. 2017-13. The executed M&O Agreement shall be recorded with Hays County Clerk upon execution. In addition, the Owner shall provide the City an easement, in a form acceptable to the City, granting the City the right of access to the detention and water quality pond improvements for the purpose of inspection and compliance with City regulations. The easement shall be granted to the City prior to or at the time the final plat for the phase in which the drainage and water quality pond improvements are located is submitted to the City, and will be a condition of final plat approval.
- Section 2.03. The following definitions as stated in Exhibit "A" to the Financing Agreement are hereby removed in their entirety and replaced with the following:
- "Appraisal" means the Appraisal of the District dated effective February 27, 2019, prepared by Barletta & Associates.
- "City Construction Representative" means Leon Barba, P.E. or such other person selected by the City to oversee the construction of the Authorized Improvements on behalf of the City.
- "Future Improvement Areas" means the property within the District, excluding Improvement Area #1, as depicted on the map on <u>Exhibit "B-4"</u> consisting of approximately 761.7288 acres within the District. Future Improvement Areas may be developed in phases after Improvement Area #1, as generally depicted in <u>Exhibit "B-4"</u>. The Future Improvement Areas are subject to adjustment and are shown for example only.
- "Improvement Area #1" means the initial area to be developed within the PID, consisting of approximately 96.9712 acres within the District and as specifically described in Exhibit "B-1" and as depicted in Exhibit "B-4."
- "Improvement Area #1 Bonds" means the "City of Kyle, Texas, Assessment Revenue Bonds, Series 2019 (6 Creeks Public Improvement District Improvement Area #1 Project)" that

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are secured by actual revenues received by or on behalf of the City from the collection of Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Improvement Area #1 Improvements.

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

#### "SAP Consultant" means P3Works, LLC.

"Service and Assessment Plan" means the 6 Creeks Public Improvement District Service and Assessment Plan (as such plan is amended and updated from time to time), to be initially adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the District having terms, provisions, and findings approved and agreed to by the Owner, as required by Article II of this Agreement.

"Underwriter" means FMS Bonds, Inc.

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

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

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

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

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

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

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

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

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

#### ARTICLE III. GENERAL PROVISIONS

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

Section 3.02. Anti-Boycott Verification. The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Amendment and the Financing Agreement with the City constitute a contract for goods or services, will not boycott Israel during the term thereof. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, as amended, and to the extent such section does not contravene applicable federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owner understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

Section 3.03. Iran, Sudan and Foreign Terrorist Organizations. The Owner represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer's Internet website:

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

The foregoing representation is made to solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such section does not contravene applicable federal law and excludes the Owner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owner understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

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Section 3.04. Binding Effect. The terms and provisions hereof shall be binding upon the City, the Owner, and their successors and assigns.

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

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

Attachments: Attachment "A" – Exhibit "B-1"

Attachment "B" – Exhibit "B-2" Attachment "C" – Exhibit "D"

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### CITY OF KYLE, TEXAS

a home rule city and Texas municipal corporation

Name: Travis Mitchell

Title: Mayor

HMBRR DEVELOPMENT, INC.,

a Texas corporation

Name:

Title:

**HMBRR LP** 

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

General Partner

Name: 1

HMBRR LP #2

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

General Partner

By:

Name:

Title:

#### **ATTACHMENT "A"**

#### Exhibit "B-1"

Blanco River Ranch 858.70 acres

## PROPERTY DESCRIPTION EXHIBIT A

BEING 858.70 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ½ LEAGUE NO. 14, ABSTRACT 360, AND THE CALEB W. BAKER SURVEY, ABSTRACT 31 HAYS COUNTY, TEXAS AND BEING A PORTION OF TRACT I, A CALLED 1,971.29 ACRE TRACT AND ALL OF TRACT II, A CALLED 195.14 ACRE TRACT AS DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 858.70 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARING REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

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

THENCE, with the southerly line of said 1,971.29 acre tract, same being the northeasterly line of said 311.56 acre tract 543°59'58"W, 1916.27 feet to a 1/2-inch iron rod with cap stamped "AST" set on the northerly line of proposed RM 150;

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

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

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

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

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

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

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

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

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

- a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;
- S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays County Plat Records;
- 3. With the southwesterly line of said subdivision, \$46°06'19"E, 409.08 feet to ½-inch iron rod for angle point;
- 4. S47°09'10"E, 405.41 feet to 1/2-inch iron rod for angle point;
- 5. \$47°52'54"E, 295.90 feet to 1/2-inch iron rod for angle point;
- 6. \$47°18'52"E, 296.88 feet to 1/2-inch iron rod for angle point:
- 7. \$47°21'24"E, 132.10 feet to 光-inch iron rod for angle point;
- 8. \$47°07'34"E, 179.01 feet to 1/2-inch fron rod for angle point;
- S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the
  westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC
  and recorded in Volume 3416, Page 789 of said Official Public Records;
- 10. S45°43'31"E, 436.59 feet to a fence post for angle point;
- 11. S46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
- 12. Continuing with the easterly line of said 1,971,29 acre tract, \$40°23'35"W, 1023,40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
- 13. S50°23'48"E, 255.70 feet to a fence post for angle point;
- 14. N40°43'43"E, 42.89 feet to a 1/2-inch iron rod with cap stamped "AST" set;
- 15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a½-inch iron rod with cap stamped "AST" set;
- 16. N43°53'50"E, 92.19 feet to a 1/2-inch iron rod with cap stamped "AST" set;
- 17. \$78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);

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

- 1. S16°21'49"E, S11.37 feet to a 1/2-inch iron rod with cap stamped "AST";
- 2. S16°20'38"E, 1420.21 feet to a 60d nail found next to a cedar fence post and
- 3. S16°48'53"E, 800.20 feet to a ½-inch iron rod with cap stamped "AST" set for the most easterly southeast corner of this tract;

THENCE, leaving said westerly right of way line and with fence along the southeasterly line of said 195.14 acre tract, \$36°01'23"W, 42.36 feet to a cedar fence post;

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

- 1. \$48°36'08"W, 1583.50 feet to a cedar fence post;
- N49°26'16"W, 34.23 feet to a cedar fence post;
- 3. S25°40'41"W, 39.42 feet to an iron rod with cap stamped "Vickrey";
- 4. \$48°29'40"W, 2127.73 feet to a cedar fence post with "Mag Nail" on the northerly right of way line of Cypress Road (aka Limekiin Road) (width undetermined) at the southeast corner of said 195.14 acre tract from which an iron rod with aluminum cap stamped "Kent McMillian" bears \$21°57'46"W, 50.84 feet;

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

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

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

#### SURVEYOR'S STATEMENT

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

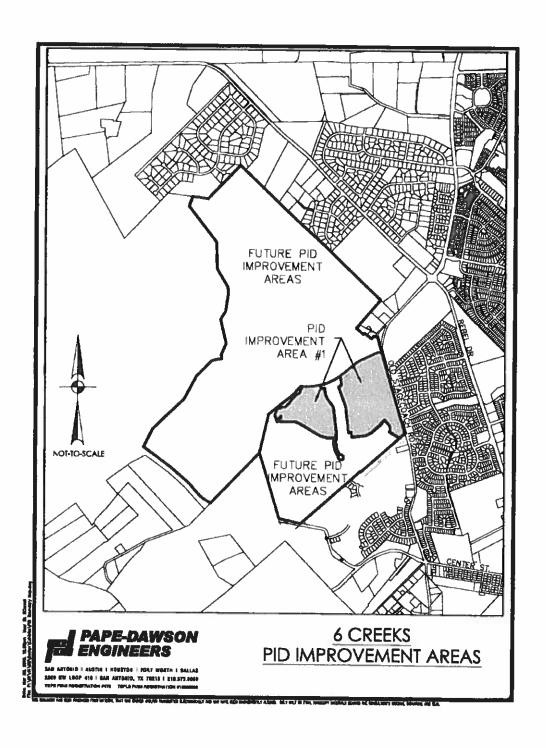
Paul C. Sauve, Jr., RPLS #2518

Austin Spatial Technologies, LLC

December 5, 2016

#### **ATTACHMENT "B"**

#### Exhibit "B-2"



#### **ATTACHMENT "C"**

#### Exhibit "D"

#### MAJOR IMPROVEMENTS

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

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

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

#### **RECITALS**

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

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

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

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

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

#### **AGREEMENT**

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

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

- 2. Assignor assigns all its rights and obligations under the Financing Agreement as to the 249.05 Acre Tract only to Assignee. Assignor retains all rights and obligations under the Financing Agreement as to the remainder of Tract 3.
- 3. Assignee accepts the assignment of Assignor's rights and obligations under the Financing Agreement as to the 249.05 Acre Tract only.
- 4. This assignment is to a Designated Assignee.
- 5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

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

(Signature Pages Follow)

### **Assignor:**

HMBRR LP #2, a Texas limited partnership

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

General Partner

By:

Hanna, Vice President

## Assignee:

HM 6 CREEKS DEVELOPMENT, INC., a Texas

corporation

By:

Jay A. Hanna, President

#### EXHIBIT A

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

#### **FIELD NOTES FOR 249.051 ACRES**

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

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

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

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

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

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

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

Page 1 of 4

- North 49 degrees 02 minutes 03 seconds East, a distance of 179.70 feet to a capped iron rod stamped "Atwell" found;
- North 61 degrees 58 minutes 58 seconds East, a distance of 296.99 feet to a capped iron rod stamped "Atwell" found;
- North 75 degrees 28 minutes 29 seconds East, a distance of 257,09 feet to a capped iron rod stamped "Atwell" found;
- South 85 degrees 30 minutes 10 seconds East, a distance of 318.98 feet to a capped iron rod stamped "Atwell" found;
- North 70 degrees 45 minutes 09 seconds East, a distance of 214.03 feet to a capped iron rod stamped "Atwell" found;
- North 47 degrees 16 minutes 33 seconds East, a distance of 360.88 feet to a capped iron rod stamped "Atwell" found;
- 10. North 85 degrees 14 minutes 12 seconds East, a distance of 340.49 feet to a capped iron rod stamped "Atwell" found:
- 11. South 89 degrees 12 minutes 08 seconds East, a distance of 118.79 feet to a capped iron rod stamped "Atwell" found;
- 12. 483.09 feet along the arc of a curve to the left, said curve having a central angle of 14 degrees 14 minutes 46 seconds, a radius of 1942.92 feet, and a chord that bears South 06 degrees 19 minutes 30 seconds East, a distance of 481.84 feet to a capped iron rod stamped "Atwell" found;
- South 13 degrees 23 minutes 08 seconds East, a distance of 751.43 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- 14. South 76 degrees 44 minutes 31 seconds West, passing at a distance of a distance of 1.68 feet a northeasterly corner of 6 Creeks Boulevard Phase 1, Section 2 (Right-of-Way Only), a subdivision as recorded in Document Number 19019778, O.P.R.H.C., in all a total distance of 115.68 feet to a 1/2-inch iron rod found for a northwesterly corner of said 6 Creeks Boulevard Subdivision;

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

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

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

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

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

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

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

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

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

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

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



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

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

#### **RECITALS**

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

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

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

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

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

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

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

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

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

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

#### **AGREEMENT**

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

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

This	Assignment	shall l	e effective	from	and	after	the	date	(the	"Effective	Date")	of
10.1	9.32	, 20	22.						·		,	

(Signature Pages Follow)

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{W1167380}

### HMBRR LP, a Texas limited partnership

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

By: Jay A. Hanna, Vice President

HMBRR DEVELOPMENT, INC.,

a Texas corporation

Jay A. Manna, President

HMBRR LP #2, a Texas limited partnership

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

General Partner

Jay A Hanna, Vice President

HM 6 CREEKS DEVELOPMENT, INC.,

a Texas corporation

Jay A. Hanna, President

{W1167380}



### APPENDIX G

### DEVELOPMENT AGREEMENT



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

THE STATE OF TEXAS	
	Į.
COUNTY OF HAYS	8

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

#### RECITALS

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

{W0730767.3} 04.25.17 has agreed to do so. Owner and the City now wish to agree on a schedule for such de-annexation.

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

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

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

# ARTICLE I. RECITALS AND DEFINITIONS

- **Section 1.01** Recitals. The City Council finds and determines that each of the Recitals contained in this Agreement is true and correct and such Recitals are incorporated into this Agreement for all purposes.
- **Section 1.02** <u>Defined Terms</u>. In addition to the defined terms set forth in the Recitals and elsewhere in this Agreement, the following terms will have the meanings set forth below when used in this Agreement:
- "Applicable City Rules" means the provisions of the City Code in effect on the Vesting Date or any updated Code provision Owner, at its option, elects to take advantage of adopted by the City after the Vesting Date that Owner determines are in the best interests of the Owner without forfeiting vested rights under this Agreement.
- "City Charter" means the City Charter of the City, as amended from time to time.
- "City Code" means the City's Code of Ordinances, as amended from time to time.
  - "City Council" means the City Council of the City of Kyle.
- "City's Engineer" means a licensed professional engineer selected by the City to provide the engineering services described in this Agreement to the City, or his/her designee.
- "City's Service Area(s)" means the City's retail water service area and/or retail wastewater service area, whether or not certificated, as such service areas now exist or are changed by the City hereafter.
- "City's Water System" means all water supply, treatment, transmission, and distribution facilities; lines, mains, reservoirs, and pump stations; residential, commercial, and industrial connections; and any other parts or components that comprise the City's public water system, together with all extensions, expansions, improvements, enlargements, betterments and replacements thereof.

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

"Concept Plan" means the concept plan for the Property attached as <u>Exhibit</u> "C", as amended from time to time.

"County" means Hays County, Texas.

"Customers" mean the City's retail water and wastewater customers located within the Property.

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

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

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

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

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

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

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

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- "LUE" means the average daily amount of water required for or wastewater produced by a typical single-family residence, which the City agrees will be 280 gallons for water and 262.5 gallons for wastewater for purposes of this Agreement.
- "Phase One" means the master-planned residential development of the Property, which will include approximately 2,100 single family homes and garden homes, condominiums and residential cluster units, as well as park land, amenity centers with recreational facilities, and other improvements to serve the residential development. Phase One includes the construction of off-site and on-site utility facilities to be dedicated and conveyed to the City and other infrastructure adequate to serve Phase One consistent with this Agreement. Phase One may include multiple development phases for platting and construction purposes.
- "PID Area" or, collectively, "PID Areas" means an improvement area or, collectively, the improvement areas within the Property, which are currently projected to be designated as PID Areas 1-7, inclusive. The final PID Areas within the Property will be determined at the time of City creation of the PID and, at that time, an exhibit depicting the approved PID Areas within the Property will be incorporated into this Agreement by written amendment of this Agreement, which will be recorded in the Official Public Records of Hays County, Texas.
- **"Project Approvals"** means the land use and development standards applicable to Phase One, as set forth on <u>Exhibit "D" and Exhibit "D-1"</u>; all City approvals and variances, waivers and exceptions to the Applicable City Rules granted by the City or necessary for the development of the Property that are contemplated by or set forth in this Agreement; and all future regulatory approvals, variances, waivers and exceptions that are necessary for or are granted with respect to the development of the Property, including plat approvals and site development plan approvals, if applicable.
- "Public Improvements" means all public improvement projects that benefit the Property and constitute Authorized Improvements under Section 372.003, *Texas Local Government Code*.
- "Reclaimed Water" means domestic or municipal wastewater that has been treated to a quality suitable for a Type I Reclaimed Water Use pursuant to the requirements of the Commission under 30 Texas Administrative Code Section 210.
- "TCEQ" means the Texas Commission on Environmental Quality or its successor entity.
- "Type I Reclaimed Water Use" means the use of Reclaimed Water when contact between humans and the Reclaimed Water is likely.
  - "Vesting Date" means the effective date of the IDA: May 6, 2016.

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

# ARTICLE II. DEVELOPMENT MATTERS

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

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

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

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

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

- (b) The finalization of a tri-party agreement between the City, Owner, and the County that provides, among other things, standards for maintenance of roadways within the County prior to annexation by the City;
  - (c) The City's annexation of the new Spine Road alignment;
- (d) The City's de-annexation of the Current City Limits Property as described in **Exhibit "B"** and the prior Spine Road alignment;
- (e) All legally required steps for the City to create the PID, approve the service and assessment plan for the Property, and authorize the issuance of related bonds and the levy of assessments; and
- (f) Owner's submittal and the City's review and approval of preliminary plats, construction plans and final plats of the Property.

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

### Section 2.05 <u>Development; Phasing.</u>

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

### Section 2.06 <u>Creation and Purposes of PID</u>.

- (a) The City's requirements for approving the creation of a PID, as adopted by the City and in effect on the Vesting Date, are attached as Exhibit "G". Owner agrees that, in consideration of this Agreement and the City's performance of its obligations hereunder, the additional PID requirements set forth on the attached Exhibit "G-1" will also apply to the PID created for the Blanco River Ranch. The City agrees that Owner may, at its option, elect to take advantage of any changes to the requirements set forth on Exhibit "G" adopted by the City after the Vesting Date that Owner determines are in the best interests of Phase One without forfeiting any vested rights under this Agreement. Subject to Owner's submittal of a petition and otherwise satisfying the applicable City PID creation requirements, the City agrees to cooperate with Owner in good faith and to take all action necessary to create the PID covering the Blanco River Ranch, incorporating the terms attached hereto as Exhibit "H", in accordance with the schedule attached as Exhibit "E"; to designate the Property as separate PID Areas within the PID; to approve a service and assessment plan for such PID Areas; and to levy assessments and issue bonds to fund Public Improvements for Phase One. The PID bonds for the PID Areas within the Property will be secured by the levy and collection of special assessments against the PID Areas. The payment of the last PID bonds secured by special assessments within a PID Area constitutes a voluntary request for immediate annexation of that PID Area by the City.
- (b) The purposes of the PID will include (a) to pay for the PID-qualified costs associated with the construction of on-site Public Improvements that are permitted under Chapter 372, *Texas Local Government Code*; (b) to pay for the PID-qualified costs associated with the construction of off-site Public Improvements that are permitted under Chapter 372, *Texas Local Government Code*; and (c) to reimburse the City for administrative and/or operational costs resulting from the creation and operation of the PID.
- Section 2.07 Signage and Landscaping on Public Rights-of-Way. Owner is hereby authorized to install permanent signage and/or landscaping improvements meeting the standards set forth in the Design Guidelines attached as Exhibit "D-1" within portions of the City's public right-of-way in the locations generally depicted on the schematic plan attached Exhibit "I". Owner agrees to comply with any license agreement that may be required under the Applicable City Rules for areas within the City's right-of-way; provided, however, that, any required license agreement may be assigned to a homeowners association ("HOA") formed for the administration of all or a portion of the Property and, upon such an assignment, Owner will be released from all obligations under the license agreement and the City will look solely to the HOA for the performance of all obligations thereunder.
- **Section 2.08** Park Land Dedication and Park Improvements. Phase One will be developed as a master-planned community with substantial park land, open space, greenbelts, trails, park improvements, and amenity center(s) as indicated on the Concept Plan. Owner agrees to provide park land, open space land and amenity areas and park improvements for Phase One as summarized on the attached **Exhibit "J"** and

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

# ARTICLE III. PUBLIC IMPROVEMENTS

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

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

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

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

# ARTICLE IV. WATER AND WASTEWATER SERVICES, GENERALLY

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

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

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

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

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

# Section 4.05 <u>Curtailments, Conservation Restrictions, and Environmental.</u>

- (a) The City may curtail or limit service to Customers within Phase One in the same manner that service is curtailed or limited to similarly situated customers within the City's incorporated limits, but to no greater extent, unless the curtailment or rationing is required by law or a State or Federal regulatory authority with jurisdiction over the City's delivery of water or wastewater service, is adopted in response to an order or finding by a State or Federal regulatory authority with such jurisdiction, or the curtailment is authorized by Subsection b., below.
- If, during the term of this Agreement, the City becomes unable to provide adequate water or wastewater services to its Service Area due to an Emergency or shortage of water supply, production, treatment, storage or transportation capability in the City's Water System or the City's Wastewater System, or if modifications, improvements, or repairs to the City's Water System or the City's Wastewater System are necessary in order to maintain or improve the level of service to the City's customers, then the City will have the right to curtail or limit service to Customers within Phase One for the same time period and on the same basis as service is curtailed or limited to similarly situated customers within the City's incorporated limits. The City agrees to provide the Customers with notice of any proposed curtailment or limitation as soon as reasonably practicable. In the event of an Emergency, the priority of and the restrictions on usage will be the same as those established from time to time for customers within the City's incorporated limits. Notwithstanding anything herein to the contrary, if it is ever determined by any governmental or regulatory authority with jurisdiction that provision of water and/or wastewater services by the City under this Agreement or the curtailment or limitation of water or wastewater services by City to any of its customers, including the Customers, is in violation of applicable law, then the City, after giving reasonable notice to the Customers and providing an opportunity for consultation, may take such action as will best effectuate this Agreement and comply with applicable law. Owner will include written notice to all future Customers that they will be required to comply with the City's water conservation and use restrictions and the City will have the right to curtail or limit service to Customers for the same time period and on the same basis as service is curtailed or limited to similarly situated

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

- (c) All Customers that receive water service from the City will be required to comply with the City's water conservation and use restrictions and ordinances in the same manner and to the same extent as customers located within the City's incorporated limits. All Customers with a connection to the City's Water System, including property owners, lessees and lessors, will be subject to all of the City's rights and remedies, including fines, fees, interruption of service and disconnection of service, for any failure to comply with any applicable water conservation or use restriction or ordinance.
- (d) Any Industrial Waste received by the City from Customers will be subject to the provisions of the City's Industrial Waste Ordinance, as adopted and amended by the City Council from time to time and uniformly applied throughout the City's Service Area.

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

#### ARTICLE V. WATER AND WASTEWATER FACILITIES

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

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

#### Section 5.03 <u>Permanent Water Service</u>.

- (a) The City has entered into a Retail Water and Wastewater Services Agreement dated September 20, 2016 (the "Anthem Contract") with Mountain City 150 LP ("MC 150") under which MC 150 has agreed to construct an elevated water storage tank with a capacity of approximately 2.039 million gallons (the "Anthem Storage Tank"). The Anthem Contract also provides that, in connection with the construction of the Anthem Storage Tank, MC 150 will construct a water line from the Anthem Storage Tank to the main entryway into the MC 150 development (the "Anthem Water Main") and a water line from the main entryway along FM 150 to a point of connection with the City's Water System, as depicted on the Water Facilities Plan (the "FM 150 Water Main"). The City agrees to require MC 150 to oversize the Anthem Water Main from 12 inches to 16 inches.
- (b) Provided that MC 150 commences the construction of the Anthem Storage Tank, the Anthem Water Main (oversized to 16 inches) and the FM 150 Water Main (collectively, the "<u>Anthem Facilities</u>") on or before the time that 350 LUEs of water service have been connected within the Property and completes the construction of the Anthem Facilities on or before June 30, 2019, Owner agrees to advance and pay a prorata portion of the cost of the Anthem Storage Tank, based on 2,100 LUEs out of 4,221 LUEs being reserved for the Property, and the incremental cost of oversizing the Anthem Water Main from 12 inches to 16 inches(the "<u>Phase One Cost Share</u>"), subject to Owner's right to reimbursement as provided in <u>Section 7.05</u>, below.
- (c) The City agrees that, if MC 150 has not sooner commenced the design and construction of the Anthem Facilities, the City will give written notice to MC 150 under the Anthem Contract to proceed with the design and construction of the Anthem Facilities at such time as 250 LUEs of water service have been connected within the Property. If MC 150 has not (i) commenced construction of the Anthem Facilities at such time as 350 LUEs of water service have been connected within the Property, or (ii) completed the construction on or before June 30, 2019, the City agrees that Owner will have the right to proceed as provided in Subsection (d). in lieu of any cost participation in the Anthem Facilities.
- (d) If the Anthem Facilities are not commenced and completed as provided in Subsections (b) and (c), Owner may proceed with the design and construction of alternative facilities consisting of a 12-inch water line to be constructed in the FM 150 right-of-way from a point of connection to the City's existing 12-inch water line at the intersection of FM 150 and Old Stagecoach Road to a booster pump station to be constructed at the location depicted on the Water Facilities Plan (the "Alternative Facilities"). The proposed booster pump station will include a connection to allow the future extension of the 12-inch water line to the west and the water line will also be extended to the south, to the site of a future, approximately 580,978 gallon elevated storage tank to be constructed at the location depicted on the Water Facilities Plan. If these Alternate Facilities are designed and constructed by Owner, the City agrees that Owner's costs will be reimbursed to Owner as provided in Section 7.05, below

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

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

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

# ARTICLE VI. CONSTRUCTION, OPERATION AND MAINTENANCE

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

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

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

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

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

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

### Section 6.06 <u>Easement Acquisition.</u>

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

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

#### Section 6.07 <u>Construction of Water and Wastewater Facilities.</u>

- (a) Owner may begin construction of the Internal Facilities located within a portion of the Property after City approval of the preliminary plat covering that portion of the Property and the City Engineer's approval of the related plans and specifications. All Water Facilities and Wastewater Facilities must be constructed in strict accordance with the plans and specifications approved by the City's Engineer.
- (b) Owner's engineer will provide construction observation services during construction of all Water Facilities and Wastewater Facilities and, upon completion of construction, will provide the City with a signed and sealed certificate of completion stating that construction of the Water Facilities and/or Wastewater Facilities in question was accomplished in substantial accordance with the plans and specifications approved by the City's Engineer.
- Section 6.08 Conveyance, Ownership, Operation, and Maintenance of Water Facilities and Wastewater Facilities. Upon completion of construction and City acceptance of each phase of the Water Facilities and Wastewater Facilities, Owner will promptly convey those facilities to the City, subject to the City's obligation to provide service as provided in this Agreement and the Owner's right to reimbursement out of PID bonds. Any conveyance contemplated by this Agreement will be subject to a reservation of capacity in the facilities in question as required to serve Phase One, but Owner will have no right to any excess capacity created by oversizing or any capacity in excess of 2,100 LUEs. At the time of conveyance, Owner will assign the City all contractor's warranties, guarantees and payment and/or performance bonds related to the facilities conveyed. The City agrees that its acceptance of such facilities and the related assignments will not be unreasonably withheld, conditioned, or delayed. Upon such conveyance and acceptance, the City agrees to operate and maintain such facilities to provide service to Customers within Phase One and/or for development of the Property in accordance with this Agreement.
- **Section 6.09** Record Drawings. Following completion of each phase of the Water Facilities and/or Wastewater Facilities, Owner's engineer will provide one set of record drawings of those facilities to the City. Owner will use good faith efforts to obtain and furnish such drawings to the City within 30 days of the date of the City's acceptance of the facilities in question. Owner's engineer will also obtain GPS/GIS data captured in the field for the material, size, location and depth of all lines, valves and manholes as such facilities are being constructed and deliver such data to the City's mapping division with the record drawings.

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

#### ARTICLE VII. FEES AND FINANCIAL MATTERS

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

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

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

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

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

- Section 7.05 <u>City's Allocation of Net PID Bond Proceeds</u>. The City will be entitled to receive 10% of the net proceeds of the PID bonds issued by the City for Public Improvements benefitting Phase One (the "<u>City Allocation</u>") either in the form of a payment at the time of funding of such bond issue or, if Owner advances costs of water and wastewater treatment plant Public Improvements including costs for the Phase One Cost Share of the Anthem Storage Tank and the Anthem Water Main, or the Alternative Facilities, as defined in <u>Section 5.03</u>, as provided below in this <u>Section 7.05</u>, through Owner's advancing costs of or completion and conveyance of such Public Improvements to the City at no cost to the City.
- (a) The City agrees to defer the City Allocation that would otherwise be payable to the City out of the proceeds of the first issuance of PID bonds (the "<u>Deferred Initial Allocation</u>") and, accordingly, no portion of the proceeds of that first bond issuance will be paid to the City; however, at the time of second issuance of PID bonds, the City will, subject to <u>subsection (b)</u>, below, receive the City Allocation payable out of the proceeds of those bonds, <u>plus</u> an amount equal to the Deferred Initial Allocation, subject to <u>Subsection (c)</u>, below.
- (b) At the time of the second issuance of PID bonds, the City will be entitled to receive a City Allocation of \$1,500,000 in City Allocations for use by the City for water treatment and wastewater treatment plant Project Improvements. The foregoing notwithstanding, if the second issuance of PID bonds has not occurred on or before March 31, 2020, the Owner agrees to advance the sum of \$1,200,000 to the City for use for wastewater treatment plant Project Improvements and any such advance (the "Allocation Credit") will be credited against and reduce the \$1,500,000 in City Allocation(s) otherwise payable out of the second issuance of PID bonds and, therefore, the City will receive the remaining \$300,000 out of the second issuance of PID bonds. The Owner will be entitled to reimbursement for the Allocation Credit, if advanced, out of the proceeds of subsequent issuances of PID bonds.
- (c) After the City has received \$1,500,000 in City Allocations (or, if Owner advances the Allocation Credit under <u>Subsection (b)</u>, above, the Allocation Credit plus an additional \$300,000 City Allocation), the City Allocation(s) out of the next PID Bond issuance or issuances will be paid to Owner to reimburse Owner for the Allocation Credit, the Phase One Cost Share of the Anthem Storage Tank and the Anthem Water Main, if advanced by Owner as provided in <u>Section 5.03(b)</u>, or, if applicable, the cost of the Alternative Facilities described in <u>Section 5.03(d)</u>.

- (d) After Owner has been reimbursed for the Allocation Credit, the Phase One Cost Share of the Anthem Storage Tank and the Anthem Water Main, or the Alternative Facilities, as applicable, the City will utilize the next City Allocation(s) paid to the City for reimbursement of the City's costs of construction of the Elliot Branch wastewater interceptor and, thereafter, for the reconstruction of Old Stagecoach Road as a two lane road with bike lane within existing right of way from FM 2770 to the roundabout at the entrance of Phase One and for related intersection improvement.
- (e) After the City's completion of the Old Stagecoach Road improvements described in (d), above, additional City Allocations may be utilized by the City for any other public purpose. If, however, the County funds the reconstruction of Old Stagecoach Road as described in Subsection (e), then the portion of the City Allocation that would otherwise have been utilized for that reconstruction may be utilized by the City for any other public purpose.

# ARTICLE VIII. OTHER DEVELOPMENT MATTERS

#### Section 8.01 <u>Interlocal Cooperation</u>.

- (a) Pursuant to the City's interlocal agreement with the County, the City will be the common point of contact for submittals for approvals for Phase One, however, Owner will be subject to payment of all applicable County review fees.
- (b) The City will cooperate with Owner to facilitate Owner's obtaining a license agreement from the County that will allow landscaping, signage and related improvements in any rights-of-way and medians for collector roads and the portion of FM 150 within Phase One that is owned by or under the jurisdiction of the County.
- (c) The City will cooperate with Owner to negotiate and enter into a tri-party agreement between the City, Owner and the County confirming utility assignments and maintenance obligations within any rights-of-way owned by or under the jurisdiction the County within Phase One. Final approval of this Agreement by the City will be conditioned upon the approval and execution of such tri-party agreement by the City, the County and Owner.
- Section 8.02 Owner's Right to Continue Development. In consideration of Owner's agreements hereunder, the City agrees that it will not, during the term of this Agreement, impose or attempt to impose (a) any moratorium on building or development within the Property, or (b) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting preliminary plats, final plats, site plans, or other necessary approvals, within the Property unless the moratorium is mandated by an agency of the State of Texas or the United States, or is applicable to the City in its entirety. The City may impose temporary moratoria provided that any such moratorium is applicable to the City's entire jurisdiction and is due to an emergency constituting an imminent threat to the public health or safety,

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

## ARTICLE IX. REPRESENTATIONS AND WARRANTIES

### Section 9.01 Representations and Warranties of Owner.

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

#### Section 9.02 <u>Representations and Warranties of the City.</u>

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

# ARTICLE X. AUTHORITY; FRUSTRATION OF PURPOSE

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

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

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

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

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

# ARTICLE XI. DEFAULT AND REMEDIES FOR DEFAULT

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

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

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

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

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

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

# ARTICLE XII. MISCELLANEOUS PROVISIONS

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

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

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

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

#### Section 12.05 Owner Assignment of Agreement.

- (a) Owner's rights and obligations under this Agreement may be assigned, in whole or in part, by Owner to one or more purchasers of all or part of the Property. Except as provided in Subsection (b), the City Council must first approve and consent to any such assignment by Owner, which consent will not be unreasonably withheld, conditioned or delayed. Any assignment must be in writing, specifically set forth the assigned rights and obligations and be executed by Owner and the proposed assignee. A copy of the executed assignment document must be provided to the City.
- (b) The City hereby expressly approves and consents to Owner's assignment of its rights and obligations under this Agreement to Hanna/Magee LP #1, a Texas limited partnership ("Hanna/Magee"), or to an entity controlling, controlled by or under common control with Hanna/Magee. No further City consent to any such assignment will be required; however, the assignment must be in writing, specifically set forth the assigned rights and obligations, be executed by Owner and Hanna/Magee, and a copy of the executed assignment document must be provided to the City.
- (c) If Owner assigns its rights and obligations hereunder as to a portion of the Property, then the rights and obligations of any assignee and Owner will be severable, and Owner will not be liable for the nonperformance of the assignee and vice versa. In the case of nonperformance by one Owner, the City may pursue all remedies against that nonperforming Owner, but will not pursue any remedies with respect to or impede development activities of any performing Owner as a result of that nonperformance.
- (d) Owner may collaterally assign its rights and obligations, including the right to receive sums payable to Owner through PID bonds, under this Agreement to a lender providing financing for all or a portion of Phase One. No City consent to such a collateral assignment will be required, but Owner will give the City written notice of the name and address of any lender to whom a collateral assignment is made.
- Section 12.06 Notice. Any notice given under this Agreement must be in writing and may be given: (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified and with all charges prepaid; or (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party; or (iv) by facsimile or email with confirming copy sent by one of the other described methods of notice set forth above. Notice by United States mail will be effective on the earlier of the date of receipt or three days after the date of mailing. Notice given in any other manner will be effective only when received. For purposes of notice, the addresses of the Parties will, until changed by notice as provided in this Section, be as follows:

#### City:

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

#### With a copy to:

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

#### Owner:

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

#### With a copy to:

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

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

- (a) Neither entering into this Agreement, nor any breach of this Agreement, will affect any lien upon all or any portion of the Property.
- (b) The City will, upon written request of a Lender given in compliance with this Agreement, provide the Lender with a copy of any written notice of default given to Owner under this Agreement within ten days of the date such notice is given to Owner.

- (c) In the event of default by Owner under this Agreement, a Lender may, but will not be obligated to, cure any default during any cure period extended to Owner, either under this Agreement or under the notice of default.
- (d) Any Lender who comes into possession of any portion of the Property by foreclosure or deed in lieu of foreclosure will take such property subject to the terms of this Agreement. A Lender will not be liable for any defaults or monetary obligations of Owner arising prior to the Lender's acquisition of title, but the Lender will not be entitled to obtain any permits or approvals with respect to that portion of the Property until all delinquent fees and other obligations of Owner under this Agreement that relate to the property in question have been paid or performed.
- (e) From time to time upon written request by Owner, the City shall execute a written estoppel certificate stating, if true, that the City has not given or received any written notices alleging any events of default under this Agreement provided, however, the City may require payment in advance of its estimated charges for preparing the requested estoppel certificate.
- **Section 12.08** Severability. If any part of this Agreement or its application to any person or circumstance is held by a court of competent jurisdiction to be invalid or unconstitutional for any reason, the Parties agree that they will cooperate to amend or revise this Agreement to accomplish, to the greatest degree practical, the same purpose as the part determined to be invalid or unconstitutional. It is the intent of the Parties to preserve and protect, to the maximum extent possible, the Parties' contractual rights and benefits under this Agreement.

#### Section 12.09 Effect of Agreement.

- (a) With respect to the Property only, this Agreement supersedes the IDA. The IDA will remain in full force and effect as to the BRR Remainder except as provided in Subsection (b), below. The City and Owner agree that the phasing of development of and the designation of the Improvement Areas within the PID for the BRR Remainder will be specified in a final development agreement for the BRR Remainder to be negotiated and entered into by Owner and the City. Until such time as the final development agreement for the BRR Remainder is finally approved and executed, the BRR Remainder will be subject to the IDA, as modified by this Agreement.
- (b) Owner and the City mutually agree that Section 8.03 of the IDA is replaced with the following:
  - "Deannexation. If (1) the PID is not created as contemplated by Section 2.06 of this Agreement, or (2) despite the intentions of the Parties described in Section 2.02 above, the City Council does not approve deannexation of the Current City Limits Property, Owner may petition for deannexation of the Commercial Land pursuant to Section 1.07 of the City Charter and the City agrees, in good faith, to take action to deannex the Commercial Land promptly upon receipt of such petition."

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

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

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

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

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

**Section 12.15** Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be extended to the next day that is not a Saturday, Sunday or legal holiday.

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

submit to the City the signed and notarized Form 1295, including the certification of filing number of the Form 1295 with the TEC, at the time the Owner executes and submits this Agreement to the City. Form 1295 is available at the TEC's website: https://www.ethics.state.tx.us/whatsnew/elf\_info\_form1295.htm. This Agreement is not effective until the requirements listed above are satisfied and approval of this Agreement by the City is expressly made contingent upon Owner's compliance with such requirements.

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

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

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

**Exhibit "A"** Description of the Property

**Exhibit "B"** Depiction of Current City Limits Property

Exhibit "C" Concept Plan

**Exhibit "D"** Development Standards and Project Approvals, including

exceptions and variances

Exhibit "D-1" Design Guidelines

Exhibit "D-2" City's Current Building Code in effect on vesting date

**Exhibit "E"** Schedule for De-Annexation, Annexation and Other Project

**Approvals** 

Instrument # 17018505 Number: 30 of 77 Filed and Recorded: 5/31/2017 4:40 PM Liz Q. Gonzalez, Hays County Clerk, Texas Rec \$330.00 Deputy Clerk: KBOGGUS

Exhibit "F" Spine Road Alignment, including areas to be annexed and de-

annexed

**Exhibit "G"** City PID Requirements

**Exhibit "G-1"** Additional PID Requirements Approved by Owner

**Exhibit "H"** PID Agreement Term Sheet

**Exhibit "I"** Permitted Locations for Signage and Landscaping Improvements

**Exhibit "J"** Park Land and Park Improvements

**Exhibit "K"** Roadway and Transportation Improvements

Exhibit "L" Water Facilities Plan

**Exhibit "M"** Wastewater Facilities Plan

**Exhibit "N"** Utility Design Guidelines

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

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

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

CITY:	City of Kyle, Texas, a municipal corporation			
	By: Todd Webster, Mayor			
	Date: 5/16/2017			
STATE OF TEXAS	§			
COUNTY OF HAYS	§ § §			
	acknowledged before me on the lighth day of V Todd Webster, Mayor of the City of Kyle, Texas, a of said municipal corporation.			
JENNIFER ANN VETRANO My Notary ID # 126805359 Expires February 17, 2021	Ndiary Public, State of Texas			

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

OWNER:	BLANCO RIVER RANCH PROPERTIES LP, a Texas limited partnership  By:  Name: Gregg T. Reyes  Title: Manager
STATE OF TEXAS	§ § §
COUNTY OF TRAVIS	§
This instrument was  May , 201  Manager  partnership, on behalf of said lim	of Blanco River Ranch Properties LP, a Texas limited
LAURA G. L Notary Public, Stal My Commission August 26,	e of Texas Laborate States of Texas

Instrument # 17018505 Number: 33 of 77 Filed and Recorded: 5/31/2017 4:40 PM Liz Q. Gonzalez, Hays County Clerk, Texas Rec \$330.00 Deputy Clerk: KBOGGUS

## EXHIBIT "A" DESCRIPTION OF THE PROPERTY

Blanco River Ranch 858.70 acres

## PROPERTY DESCRIPTION EXHIBIT A

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

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

THENCE, with the southerly line of said 1,971.29 acre tract, same being the northeasterly line of said 311.56 acre tract \$43°59'58"W, 1916.27 feet to a ½-Inch iron rod with cap stamped "AST" set on the northerly line of proposed RM 150;

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

- N65°08'51"W, 49:48 feet to a ½-inch iron rod with cap stamped "AŞT" set at the beginning of a
  curve to the right;
- with a curve to the right, 381:25 feet, having a radius of 925,00 feet, a central angle of 23°36'54" and a chord bearing and distance of N53°30'43"W, 378:55 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
- N41°42'16"W, 336.00 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;
- 4. With the arc of said curve to the left, 151.93 feet, having a radius of 1100:00 feet, a central angle of 07°54'48" and a chord bearing and distance of N45°39'41"W, 151.81 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
- 5. N49°37'05"W, 572:43 feet to a ½-inch iron rod with cap stamped "AST" set for an angle point in said line:
- 6. NS1°37'01"W, 75.00 feet to a ½-inch fron rod with cap stamped "AST" set for an angle point in said line:
- 7. N53°36'58"W, 749.01 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;

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

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

- 1. N26°31'11"E, 563.37 feet to a calculated point;
- 2. N46°09'29"E, 1179.39 feet to a calculated point;
- 3. N28°22'57"E, 708.36 feet to a calculated point;
- 4. N44°16'34"E, 582.28 feet to a calculated point at the beginning of a curve to the right;
- 5. with a curve to the right, 297:90 feet, having a radius of 1184.66 feet, a central angle of 14°24'28" and a chord bearing and distance of N77°54'54"E, 297.12 feet to a calculated point;
- 6. NO4°51'54"W, 125.14 feet to a calculated point;
- 7. N23°10'37"E, 321.60 feet to a calculated point;
- 8. N13°08'23"W, 681.62 feet to a calculated point;
- 9. N31°45'00"E, 255.79 feet to a calculated point;
- 10. N08°23'37"E, 473.49 feet to a calculated point;
- 11. NO2°33'01"W, 195.07 feet to a calculated point;
- 12. N30°53'10"W, 576.14 feet to a calculated point;
- 13. N01°26'31"W, 729:89 feet to a calculated point;
- 14. N38°05'39"W, 1250.80 feet to a calculated point;
- 15. N20°33'26"E, 282.73 feet a ½-inch iron rod with cap stamped "AST" set for the most westerly northwest corner of the herein described tract on the northerly line of said 1,971,29 acre tract, same being on the southerly line of Park Land Lot 23 of Arroyo Ranch, Section One, a subdivision of record in Volume 10, Page 180 of the Hays County Official Public Records;

THENCE; with the northerly line of said 1,971.29 acre tract, (\$82°42'45"E, 432.46 feet to a point located in the centerline of the remains of an old stone fence corner for an angle point in the north line of the herein described tract, from which a %"-inch iron rod bears \$88°19'W, 37.5 feet;

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

THENCE, with the easterly line of said 1,971,29 acre tract the following courses and distances:

1. \$46°19'30"E, at 185.02 feet passing the south line of said Arroyo Ranch subdivision and north line of a 20.3 acre tract described in a deed to F. Javier, Jr et al and recorded in Volume 2813, Page 359 of said Official Public Records and continuing for a total distance of 887.68 feet to a found %-inch iron rod for the south corner of said Javier tract, same being the westerly corner of

- a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;
- S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the
  westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays
  County Plat Records;
- With the southwesterly line of said subdivision; \$46°06'19"E, 409.08 feet to 1/2-inch iron rod for angle point;
- 4. \$47°09'10"E, 405.41 feet to 1/2-inch iron rod for angle point;
- 5. S47°52'54"E, 295.90 feet to 1/2-inch iron rod for angle point;
- 6. \$47°18'52"E, 296.88 feet to 1/2-inch iron rod for angle point;
- 7. \$47°21'24"E, 132.10 feet to 1/2-inch iron rod for angle point;
- 8. \$47°07'34"E, 179.01 feet to 1/2-inch iron rod for angle point;
- S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the
  westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC
  and recorded in Volume 3416, Page 789 of said Official Public Records;
- 10. S45°43'31"E, 436.59 feet to a fence post for angle point;
- 11. \$46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of sàid 1,971.29 acre tract;
- 12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1,259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
- 13. S50°23'48"E, 255.70 feet to a fence post for angle point;
- 14. N40°43'43"E, 42.89 feet to a 1/2-inch iron rod with cap stamped "AST" set;
- 15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a½-inch iron rod with cap stamped "AST" set;
- 16. N43°53′50"E, 92.19 feet to a 1/2-inch iron rod with cap stamped "AST" set;
- 17: S78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);

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

- 1. S16°21'49"E, 511.37 feet to a 1/4-inch iron rod with cap stamped "AST";
- 2. \$16°20'38"E, 1420.21 feet to a 60d nail found next to a cedar fence post and
- \$16°48'53"E, 800:20 feet to a ½-inch iron rod with cap stamped "AST" set for the most easterly southeast corner of this tract;

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

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

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

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

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

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

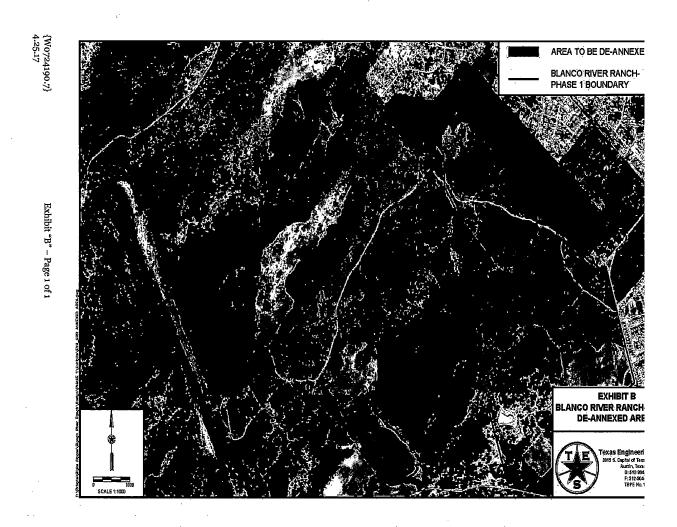
#### SURVEYOR'S STATEMENT

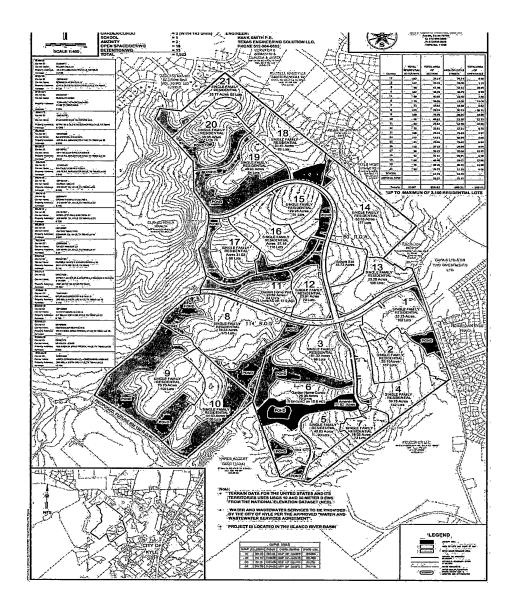
I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.

Paul C. Sauve, Jr., NPLS #2518 Austin Spatial Technologies, LLC

December 5, 2016

4





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Exhibit "C" - Page 1 of 1

#### EXHIBIT "D"

### BLANCO RIVER RANCH LAND USE AND DEVELOPMENT STANDARDS

Table A: Land Use Chart:

Single-Family and Garden Homes/Cluster

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

#### \*Lot Width measured at front Building Line

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

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

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

	:	a .		, Front	· !	Street Side	
Interior L	ot Corner Lot	Side Yard Setback	Rear Yard		Minimum Front Setback	Building Setback	Street Side Garage
50	60	5	15	25	20	15	20
60	70	5	20	25	20	15	20
70	80	5	20	25	20	15	20
80+	90	7.5	20	25	20	15	20

<sup>\*</sup>Open and Covered Porches may encroach up to 10 feet into the rear yard setbacks.

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

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

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

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

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

## EXHIBIT "D-1" DESIGN GUIDELINES

### **BLANCO RIVER RANCH**

# DESIGN GUIDELINES [RESIDENTIAL]

#### Submittals

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

#### Timing of Completion

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

#### Architectural and Aesthetic Standards

#### A. Required Architectural Elements

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

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

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- o Breezeways;
- o Porte-cocheres;
- o Courtyards;
- o Awnings;
- o Canopies;
- o Alcoves;
- Recessed entries;
- o Ornamental cornices;
- o Display or other ornamental windows;
- o Vertical "elevation" offsets;
- Peaked roof forms;
- o Arches;
- o Outdoor patios;
- Architectural details, such as tile work or moldings integrated into the façade;
- o Integrated planters or wing walls;
- Varied roof heights; or
- o Premium roofing materials such as tile or standing seam metal;
- All roofs shall be peaked and have at least a 6:12 pitch except for porches and shed roofs which
  may be constructed to a minimum pitch of 2:12.

#### B. Plan Repetition

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

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



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

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

#### C. Brick Color and Masonry Stone Repetition

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

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

Brick A	Brick B	Brick Č	Brick A
Brick D	Brick E	Brick F	Brick B

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

#### D. Exterior Finishing Materials

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

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

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

- Stitico. Blanco River Ranch Reviewer must approve in advance the composition and method of application of all stucco proposed to be applied.
- Accessories. Roofs, eaves, soffits, windows, gables, doors, garage doors and trim work are
  not required to be constructed of masonry.
- <u>Public View Corridors</u>. Any residence facing, abutting or adjacent to important public view corridors such as, a collector road, as determined by the Blanco River Ranch Reviewer in its sole and absolute discretion, shall use 100% masonry and attempt to provide design detail, approved by the Blanco River Ranch Reviewer, that avoids a #flat front? look.
- Exposed Foundations. Exposed portions of the foundation on each front, side and rear elevation, visible from any street, must be concealed by extending the exterior masonry to within ar least twenty-four inches (24") of the finished grade. If the exterior of the elevation adjacent to the exposed foundation is constructed of stucco, Blanco River Ranch Reviewer, will have the authority to require the use of masonry, in a color approved in advance by Blanco River Ranch Reviewer, to conceal the exposed portion of the foundation. Remaining exposed slab area must be parged/sand finished. Exposed areas of slabs visible from streets may require textured/painted finish at the sole discretion of the Blanco River Ranch Reviewer. Exposed slab on the front of the house and, on corner Lots the entire exposed side of the slab facing the street, must have textured, painted finish.
- Projections and Accessories. All projections from a dwelling or other structure, including but not limited to chimney flues, vents, gutters, downspouts, porches, railings and exterior stairways, must make the color of the surface from which they project, unless otherwise approved by the Blanco River Ranch Reviewer. Roofs, eaves, sofffis, windows, gables, doors, garage doors and trim work are not required to be constructed of masonry.

#### Prohibited Elements:

- Vertical siding or wood shake siding (wood siding accents may be permitted if approved by Blanco River Ranch Reviewer).
- Highly reflective finishes on exterior surfaces (other than non-mirrored glass or on surfaces of hardware fixtures).
- o Mirrored glass.
- o No vivid/bright colors.
- o Gray brick or other masonry.

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#### Landscape Guidelines

#### A. Landscape

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

- Plans. A detailed landscape plan for the minimum landscape package for each Lot size must be submitted to the Blanco River Ranch Reviewer for consideration at least ninety (90) days before completion of the residence. The minimum landscape package must be in conformance with the landscape sections of the Zoning Ordinance (Chapter 53, Article V, Landscaping and Screening Requirements of the City of Kyle Code of Ordinances). No significant (i.e. major changes in the plant list, plant and plant bed locations, plant count, hardscape design, materials) revisions that would be considered to lower the quality or look of the package may be made to the approved plan without submission to, and further approval by the Blanco River Ranch Reviewer of the revised plan. Landscape plans must include vegetative screening for above ground utility connections visible from the street or adjacent properties in accordance with the plan approved in advance by the Blanco River Ranch Reviewer. Hardscape elements in the landscaping must be in scale with the home and associated structures.
- Materials: All introduced vegetation shall be trees, shrubs, vines, ground covers, seasonal flowers or sodded grasses which are recommended by the Grow Green Plant Guide, a copy of which is available online at the City's website, and which are routinely and generally accepted landscape practices for the region and which are approved by the Blanco River Ranch Reviewer. An emphasis should be placed on utilizing native plants that are drought tolerant. A minimum of 2" of mulch is required for all shrub and bed areas. Caliche is noticonsidered soil. An Owner must plant grass within three (3) days after top-soil for planting grass has been delivered to the Lot. Buffalo grass, zoysia grass or Bermuda grass are recommended for sunny sections of the landscape. Bermuda and Buffalo grass should be maintained at a height of two to two and one-half inches.
- Installation and Maintenance. Landscaping of new homes must be installed within thirty (30)
  days of completion and in any event, landscaping in accordance with the approved plans shall be
  completely installed prior to occupancy of a residence. Extensions to the time limit may be
  granted by the Blanco River Ranch Reviewer. After installation, landscaping (including
  temporary landscaping) shall be properly maintained at all times.
- Minimum Landscape Requirements. Landscaping of a new home must conform to the following minimum requirements:

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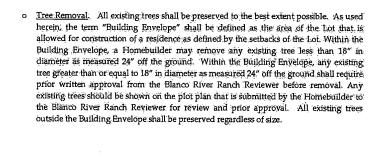
- Full sodded front and side yards (in front of fences), with backyards to be fully sodded by the Owner within thirty (30) days after acquiring occupancy of the Lot for residential purposes;
- o On all Lots other than corner Lots, two (2) three-inch caliper significant trees such as oak, elm, pecan,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

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

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

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

#### Chapter 8 - Building Regulations Including

2009 International Building Code

2009 International Residential Code

2009 International Plumbing Code

2009 International Mechanical Code

2000 International Electrical Code

2009 International Fire Code

2009 International Energy Conservation Code

2009 International Property Maintenance Code

Chapter 26 - Parks and Recreation

Chapter 29 - Sign Standards and Permits

Chapter 32 - Site Development

Chapter 38- Streets, Sidewalks and Other Public Places

Chapter 41- Subdivisions

Chapter 50- Utilities

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

#### **RESOLUTION NO. 1060**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7. This Resolution shall become effective upon passage.

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

CITY OF KYLE, TEXAS

**ATTEST** 

City Secretary

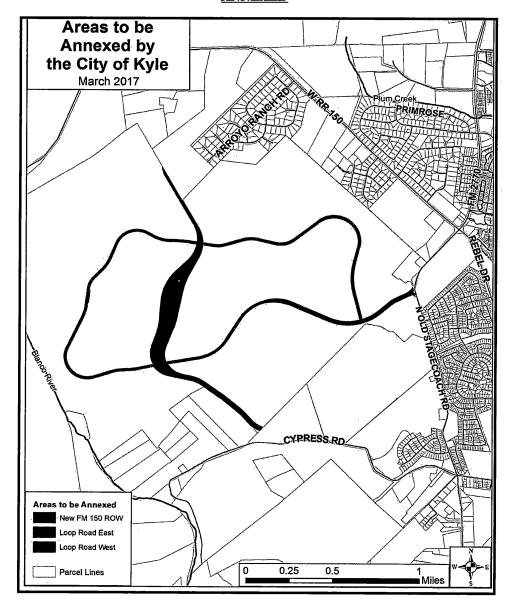
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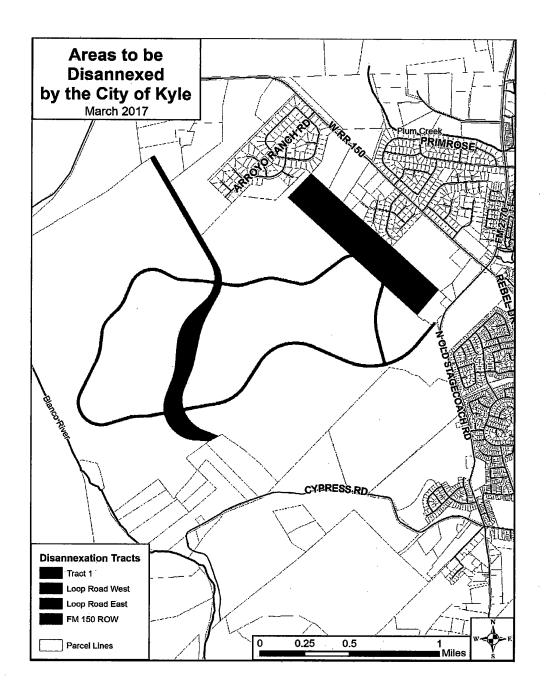
EXHIBIT "F"

SPINE ROAD ALIGNMENT, INCLUDING AREAS TO BE ANNEXED AND DEANNEXED



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Exhibit "F" - Page 1 of 2



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# EXHIBIT "G" CITY PID REQUIREMENTS CITY OF KYLE

#### **Public Improvement District Policy**

#### **OVERVIEW**

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

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

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

#### **GENERAL**

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

#### City of Kyle

Public Improvement District Policy

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

#### PETITION REQUIREMENTS

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

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

ty of Kyle iblic Improvement District Policy

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

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

Indemnification. DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS, CITY (AND THEIR ELECTED EMPLOYEES, OFFICERS, DIRECTORS. REPRESENTATIVES), INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY ANY THIRD PARTY AND RELATING TO DEVELOPER'S CONSTRUCTION OF THE PUBLIC IMPROVEMENTS INCLUDING BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY OR DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER OR DEVELOPER'S CONTRACTORS' NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES, INCLUDING ANY SUCH ACTS OR OMISSIONS OF DEVELOPER OR DEVELOPER'S CONTRACTORS, ANY AGENT: OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT SUBCONSULTANTS OF DEVELOPER **DEVELOPER'S** OR CONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS. EMPLOYEES, DIRECTORS AND REPRESENTATIVES, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY, UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL PROMPTLY ADVISE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST CITY, RELATED TO OR ARISING OUT OF DEVELOPER OR DEVELOPER'S CONTRACTORS ACTIVITIES TILIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE DEVELOPER'S COST TO THE EXTENT REQUIRED UNDER THE INDEMNITY IN THIS PARAGRAPH. CITY SHALL HAVE THE RIGHT, AT THEIR OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT

City of Kyle Public Improvement District Policy

DEVELOPER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY AND THE DEVELOPER SHALL SURVIVE THE TERMINATION AND / OR EXPIRATION OF THIS AGREEMENT AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE CITY AND / OR THEIR OFFICERS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW.

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

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

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

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

4

City of Kyle Public Improvement District Policy

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

#### PID ADMINISTRATION

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

#### PROJECT CRITERIA

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

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

#### **BOND SIZE LIMITATIONS**

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

5

City of Kyle Public Improvement District Policy

- 1. Minimum appraised value to lien ratio at date of each bond issue:
- 3:1

30 years

- 2. Minimum annual permitted increase for the debt service component of the annual assessment installment:

  0%
- 3. Maximum maturity for each series of bonds (to extent allowed by law):

The aggregate principal amount of bonds required to be issued shall not exceed an amount sufficient to fund: (i) the actual costs of the qualified public improvements; (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than three (3) years from the date of the initial delivery of the bonds; and (iii) any costs of issuance. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future bond issuances.

#### FINANCING CRITERIA

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

## City of Kyle Public Improvement District Policy

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

# **MISCELLANEOUS**

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

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

## **GENERAL**

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

# PETITION REQUIREMENTS

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

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#### BOND SIZE LIMITATIONS

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

# FINANCING CRITERIA

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

{W0724190.7} 4.25.17

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

# EXHIBIT "H" PID AGREEMENT TERM SHEET

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

## FINANCING CRITERIA – PUBLIC IMPROVEMENT DISTRICT

- 1. Maximum Authorized Improvements (including hard costs, soft costs, contingency, and a construction management fee) for the PID: \$225,000,000. Maximum Project Improvements (including hard costs, soft costs, contingency, and a construction management fee) for Improvement Areas 1A, 1B and 1C (i.e., the Project): \$100,000,000.
- 2. Minimum appraised value to lien ratio for each PID Bond issued:
- 3. Maximum total equivalent tax rate including PID annual installment: \$3.10/\$100 Assessed Value
- 4. Maximum years of capitalized interest:

2

3:1

5. Maturity of PID Bonds (to extent allowed by law):

25 yrs.

- 6. It is agreed that the improvements to be funded by the PID are limited to those defined as Authorized Improvements under Texas Local Government Code Section 372.003.
- 7. The aggregate principal amount of PID Bonds required to be issued shall not exceed an amount sufficient to fund: (i) the actual costs of the qualified Authorized Improvements (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 2 years from the date of the initial delivery of the bonds and (iii) any costs of issuance. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of actual bond issuance.

# **MISCELLANEOUS**

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

# 2. No General Obligation or Certificate of Obligation bonds will be utilized by the City to fund the PID's Authorized Improvements.

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

# ADDITIONAL CRITERIA FOR PROPERTY

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

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

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

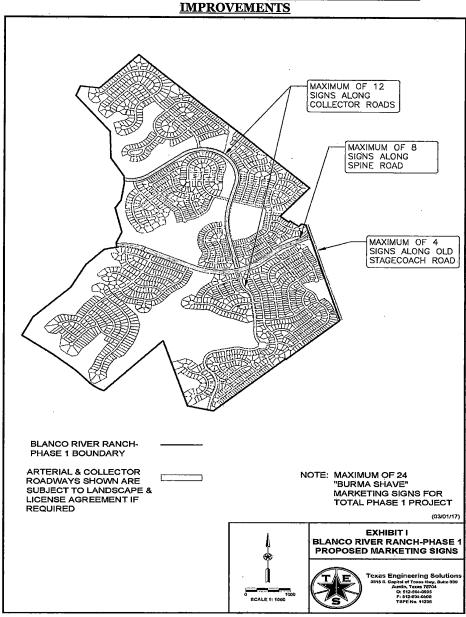
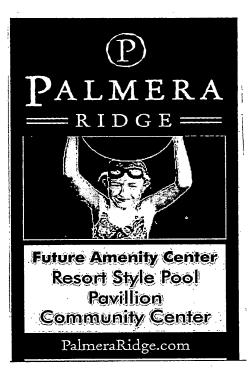


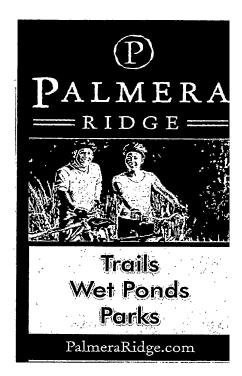
EXHIBIT "1"
PERMITTED LOCATIONS FOR SIGNAGE AND LANDSCAPE
IMPROVEMENTS

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

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



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



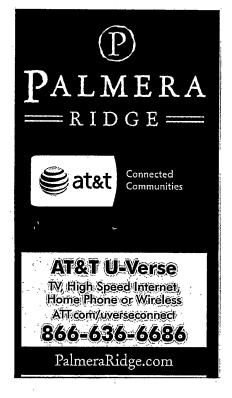


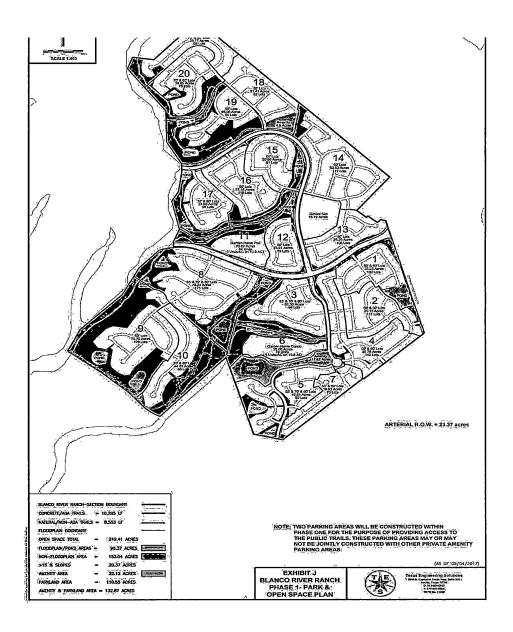






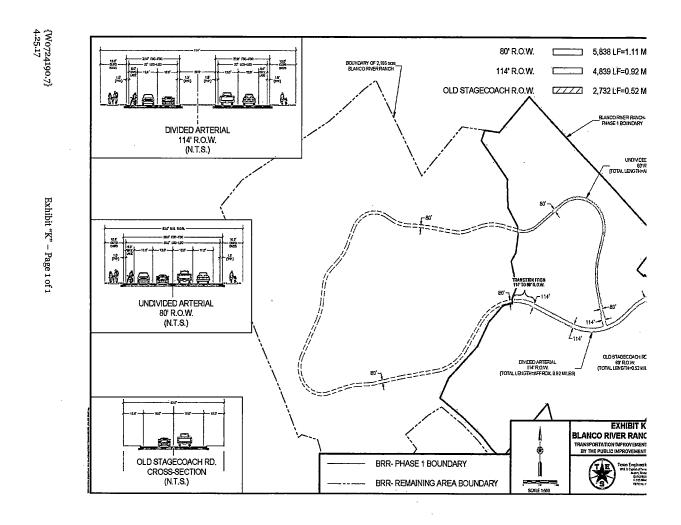
Exhibit "I" - Page 3 of 3

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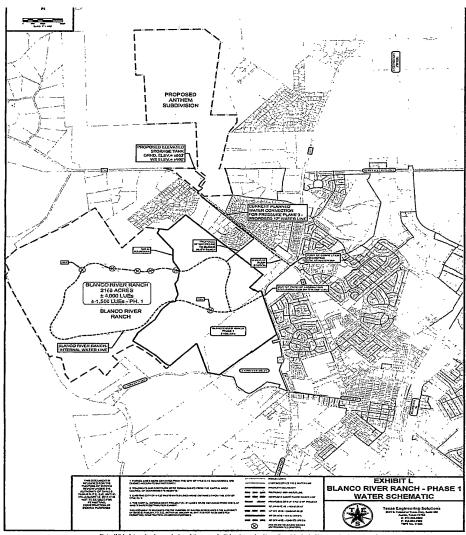


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Exhibit "J" - Page 1 of 1



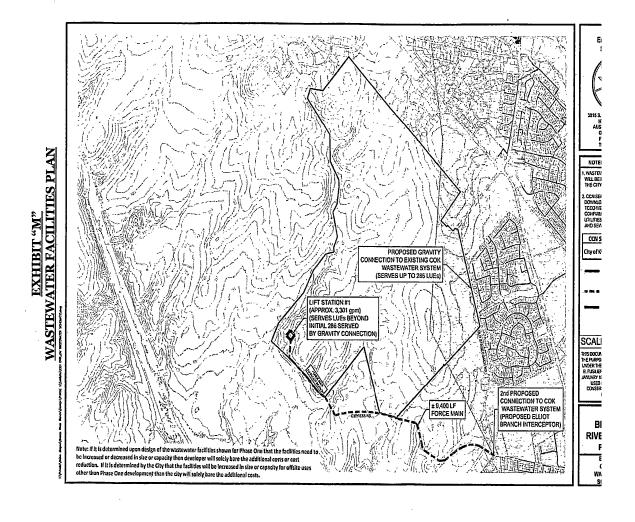
Appendix G – Page 73



Note: If it is determined upon design of the water fadilities shown for Phase One that the fadilities need to be increased or decreased in size or capacity then developer will sofely bare the additional costs or cost reduction. If it is determined by the City that the fadilities will be increased in size or capacity for offsite uses other than Phase One development than the city will sofely been the additional costs.

{W0724190.7} 4.25.17

Exhibit "L" - Page 1 of 1



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



# TRANSMITTAL COVER LETTER

TO:	Mr. Scott Sellers City of Kyle City Manager	<u>Via Courier</u>				
FROM:	Amy Lynn Payne Blake Magee Compar	ny				
DATE:	May 15, 2017					
SUBJECT:	Blanco River Ranch Development Agreement (DA)					
ENCLOSED: PLEASE FIND	Two originals with in	corporated revisions as detailed below.				
Scott, please find the f following scrivener's	inal DA ready for execution of the corrected corrected to the corrected to	ion by the Mayor. As we discussed the				
Exhibit C- Concept Pl with the table in Exhib Exhibit D – Item 9 ref Exhibit H- PID Agree	an was updated to correct bit C; Perenced Exhibit C. That we ment Term Sheet- The blue roadway as determined pen Space Plan was corre	y, "an appropriately sized gravity interceptor"; the text errors on the face of the drawing that conflicted was corrected to reference Exhibit J; ank on page 3 of 4, Item 1 was filled in to say, "the by a trip generation or traffic impact analysis"; cted to match the park plan that was approved on the				
For your inform	nation					
In accordance	with your request					
X Please sign the	attached documents					
Please contact						
	Austii	orth Lamar Blvd. n. Texas 78703				
	512.481.030 www.bl	03				

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

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

#### RECITALS

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

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

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

# **AGREEMENT**

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

- A. Assignor hereby assigns all of its rights and obligations under the Development Agreement to the Assignees as follows:
  - (1) to HMBRR Inc: all of Assignor's rights and obligations under the Development Agreement relating to the 61.49 acre tract or portion of the Property more fully described on the attached **Exhibit A**, which tract or portion of the Property has, concurrently with this Assignment, been conveyed to HMBRR, Inc. ("Tract 1");
  - (2) to LP #1: all of Assignor's rights and obligations under the Development Agreement relating to the 188.51 acre tract or portion of the Property more fully described on the attached **Exhibit B**, which tract or portion of the Property has, concurrently with this Assignment, been conveyed to LP #1 ("**Tract 2**"); and
  - (3) to LP #2: all of Assignor's rights and obligations under the Development Agreement relating to the 608.7 acre tract or portion of the Property more fully described on the attached **Exhibit C**, which tract or portion of the Property has, concurrently with this Assignment, been conveyed to LP #2 ("Tract 3").

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

- C. Hanna/Magee is executing this Assignment for the sole purpose of confirming that the Assignees are entities under common control with Hanna/Magee.
- D. Each Assignee agrees to indemnify, hold harmless and defend Assignor from and against any and all loss, cost, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) arising under the Development Agreement because a specific Assignee fails to perform its obligations under the Development Agreement as to the specific tract as to which such Assignee assumes the rights and obligations under the Development Agreement, on or after the Effective Date. Assignor agrees to indemnify, defend and hold harmless Assignee from and against any and all loss, cost, expense or liability (including, without limitation, costs of court and reasonable attorneys' fees) arising under the Development Agreement because of Assignor's failure to perform its obligations under the Development Agreement as to any of the Property prior to the Effective Date.
- E. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

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

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

# Assignor:

BLANCO RIVER RANCH PROPERTIES, LP, a Texas limited partnership

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

Date: September \_\_, 2017

STATE OF TEXAS

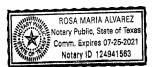
§ ş

COUNTY OF TRAVIS

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

(SEAL)

Notary Public Signature



# HMBRR, Inc.: HMBRR **DEVELOPMENT, INC.**, a Texas corporation Date: September 2017 Blake J. Magee, President LP #1: HMBRR, LP, a Texas limited partnership Hanna/Magee GP #1, Inc., a Texas corporation, General Partner Date: September 2 2017 Blake J. Magee, President LP #2: HMBRR LP #2, a Texas limited partnership By: Hanna/Magee GP #1, Inc., a Texas corporation, General Partner Date: September 2017 STATE OF TEXAS § COUNTY OF TRAVIS This instrument was acknowledged before me on the Oday of September, 2017 by Blake J. Magee, as President of HMBRR Development, Inc., a Texas corporation, and President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of HMBRR, LP, a Texas limited partnership and of

HMBRR LP #2, a Texas limited partnership, on behalf of said corporations and limited partnerships.

CORINA R. HINOJOS Notary Public, State of Texas Comm. Expires 09-28-2020 Notary ID 227912-6 otary Public Signature

(SEAL)

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

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

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

Blake Magee President

Date: 9/10/17

#### **EXHIBIT A**

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

#### PROPERTY DESCRIPTION

BEING 61.49 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ½ LEAGUE NO. 14, ABSTRACT 360, HAYS COUNTY, TEXAS AND BEING A PORTION OF CALLED TRACT I, A 1,971.29 ACRE TRACT AND A PORTION OF CALLED TRACT II, A 195.14 ACRE TRACT BOTH DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH PROPERTIES, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 61.49 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

**BEGINNING** at a ½-inch iron rod with cap stamped "AST" found on the existing westerly right of way line of N. Old Stagecoach Road, a varying width right of way and being the most easterly southeast corner of said 194.14 acre tract;

**THENCE**, with said right of way line and the southerly line of said 194.14 acre tract, S36°01'23"W, 42.36 feet to a fence post with mag nail on top at the most northerly corner of a called 132.59 acre tract of record in Volume 5224, Page246 of the Hays County Official Public Records;

**THENCE**, continuing with the southerly line of said 194.14 acre tract, same being the northerly line of said 132.59 acre tract, \$48°36'08"W, 73.67 feet to a calculated point;

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

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

- 16. S87°25'28"W, 204.45 feet to a calculated point;
- 17. S78°50'23"W, 60.14 feet to a calculated point;
- 18. N07°10'58"W, 133.60 feet to a calculated point;
- 19. S79°57'58"W, 68.89 feet to the beginning of a curve to the right;
- 20. with the arc of said curve to the right, 43.31 feet, having a radius of 325.00 feet, a central angle of 07°38'10" and a chord bearing and distance of S83°47'03"W, 43.28 feet to a calculated point;
- 21. S87°36'08"W, 28.25 feet to a calculated point;
- 22. N02°23'52"W, 50.00 feet to a calculated point;
- 23. N87°36'08"E, 3.07 feet to a calculated point;
- 24. NO4°18'13"W, 199.92 feet to a calculated point;
- 25. N07°08'17"W, 430.00 feet to a calculated point;
- 26. N13°27'20"W, 126.59 feet to a calculated point;
- 27. N22°04'53"W, 127.34 feet to a calculated point;
- 28. N19°59'52"W, 288.35 feet to a calculated point;
- 29. N87°39'19"E, passing at 126.53 feet the northerly line of said 195.14 acre tract and continuing across said 1971.29 acre tract for a total distance of 162.44 feet to a calculated point at the beginning of a non-tangent curve to the right;
- 30. Continuing across said 1971.29 acre tract with said curve to the right, 54.96 feet, having a radius of 400.00 feet, a central angle of 07°52'22" and a chord bearing and distance of N01°35'30"E, 54.92 feet to a calculated point at the beginning of a reverse curve;
- 31. with the arc of said reverse curve to the left, 22.11 feet, having a radius of 15.00 feet, a central angle of 84°28'08" and a chord bearing and distance of N36°42'23"W, 20.16 feet to a calculated point:
- 32. N78°56'27"W, 9.25 feet a calculated point at the beginning of a curve to the left;
- 33. with the arc of said curve to the left, 102.36 feet, having a radius of 375.00 feet, a central angle of 15°38'23" and a chord bearing and distance of N86°45'38"W. 102.04 feet to a calculated point:
- 34. NO3°23'28"W, 277.90 feet to a calculated point on the southerly line of a proposed stem road and the beginning of a non-tangent curve to the left;
- 35. with a curve to the left, 102.91 feet, having a radius of 1560.00 feet, a central angle of 03°46'46" and a chord bearing and distance of NS2°02'19"E, 102.89 feet to a ½-inch iron rod with cap stamped "AST" at the point of tangency;
- 36. With the southerly line of said stem road, N50°08'56"E, 432.17 feet to a ½-inch iron rod with cap stamped "AST" at the beginning of a curve to the right;
- 37. with the arc of said curve to the right, 155.64 feet, having a radius of 615.00 feet, a central angle of 14°30'01" and a chord bearing and distance of N57°23'57"E, 155.23 feet to a ½-inch iron rod with cap stamped "AST";

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

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

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

## SURVEYOR'S STATEMENT

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

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

May 18, 2017, Revised August 23, 2017

## **EXHIBIT B**

Blanco River Ranch Remainder of 250.00 acres 188.51 Acres

#### PROPERTY DESCRIPTION

BEING 188.51 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ½ LEAGUE NO. 14, ABSTRACT 360, HAYS COUNTY, TEXAS AND BEING A PORTION OF CALLED TRACT I, A 1,971.29 ACRE TRACT AND A PORTION OF CALLED TRACT II, A 195.14 ACRE TRACT BOTH DESCRIBED IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH PROPERTIES, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 188.51 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

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

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

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

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

1	S22°04'53"E, 127,34 feet:		

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- 2. S13°27'20"E, 126.59 feet;
- 3. S07°08'17"E, 430.00 feet;
- 4. S04°18'13"E, 199.92 feet;
- 5. S87°36'08"W, 3.07 feet;
- 6. S02°23'52"E, 50.00 feet;
- 7. N87°36'08"E, 28.25 feet to the beginning of a curve to the left;
- with the arc of said curve to the left, 43.31 feet, having a radius of 325.00 feet, a central angle of 07°38'10" and a chord bearing and distance of N83°47'03"E, 43.28 feet to a point of tangency;
- 9. N79°57'58"E, 68.89 feet;
- 10. S07°10'58"E, 133.60 feet;
- 11. N78°50'23"E, 60.14 feet;
- 12. N87°25'28"E, 204.45 feet;
- 13. N69°25'04"E, 121.89 feet;
- 14. N59°32'34"E, 120.82 feet;
- 15. N50°31'38"E, 118.22 feet;
- 16. N48°42'02"E, 210.00 feet;
- 17. N41°17'50"W, 20.01 feet;
- 18. N48°42'48"E, 50.00 feet;
- 19. N48°42'02"E, 127.94 feet;
- 20. S46°07'21"E, 135.75 feet;
- 21. S17°32'07"E, 150.99 feet;
- 22. S05°46'09"W, 47.76 feet;
- 23. \$74°45'05"E, 130.00 feet;
- 24. S19°52'00"W, 44.28 feet;
- 25. S66°02'26"E, 50.00 feet;
- 26. N22°18'46"E, 23.72 feet;
- 27. S67°12'55"E, 188.65 feet to the southeasterly line of said 195.14 acre tract, same being the northwesterly line of a called 132.59 acre tract described in a deed to Felder CND, LLC and recorded in Volume 5224, Page 246 of the Hays County Official Public Records;

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

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

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

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

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

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

## SURVEYOR'S STATEMENT

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

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

## **EXHIBIT C**

Blanco River Ranch 608.70 acres

#### PROPERTY DESCRIPTION

BEING 608.70 ACRES OF LAND LOCATED IN THE SAMUEL PHARASS ½ LEAGUE NO. 14, ABSTRACT 360, AND THE CALEB W. BAKER SURVEY, ABSTRACT 31 HAYS COUNTY, TEXAS AND BEING A PORTION OF A CALLED 1,971.29 ACRE TRACT AS DESCRIBED AS TRACT I IN A DEED FROM THE STATE OF TEXAS TO BLANCO RIVER RANCH PROPERTIES, LP AND RECORDED IN VOLUME 5230, PAGE 583 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS; SAID 608.70 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS WITH ALL BEARINGS REFERENCED TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE.

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

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

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

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

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

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

- 1. N26°31'11"E, 563.37 feet to a calculated point;
- 2. N46°09'29"E, 1179.39 feet to a calculated point;
- 3. N28°22'57"E, 708.36 feet to a calculated point;
- 4. N44°16'34"E, 582.28 feet to a calculated point at the beginning of a curve to the right:
- 5. with a curve to the right, 297.90 feet, having a radius of 1184.66 feet, a central angle of 14°24'28" and a chord bearing and distance of N77°54'54"E, 297.12 feet to a calculated point;
- 6. NO4°51'54"W, 125.14 feet to a calculated point;
- 7. N23°10'37"E, 321.60 feet to a calculated point;
- 8. N13°08'23"W, 681.62 feet to a calculated point;
- 9. N31°45'00"E, 255.79 feet to a calculated point;
- 10. N08°23'37"E, 473.49 feet to a calculated point;
- 11. NO2°33'01"W, 195.07 feet to a calculated point;
- 12. N30°53'10"W, 576.14 feet to a calculated point;
- 13. NO1°26'31"W, 729.89 feet to a calculated point;
- 14. N38°05'39"W, 1250.80 feet to a calculated point;
- 15. N20°33'26"E, 282.73 feet a ½-inch iron rod with cap stamped "AST" set for the most westerly northwest corner of the herein described tract on the northerly line of said 1,971.29 acre tract, same being on the southerly line of Park Land Lot 23 of Arroyo Ranch, Section One, a subdivision of record in Volume 10, Page 180 of the Hays County Official Public Records;

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

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

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

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

- a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records;
- S46°48'04"E, 579.01 feet to a found ½-inch iron rod for the south corner of Russell and being the
  westerly corner of Quail Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays
  County Plat Records;
- With the southwesterly line of said subdivision, S46°06'19"E, 409.08 feet to ½-inch iron rod for angle point;
- 4. \$47°09'10"E, 405.41 feet to ½-inch iron rod for angle point;
- 5. S47°52'54"E, 295.90 feet to ½-inch iron rod for angle point;
- 6. S47°18'52"E, 296.88 feet to ½-inch iron rod for angle point;
- 7. S47°21'24"E, 132.10 feet to ½-inch iron rod for angle point;
- 8. \$47°07'34"E, 179.01 feet to ½-inch iron rod for angle point;
- S46°55'27"E, 248.69 feet to ½-inch iron rod for most southerly corner of said subdivision and the
  westerly corner of a called 57.26 acre tract described in a deed to Kyle Mortgage Investors, LLC
  and recorded in Volume 3416, Page 789 of said Official Public Records;
- 10. S45°43'31"E, 436.59 feet to a fence post for angle point;
- 11. S46°32'55"E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
- 12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
- 13. S50°23'48"E, 255.70 feet to a fence post for angle point;
- 14. N40°43'43"E, 42.89 feet to a ½-inch iron rod with cap stamped "AST" set;
- 15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a½-inch iron rod with cap stamped "AST" set;
- 16. N43°53'50"E, 92.19 feet to a 1/2-inch iron rod with cap stamped "AST" set;
- 17. S78°26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);
- 18. With said westerly right of way line, S16°21'49"E, 511.37 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a non-tangent curve to the left on the southerly line of a proposed right of way;

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

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

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

# SURVEYOR'S STATEMENT

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

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

December 4, 2016, Revised August 23, 2017

GF # 01021-11157a GP

Stewart Title

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





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

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

## **RECITALS**

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

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

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

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

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

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

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

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

#### **AGREEMENT**

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

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

- 2. Section 5.03 of the Development Agreement, pertaining to Permanent Water Service, is hereby amended to read as follows and Exhibit "O" is formally integrated into and made part of the Development Agreement:
  - (a) The City and Owner have entered into a Water Facilities Construction Agreement with several participants, including Kyle 150 LP ("Kyle 150"), to construct a ground storage tank and an elevated storage tank (collectively, the "Anthem Storage Tanks") to serve the Property. The Water Facilities Construction Agreement also provides that, in connection with the construction of the Anthem Storage Tanks, a water line from the Anthem Storage Tanks to the Point of Delivery with the City's Water System along FM 150 (the "FM 150 Water Main"), and a water line from the Anthem Storage Tanks to a Point of Delivery on the Property (the "Water Return Line") will be constructed, all as depicted on Exhibit L. On behalf of the participants, Kyle 150 has or will bid and award the necessary contracts relating to the construction of facilities, shall work with the City to facilitate all payments to the contractors pursuant to the contracts, and convey such facilities to the City upon completion and inspection. The Water Facilities Construction Agreement is attached as Exhibit "O".

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- (b) Provided that Kyle 150 completes the construction of the Anthem Storage Tanks, the FM 150 Water Main, and the Water Return Line (collectively, the "<u>Anthem Shared Water Facilities</u>") as contemplated in the Water Facilities Construction Agreement, Owner agrees to pay its prorata share of the cost of the Anthem Storage Tanks, and the Water Return Line, as established in the Water Facilities Construction Agreement (the "<u>Phase One Cost Share</u>"), subject to Owner's right to reimbursement as provided in <u>Section 7.05</u>, below. If Kyle 150 fails to complete the construction of the facilities contemplated in the Water Facilities Construction Agreement, the City will have the right, but not the obligation to assume the construction contracts and complete the projects contemplated in the Water Facilities Construction Agreement.
- (c) The City confirms that by satisfying its obligations under the Water Facilities Construction Agreement, Owner shall be entitled to receive water service from the City to the Property (in an aggregate amount not to exceed 2,100 LUEs) as contemplated under Section 4.01 of the Water Facilities Construction Agreement and, except for internal water infrastructure, shall not be required to finance or construct any additional facilities relating to the provision of water service to the Property.
- If the Anthem Shared Water Facilities are not completed as provided in Subsections (a) and (b) by January 1, 2022, the City shall determine whether or not it will assume any construction contracts as provided in Sections 1.08 and 2.12 of the Water Facilities Construction If the City does not elect to assume the applicable construction contracts to complete the necessary water facilities, Owner may proceed with the design and construction of alternative facilities consisting of a 12-inch water line to be constructed in the FM 150 right-ofway from a point of connection to the City's existing 12-inch water line at the intersection of FM 150 and Old Stagecoach Road to a booster pump station to be constructed at the location depicted on the Water Facilities Plan (the "Alternative Facilities"). The proposed booster pump station will include a connection to allow the future extension of the 12-inch water line to the west and the water line will also be extended to the south, to the site of a future, approximately 580,978 gallon ground or elevated storage tank to be constructed at the location depicted on the Water Facilities Plan. If these Alternate Facilities are designed and constructed by Owner, the City agrees that Owner's costs will be reimbursed to Owner as provided in Section 7.05, below.
- (e) If Kyle 150 fails to perform and the City decides not to assume any construction contract(s) entered into pursuant to the Water Facilities Construction Agreement relating to additional storage facilities to serve the Property, the Owner may proceed to design and construct an alternative storage facility (the "<u>Alternative Required Water Storage Facility</u>") consisting of an elevated or ground storage tank designed to

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) The City agrees to defer the City Allocation that would otherwise be payable to the City out of the proceeds of the first issuance of PID bonds (the "<u>Deferred Initial Allocation</u>") and, accordingly, no portion of the proceeds of that first bond issuance will be paid to the City; however, at the time of second issuance of PID bonds, the City will, subject to subsection (b), below, receive the City Allocation payable out of the proceeds of those bonds, plus an amount equal to the Deferred Initial Allocation, subject to Subsection (c), below.
- (b) At the time of the second issuance of PID bonds, the City will be entitled to receive a City Allocation of \$1,500,000 in City Allocations for use by the City for water treatment and wastewater treatment plant Project Improvements.
- (c) After the City has received \$1,500,000 in City Allocations, the City Allocation(s) out of the next PID Bond issuance or issuances will be paid to Owner to reimburse Owner for the Phase One Cost Share of the Anthem Storage Tanks, the FM 150 Water Line, and the Water Return Line, if advanced by Owner as provided in Section 5.03(b), and, if applicable: the Alternative Facilities described in Section 5.03(d) and, if required, the Alternative Required Water Storage Facility described in Section 5.03(e).
- (d) After Owner has been reimbursed for the Phase One Cost Share of the Anthem Storage Tanks, the FM 150 Water Line, and the Water Return Line, the Alternative Required Water Storage Facility, and the Alternative Facilities, the City will utilize the next City Allocation(s) paid to the City for reimbursement of the City's costs of construction of the Elliot Branch Interceptor and, thereafter, for the reconstruction of Old Stagecoach Road as a two lane road with bike lane within existing right of

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

- (e) After the City's completion of the Old Stagecoach Road improvements described in (d), above, additional City Allocations may be utilized by the City for any other public purpose. If, however, the County funds the reconstruction of Old Stagecoach Road as described in Subsection (d), then the portion of the City Allocation that would otherwise have been utilized for that reconstruction may be utilized by the City for any other public purpose.
- 8. Section 12.05(b) of the Development Agreement, pertaining to Owner Assignment of Agreement, is hereby amended to add the following language:

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

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

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

City:

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

With a copy to:

The Knight Law Firm

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

# Owner:

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

- 10. **Exhibit "D"** of the Development Agreement, pertaining to Development Standards and Project Approvals, including exceptions and variances, is hereby replaced by the attached Exhibit "D".
- 11. **Exhibit "L"** of the Development Agreement, pertaining to the Water Facilities Plan, is hereby replaced by the attached Exhibit "L".
- 12. **Exhibit "M"** of the Development Agreement, pertaining to the Wastewater Facilities Plan, is hereby replaced by the attached Exhibit "M".
- 13. <u>Exhibit "O"</u> is hereby by integrated as an exhibit to the Development Agreement.
- 14. Capitalized terms not defined in this Amendment have the meanings ascribed thereto in the Development Agreement.
- 15. Except as specifically amended herein, all provisions of the Development Agreement are hereby acknowledged and ratified by the Parties hereto to be in full force and effect.

# [EXECUTION PAGES TO FOLLOW]

# CITY:

# City of Kyle, Texas, a municipal corporation

By: Travis Mitchell

Date: 10/13/2020

STATE OF TEXAS §
COUNTY OF HAYS §

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

JENNIFER ANN VETRANO
My Notary ID # 126805359
Expires February 17, 2021

Notary Public, State of Texas

# **OWNER:**

# **HMBRR**, Inc.:

	HMBRR DEVELOPMENT, INC., a Texas Corporation By: Blake J. Magee, President Date:
	<u>LP #1:</u>
	HMBRR, LP, a Texas limited partnership
	By: Hanna/Magee GP #1, a Texas corporation General Partner  By: Blake J. Magee, President  Date:
	<u>LP #2:</u>
	HMBRR LP #2, a Texas limited partnership
	By: Hanna/Magee GP #1, a Texas corporation, General Partner  By: Blake J. Magee, President  Date: 10/8
STATE OF TEXAS §	
COUNTY OF HAYS §	_
This instrument was acknowledged before 2020 by Blake T. Magee as Pteride Texas corporation, and Purident of Ha that is General Partner of HMBRR, LP, a Texas limited partnership, on behalf of said limited Notary Public, State of Texas Comm. Expires 05-29-2024 Notary ID 132499027	nna/Magee GP #1, Inc., a Texas corporation mited partnership and of HMBRR LP #2, a

{W0932093.9}

# EXHIBIT "D"

# BLANCO RIVER RANCH LAND USE AND DEVELOPMENT STANDARDS

1. Table A: Land Use Chart:

#### Single-Family and Garden Homes/Cluster

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

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

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

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

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

# 13. Building Setback Table:

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

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

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

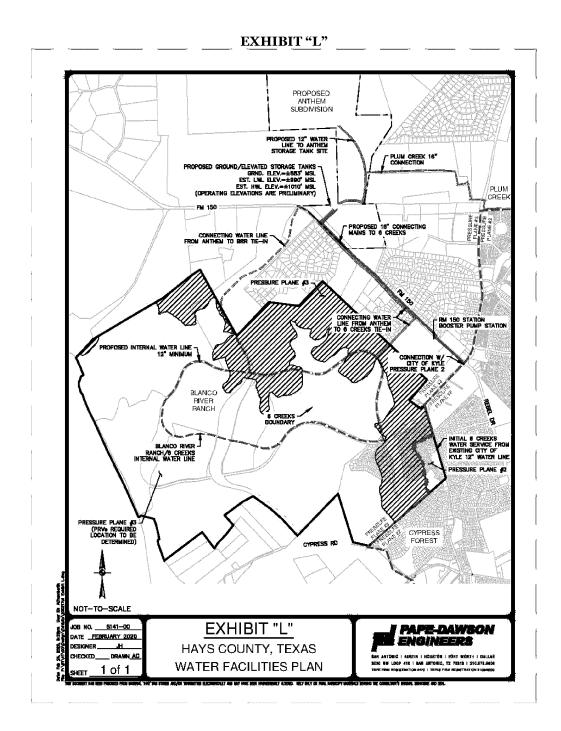
- 16. The first primary subdivision signage will be located at the main entry to Phase One at the intersection of Old Stagecoach Road and the Spine Road and may include a maximum of 250 square feet of signage or graphics. The second primary subdivision signage will be located at the intersection of Old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

# 23. Phase One Roadway Cross Sections:

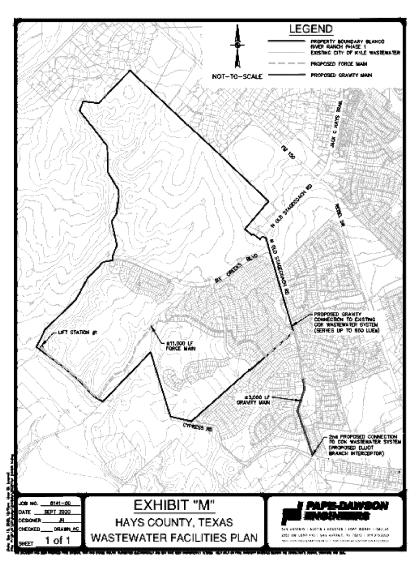
Standard Category	Pavement Width (in Feet)	Right-of-Way Width (in Feet)
Standard Category		ingite-or-way width (in 1 cet)
Residential Lane	30' FOC-FOC	50'
Residential Collector (W/ Bike Lanes)	37' FOC-FOC	60'
Undivided Arterial (Internal Loop w/ Bike Lanes)	61' FOC-FOC	85'
Divided Arterial (Internal Loop w/ Bike Lanes)	2 at 32' FOC - FOC	114'
Major Thoroughfare (FM 150)	To be Determined	Varies - 120' Minimum

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

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



# **EXHIBIT "M"**



# **EXHIBIT "O"**

# FM 150 WATER FACILITIES SERVICE, FINANCING, $\,$ AND CONSTRUCTION AGREEMENT

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

#### RECITALS

- A. Kyle 150 is the owner of that certain approximately 422 acre parcel of real property located in the extra-territorial jurisdiction of the City of Mountain City and within the Anthem MUD boundaries which it proposes to develop as a master-planned, single-family residential subdivision consisting of approximately 1650 single-family homes and related improvements (the "Anthem Tract"). The Anthem Tract is depicted on the map of the affected properties attached hereto and incorporated herein as Exhibit "A" (the "Property Map") and more particularly described on Exhibit "A-1".
- B. Anthem MUD is a municipal utility district duly formed and validly existing under the laws of the State of Texas to provide retail water and wastewater service to the Anthem Tract. Anthem MUD has agreed to reimburse Kyle 150 for a portion of the costs to construct water and wastewater facilities necessary to serve the Anthem Tract, including without limitation the water facilities contemplated in this Agreement.
- C. HMBRR is the owner of that certain approximately 890 acre parcel of real property located in the extra-territorial jurisdiction of the City, which it proposes to develop as a masterplanned, residential development consisting of approximately 2100 residential units and related amenities and improvements (the "6 Creeks Tract"). The 6 Creeks Tract is depicted on the Property Map and more particularly described on Exhibit "A-2".
- D. The Covey Fund is the owner of that certain approximately 10 acre parcel of real property located in the City, which is currently used for agricultural purposes but may be developed for future commercial uses (the "the Covey Fund Tract"). The Covey Fund Tract is depicted on the Property Map and more particularly described on Exhibit "A-3".
- E. Beseda is the owner of that certain approximately 4.84 acre parcel of real property located in the City, which is currently used for agricultural purposes but may be developed for future commercial uses (the "Beseda Tract"). The Beseda Tract is depicted on the Property Map and more particularly described on Exhibit "A-4".
- F. Kyle 57 is the owner of that certain approximately 57 acre parcel of real property located in the City, which is currently used for agricultural purposes but may be developed for future residential uses (the "Kyle 57 Tract"). The Kyle 57 Tract is depicted on the Property Map and more particularly described on **Exhibit** "A-5".
- G. In addition to acting on its own behalf as utility provider, the City is also entering this Agreement on behalf of Blanco River Ranch Properties, L.P., the owner of



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

- H. In addition to acting on its own behalf as utility provider, the City is also entering this Agreement on behalf of Lennar, the owner of 890 acre parcel of real property located in the extra-territorial jurisdiction of the City, which such owner proposes to develop as master-planned, residential development consisting of residential units and related amenities and improvements (the "Plum Creek North Tract"). The Plum Creek North Tract is depicted on the Property Map and more particularly described on Exhibit "A-7".
- I. The City entered into a Retail Water and Wastewater Services Agreement (the "Anthem Contract") dated September 20,2016 with Mountain City 150, LP ("MC 150") pursuant to which MC 150 agreed to pay its pro rata share in constructing an elevated water storage tank with a combined capacity of 2.039 million gallons (the "Anthem Storage Tank"). The Anthem Contract provides that, in connection with the construction of the Anthem Storage Tank, MC 150 agreed to construct: (i) a water force main and related appurtenances from the site of the Anthem Storage Tank to the main entryway into the residential development to be located on the Anthem Tract (the "Anthem Water Main"); (ii) a water force main and related pump stations and appurtenances from the Anthem Tract's proposed main entryway along FM 150 to a point of connection with the City's water system (the "FM 150 Water Main"), noted as the Point of Entry on the water facilities plan attached hereto as Exhibit "B" (the "Water Facilities Plan"); and, (iii) a one hundred thousand (100,000) gallon Ground Storage Tank, purely at the cost and benefit of Anthem.
- J. MC 150 assigned the Anthem Contract to Anthem MUD in November 2016 and Anthem MUD has assumed all obligations of MC 150 in the Anthem Contract. MC 150 was subsequently dissolved, and Kyle 150 is the successor development entity for the Anthem Project.
- K. The City entered into a De-annexation and Development Agreement (the "6 Creeks Agreement") dated May 16, 2017 with Blanco River Ranch Properties, LP, or its successors and assigns. On September 20, 2017, Blanco River Ranch Properties properly assigned its rights under the 6 Creeks Agreement to HMBRR. The 6 Creeks Agreement provides, among other things, that HMBRR shall (i) advance and pay a pro-rata share of the costs to construct the Anthem Storage Tank, (ii) construct a return line ("Water Return Line") from the Anthem Storage Tank to a delivery point noted on the Water Facilities Plan, and (iii) negotiate in good faith with the City if the City requests the oversizing of any utility facilities to be constructed pursuant to the 6 Creeks Agreement.
- L. The original plan set forth in the Anthem Contract for the Anthem Storage Tank called for the construction of a combined 2.039 million gallon elevated storage tank



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

- M. Subsequent to the execution of the Anthem Contract and the 6 Creeks Agreement, the City determined that the properties owned by Kyle 57, Beseda, and the Covey Fund would benefit from an oversized Water Return Line and capacity in the Anthem Ground Storage Tank and Anthem Elevated Storage Tank. Kyle 57, Beseda, and the Covey Fund are each agreeable to paying their pro-rata share of the Water Return Line the Anthem Ground Storage Tank and the Anthem Elevated Storage Tank, subject to the terms and conditions of this Agreement.
- N. The Parties recognize that the FM 150 Water Main and the majority of the Water Return Line can be constructed in the same utility easement running alongside of FM 150, as depicted in the Water Facilities Plan, and that economies of scale exist to provide for costs savings for all Parties if the FM 150 Water Main and the Water Return Line are constructed concurrently.
- O. Pursuant to the Anthem Contract, Anthem MUD or Kyle 150 on behalf of Anthem MUD is required to construct a 100,000 gallon ground storage tank within the timeframe required set forth in the Anthem Contract.
- P. Anthem MUD has designed the FM 150 Water Main, the Anthem Ground Storage Tank, the Water Return Line and all other necessary, appropriate and related facilities. Henceforth the FM 150 Water Main, the Anthem Ground Storage Tank and the Water Return Line are known as the "FM 150 Water Facilities" or the "Project". Anthem MUD bid the Project, and the Project is in the process of being constructed in accordance with all applicable rules and regulations. The City has approved the plans specifications for the construction of the Project (the "Approved Plans").
- Q. Construction of the Additional Ground Storage Tank will require there to be additional capacity in the Anthem Elevated Storage Tank to comply with all regulatory rules
- R. The City desires to cause the Anthem Elevated Storage Tank to be designed with an alternative design of 1 million gallons and to provide for cost participation in the oversized design and construction of the expanded facility. The 800,000 gallon tank will serve the parties to this Agreement. The alternative design will provide the City the option to participate in the cost of oversizing the Anthem Elevated Storage Tank from 800,000 gallons to 1 million gallons, and use the added capacity in the Anthem Elevated Storage Tank to accommodate the future construction of the Additional Ground Storage Tank.

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Exhibit "O" - 3



- S. The City has contracted with the owner of the Plum Creek North Tract to pay for its respective pro-rata share of the Anthem Elevated Storage Tank, and the City will make payment on behalf of such owner for such pro-rata share.
- T. The City has anticipated the need of the Blanco River Ranch Tract, and while there is not a finalized development agreement for said property, there is an interim development agreement between the City and the owner of the Blanco River Ranch Tract, in place serving as a reasonable planning tool. The City has agreed to pay for such owner's pro-rata share of the Anthem Elevated Storage Tank. The City intends to recover such costs paid on behalf of such owner along with any other reasonable charges during their first phase of development of the Blanco River Ranch Tract.
- U. This Agreement sets forth the Parties agreements regarding the financing and construction of the FM 150 Water Facilities, payment for the design, permitting, and construction of the FM 150 Water Facilities, and the Parties respective rights and obligations relating to the FM 150 Water Facilities. This Agreement further sets forth the agreements regarding the design, financing, and construction of the EST.

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

#### Article I. FM 150 Water Facilities

#### 1.01. Project Schedule, Budget, and Participation Percentages.

- (a) The Parties agree to cooperate with Anthem MUD's efforts to complete the construction of the FM 150 Water Facilities in accordance with the schedule attached as Exhibit "C" (the "Project Schedule"). The Project is underway and Anthem MUD will ensure construction of the Project is completed in accordance with this Agreement and the Project Schedule.
- (b) The initial budget for the Project (the "Project Budget") is attached as  $\mathbf{Exhibit}$  "D". The Project Budget will be updated as provided in this Agreement.
- (c) The allocated shares of the costs of each component of the Project for Kyle 150 on behalf of Anthem MUD, the City (on behalf of the owners of the Blanco River Ranch Tract and Plum Creek North Tract), and each of the Water Return Line Users are set forth on the attached Exhibit "E" (the "Participation Percentages").
- 1.02. **Project Management and Project Engineer.** Kyle 150 on behalf of Anthem MUD will serve as project manager for the Project. Atwell, LLC will serve as the project engineer for the Project (the "*Project Engineer*").
- 1.03. **Easements.** All necessary utility easements to construct the FM 150 Water Main and the Water Return Line have been or will be made available to Kyle 150 prior to construction on the Project.

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

#### 1.05. Bidding and Contract Requirements.

- (a) The Project Engineer has advertised the Project for bid in the name of Kyle 150 on behalf of Anthem MUD in accordance with the legal requirements applicable to municipal utility districts, including Chapters 49 and 54, Texas Water Code, based on the design, plans and specifications approved by the Parties. At the time of the Effective Date of this Agreement, construction on the Project has commenced.
- (b) The Project Engineer, at the request of any Party, will provide a copy of the bids and bid tabulation to such Party, as well as the award of the contract.
- - (1) That the contractor(s) will comply with the requirements of Section 5(e) related to insurance;
  - (2) That a minimum of Ten percent (10%) retainage shall be withheld from each payment made to the contractor(s);
  - (3) That the contractor(s) will be liable for all damage or injury to persons or property directly resulting from the activities of the contractor, and contractor's employees, agents, and subcontractors, in coming upon or performing work on the Project sites;
  - (4) That the contractor will indemnify the Parties from any liability arising out of claims arising due to contractor's activities within the Project work sites; and
  - (5) Any other provisions required to be included in the contract(s) under this Agreement.





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

# 1.06. Construction; Inspection and Financing.

- (a) Kyle 150, on behalf of Anthem MUD will cause the contractor(s) for the Project to continue with construction and to complete construction in accordance with the Project Schedule, the Anthem Contract, this Agreement, the Project Budget and the Approved Plans, after the Effective Date of this Agreement. The Project will be constructed in conformity with the Approved Plans, in a good and workmanlike manner, and all material used in such construction will be substantially free from defects and fit for its intended purpose. The Project Engineer will inspect the construction and provide Kyle 150 on behalf of Anthem MUD and the Parties with monthly construction status reports. Upon request, the Parties or a designee of a Party may accompany the Project Engineer to inspect construction on the Project.
- (b) The Project Engineer will monitor and confirm the percentage of completion of the Project existing from time to time and deliver written notice to the Parties of the percentage of completion.
- (c) Kyle 150, on behalf of Anthem MUD, shall receive all pay applications from the contractor(s) relating to the Project ("Pay Applications"). In order to obtain any progress payment payable to the contractor, Kyle 150 must:
  - (1) Cause the Project Engineer to prepare a statement of the percentage of construction of the Project completed to the date of the Contractor's Pay Application (the "Completion Percentage") and state that the pay application has been approved by the Project Engineer and Anthem MUD (the "Approved Pay Application");
  - (2) Obtain the Project Engineer's certification of the amount of the Approved Pay Application payable by each of the Water Return Line Users and the portion of the contract price remaining to be paid by the City and Kyle 150 on behalf of Anthem MUD to complete the payment of the Approved Pay Application (the "Certification"); and



- (3) Obtain an affidavit signed by the contractor(s), in the form of a conditional waiver and release of lien upon progress payment, in a form reasonably acceptable to the Parties, including affirmation of payment of all subcontractors and vendors supplying labor and or materials for the Project ("Waiver and Release"). The Approved Pay Application, the Certification, and the Waiver and Release shall be delivered to the Parties no later than 20 days after delivery of a Pay Application. Pay Applications may not be submitted more frequently than monthly.
- (d) Within 30 days of the receipt of the Approved Pay Application, Certification and Waiver and Release, the Parties must each fund their share of the Approved Pay Application as provided in this Agreement, less retainage and any other amounts allowed to be withheld under the construction contract(s), in accordance with State law. Each Party will make payment for its share of the Approved Pay Application directly to Kyle 150 by check, mailed to the applicable address in Section 4.03 of this Agreement, or by any alternative format approved by Kyle 150. Kyle 150 shall promptly and timely pay all outstanding amounts for Approved Pay Applications, including the pro rata share of Kyle 150.
- (e) Failure of a Party to fund a payment contemplated in this Agreement shall not relieve Kyle 150 of its obligation to make timely payments to the contractor(s) for Approved Pay Applications for the Project.
- (f) If a Party fails to timely make a required payment for an approved Pay Application, unless such payment has been properly disputed pursuant to the provisions of this Agreement, Kyle 150 on behalf of Anthem MUD may require said Party to pay the Party's remaining pro rata share of the Project to an escrow agent to be held in escrow pursuant to escrow agreement reasonably acceptable to Kyle 150 on behalf of Anthem MUD and such Party (the "Payment for Remaining Pro Rata Share"), as calculated by the Project Engineer, in accordance with the updated Project Budget and Participation Percentages. A Payment for Remaining Pro Rata Share will be made within thirty (30) days of notice by Kyle 150 and shall be held by the escrow agent and utilized to make payments on Approved Pay Applications as they are requested by the contractor(s).
- (g) If a Party fails to timely make a required payment and, after notice from Kyle 150, fails to make a Payment for Remaining Pro Rata Share, such inaction will be considered a default under this Agreement and written notice of such default shall be provided to the City.
- (h) The Parties may dispute a Pay Application by giving written notice to Kyle 150 and the Project Engineer of the amount of the Pay Application disputed and the specific basis for the dispute within twenty (20) days of receipt of the Pay Application; provided that a dispute will only be permitted if any of the Parties, in good faith, allege that the work covered by the Pay Application has not been completed in accordance with the applicable construction contract or the terms of this Agreement, or if there is a default by the contractor under the construction contract in question, and if the disputing Party



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

- (i) The Parties shall cooperate to resolve any dispute permitted under this Section 1.06 promptly in order to avoid a default under the construction contract or this Agreement.
- (j) The Parties agree that change orders that increase the original contract price under the construction contract(s) for the Project by a cumulative amount of \$50,000 or less do not require approval. All change orders that increase the original contract price under the construction contract for the Project by more than \$50,000 in the aggregate must be approved by the City Council unless the change order is required by an emergency. The Parties will not unreasonably condition, withhold or delay their approval of any proposed change order. If any change order amends the contract price, the Project Engineer will promptly update the budget and provide a copy of the update to the Parties.
- 1.07. **Completion.** Upon final City inspection, the City shall approve the construction if completed in compliance with the approved plans. After City approval, Anthem MUD or Kyle 150 on behalf of Anthem MUD will convey the Project to the City and will also assign all contract rights, warranties, guarantees, assurances of performance, and bonds related to the Project to the City, including any maintenance bonds required by the City at the time of acceptance. Anthem MUD or Kyle 150 on behalf of Anthem MUD shall furnish evidence of the conveyance of facilities to the City contained in the Project to the Water Return Line Users promptly upon request. The City agrees to accept the Project for ownership, operation and maintenance upon such final completion, inspection and approval. The Parties intend that all costs of the Project incurred by Kyle 150, or any other Party to the Agreement, will be eligible for reimbursement from a water district or public improvement district, as applicable and as provided by state law. The Parties acknowledge and agree that only Kyle 150 has any right to reimbursement from Anthem MUD. The Parties each acknowledge and agree that any monies spent on improvements related to water service for the Parties' projects are not subject to reimbursement or purchase by Anthem MUD.

### 1.08. Default and Termination.

- (a) If Kyle 150 defaults under this Agreement, the Parties shall have the ability individually or collectively to pursue any and all valid remedies at law or in equity, including specific performance, in a court of competent jurisdiction. Kyle 150 will be in default under this Agreement upon the occurrence of one or more of the following events (an "Event of Default"):
  - (1) Kyle 150 fails to commence or complete design and permitting of the Project in accordance with this Agreement; or fails to commence, diligently pursue or complete construction or fails to achieve completion of the Project in accordance with this Agreement, and fails to cure such failure within fifteen (15) days of receipt of written notice from any of the Water Return Line Users to do so; or



- (2) Kyle 150 fails to perform any other obligation under this Agreement in the time and manner specified by this Agreement and fails to cure such failure within fifteen (15) days of receipt of written notice from any of the Water Return Line Users to do so.
- (b) The City will have the right, but not the obligation, to assume the construction contract(s) and to complete the Project in the event of a default by Kyle 150 under this Agreement. If Kyle 150 defaults under this Agreement and the City elects to assume the construction contract(s), Kyle 150 shall cooperate with the City, including assignment of the construction contract(s), if necessary. To the extent the City assumes the construction contract(s), the City shall be obligated to perform all of the duties and obligations and shall have all of the rights of Kyle 150 under this Agreement.

# Article II. Elevated Storage Tank

- 2.01. **Project Schedule, Budget, and Participation Percentages.** Anthem MUD, Kyle 150, HMBRR, Kyle 57, Beseda, the Covey Fund, and the City (the "EST Parties") agree to cooperate to complete the construction of the Anthem Elevated Storage Tank and all related facilities and appurtenances (the "EST Project") in accordance with the schedule attached as **Exhibit** "F" (the "EST Project Schedule"). The EST Parties' allocated shares of the costs of the EST Project are set forth in **Exhibit E**. The preliminary budget for the EST Project is reflected in attached **Exhibit D** and will be updated as provided in this Agreement.
- 2.02. **EST Project Defined.** The EST Project is further defined as the design, construction, and completion of the Anthem Elevated Storage Tank, in accordance with construction plans approved by the City, good engineering practices, and applicable local, state, and federal regulations, to be located on the property designated in **Exhibit B.** The EST Project will be designed as an 800,000 gallon elevated storage tank, and alternatively as a 1 million gallon elevated storage tank as provided in this Agreement.
- 2.03. **Easements**. The EST Parties will grant the City any easements needed for the construction and operation of the EST Project upon request by the City in a form acceptable to the City.
- 2.04. **Design.** Kyle 150, on behalf of Anthem MUD, will cause the EST Project to be designed in accordance with the EST Project Schedule. The EST Parties will share in the costs to design the EST Project, which is estimated to be \$324,000.00 (the "EST Design Costs") according to the Participation Percentages set forth in **Exhibit E** The EST Parties shall pay for the EST Design Costs in accordance with the following schedule:
  - (1) Within 30 days of Kyle 150's delivery of written notice to the EST Parties, the EST Parties will deposit 25% of their respective portion of the EST Design Costs with the Kyle 150.



- (2) Within 30 days of Kyle 150's delivery of written notice to the EST Parties that the EST Design Plans are 50% complete, the EST Parties will deposit an additional 25% of their respective portions of the EST Design Costs with Kyle 150.
- (3) Within 30 days of the Kyle 150's delivery of written notice to the EST Parties that the EST Design Plans are complete, and have been approved by the City and any other governmental entities with jurisdiction over the construction of the EST Project, the EST Parties will deposit the final 50% of their respective portion of the EST Design Costs with Kyle 150.
- (4) Kyle 150 shall use the EST Design Costs payments solely for the purpose of paying the consultant for designing the EST Project.
- (5) If a EST Party fails to pay any installment of the EST Design Costs when due, Kyle 150 will deliver written notice to the EST Party of such failure and, if the EST Party does not deliver that installment of the EST Design Costs within 30 days of the date of the City's notice, the City may withhold further development approvals until the installment in question is delivered to the City.
- 2.05. Bidding the EST Project. Atwell, LLC will serve as the EST Project Engineer for the EST Project. The EST Project Engineer will advertise the EST Project for bid in the name of Kyle 150 on behalf of Anthem MUD in accordance with the legal requirements applicable to municipal utility districts including Chapters 49 and 54, Texas Water Cotle, and in accordance with the legal requirements applicable to the City including Local Government Code Chapter 252, based on the design, plans and specifications approved by the City. The bid advertisement or notice must be published within a time frame that allows for construction of the EST Project to commence by March 1, 2021.
- (a) The EST Project Engineer will provide the City engineer and the City's purchasing agent with: (i) prior written notice of the dates for publication of the notice to bidders and the opening of the bids received in response to the notice; and (ii) a copy of the published bid notice.
- (b) The bid documents will specifically include notice to the bidders of the requirement to submit a primary bid proposal for an 800,000 gallon elevated storage tank; the requirement to submit an alternative bid proposal for a 1,000,000 gallon elevated storage tank; the EST Project Schedule, including any liquidated damages imposed for non-compliance with the EST Project Schedule; and the requirement that the EST Parties will be jointly funding the cost of the EST Project as provided in this Agreement. The bid documents will also require that the bid prices for the EST Project be separately itemized. Should the City elect to oversize the Anthem Elevated Storage Tank, the City's cost share would be the incremental difference between the two bids.
- (c) The EST Project Engineer will coordinate the receipt and opening of the bids, will provide a copy of the bids and bid tabulation to the EST Parties, City engineer and the City's purchasing agent for review, and will recommend, with the concurrence of



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

- The City will notify the Project Engineer within thirty days of the date of the bid opening of the City's election to participate in the oversizing of the EST Project, and in such event, Kyle 150, LP on behalf of Anthem MUD shall enter into a contract for the construction of a 1 million gallon Anthem Elevated Storage Tank with the selected bidder. If the City declines to oversize the elevated storage tank, Kyle 150, LP on behalf of Anthem MUD shall enter into a contract for the construction of an 800,000 gallon Anthem Elevated Storage Tank with the selected bidder instead.
- Contract Terms. The construction contract(s) for the EST Project will include the following provisions:
- That the EST Parties will each pay a share of the costs under the contract based on the Participation Percentages described in Exhibit E of this Agreement;
- That the contractor will comply with the requirements of Section 1.05(d) (b) related to insurance;
- That a minimum of ten percent (10%) retainage shall be withheld from each payment made to the contractor; and
- That the contractor will be liable for all damage or injury to persons or property directly resulting from the activities of the contractor, and contractor's employees, agents, and subcontractors, in coming upon or performing work on the EST Project site;
- That the contractor will indemnify the EST Parties from any liability arising out of claims arising due to contractor's activities within the Anthem Elevated Storage Tank work site.
- 2.07. Initial/Supplemental Construction Deposits, Refunds. Within 15 days of the EST Project Engineer's delivery of notice of the recommended contract award(s), which will be accompanied by an updated budget based on the approved bid price(s), each EST Party will deliver to the City funds in the amount of 110% of its Participation Percentage of the revised cost of the EST Project as shown on the updated budget to secure its obligation to make payment when due under the construction contract(s) for the EST Project (the "Construction Deposit"). The Construction Deposit will be held by the City in a separate account, in trust for the EST Parties, and will be used solely to pay sums coming due under the EST Construction Contract. After construction of the EST is complete and the City has inspected and accepted the EST, the EST Project Engineer and the City shall work together to determine a final accounting of the EST Project. The final accounting shall be delivered to the EST Parties and the City will refund any funds remaining in the Construction Deposit to the EST Parties, based upon the pro rata contributions of the EST Parties and participant percentages included in Exhibit "E".

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



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

- 2.08. Insurance and Payment and Performance Bonds. The contractor(s) for the EST Project will be required to post payment and performance bonds with the City in the contract amount, and to carry commercial general liability insurance written on a "per-occurrence" basis in a minimum amount of \$1,000,000 combined single limit per occurrence, \$2,000,000 general aggregate, and \$2,000,000 products/completed operations aggregate, Kyle 150, LP and Anthem MUD will be named as additional insureds or beneficiaries, as appropriate, of such insurance and bonds. If the insurance of the contractor(s) for the EST Project is cancelled, the contractor will be required to promptly notify the EST Paries and the City and to obtain and provide proof of replacement insurance, meeting the requirements specified above, prior to continuing its work within the EST Project site.
- 2.09. Contract Execution. The EST Project Engineer will execute the construction contract for the EST Project and, upon execution, will promptly deliver a copy of the contract to the EST Parties. Each construction contract will provide that the City (or its designee) will have the right, but not the obligation, to assume the construction contract and to complete the EST Project in the event of a default by the EST Parties under this Agreement, including a failure by Kyle 150 to commence, pursue or complete the construction of the EST Project in accordance with the EST Project Schedule, as provided in Exhibit F of this agreement.

### 2.10. Construction Reports, Pay Applications, Change Orders.

- (a) The EST Project will be constructed in strict conformity with the approved plans, in a good and workmanlike manner, and all material used in such construction will be substantially free from defects and fit for its intended purpose. The EST Project Engineer will inspect the construction and provide the Parties with monthly construction status reports.
- (b) The EST Project Engineer will monitor and confirm the percentage of completion of the EST Project existing from time to time and deliver written notice to the EST Parties of the percentage of completion and any corresponding percentage payment to be made by the City pursuant to Article II of this agreement.
- (c) The EST Project Engineer shall receive all pay applications from the contractor relating to the EST Project ("EST Pay Applications"). In order to obtain any progress payment payable to the contractor, Kyle 150 must:
  - (1) cause the Project Engineer to prepare a statement of the percentage of construction of the EST Project completed to the date of the Contractor's Pay Application (the "EST Completion Percentage") and state that the pay application has been approved by the Project Engineer and Kyle 150 (the "Approved EST Pay Application");



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

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

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

- (d) Within 30 days of the receipt of the Approved EST Pay Application, Certification and Waiver and Release, the City shall release payment from the Construction Deposit, less retainage, unless a Party has timely and properly objected to an EST Pay Application. The City shall promptly and timely pay all outstanding amounts for Approved EST Pay Applications, including the pro rata share of Kyle 150.
- (e) A EST Party may dispute a EST Pay Application by giving written notice to the City, and the EST Project Engineer of the amount of the EST Pay Application disputed and the specific basis for the dispute within 15 days of receipt of the EST Pay Application; provided that a dispute will only be permitted if any of the EST Parties, in good faith, allege that the work covered by the EST Pay Application has not been completed in accordance with the applicable construction contract or if there is a default by the contractor under the construction contract in question, and any of the EST Parties shall pay any amount that is not in dispute.
- (f) The EST Parties shall cooperate to resolve any dispute permitted under this Section promptly in order to avoid a default under the construction contract or this Agreement.
- (g) Any change orders over \$50,000 or that increases the overall project cost by \$50,000 will be subject to approval by the City before work contemplated by the change order begins unless the change order is required by an emergency. The City will not unreasonably condition, withhold or delay its approval of any proposed change order. If any change order changes the contract price, the EST Project Engineer will promptly update the budget and provide a copy of the update to the City, Anthem MUD and Kyle 150. Anything to the contrary contained in this Subsection notwithstanding, the City's share of the original contract price under any construction contract for the EST Project may not be increased by change orders by more than 25% without City Council Approval.
- 2.11. **Completion**. Upon final City inspection and approval, Anthem MUD or Kyle 150 on behalf of Anthem MUD will convey the EST Project to the City and will also assign all contract rights, warranties, guarantees, assurances of performance, and bonds related to the EST Project to the City, including any maintenance bonds required by the City at the time of acceptance.



#### 2.12. Default and Termination.

- (a) If Kyle 150 defaults under Article II of this Agreement, the City will have the right, but not obligation, to assume the construction contract or contracts for the EST Project and proceed with the construction of the EST Project in accordance with the EST Project Schedule. In such case, the City will bave the right to utilize the Construction Deposit to complete the EST Project. Kyle 150, or the remaining Parties if applicable, will be in default under this Agreement upon the occurrence of one or more of the following events (an "Event of Default"):
- (1) Kyle 150 causes the EST Project to fail to commence or complete design; commence, diligently pursue or complete construction or to achieve completion in accordance with the EST Project Schedule and fails to cure such failure within 15 days of receipt of written notice from the City to do so; or
  - (2) An EST Party fails to post a Construction Deposit when required under this Agreement and fails to cure such failure within five days of receipt of written notice from the City to do so; or
  - (3) An EST Party fails to perform any other obligation under this Agreement in the time and manner specified by this Agreement and fails to cure such failure within 15 days of receipt of written notice from the City to do so.
- (b) At any time following an Event of Default, the City may notify the EST Parties that the City intends to assume and perform Kyle 150's outstanding obligations under this Agreement for construction of the EST Project. If the City gives notice that the City intends to perform Kyle 150's outstanding obligations under this Agreement for the construction of the EST Project following an Event of Default, then the City may assume the construction contract or contract(s) and use the Construction Deposit to pay for the costs of construction of the Project (the "Performance Rights"). The City will further have the right to assign its Performance Rights to an owner or purchaser of land in the area that is intended to receive service through the Project (the "Service Area").
- (c)\_\_\_\_If the City does not elect to exercise its Performance Rights, the City agrees that it will, upon the request of an EST Party or an assignee of an EST Party that is an owner or purchaser of land in the Service Area, assign its Performance Rights to the requesting EST Party or assignee of an EST Party. In such event, the assignee will assume the City's Performance Rights and the EST Parties agree that the assignee may assume the construction contract or contracts for and with respect to the design, permitting and construction of the EST Project and will have the right to make applications to the City for and to receive funding from the Construction Deposit held by the City, as provided in Section 2.07, to make payments as contemplated in Section 2.10.

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#### Article III. Provision of Water Services

#### 3.01 Service Commitment.

- (a) Subject to the terms and conditions of this Agreement, including the payment of all applicable fees and charges as set forth below, the City agrees to provide water service to customers within the Covey Tract, Beseda Tract and Kyle 57 Tract (the "FM 150 Properties") in a quantity set forth in Exhibit D for such tracts (the "Service Commitment"). The quantity of water service made available to any connection within those tracts will be determined according to meter size in accordance with the City's rules, regulations, and policies.
- (b) The City's obligation to serve each of the FM 150 Properties is expressly contingent on the respective owners of their respective tracts (including successors and assigns) being compliant with their obligations under this Agreement and with City's rules, regulations, and policies.
- (c) City shall have no obligation to provide water service to any portion of the FM 150 Properties until all of the following condition precedents have been satisfied:
  - (1) the lands to be furnished water service have received final subdivision plat approval by all governmental entities;
  - (2) with jurisdiction, and recorded for the phase of development within the respective tract to be furnished water service;
  - (3) City has received all necessary governmental approvals for the provision of services to the respective tract;
  - (4) the internal water facilities required to provide service the respective have been completed in accordance with plans and specifications approved by City, are operational, and have been conveyed to and accepted by City;
  - (5) all easements and other real property interests in the respective tract required to be conveyed to City under this Agreement have been dedicated to City; and
    - (6) all required fees and charges have been paid to City.
- (d) Notwithstanding anything in Section 3.01(c) above to the contrary, the City hereby acknowledges and agrees that the living unit equivalents ("LUEs") of water service capacity allocated to the FM 150 Properties in the Service Commitment is hereby capacity that is reserved to the owners of such tracts and may not be allocated or committed to any other owner, property or water service customer so long as this Agreement remains and full force and effect.
- 3.02 Service Commitment to HMBRR. The City confirms that by satisfying its obligations under this Agreement, HMBRR shall be entitled to receive water service



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

#### Article IV. Miscellaneous

- 4.01. Force Majeure. For purposes of this Agreement, "Force Majeure" means acts of God, including lightning, earthquakes, fires, hurricanes, storms, or floods; pandemics or epidemics; orders of the government of the United States, the State of Texas or any other governmental authority with jurisdiction over the Project or the EST Project; delays caused by a third party utility provider, to the extent the approval or cooperation of said third party utility providers is required for the Project or the EST Project, or delays in governmental or regulatory approvals required for the Project or the EST Project beyond the time periods provided for such approvals in the Project Schedule or EST Project Schedule that are not within the control of the party claiming the inability and could not have been avoided by the exercise of due diligence. If a Party is rendered unable by Force Majeure to carry out any of its obligations under this Agreement, whether in whole or in part, then the obligations of that Party, to the extent affected by the Force Majeure, will be suspended during the continuance of the inability only and the Party in question must resume performance at the earliest practicable time. As soon as reasonably possible after the occurrence of any event of Force Majeure relied upon to suspend performance, the party whose obligations are affected must give written notice that includes the details of the Force Majeure to the other Parties. If this written notice is not given within 15 days after the alleged event of Force Majeure, then no extension of time will be allowed. The cause of the delay, as far as possible, must be remedied with all reasonable diligence.
- 4.02. Future Effect. The provisions of this Agreement will be binding upon and inure to the benefit of the parties, their respective successors and assigns.
- 4.03. **Notices.** Any notice given under this Agreement must be in writing and may be given:
  - (1) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified and with all charges prepaid:
  - (2) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the Party to be notified and with all charges prepaid;
    - (3) by personally delivering it to the Party; or
  - (4) by facsimile or email with confirming copy sent by one of the other described methods of notice set forth above.



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

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

Kyle 150: Clark Wilson Anthem MUD

5312 Park Hollow Lane Winstead PC, Attn: Judy McAngus

Austin TX, 78746 401 Congress, Suite 2100

Austin, TX 78701

Water Return Line Users:

HMBRR Development HMBRR Development

c/o Hanna/Magee Co. Attn: Jay Hanna 1011 North Lamar Blvd. Austin, Texas 78703

Kyle 57

Milestone Community Builders, LLC Kyle Mortgage Investors, LLC

Attn: Garrett Martin Attn: Linda Pastel

9111 Jollyville Road, Suite 111 10800 Wilshire Blvd, Suite 2101 Austin, TX 78759 Los Angeles, CA 90024

David Beseda

David Beseda 2310 Portofino Ridge Austin, Texas 78735

The Covey Fund I, LP

Attn: Brett Findley, Principal 2205 N. Lamar, Blvd, Suite 113

Austin, Texas 78705

City of Kyle Attn: City Manager

100 W. Center Street Kyle, Texas 78640

- 4.04. **Construction.** This Agreement will be construed under and in accordance with the laws of the State of Texas and all obligations hereunder are performable in Hays County, Texas. If any of the provisions of this Agreement are, for any reason, held to be invalid, illegal, or unenforceable, that invalidity, illegality or unenforceability will not affect the remainder of this Agreement, which will continue in full force and effect.
- 4.05. **Enforcement.** In addition to any other remedies available at law or in equity, the provisions of this Agreement will be enforceable by action for specific performance. If either party brings suit for the breach of any covenant, condition or agreement contained herein, then, in addition to any other remedies to which a party may

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

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

#### 4.07. Assignment.

- (a) This Agreement may be assigned by the agreement of all Parties. Any assignment will be in writing, specifically set forth the assigned rights and obligations, and be executed by the proposed assignee. Consent to any proposed assignment will not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the rights and obligations of HMBRR, Kyle 57, the Covey Fund and Beseda in Article I and Article II of this Agreement may be assigned or transferred to any subsequent purchaser or owner of their respective tracts without the consent of any other Party hereto being required.
- (b) If a Party assigns its rights and obligations hereunder as to a portion of property, then the rights and obligations of any assignee and the Party will be severable, and the Party will not be liable for the nonperformance of the assignee and vice versa.
- 4.08. Exhibits. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit A: Property Map and Property Descriptions (Exhibits A-1 through A-7)

Exhibit B: FM 150 Water Facilities Plan
Exhibit C: FM 150 Water Facilities Project Schedule

Exhibit D: FM 150 Water Facilities & Elevated Storage Tank Project

Budget

Exhibit E: FM 150 Water Facilities & Elevated Storage Tank

Participation Percentages
Exhibit F: EST Project Schedule
Exhibit G: EST Project Budget

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

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OF

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

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

Secured on the date or dates indicated below, to be effective as of

Anthem Municipal Utility District:

By: President

Date: 7/3/2020

Kyle 150, LP:

By: MANO Kyle BO, GPLL

Name: Clark Wiken

Title: <u>Manager</u>

Date: 7-3-2020

HMBRR/Inc.

Name: LAY HANNA

Title:  $\sqrt{. P_{\cdot}}$ 

Date: 7.8.2020

#### DocuSign Envelope ID: FBCBB88E-DCAA-443C-A370-2EC6765B2BF2

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

Name: Linda fastil

printed Name: Linda Pastel

Title: Managing Partner

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

Kyle 57:

David Beseda:

By:

Name: David BESEN

Title: OWNER

Date: 7/6/20

The Covey Fund I, LP:

City of Kyle, Texas

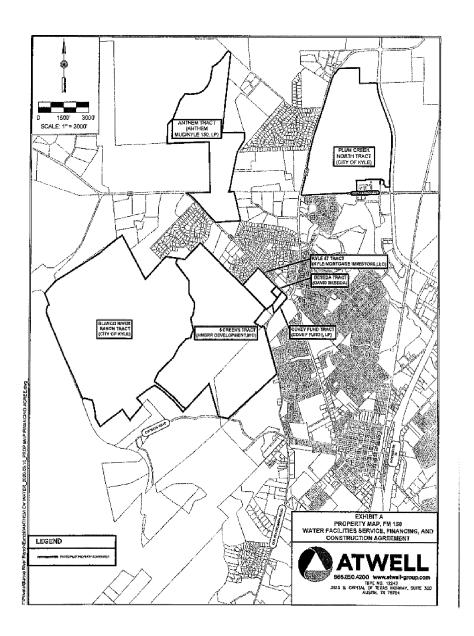
By: Jon Mathal

Name: Travis Mitchell

Title: <u>Mayor</u>

Date: 71012020

### EXHIBIT "A"



#### Exhibit "A-1"

"Anthem" Kyle 150, L.P.

## EXHIBIT A-1 PROPERTY DESCRIPTION 412.992 ACRES

BEING 412.992 ACRES OF LAND LOCATED IN THE ANDREW DUNN LEAGUE, ABSTRACT NO. 4, THE JOHN COOPER SURVEY NO. 13, ABSTRACT NO. 100 AND THE JESSE DAY SURVEY, ABSTRACT 152 IN HAYS COUNTY, TEXAS AND BEING A REMAINDER OF THE SAME LAND CONVEYED TO MOUNTAIN CITY-150, L.P., CALLED TRACT 1, A 599.25 ACRE TRACT AND TRACT 2 A CALLED 73.693 ACRE TRACT AS DESCRIBED IN VOLUME 5272, PAGE 475 AND A CALLED 857 SQUARE FOOT TRACT 3 AND A 0.308 ACRE TRACT 4 AS DESCRIBED IN VOLUME 5272, PAGE 490 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS; SAID 412.992 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

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

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

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

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

- 1. N88°36'39"E, 1422.09 feet to a ½-inch Iron pipe found for an angle point in sald line;
- N88\*38'02"E, 25.14 feet to a Mag Nail in concrete for an interior ell corner of the herein described tract;
- N01°42'12"W, 2818.15 feet to a found 8-inch diameter Cedar Fence Post for an interior ell corner
  of the herein described tract:

\$87\*57'12"W, 2442.13 feet to a found 8-inch diameter Cedar Fence Post for an exterior eli corner
of the herein described tract, same being the southeast corner of said 752.05 acre tract;

THENCE, with the westerly line of said 599.25 acre tract, same being the easterly line of said 752.05 acre tract, NO1\*27\*27"E, 1085.94 feet to a ½-inch iron rod with cap stamped "AST" found;

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

- 1. N42°57'57"E, 440.38 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
- 2. N20°52'40"E, 1067.39 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
- 3. N37°09'29"E, 492.15 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
- 4. \$85°09'20"E, 319.53 feet to a 1/2-inch iron rod with cap stamped "AST" found for corner;
- N84°25'47"E, 294.59 feet to a ½-inch iron rod with cap stamped "AST" found for corner to the beginning of a curve to the left;
- with the arc of a non-tangent curve to the left, 511.24 feet, having a radius of 871.82 feet, a central
  angle of 33°35'56" and a chord bearing and distance of N68°19'13"E, 503.95 feet to a %-Inch iron
  rod with cap stamped "AST" found for corner and a point of compound curvature;
- with a compound curve to the left, 763.84 feet, having a radius of 1431.82 feet, a central angle of 30"33"56" and a chord bearing and distance of N32"21'48"E, 754.81 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
- 8. NO8"59"58"E, 277.34 feet to a 1/2-inch iron rod with cap stamped "AST" found for corner;
- 9. N09°56'17"E, 409.55 feet to a ½-inch iron rod with cap stamped "AST" found for corner;
- 10. with the arc of a non-tangent curve to the left, 835.46 feet, having a radius of 2082.16 feet, a central angle of 22°59'23" and a chord bearing and distance of N48°50'55"E, 829.87 feet to a ½-lnch iron rod with cap stamped "AST" found for corner;
- 11. N37\*50'06"E, 277.44 feet to a 1/2-inch iron rod with cap stamped "AST" found for corner;
- 12. N45°32'16"E, 192.35 feet to a X-inch iron rod with cap stamped "AST" found for corner on the southwesterly line of a called 1974.77 acre tract described in a deed as Tract 6, and recorded in Volume 3533, Page 150 of said deed records and being on the northeasterly line of said 599.25 acre tract:

THENCE, with said southwesterly line, same being the northeasterly line of said 599.25 acre tract, \$47°09'20"E, 189.32 feet to a 5-inch diameter Cedar fence post found with 3 mag nails and shiner at the north corner of Tract 4, Indian Creek Ranch Subdivision as recorded in Volume 6, Page 59 of the Hays County Plat Records;

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

- With the westerly line of said Indian Creek Ranch Tract 4, 506°08'47"W, 1374.75 feet to a %-inch Iron pipe found at the southwest corner of said tract 4, same being the northwest corner of Tract 2 of said Indian Creek Ranch and angle point in said easterly line;
- With the westerly line of said Tract 2, S06°09'17"W, 2965.57 feet to a ¼-inch iron rod with cap stamped "AST" found for corner;

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

- 1. N 83°51'07" W a distance of 98.94" to a ¼-inch iron rod with cap stamped "AST" found for corner;
- \$ 06'08'54" W a distance of 281.11 feet to a ¼-inch iron rod with cap stamped "AST" found for corner;
- N 89"15"50" E a distance of 1221.70 feet to a ½-inch iron rod with cap stamped "AST" found for corner:
- S 00"29"01" E a distance of 271.28 feet to a ¼-inch iron rod with cap stamped "AST" found for corner:
- \$ 32\*42\*55" W a distance of 611.20 feet to a ½-inch iron rod with cap stamped "AST" found for corner:
- S 87\*44'24" W a distance of 57.88 feet to a %-inch Iron rod with cap stamped "AST" found for corner.
- 7. S 11°37'37" W a distance of 411.37 feet to a ½-inch iron rod with cap stamped "AST" found for corper:
- 8. S 78"22'23" E a distance of 199.18 feet to a ½-inch iron rod with cap stamped "AST" found for corner in the west line of Hays Consolidated Independent School District;

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

- S11°36'28"W, 359.03 feet to an iron rod with cap stamped "McMillan" for an angle point in said line:
- S10°09'51"W, 395.16 feet to an iron rod with cap stamped "McMillan" for an angle point in said line;
- 3. \$10°11′50″W, 101.83 feet to an iron rod with cap stamped "McMillan" for an angle point in said
- \$10°09'55"W, 625.50 feet to an iron rod with cap stamped "McMillan" for an angle point in said line:
- 5. \$12°41'22"W, 447.62 feet to a Nail in a 6-inch fence corner post for an angle point in said line;
- 6. S42°49'53"W, 93.56 feet to a 30-inch Live Oak tree for an angle point in said line;
- S00\*59'19"W, 13.67 feet to an Iron rod with cap stamped RPLS 4542 at the southwest corner of said School District tract and the southeast corner of said 599.25 acre tract and being a point on the northerly line of said 73.693 acre Tract 2;

THENCE, with the northerly line of said 73.693 acre tract, N88\*39'49"E, passing a ¼-inch iron rod at 243.73 feet and continuing for a total distance of 325.41 feet to a ¼-inch iron rod on the southerly line of said School District tract and being the northwest corner of Lot 6, Century Acres, a subdivision of record in Volume 6, Page 53 of the Hays County Plat Records;

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

S13\*28'59"E, 1658.91 feet to a ½-inch iron pipe found for the southeast corner of said 73.693 acre tract, same being the southwest corner of said Lot 2B and the common northerly corner of Lots 8 and 9 of Meadow Woods Section Two, a subdivision of record in Volume 3, Page 188 of said Plat Records, same being the northeast corner of said 17.95 acre tract;

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

#### Exhibit "A-2"

HMBRR - "6 Creeks Tract" Blanco River Ranch 858.70 acres

### PROPERTY DESCRIPTION EXHIBIT A

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

BEGINNING at an Iron rod with aluminum cap stamped "Kent McMillian" found marking the most northerly corner of a called \$11.56 acre tract described in a deed to Robert Nance recorded in Volume 4459, Page 137 of said Deed Records, same being the northwest corner of a called 195.14 acre tract described in the aforementioned deed to Blanco River Ranch as Tract II and being on the southeasterly line of said 1,971.29 acre Tract I;

THENCE, with the southerly line of said 1,971.29 acre tract, same being the northeasterly line of said 311.56 acre tract \$43°59'58"W, 1916.27 feet to a ½-Inch iron rod with cap stamped "AST" set on the northerly line of proposed RM 150;

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

- N65°08'51"W, 49.48 feet to a ½-inch iron rod with cap stamped "AST" set at the beginning of a curve to the right;
- with a curve to the right, 381.25 feet, having a radius of 925,00 feet, a central angle of 23\*36'54" and a chord bearing and distance of NS3\*30'43"W, 378.55 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
- N41°42'16"W, 336.00 feet to a ½-inch fron rod with cap stamped "AST" set at the beginning of a curve to the left;
- 4. with the arc of said curve to the left, 151.93 feet, having a racius of 1100.00 feet, a central angle of 07°54'48" and a chord bearing and distance of N45°39'41"W, 151.81 feet to a ½-inch iron rod with cap stamped "AST" set for point of tangency;
- 5. N49°37'05"W, 572.43 feet to a ¼-inch iron rod with cap stamped "AST" set for an angle point in said line;
- N51°37'01"W, 75.00 feet to a ½-inch fron rod with cap stamped "AST" set for an angle point in said line;
- N53°36'S8"W, 749.01 feet to a ¼-Inch iron rod with cap stamped "AST" set at the beginning of a curve to the left;

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

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

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

THENCE, with the northerly line of said 1,971.29 acre tract, S82°42'45"E, 432.46 feet to a point located in the centerline of the remains of an old stone fence corner for an angle point in the north line of the herein described tract, from which a ½"-inch iron rod bears S88°19'W, 37.5 feet;

THENCE, continuing with said northerly line, N43°55'32"E, 1271.63 feet to a 2-inch metal fence post at the most northerly northwest corner of said 1,971.29 acre tract and being the common corners of Lots 12, 13 and 19, Block D of said Arroyo Ranch Section One subdivision;

THENCE, with the easterly line of said 1,971.29 acre tract the following courses and distances:

1. S46°19'30"E, at 185.02 feet passing the south line of said Arroyo Ranch subdivision and north line of a 20.3 acre tract described in a deed to F. Javier, Jr et al and recorded in Volume 2813, Page 359 of said Official Public Records and continuing for a total distance of 887.68 feet to a found ¼-inch iron rod for the south corner of said Javier tract, same being the westerly corner of

- a 21.15 acre tract described in a deed to Nancy L. Russell and Randall W. Russell and recorded in Volume 4385, Page 135 of said Official Public Records:
- S46°48'04"E, 579.01 feet to a found ½-inch fron rod for the south corner of Russell and being the
  westerly corner of Quall Meadows Subdivision as recorded in Volume 7, Page 47 of the Hays
  County Plat Records;
- With the southwesterly line of said subdivision, \$46°06'19"E, 409.08 feet to ¼-inch iron rod for angle point;
- 4. \$47°09'10"E, 405,41 feet to ½-inch iron rod for angle point;
- 5. \$47°52'54"E, 295.90 feet to ½-inch iron rod for angle point;
- 6. \$47°18'52"E, 296.88 feet to ¼-inch iron rod for angle point;
- 7. \$47°21'24"E, 132.10 feet to ½-inch iron rod for angle point;
- 8. \$47°07'34"E, 179.01 feet to ½-inch iron rod for angle point;
- \$46°55'27"E, 248.69 feet to %-inch iron rod for most southerly corner of said subdivision and the
  westerly corner of a called \$7.26 acre tract described in a deed to Kyle Mortgage Investors, ELC
  and recorded in Volume 3416, Page 789 of said Official Public Records;
- 10. S45"43'31"E, 436.59 feet to a fence post for angle point;
- \$46°32′55″E, 1447.00 feet to an iron rod with aluminum cap stamped "Kent McMillian" at an interior ell corner of said 1,971.29 acre tract;
- 12. Continuing with the easterly line of said 1,971.29 acre tract, S40°23'35"W, 1023.40 feet to a ½-inch iron rod found at the westerly corner of a called 1.259 acre tract described in a deed to Robin Robinson and recorded in Volume 5358, Page 587 of said Official Public Records;
- 13. S50\*23'48"E, 255.70 feet to a fence post for angle point;
- 14. N40°43'43"E, 42.89 feet to a X-inch iron rod with cap stamped "AST" set;
- 15. S52°09'40"E, at 85.22 feet passing a ½-inch iron rod found at the westerly corner of a called 0.72 acre tract described in a deed to Robin and Gale Robinson and recorded in Volume 4689, Page 363 of said Official Public Records and continuing for a total distance of 244.62 feet to a½-inch iron rod with cap stamped "AST" set;
- 16. N43°53'50"E, 92.19 feet to a %-inch iron rod with cap stamped "AST" set;
- 17. S78\*26'49"E, 101.27 feet ½-inch iron rod found on the westerly right of way line of N. Old Stagecoach Road (width varies);

THENCE, with said westerly right of way line the following course and distances:

- 1. S16°21'49"E, 511.37 feet to a ½-inch iron rod with cap stamped "AST";
- 2. \$16°20'38"E, 1420.21 feet to a 60d nail found next to a cedar fence post and
- S16\*48'53"E, 800.20 feet to a ¼-inch iron rod with cap stamped "AST" set for the most easterly southeast corner of this tract;

THENCE, leaving said westerly right of way line and with fence along the southeasterly line of said 195.14 acre tract, 536°01'23"W, 42.36 feet to a cedar fence post;

THENCE, continuing with said southeasterly line, same being the northwesterly line of a called 132.59 acre tract described in a deed to Felder CND, LLC and recorded in Volume 5224, Page 246 of the Hays County Official Public Records the following courses and distances:

- 1. S48°36'08"W, 1583.50 feet to a cedar fence post;
- 2. N49°26'16"W, 34.23 feet to a cedar fence post;
- 3. S25°40'41"W, 39.42 feet to an iron rod with cap stamped "Vickrey";
- S46°29'40"W, 2127.73 feet to a cedar fence post with "Mag Nail" on the northerly right of way line of Cypress Road (aka Limeklin Road) (width undetermined) at the southeast corner of said 195.14 acre tract from which an iron rod with aluminum cap stamped "Kent McMillian" bears 521°57'46"W, 50.84 feet;

THENCE, with said northerly right of way line, N77°16'32"W, 599.91 feet to a cedar fence post on the easterly line of said 311.56 acre tract;

THENCE, with fance and the easterly line of said 311.56 acre and wasterly line of said 195.14 acre tract the following courses and distances:

- 1. N16°48'19"W, 270.65 feet to a calculated angle point in said line and;
- N17\*13'44"W, 1607.95 feet to the POINT OF BEGINNING and containing 858.70 acres of land, more or less.

#### SURVEYOR'S STATEMENT

I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.

Paul C. Sauve, Jr., APLS #2518 Austin Spatial Technologies, LLC

December 5, 2016

4

#### Exhibit "A-4"

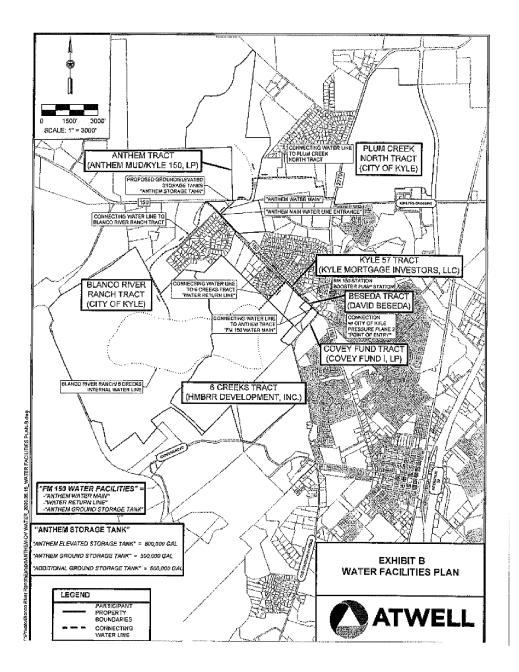
David Beseda 2310 Portofino Ridge Austin, TX 78735 Travis County Hays County Document Number 17041944

Being 4.847 acres of land, more or less, situated in the SAMUEL PHARASS SAURVEY, ABSTRACT NO. 360, Hays County, Texas, and being a portion of that certain 62.10 acre tract described in Correction Warranty Deed recorded in Volume 2671, Page 863, Official Public Records, Hays County, Texas.

#### Exhibit "A-5"

Kyle Mortgage Investors LLC 10800 Wilshire Boulevard, Unit 2101 Los Angeles, CA 90024 Hays County Document Volume 2805 Page 659

Being 57.260 acres of land out of the SAMUEL PHARASS SAURVEY, ABSTRACT NO. 360, Hays County, Texas,



#### Exhibit "C"

#### FM 150 Water Facilities Project Schedule

- Water Line System including 12" feed line to Anthem, 16" distribution return line to 6 Creeks and all internal Anthem Phase 1A water lines estimated completion January 2021
- RM 150 Pump Station estimated completion date January 2021
- Hoover Drive Pump Station and initial ground storage tank estimated completion Date February 2021

Exhibit 0
FM 150 Water Facilities & Elevated Storage Tank
Project Budget

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Exhibit E FM 150 Water Facilities & Elevated Storage Tank Participation Percentages

					*****	concessament extransion	
	Anthem	6 Crecks	Kyle 57	Findley	Beseda	Lennar	BRA
RM 150 Return line Participation	0%	72%	1799	7%	4%	0%	0%
Common RM: 150 Pump Station and Transmission Main Participation	54%	33%	8%	3%	2%	0%	0%
RM 150 Pump Station Site Work	100%	0%	0%	D%	0%	0%	0%
Elevated and Ground Storage Tank Participation	19%	17%	4%	2%	1%	23%	35%
Honser Orbie Participation	33%	0%	4%	256	196	24%	37%

#### Exhibit F

#### EST Project Schedule

- Project Design Completion 1<sup>st</sup> Quarter 2021
   Design Review and Permitting 3<sup>rd</sup> Quarter 2021
- Bidding and Contract Award November 2021
   Complete Construction 4<sup>th</sup> Quarter 2022

#### Exhibit G

#### Estimated 800,000 gallon EST Project Budget

Estimated Civil Design Budget	\$200,000
Estimated Electrical	\$30,000
Estimated Structural Design	\$20,000
Estimated Const. Admin	\$64,000
Estimated Coatings Inspection	\$10,000
Estimated Construction Cost	\$1,900,000

## THE STATE OF TEXAS COUNTY OF HAYS

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Hays County, Texas.

20056036 AMENDMENT 12/07/2020 03:17:02 PM Total Fees: \$258.25

Elaine H. Cárdenas, MBA, PhD,County Clerk Hays County, Texas

Eldin & Cardenas

# PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS UNDER BLANCO RIVER RANCH (Phase One Residential Area) DE-ANNEXATION AND DEVELOPMENT AGREEMENT

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this "Assignment") is by and between HMBRR LP, a Texas limited partnership ("Assignor"), and HMBRR Development, Inc., a Texas corporation ("Assignee") as follows.

#### RECITALS

WHEREAS, the City of Kyle (the "City") and Blanco River Ranch Properties, LP, a Texas limited partnership ("BRRP"), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the "Original Development Agreement") with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the "Property"); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the "BRRP Assignment"), BRRP assigned its rights under the Original Development Agreement as follows: (i) to Assignee, as to 61.49 acres of the Property more particularly described in the BRRP Assignment ("Tract 1"), (ii) to Assignor, as to 188.51 acres of the Property more particularly described in the BRRP Assignment ("Tract 2") and (iii) to HMBRR LP #2, a Texas limited partnership ("LP #2"), as to 608.7 acres of the Property more particularly described in the BRRP Assignment ("Tract 3"); Assignor, Assignee and LP #2 may be referred to collectively as the "HM Entities"; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the "First Amendment") dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term "Development Agreement" as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership ("Hanna/Magee"), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, Assignor sold and conveyed to Assignee all of Tract 2 through two (2) separate transactions and now wishes to assign to Assignee Assignor's rights and obligations under the Development Agreement (being all rights and obligations as to Tract 2).

#### AGREEMENT

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

- 1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.
- 2. Assignor assigns all its rights and obligations under the Development Agreement (being all rights and obligations as to Tract 2) to Assignee.
- 3. Assignee accepts the assignment of Assignor's rights and obligations under the Development Agreement as to Tract 2.
- 4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
- 5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the date executed by all parties and recorded in the Official Records of Hays County, Texas.

(Signature Pages Follow)

#### Assignor:

#### HMBRR LP, a Texas limited partnership

Hanna/Magee GP #1, Inc., a Texas corporation, General Partner

Hanna, Vice President

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 30 day of Supt., 2021 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HMBRR LP, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)

HOLLY H. FULLERTON Notary Public, State of Texas Comm. Expires 05-29-2024 Notary ID 132499027

Assignee:

HMBRR DEVELOPMENT, INC., a Texas

corporatio

Vice President

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 20 day of Sept., 2021 by Jay A. Hanna, as Vice President of HMBRR DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(SEAL)

HOLLY H. FULLERTON Notary Public, State of Texas Comm. Expires 05-29-2024 Notary ID 132499027

Notary Public Signature

3 | Page

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,

its general partner

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 30 day of Sept., 2021 by Jay A. Hanna, as Vice President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of HANNA/MAGEE LP #1, a Texas limited partnership, on behalf of said corporation and limited partnership. Holly H. Full

HOLLY H. FULLERTON Notary Public, State of Texas Comm. Expires 05-29-2024 Notary ID 132499027

### THE STATE OF TEXAS COUNTY OF HAYS

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Hays County, Texas.

21054961 ASSIGNMENT 10/05/2021 02:16:03 PM Total Fees: \$38.75

Elaine H. Cárdenas, MBA, PhD, County Clerk Hays County, Texas

Eldin & Cardenas

# PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS UNDER BLANCO RIVER RANCH (Phase One Residential Area) DE-ANNEXATION AND DEVELOPMENT AGREEMENT

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this "Assignment") is by and between HMBRR LP #2, a Texas limited partnership ("Assignor"), and HM 6 Creeks Development, Inc., a Texas corporation ("Assignee") as follows.

#### **RECITALS**

WHEREAS, the City of Kyle (the "City") and Blanco River Ranch Properties, LP, a Texas limited partnership ("BRRP"), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the "Original Development Agreement") with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the "Property"); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the "BRRP Assignment"), BRRP assigned its rights under the Original Development Agreement as follows: (i) to HMBRR Development, Inc., a Texas corporation ("HMBRR Inc"), as to 61.49 acres of the Property more particularly described in the BRRP Assignment ("Tract 1"), (ii) to HMBRR LP, a Texas limited partnership ("HMBRR LP"), as to 188.51 acres of the Property more particularly described in the BRRP Assignment ("Tract 2") and (iii) to Assignor, as to 608.7 acres of the Property more particularly described in the BRRP Assignment ("Tract 3"); HMBRR Inc, HMBRR LP and Assignor may be referred to collectively as the "HM Entities"; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the "First Amendment") dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term "Development Agreement" as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership ("Hanna/Magee"), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, on or about September 23, 2020 (the "Effective Date"), Assignor sold and conveyed to Assignee 249.05 acres, more or less, out of Tract 3, which is more particularly described on Exhibit A attached to this Assignment (the "249.05 Acres"), and wishes to assign to Assignee Assignor's rights and obligations under the Development Agreement as to the 249.05 Acres (but not as to the balance of Tract 3) as of the Effective Date, as more particularly described below.

{W1081793.2}

#### **AGREEMENT**

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

- 1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.
- 2. Assignor assigns all its rights and obligations under the Development Agreement as to the 249.05 Acre Tract only to Assignee. Assignor retains all rights and obligations under the Development Agreement as to the remainder of Tract 3.
- 3. Assignee accepts the assignment of Assignor's rights and obligations under the Development Agreement as to the 249.05 Acre Tract only.
- 4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
- 5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the Effective Date.

(Signature Pages Follow)

#### Assignor:

#### HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation, General Partner

Jay A Hanna, Vice President

STATE OF TEXAS

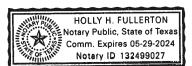
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COUNTY OF TRAVIS

8

This instrument was acknowledged before me on the <u>30</u><sup>th</sup> day of <u>10</u>, 2021 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HMBRR LP #2, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)



Notary Public Signature

Assignee:

HM 6 CREEKS DEVELOPMENT, INC., a Texas

corporation

Jay A. Hanna, President

STATE OF TEXAS

§

**COUNTY OF TRAVIS** 

§

This instrument was acknowledged before me on the 20 day of 201 by Jay A. Hanna, as President of HM 6 CREEKS DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(SEAL)

HOLLY H. FULLERTON
Notary Public, State of Texas
Comm. Expires 05-29-2024
Notary ID 132499027

Notary Public Signature

 $\{W1081793.2\}$ 

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,

its general partner

Jay A. Hanna, Vice President

All H. Fuller
Public Signature

STATE OF TEXAS

§

COUNTY OF TRAVIS

8

This instrument was acknowledged before me on the 20 day of Cupt., 2021 by Jay A. Hanna, as Vice President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of HANNA/MAGEE LP #1, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)

HOLLY H. FULLERTON Notary Public, State of Texas Comm. Expires 05-29-2024 Notary ID 132499027

#### **EXHIBIT A**

County: Hays Project: 6-Creeks Job No.: A201302 MB No.: 20-019

#### FIELD NOTES FOR 249.051 ACRES

Being a 249.051 acre tract of land located in the Samuel Pharass 1/4 League, Survey Number 14, Abstract Number 360 in Hays County, Texas. Said 249.051 acre tract being a portion of a called 608.70 acre tract of land recorded in the name of HMBRR, LP #2 in Document Number 17034180 of the Official Records of Hays County Texas (O.R.H.C.), said 249.051 acre tract of land being more particularly described by metes and bound as follows: (Bearings are based on the Texas State Plane Coordinate System, South Central Zone).

Beginning at capped iron rod found stamped "AST" for the most westerly corner of said 608.70 acre tract, said iron rod being the most southerly corner of Waterridge 150 District, Section 2, a subdivision as recorded in Document Number 19038655, O.P.R.H.C., said iron rod also being on the northerly line Waterridge Boulevard, a subdivision as recorded in Document Number 19038635, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said Waterridge 150 subdivision, North 26 degrees 31 minutes 11 seconds East, passing at a distance of 554.24 the southeasterly corner of said Waterridge subdivision, being the most southerly corner of the remainder portion of a called 1971.29 acre tract of land recorded in the name of Blanco River Ranch, LP in Volume 5230 Page 583 of the Hays County Deed Records (H.C.D.R.), in all, a distance of 563.37 feet to a calculated point;

Thence, with the common line between said 608.70 acre tract and said 1971.29 acre remainder tract, the following four (4) courses and distances;

- 1. North 46 degrees 09 minutes 29 seconds East, a distance of 1179.39 feet to a calculated point;
- 2. North 28 degrees 22 minutes 57 seconds East, a distance of 708.36 feet to a calculated point;
- 3. North 44 degrees 16 minutes 34 seconds East, a distance of 582.28 feet to a calculated point;
- 4. 297.90 feet along the arc of a curve to the right, said curve having a central angle of 14 degrees 24 minutes 28 seconds, a radius of 1184.66 feet, and a chord that bears North 77 degrees 54 minutes 54 seconds East, a distance of 297.12 feet to a 1/2-inch iron rod found for the southeasterly corner of said 1971.29 acre remainder tract:

Thence, through and across said 608.70 acre tract and following the line established by a 250 acre survey dated 8-10-2020, the following fourteen (14) courses and distances;

- 386.58 feet along the arc of a curve to the right, said curve having a central angle of 18 degrees 41
  minutes 48 seconds, a radius of 1184.66 feet, and a chord that bears South 85 degrees 31 minutes
  58 seconds East, a distance of 384.86 feet to a capped iron rod stamped "Atwell" found;
- North 14 degrees 03 minutes 25 seconds East, a distance of 154.34 feet to a capped iron rod stamped
  "Atwell" found;
- North 89 degrees 56 minutes 01 seconds East, a distance of 226.42 feet to a capped iron rod stamped
  "Atwell" found;

Page 1 of 4	

{W1081793.2}

EXHIBIT A

- North 49 degrees 02 minutes 03 seconds East, a distance of 179.70 feet to a capped iron rod stamped
  "Atwell" found;
- North 61 degrees 58 minutes 58 seconds East, a distance of 296.99 feet to a capped iron rod stamped "Atwell" found;
- North 75 degrees 28 minutes 29 seconds East, a distance of 257.09 feet to a capped iron rod stamped "Atwell" found;
- South 85 degrees 30 minutes 10 seconds East, a distance of 318.98 feet to a capped iron rod stamped "Atwell" found;
- North 70 degrees 45 minutes 09 seconds East, a distance of 214.03 feet to a capped iron rod stamped "Atwell" found;
- North 47 degrees 16 minutes 33 seconds East, a distance of 360.88 feet to a capped iron rod stamped "Atwell" found;
- North 85 degrees 14 minutes 12 seconds East, a distance of 340.49 feet to a capped iron rod stamped "Atwell" found;
- 11. South 89 degrees 12 minutes 08 seconds East, a distance of 118.79 feet to a capped iron rod stamped "Atwell" found;
- 12. 483.09 feet along the arc of a curve to the left, said curve having a central angle of 14 degrees 14 minutes 46 seconds, a radius of 1942.92 feet, and a chord that bears South 06 degrees 19 minutes 30 seconds East, a distance of 481.84 feet to a capped iron rod stamped "Atwell" found;
- South 13 degrees 23 minutes 08 seconds East, a distance of 751.43 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- 14. South 76 degrees 44 minutes 31 seconds West, passing at a distance of a distance of 1.68 feet a northeasterly corner of 6 Creeks Boulevard Phase 1, Section 2 (Right-of-Way Only), a subdivision as recorded in Document Number 19019778, O.P.R. H.C., in all a total distance of 115.68 feet to a 1/2-inch iron rod found for a northwesterly corner of said 6 Creeks Boulevard Subdivision;

Thence, with the common line between said 608.70 acre tract and said 6 Creeks Boulevard Subdivision, the following four (4) courses and distances;

- South 13 degrees 18 minutes 02 seconds East, a distance of 26.84 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- 116.85 feet along the arc of a curve to the right, said curve having a central angle of 92 degrees 59
  minutes 02 seconds, a radius of 72.00 feet, and a chord that bears South 33 degrees 11 minutes 23
  seconds West, a distance of 104.44 feet to a cotton spindle found;
- South 80 degrees 21 minutes 31 seconds West, a distance of 34.11 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;

Page 2 of 4

4. South 08 degrees 51 minutes 19 seconds East, passing at a distance of 120.00 feet, a 1/2-inch iron rod found for the southwesterly corner of said 6 Creeks Boulevard Subdivision, in all, a distance of 123.28 feet to a 5/8-inch iron rod set with cap stamped GBI Partners on the southerly line of said 608.70 acre tract, said iron rod being on the northerly line of 6 Creeks, Phase I, Section 3, a subdivision as recorded in Document Number 19020754, O.P.R.H.C.;

Thence, with the common line between said 608.70 acre tract and said 6 Creeks, Phase 1, Section 3 Subdivision, 418.10 feet along the arc of a curve to the right, said curve having a central angle of 15 degrees 21 minutes 21 seconds, a radius of 1560.00 feet, and a chord that bears South 88 degrees 32 minutes 47 seconds West, a distance of 416.85 feet to a capped iron rod found stamped "AST" for an angle point on the southerly line of said 608.70 acre tract, said iron rod being an angle point in the northerly line of a called 153.0288 acre tract of land recorded in the name of HMBRR Development, Inc. in Document Number 200006092, O.P.R.H.C.

Thence, with the common line between said 608.70 acre tract and said 153.0288 acre tract the following five (5) courses and distances;

- South 39 degrees 17 minutes 57 seconds West, a distance of 243.43 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- South 48 degrees 47 minutes 14 seconds West, a distance of 226.76 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- South 51 degrees 36 minutes 39 seconds West, a distance of 699.50 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- South 13 degrees 00 minutes 14 seconds West, a distance of 359.30 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- 5. South 12 degrees 59 minutes 48 seconds West, a distance of 728.51 feet to capped iron rod stamped "Kent McMillian" for an angle point on the southerly line of said 608.70 acre tract, also being an angle point on the westerly line of said 153.0288 acre tract, said iron rod also being the most northerly corner of a called 311.56 acre tract of land recorded in the names of Robert Scott and Lanah Nance in Document Number 18006670, O.P.R.H.C.:

Thence, with the common line between said 608.70 acre tract and said 311.56 acre tract South 44 degrees 00 minutes 02 seconds West, a distance of 1916.25 feet to a capped iron rod found for the most southerly corner of said 608.70 acre tract, said iron rod being the most easterly corner of aforesaid Warterridge Boulevard Subdivision;

Thence, with the common line between said 608.70 acre tract and said Waterridge Boulevard Subdivision the following eight (8) courses and distances;

- 1. North 65 degrees 08 minutes 51 seconds West, a distance of 49.49 feet to a 1/2-inch iron rod found;
- 381.25 feet along the arc of a curve to the right, said curve having a central angle of 23 degrees 36
  minutes 54 seconds, a radius of 925.00 feet, and a chord that bears North 53 degrees 30 minutes 43
  seconds West, a distance of 378.55 feet to a 5/8-inch iron rod set with cap stamped GBI Partners;
- North 41 degrees 42 minutes 16 seconds West, a distance of 336.00 feet to a capped iron rod found stamped "AST";

Page 3 of 4

- 151.93 feet along the arc of a curve to the left, said curve having a central angle of 07 degrees 54
  minutes 48 seconds, a radius of 1100.00 feet, and a chord that bears North 45 degrees 39 minutes
  41 seconds West, a distance of 151.80 feet to a capped iron rod found stamped "AST";
- North 49 degrees 37 minutes 05 seconds West, a distance of 572.43 feet to a capped iron rod found stamped "Atwell";
- 75.01 feet along the arc of a curve to the left, said curve having a central angle of 03 degrees 59
  minutes 53 seconds, a radius of 1075.00 feet, and a chord that bears North 51 degrees 37 minutes
  01 seconds West, a distance of 75.00 feet to a capped iron rod found stamped "Atwell;
- North 53 degrees 36 minutes 58 seconds West, a distance of 749.01 feet to a capped iron rod found stamped "AST";
- 93.33 feet along the arc of a curve to the left, said curve having a central angle of 05 degrees 13
  minutes 01 seconds, a radius of 1025.00 feet, and a chord that bears North 56 degrees 13 minutes
  28 seconds West, a distance of 93.30 feet to the Point of Beginning and containing 249.051 acres
  of land.

GBI Partners, LP TBPLS Firm No. 10194150 Ph: 512-296-2675 September 4, 2020



Page 4 of 4

{W1081793.2}

**EXHIBIT A** 

# PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS UNDER BLANCO RIVER RANCH (Phase One Residential Area) DE-ANNEXATION AND DEVELOPMENT AGREEMENT

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this "Assignment") is by and between HMBRR LP #2, a Texas limited partnership ("Assignor"), and HM 6 Creeks Development, Inc., a Texas corporation ("Assignee") as follows.

#### **RECITALS**

WHEREAS, the City of Kyle (the "City") and Blanco River Ranch Properties, LP, a Texas limited partnership ("BRRP"), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the "Original Development Agreement") with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the "Property"); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the "BRRP Assignment"), BRRP assigned its rights under the Original Development Agreement as follows: (i) to HMBRR Development, Inc., a Texas corporation ("HMBRR Inc"), as to 61.49 acres of the Property more particularly described in the BRRP Assignment ("Tract 1"), (ii) to HMBRR LP, a Texas limited partnership ("HMBRR LP"), as to 188.51 acres of the Property more particularly described in the BRRP Assignment ("Tract 2") and (iii) to Assignor, as to 608.7 acres of the Property more particularly described in the BRRP Assignment ("Tract 3"); HMBRR Inc, HMBRR LP and Assignor may be referred to collectively as the "HM Entities"; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the "First Amendment") dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term "Development Agreement" as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership ("Hanna/Magee"), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, on or about September 23, 2020, Assignor sold and conveyed to Assignee 249.05 acres, more or less, out of Tract 3 (the "249.05 Acres"), and assigned to Assignee Assignor's rights and obligations under the Development Agreement as to the 249.05 acres by Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement recorded under Document No. 21054962, Official Public Records of Hays County, Texas; and

WHEREAS, on or about December 15, 2021 (the "Effective Date"), Assignor sold and conveyed to Assignee 2 tracts of land out of Tract 3, consisting of (i) 93.991 acres, more or less, in Hays County,

Texas, more particularly described by metes and bounds on **Exhibit A** attached hereto, and (ii) 5.964 acres, more or less, in Hays County, Texas, more particularly described by metes and bounds on **Exhibit B** attached hereto (said 2 tracts of land, the "99.955 Acres"), and wishes to assign to Assignee Assignor's rights and obligations under the Development Agreement as to the 99.955 Acres (but not as to the balance of Tract 3) as of the Effective Date, as more particularly described below.

#### **AGREEMENT**

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

- 1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.
- 2. Assignor assigns all its rights and obligations under the Development Agreement *as to the 99.955 Acre Tract only* to Assignee. Assignor retains all rights and obligations under the Development Agreement as to all of Tract 3 except the 249.05 Acres and the 99.955 Acres.
- 3. Assignee accepts the assignment of Assignor's rights and obligations under the Development Agreement as to the 99.955 Acre Tract only.
- 4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
- 5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the Effective Date.

(Signature Pages Follow)

#### Assignor:

HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,

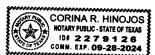
General Partner

STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the day of December, 2021 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HMBRR LP #2, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)



§

Assignee:

HM 6 CREEKS DEVELOPMENT, INC., a Texas

corporation

A. Hanna, President

STATE OF TEXAS §

**COUNTY OF TRAVIS** 

This instrument was acknowledged before me on the \( \sum\_{\text{day}} \) day of December, 2021 by Jay A. Hanna, as President of **HM 6 CREEKS DEVELOPMENT, INC.**, a Texas corporation, on behalf of said corporation.

(SEAL)

CORINA R. HINOJOS NOTARY PUBLIC - STATE OF TEXAS ID# 2279126 COMM. EXP. 09-28-2024

Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

y: Hanna/Magee GP #1, Inc., a Texas corporation,

its general partner

Jay A Hanna Vice Presiden

STATE OF TEXAS

§

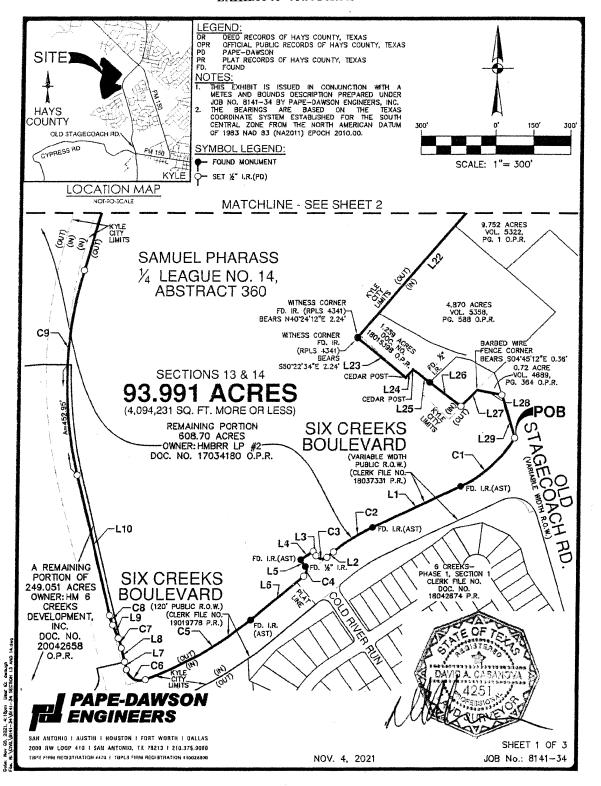
COUNTY OF TRAVIS

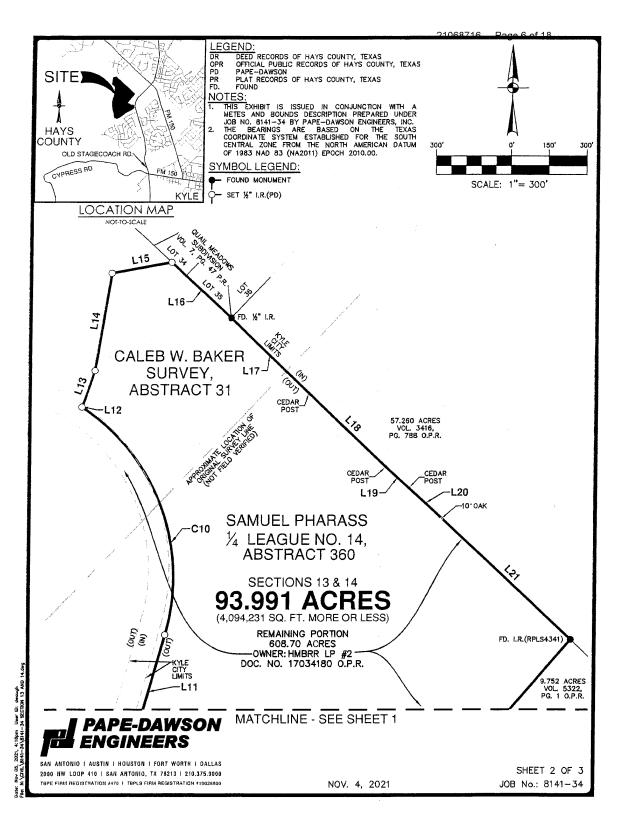
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This instrument was acknowledged before me on the day of December, 2021 by Jay A. Hanna, as Vice President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of HANNA/MAGEE LP #1, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)

CORINA R. HINOJOS
NOTARY PUBLIC - STATE OF TEXAS
10\$ 22 7 9 1 2 6
COMM. EXP. 09-28-2024





Page 2 of 8



NOT-FO-SCALE

LEGEND:

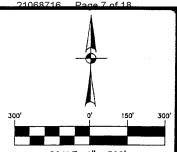
DEED RECORDS OF HAYS COUNTY, TEXAS
OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS
PAPE—DAWSON
PLAT RECORDS OF HAYS COUNTY, TEXAS
FOUND

FD. FOUND

NOTES:

1. THIS EXHIBIT IS ISSUED IN CONJUNCTION WITH A METES AND BOUNDS DESCRIPTION PREPARED UNDER JOB NO. 8141—34 BY PAPE—DAWSON ENGINEERS, INC.

2. THE BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE SOUTH CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.



SCALE: 1"= 300"

CURVE TABLE					
CURVE	RADIUS	DELTA	CHORD BEARING	CHORD	LENGTH
C1	480.00'	35'08'55"	S47'04'30"W	289.87'	294.46'
C2	735.00	14'30'01"	S57*23'57"W	185.52'	186.01
С3	30.00	95'40'18"	N82*00'55"W	44.47	50.09
C4	30.00'	84'19'42"	S07'59'05"W	40.28	44.15'
C5	1440.00'	19'24'42"	S59'51'17"W	485.54	487.87
C6	57.00'	97'08'19"	N61*52'12"W	85.47	96.64'
C7	250.00'	9*33'23"	N18'04'44"W	41.65'	41.70
C8	250.00'	9*33'23"	N18'04'44"W	41.65	41.70*
С9	1660.00'	29"04'49"	N01'14'22"E	833.51	842.53
C10	835.00'	71'53'15"	N20'09'51"W	980.28	1047.65

LINE TABLE				
LINE	BEARING	LENGTH		
L1	S64°38'57"W	388.58'		
L2	S50°08'56"W	33.57		
L3	N34"10'46"W	21.39'		
L4	S55'49'14"W	60.00'		
L5	S34*10'46"E	33.31'		
L6	S50*08'56"W	278.00'		
L7	N1318'02"W	32.89'		
L8	N13'53'54"W	59.24'		
L9	N22'51'25"W	57.79'		
L10	N1318'02"W	586.83		
L11	N15'46'46"E	546.29		
L12	N33*53'31"E	3.63'		
L13	N18'43'01"E	151.17'		
L14	N09'00'46"E	399.71'		
L15	N79'21'50"E	241.28		

LINE TABLE			
LINE	BEARING	LENGTH	
L16	S46'58'08"E	328.73	
L17	S45'43'42"E	436.10'	
L18	S46"12'19"E	430.60'	
L19	S4775'38"E	126.22'	
L20	S47°06'29"E	179.60'	
L21	S46*30'08"E	711.43'	
L22	S40'24'12"W	1023.81	
L23	S50'22'34"E	256.13	
L24	N40'11'13"E	43.39	
L25	S52'36'14"E	85.70'	
L26	S51*46'44"E	159.05'	
L27	N43°45'16"E	92.40'	
L28	S78"19'50"E	101.35'	
L29	S16'18'42"E	182.48'	



SAN ANTONIO I AUSTIN I HOUSTON I FORT WORTH I DALLAS 2000 NW LOOP 410 | SAN ANTONIO, TX 78213 | 210.375.9000 TBPE FIRM REQISTRATION #170 | TBPLS FIRM REQISTRATION #10028800

NOV. 4, 2021

SHEET 3 OF 3 JOB No.: 8141-34



#### METES AND BOUNDS DESCRIPTION FOR SECTIONS 13 & 14

A 93.991 acre, or 4,094,231 square feet more or less, tract of land comprised of a portion of the 608.70 acre tract described in instrument to HMBRR LP #2 recorded in Document No. 17034180 in the Official Public Records of Hays County, Texas, and the 249.051 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 20042658 in said Official Public Records, in the Samuel Pharass ¼ League No. 14, Abstract 360 and the Caleb W. Baker Survey, Abstract 31, partially in the City of Kyle, Hays County, Texas. Said 93.991 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING:

At a set ½" iron rod with a yellow cap marked "Pape-Dawson", at the intersection of the west right-of-way line of Old Stagecoach Road, a variable width public right-of-way and Six Creek Boulevard, a variable width public right-of-way dedicated in Clerk File No. 18037331 in the Plat Records of Hays County, at an angle corner of said 608.70 acre tract;

THENCE:

Along and with the north right-of-way line of said Six Creeks Boulevard, the following bearings and distances:

Southwesterly, along a non-tangent curve to the right, said curve having a radius of 480.00 feet, a central angle of 35°08'55", a chord bearing and distance of S 47°04'30" W, 289.87 feet, for an arc length of 294.46 feet to a found iron rod with cap marked "AST";

S 64°38'57" W, a distance of 388.58 feet to a found iron rod with cap marked "AST";

Southwesterly, along a tangent curve to the left, said curve having a radius of 735.00 feet, a central angle of  $14^{\circ}30'01''$ , a chord bearing and distance of S 57°23'57" W, 185.52 feet, for an arc length of 186.01 feet to a set 1/2'' iron rod with a yellow cap marked "Pape-Dawson";

S 50°08'56" W, a distance of 33.57 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 30.00 feet, a central angle of 95°40'18", a chord bearing and distance of N 82°00'55" W, 44.47 feet, for an arc length of 50.09 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Transportation | Water Resources | Land Development | Surveying | Environmental

Job No. 8141-34 93.991 Acres Page 2 of 5

N 34°10'46" W, a distance of 21.39 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 55°49'14" W, a distance of 60.00 feet to a found iron rod with cap marked "AST";

S 34°10'46" E, a distance of 33.31 feet to a found 1/2" iron rod;

Southwesterly, along a tangent curve to the right, said curve having a radius of 30.00 feet, a central angle of 84°19'42", a chord bearing and distance of S 07°59'05" W, 40.28 feet, for an arc length of 44.15 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

THENCE:

S 50°08'56" W, continuing along and with the north right-of-way line of said Six Creeks Boulevard and the north right-of-way line of Six Creeks Boulevard dedicated in Clerk File No. 19019778 in said Plat Records, a distance of 278.00 feet to a found iron rod with cap marked "AST";

THENCE:

Continuing along and with the north right-of-way line of said Six Creeks Boulevard (19019778), the following bearings and distances:

Southwesterly, along a tangent curve to the right, said curve having a radius of 1440.00 feet, a central angle of 19°24'42", a chord bearing and distance of S 59°51'17" W, 485.54 feet, for an arc length of 487.87 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a compound curve to the right, said curve having a radius of 57.00 feet, a central angle of  $97^{\circ}08^{\circ}19^{\circ}$ , a chord bearing and distance of N  $61^{\circ}52^{\circ}12^{\circ}$  W, 85.47 feet, for an arc length of 96.64 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

N 13°18'02" W, a distance of 32.89 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on a south line of said 249.051 acre tract;

THENCE:

Over and across said 249.051 acre tract, the following bearings and distances:

N 13°53'54" W, a distance of 59.24 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of 09°33'23", a chord bearing and distance of N 18°04'44" W, 41.65 feet, for an arc length of 41.70 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";



N 22°51'25" W, a distance of 57.79 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of 09°33'23", a chord bearing and distance of N 18°04'44" W, 41.65 feet, for an arc length of 41.70 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 13°18'02" W, a distance of 586.83 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 1660.00 feet, a central angle of 29°04'49", a chord bearing and distance of N 01°14'22" E, 833.51 feet, at an arc length of 452.95 feet passing a north line of said 249.051 acre tract, continuing over and across said 608.70 acre tract, a total arc length of 842.53 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

THENCE:

Continuing over and across said 608.70 acre tract, the following bearings and distances:

N 15°46'46" E, a distance of 546.29 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 835.00 feet, a central angle of 71°53'15", a chord bearing and distance of N 20°09'51" W, 980.28 feet, for an arc length of 1047.65 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 33°53'31" E, a distance of 3.63 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

N 18°43'01" E, a distance of 151.17 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":

N 09°00'46" E, a distance of 399.71 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 79°21'50" E, a distance of 241.28 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson" on a northeast line of said 608.70 acre tract and the southwest line of Lot 34, Quail Meadows Subdivision recorded in Volume 7, Page 47 in said Plat Records;



Job No. 8141-34 93.991 Acres Page 4 of 5

THENCE:

S 46°58'08" E, along and with a northeast line of said 608.70 acre tract and a southwest line of said Quail Meadows Subdivision, a distance of 328.73 feet to a found ½" iron rod, at the south corner of Lot 35 and Lot 36 of said Quail Meadows Subdivision and the west corner of the 57.260 acre tract described in Volume 3416, Page 788 in said Official Public Records;

THENCE:

Along and with a northeast line of said 608.70 acre tract and the southwest line of said 57.260 acre tract, the following bearings and distances:

S 45°43'42" E, a distance of 436.10 feet to a cedar post;

S 46°12'19" E, a distance of 430.60 feet to a cedar post;

\$ 47°15'38" E, a distance of 126.22 feet to a cedar post;

S 47°06'29" E, a distance of 179.60 feet to a 10" live oak;

S 46°30'08" E, a distance of 711.43 feet to a found iron rod with cap marked "RPLS 4341", at the easternmost corner of said 608.70 acre tract, an angle corner of said 57.260 acre tract and the north corner of the 9.752 acre tract described in Volume 5322, Page 1 in said Official Public Records;

THENCE:

S 40°24'12" W, along and with a southeast line of said 608.70 acre tract, the northwest line of said 9.752 acre tract, the northwest corner of the 4.870 acre tract described in Volume 5358, Page 588 in said Official Public Records and the northwest line of the 1.259 acre tract described in Document No. 18015398 in said Official Public Records, a distance of 1023.81 feet to a point, at an angle corner of said 608.70 acre tract and the west corner of said 1.259 acre tract, from which a found iron rod with cap marked "RPLS 4341" described as a witness corner in said Document No. 18015398 bears N 40°24'12" E, a distance of 2.24 feet and a second found iron rod with cap marked "RPLS 4341" also described as a witness corner in said Document No. 18015398 bears S 50°22'34" E, a distance of 2.24 feet;

THENCE:

Along and with said 608.70 acre tract and said 1.259 acre tract, the following bearings and distances:

\$ 50°22'34" E, a distance of 256.13 feet to a cedar post;

N 40°11'13" E, a distance of 43.39 feet to a cedar post;



Job No. 8141-34 93.991 Acres Page 5 of 5

> S 52°36'14" E, a distance of 85.70 feet to a found ½" iron rod, at an angle corner of said 608.70 acre tract, a south corner of said 1.259 acre tract and the west corner of the 0.72 acre tract described in Volume 4689, Page 364 in said Official Public Records;

THENCE:

Along and with said 608.70 acre tract and said 0.72 acre tract, the following bearings and distances:

S 51°46'44" E, a distance of 159.05 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 43°45'16" E, a distance of 92.40 feet to a point, from which a barbed wire fence corner bears S 04°45'12" E, a distance of 0.36 feet;

S 78°19'50" E, a distance of 101.35 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson" on the west right-of-way line of said Old Stagecoach Road, at an angle corner of said 608.70 acre tract and the south corner of said 0.72 acre tract;

THENCE:

S 16°18'42" E, along and with the west right-of-way line of said Old Stagecoach Road and an east line of said 608.70 acre tract, a distance of 182.48 feet to the POINT OF BEGINNING and containing 93.991 acres partially in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-34 by Pape-Dawson Engineers, Inc.

PREPARED BY: Pape-Dawson Engineers, Inc.

DATE:

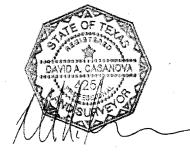
November 4, 2021

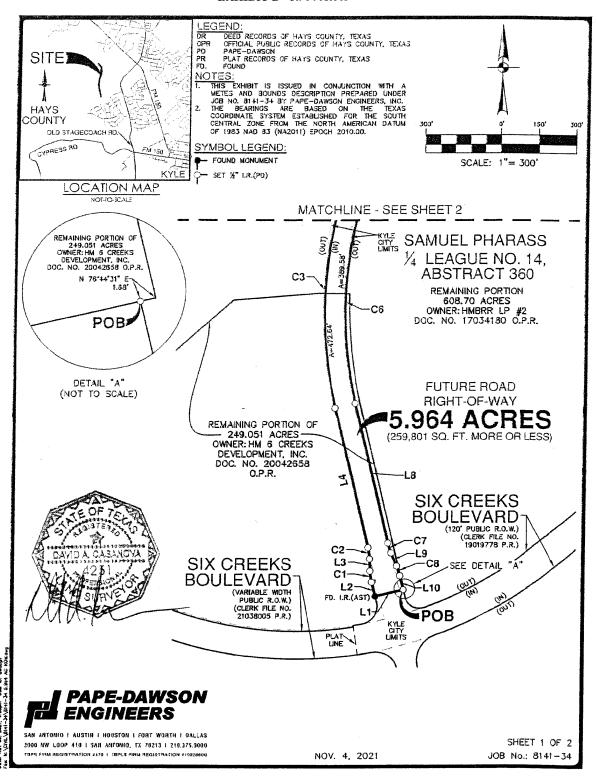
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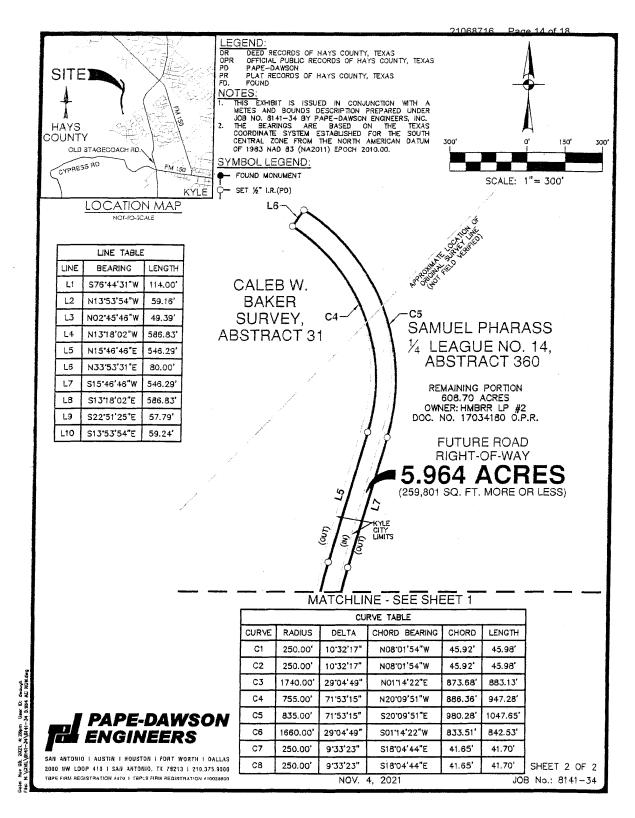
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Page 2 of 5



#### METES AND BOUNDS DESCRIPTION FOR A FUTURE ROAD RIGHT-OF-WAY

A 5.964 acre, or 259,801 square feet more or less, tract of land comprised of a portion of the 608.70 acre tract described in instrument to HMBRR LP #2 recorded in Document No. 17034180 in the Official Public Records of Hays County, Texas, and the 249.051 acre tract described in instrument to HM 6 Creeks Development, Inc. recorded in Document No. 20042658 in said Official Public Records, in the Samuel Pharass ¼ League No. 14, Abstract 360 and the Caleb W. Baker Survey, Abstract 31, partially in the City of Kyle, Hays County, Texas. Said 5.964 acre tract being more fully described as follows, with bearings based on the Texas Coordinate System established for the South Central Zone from the North American Datum of 1983 NAD 83 (NA2011) epoch 2010.00:

BEGINNING:

At a set ½" iron rod with a yellow cap marked "Pape-Dawson" on a south line of said 249.051 acre tract and the north right-of-way line of Six Creeks Boulevard, a 120-foot public right-of-way dedicated in Document No. 19019778 in the Plat Records of Hays County, Texas, from which the easternmost corner of said 249.051 acre tract bears N 76°44′31" E, a distance of 1.68 feet;

THENCE:

S 76°44'31" W, along and with the north right-of-way line of said Six Creeks Boulevard and a south line of said 249.051 acre tract, a distance of 114.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

THENCE:

Departing the north right-of-way'line of said Six Creeks Boulevard, over and across said 249.051 acre tract, the following bearings and distances:

N 13°53'54" W, a distance of 59.16 feet to a set  $\ensuremath{\mathcal{V}}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a non-tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of  $10^{\circ}32'17''$ , a chord bearing and distance of N  $08^{\circ}01'54''$  W, 45.92 feet, for an arc length of 45.98 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

N 02°45'46" W, a distance of 49.39 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of  $10^{\circ}32'17''$ , a chord bearing and distance of N 08°01'54'' W, 45.92 feet, for an arc length of 45.98 feet to a set  $\chi''$  iron rod with a yellow cap marked "Pape-Dawson":

Transportation | Water Resources | Land Development | Surveying | Environmental

N 13°18'02" W, a distance of 586.83 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northeasterly, along a tangent curve to the right, said curve having a radius of 1740.00 feet, a central angle of 29°04'49", a chord bearing and distance of N 01°14'22" E, 873.68 feet, at an arc length of 472.64 feet passing a north line of said 249.051 acre tract, continuing over and across said 608.70 acre tract for a total arc length of 883.13 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

#### THENCE:

Continuing over and across said 608.70 acre tract, the following bearings and distances:

N 15°46'46" E, a distance of 546.29 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Northwesterly, along a tangent curve to the left, said curve having a radius of 755.00 feet, a central angle of 71°53'15", a chord bearing and distance of N 20°09'51" W, 886.36 feet, for an arc length of 947.28 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

N 33°53'31" E, a distance of 80.00 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a non-tangent curve to the right, said curve having a radius of 835.00 feet, a central angle of 71°53'15", a chord bearing and distance of S 20°09'51" E, 980.28 feet, for an arc length of 1047.65 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 15°46'46" W, a distance of 546.29 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southwesterly, along a tangent curve to the left, said curve having a radius of 1660.00 feet, a central angle of 29°04'49", a chord bearing and distance of \$01°14'22" W, 833.51 feet, at an arc length of 389.58 feet passing a north line of said 249.051 acre tract, continuing over and across said 249.051 acre tract for a total arc length of 842.53 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

#### THENCE:

Continuing over and across said 249.051 acre tract, the following bearings and distances:

S 13°18'02" E, a distance of 586.83 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson":



Job No.:8141-34 5.964 Acres Page 3 of 3

Southeasterly, along a tangent curve to the left, said curve having a radius of 250.00 feet, a central angle of 09°33'23", a chord bearing and distance of \$ 18°04'44" E, 41.65 feet, for an arc length of 41.70 feet to a set ½" iron rod with a yellow cap marked "Pape-Dawson";

S  $22^{\circ}51'25''$  E, a distance of 57.79 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

Southeasterly, along a tangent curve to the right, said curve having a radius of 250.00 feet, a central angle of 09°33'23", a chord bearing and distance of S 18°04'44" E, 41.65 feet, for an arc length of 41.70 feet to a set  $\frac{1}{2}$ " iron rod with a yellow cap marked "Pape-Dawson";

S 13°53'54" E, a distance of 59.24 feet to the POINT OF BEGINNING and containing 5.964 acres partially in the City of Kyle, Hays County, Texas. Said tract being described in conjunction with an exhibit prepared under job number 8141-34 by Pape-Dawson Engineers, Inc.

PREPARED BY:

Pape-Dawson Engineers, Inc.

DATE:

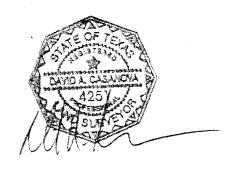
November 4, 2021

JOB NO.

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11-GF# 202 0 2039A JPB Return to: Heritage Title 200 W 6<sup>th</sup> Street, Suite 1600 Austin, TX 78701



# THE STATE OF TEXAS COUNTY OF HAYS

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Hays County, Texas.

21068716 ASSIGNMENT 12/16/2021 10:30:45 AM Total Fees: \$90.00

Elaine H. Cárdenas, MBA, PhD,County Clerk Hays County, Texas

Eldin & Cardenas

# PARTIAL ASSIGNMENT AND ASSUMPTION OF RIGHTS AND OBLIGATIONS UNDER BLANCO RIVER RANCH (Phase One Residential Area) DE-ANNEXATION AND DEVELOPMENT AGREEMENT

This Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (this "Assignment") is by and between HMBRR LP #2, a Texas limited partnership ("Assignor"), and HM 6 Creeks Development, Inc., a Texas corporation ("Assignee") as follows.

#### **RECITALS**

WHEREAS, the City of Kyle (the "City") and Blanco River Ranch Properties, LP, a Texas limited partnership ("BRRP"), entered into the Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective May 16, 2017 and recorded as Document No. 17018505, Official Public Records of Hays County, Texas (the "Original Development Agreement") with respect to 858.7 acres in Hays County, Texas more fully described in the Original Development Agreement (the "Property"); and

WHEREAS, by Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement dated effective September 20, 2017, and recorded under Document No. 17034183, Official Public Records of Hays County, Texas (the "BRRP Assignment"), BRRP assigned its rights under the Original Development Agreement as follows: (i) to HMBRR Development, Inc., a Texas corporation ("HMBRR Inc"), as to 61.49 acres of the Property more particularly described in the BRRP Assignment ("Tract 1"), (ii) to HMBRR LP, a Texas limited partnership ("HMBRR LP"), as to 188.51 acres of the Property more particularly described in the BRRP Assignment ("Tract 2") and (iii) to Assignor, as to 608.7 acres of the Property more particularly described in the BRRP Assignment ("Tract 3"); HMBRR Inc, HMBRR LP and Assignor may be referred to collectively as the "HM Entities"; and

WHEREAS, the City and the HM Entities modified the Original Development Agreement by First Amendment to Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement (the "First Amendment") dated effective October 6, 2020, and recorded under Document No. 20056036, Official Public Records of Hays County, Texas, and the term "Development Agreement" as used herein, refers to the Original Development Agreement as modified by the First Amendment; and

WHEREAS, Assignee is under common control with Hanna/Magee LP #1, a Texas limited partnership ("Hanna/Magee"), and Section 12.05(b) of the Original Development Agreement, as modified by the First Amendment, provides that, without the consent of City, any of the HM Entities may assign their rights and obligations under the Development Agreement to any entity controlling, controlled by or under common control with Hanna/Magee; and

WHEREAS, on or about September 23, 2020, Assignor sold and conveyed to Assignee 249.05 acres, more or less, out of Tract 3 (the "249.05 Acres"), and assigned to Assignee Assignor's rights and obligations under the Development Agreement as to the 249.05 acres by Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement recorded under Document No. 21054962, Official Public Records of Hays County, Texas; and

WHEREAS, on or about December 15, 2021, Assignor sold and conveyed to Assignee 2 tracts of land out of Tract 3, consisting of (i) 93.991 acres, more or less, in Hays County, Texas, and (ii) 5.964 acres,

more or less, in Hays County, Texas (said 2 tracts of land, the "99.955 Acres"), and assigned to Assignee Assignor's rights and obligations under the Development Agreement as to the 99.955 Acres by Partial Assignment and Assumption of Rights and Obligations Under Blanco River Ranch (Phase One Residential Area) De-Annexation and Development Agreement recorded under Document No. 21068716, Official Public Records of Hays County, Texas; and

WHEREAS, on or about September 20, 2022 (the "Effective Date"), Assignor sold and conveyed to Assignee all remaining portions of Tract 3, being more particularly described as follows:

#### Tract 1:

Being all of that certain tract or parcel of land consisting of 608.7 acres, more or less, situated in the Samuel Pharass Survey No. 14, Abstract No. 360 and the Caleb W. Baker Survey No. 78, Abstract No. 31, Hays County, Texas, being conveyed by deed recorded under Document No. 17034180 of the Official Public Records of Hays County, Texas, SAVE AND EXCEPT therefrom any portion thereof included within (i) 6 CREEKS BOULEVARD, PHASE 1, SECTION 1 (RIGHT OF WAY ONLY), a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 18037331 of the Official Public Records of Hays County, Texas, (ii) 6 CREEKS BOULEVARD, PHASE 1, SECTION 2 (RIGHT OF WAY ONLY), a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 19019778 of the Official Public Records of Hays County, Texas, (iii) 6 CREEKS BOULEVARD, PHASE 1, SECTION 3 (RIGHT OF WAY ONLY), a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 21038005 of the Official Public Records of Hays County, Texas, (iv) 6 CREEKS-PHASE 1, SECTION 8A, a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 21058478 of the Official Public Records of Hays County, Texas, (v) that called 249.051 acres, more or less, conveyed by deed recorded under Document No. 20042658 of the Official Public Records of Hays County, Texas, (vi) that called 93.881 acres, more or less, called Tract 1 and conveyed by deed recorded under Document No. 21068715 of the Official Public Records of Hays County, Texas, and (vii) that called 5.964 acres, more or less, called Tract 2 and conveyed by deed recorded under Document No. 21068715 of the Official Public Records of Hays County, Texas;

#### Tract 2:

Lot 115, Block A, 6 CREEKS-PHASE 1, SECTION 8A, a subdivision in Hays County, Texas, according to the map or plat thereof recorded under Document No. 21058478 of the Official Public Records of Hays County, Texas;

and Assignor wishes to assign to Assignee all of Assignor's remaining rights and obligations under the Development Agreement as of the Effective Date, are more particularly described below.

#### **AGREEMENT**

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants contained herein, the parties agree as follows:

1. The Recitals set out above are true and correct and are incorporated into this Assignment for all purposes.

- 2. Assignor assigns all its remaining rights and obligations under the Development Agreement to Assignee, so that Assignor retains no remaining rights and obligations under the Development Agreement.
- 3. Assignee accepts the assignment of Assignor's rights and obligations under the Development Agreement. Following this Assignment, Assignee (and not Assignor) will have all rights and obligations under the Development Agreement as to the entirety of Tract 3.
- 4. Hanna/Magee is executing this Assignment for the sole purpose of confirming that Assignee is under common control with Hanna/Magee.
- 5. To facilitate execution, this instrument may be executed in any number of counterparts, and it will not be necessary that the signatures of all parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Agreement: (a) the signature pages taken from separate, individually executed counterparts of this Agreement may be combined to form multiple fully executed counterparts; and (b) a copy of a signature transmitted by facsimile or e-mail (e.g., .pdf or Adobe) will be deemed to be an original signature for all purposes. It is not necessary to confirm the copy transmitted by facsimile or e-mail (e.g., .pdf or Adobe) by delivery of the original. All executed counterparts of this Agreement will be deemed to be originals, but all such counterparts, when taken together, will constitute one and the same instrument.

This Assignment shall be effective from and after the Effective Date.

(Signature Pages Follow)

#### Assignor:

HMBRR LP #2, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,

General Partner

anna, Vice President

STATE OF TEXAS

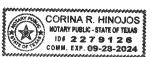
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**COUNTY OF TRAVIS** 

§

This instrument was acknowledged before me on the day of September, 2022 by Jay A. Hanna, Vice President of Hanna/Magee GP #1, Inc., a Texas corporation, General Partner of HMBRR LP #2, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)



Assignee:

HM 6 CREEKS DEVELOPMENT, INC., a Texas

corporation

A. Hanna, President

STATE OF TEXAS

§

COUNTY OF TRAVIS

This instrument was acknowledged before me on the day of September, 2022 by Jay A. Hanna, as President of HM 6 CREEKS DEVELOPMENT, INC., a Texas corporation, on behalf of said corporation.

(SEAL)



Hanna/Magee has executed this Assignment for the sole purpose of confirming the representation contained in Paragraph 4.

HANNA/MAGEE L.P. #1, a Texas limited partnership

By: Hanna/Magee GP #1, Inc., a Texas corporation,

its general partner

Jav A. Hanna. Vice Presiden

STATE OF TEXAS

§

COUNTY OFTRAVIS

8

This instrument was acknowledged before me on the G day of September 2022 by Jay A. Hanna, as Vice President of Hanna/Magee GP #1, Inc., a Texas corporation that is General Partner of HANNA/MAGEE LP #1, a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)

CORINA R. HINOJOS
NOTARY PUBLIC - STATE OF TEXAS
105 2 2 7 9 1 2 6
COMM. EXP. 09-28-2024

Notary Public Signature

11-GF# <u>202203395 TYB</u> Return to: Heritage Title 200 W 6<sup>th</sup> Street, Suite 1600 Austin, TX 78701

# THE STATE OF TEXAS COUNTY OF HAYS

I hereby certify that this instrument was FILED on the date and the time stamped hereon by me and was duly RECORDED in the Records of Hays County, Texas.

22044746 ASSIGNMENT 09/21/2022 09:31:45 AM Total Fees: \$42.75

Elaine H. Cárdenas, MBA, PhD,County Clerk Hays County, Texas

Eldin & Cardenas



## APPENDIX H

## APPRAISAL



### AN APPRAISAL REPORT

OF

## 6 CREEKS PUBLIC IMPROVEMENT DISTRICT (PID), AREA 5,

BEING 71 UNDER-DEVELOPMENT LOTS ON 15.920 ACRES IN PHASE 1, SECTION 11, LOCATED ALONG THE NORTH LINE OF 6 CREEKS BOULEVARD AT FLOWER BASKET LOOP, IN THE ETJ OF KYLE, HAYS COUNTY, TEXAS 78640

For

MR. R.R. "TRIPP" DAVENPORT, III
UNDERWRITER
FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TEXAS 75034

BY

BARLETTA & ASSOCIATES, INC. 1313 CAMPBELL ROAD, BUILDING C HOUSTON, TEXAS 77055-6429

**B&A FILE NUMBER: C8987-02** 

### As OF

TRANSMITTAL DATE OF APPRAISAL: JANUARY 8, 2025
DATE OF SITE VISIT: NOVEMBER 1, 2024
PROSPECTIVE "UPON COMPLETION" DATE: DECEMBER 15, 2024

## BARLETTA & ASSOCIATES, INC.

REAL ESTATE APPRAISERS · CONSULTANTS

January 8, 2025

Mr. R.R. "Tripp" Davenport, III Underwriter FMSbonds, Inc. 5 Cowboy Way, Suite 300-25 Frisco, Texas 75034

RE: An Appraisal Report of 6 Creeks Public Improvement District (PID), Area 5, being 71 under-development residential lots, on 15.920 acres in Phase 1, Section 11, located along the north line of 6 Creeks Boulevard at Flower Basket Loop, in the ETJ of Kyle, Hays County, Texas 78640. The 71 subject lots in Phase 1, Section 11 will have typical dimensions of 45' x 120', or 5,400 SF, and are to be built-out by Highland Homes and Perry Homes.

**B&A File No. C8987-02** 

Dear Mr. Davenport:

At your request, I have physically visited and prepared an appraisal of the above-captioned property, gathered comparable market data, and conducted a study of the market area for the purpose of providing my opinion of the "Upon Completion" Market Value in Bulk of the subject 71 Section 11 under-development residential lots, in compliance with the FMSbonds, Inc.'s Appraisal Instructions; the Uniform Standards of Professional Appraisal Practice; and the Appraisal Institute's Code of Professional Ethics. This appraisal also complies with applicable fair lending and anti-discrimination laws including the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHAct), the Civil Rights Act of 1866, as well as other federal, state or local laws that prohibit discrimination.

At the request of the client, the "As Is" Market Value of the 71 under-development lots have not been valued herein.

To conclude, it is my opinion that the "Upon Completion" Bulk Market Value of the fee simple interests in the subject under-development lots in 6 Creeks, Phase 1, Section 11, as of the indicated prospective date, is as follows:

Description	No.	Bulk Market Value	Prospective
Description	Lots	Market Value	Date
6 Creeks PID Area 5, Phase 1, Section 11	71	\$7,500,000	12/15/2024

The Bulk Market Value of 6 Creeks Public Improvement District (PID), Area 5 being Phase 1, Section 11 is derived from a Sum of Retail Revenue of \$8,434,800, or \$118,800 per lot.

## **Extraordinary Assumptions:**

- 1.) The subject property is under-development as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
- 2.) This appraisal is subject to the under-development improvements being completed in a timely and professional workmanlike manner and that the under-development improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" requires a valuation of the subject improvements as of a prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the under-development improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$450,000 up to \$500,000, by Highland Homes and Perry Homes, or comparable production home builders.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

## *Market Value* is defined by FIRREA as follows:

**Market Value** means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;

Mr. R.R. "Tripp" Davenport, III FMSbonds, Inc. Page 3

- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

It has been a pleasure serving you, and if I can be of further assistance, please call me. Sincerely,

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA

President

State Certified, TX-1320197-G

## **CERTIFICATION**

## **USPAP CERTIFICATION**

I certify that, to the best of my knowledge and belief, the following:

- 1. The statement of facts contained in this report is true and correct.
- 2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- 3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- 4. I have provided no real estate services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- 5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- 9. Phillip F. Barletta, MAI, SRA made an unaccompanied visit to the subject property on November 1, 2024.
- 10. Dwayne Guarino provided research assistance to the signer of this appraisal.
- 11. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- 12. The appraiser has had extensive experience in appraising proposed, underdevelopment and existing residential subdivision properties in the subject market area and the Austin region, and is State General Certified; thus, he is well qualified to appraise the subject property and fully satisfies the Competency Rule of the

Uniform Standards of Professional Appraisal.

13. Phillip F. Barletta, MAI, SRA is a State Certified General Real Estate Appraiser by the Texas Appraiser Licensing & Certification Board for the State of Texas.

## **AI CERTIFICATION**

- 1. The reported analyses, opinions and conclusions were developed, and this report has also been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 2. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 3. As of the date of this report, Phillip F. Barletta, MAI, SRA has completed the continuing education program for Designated Members of the Appraisal Institute.

The appraiser hereby certifies regulatory compliance and it is my opinion that the "Upon Completion" Bulk Market Value of the fee simple interest in the subject 71 Phase 1, Section 11 under-development residential lots, as of the indicated prospective date, is as follows:

Description	No. Lots	Bulk Market Value	Prospective Date
6 Creeks PID Area 5, Phase 1, Section 11	71	\$7,500,000	12/15/2024

## **Extraordinary Assumptions:**

- 1.) The subject property is under-development as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
- 2.) This appraisal is subject to the under-development improvements being completed in a timely and professional workmanlike manner and that the under-development improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" requires a valuation of the subject improvements as of a prospective date, when they are projected to be physically

complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the under-development improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.

- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$450,000 up to \$500,000, by Highland Homes and Perry Homes, or comparable production home builders.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

BARLETTA & ASSOCIATES, INC.

Phillip F. Barletta, MAI, SRA

President

State Certified, TX-1320197-G

## **ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following conditions:

- 1. This Appraisal Report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Appraisal Practice, Standard Rule 2-2 (a). As such, this report does, in fact, include narrative discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning, and analyses is included in this report. The appraiser is not responsible for unauthorized use of this report.
- 2. No responsibility is assumed for legal or title consideration. Titles to the properties are assumed to be good and marketable unless otherwise stated in this report.
- 3. The properties are appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 7. It is assumed that there are no hidden or unapparent conditions of the subject property, subsoil, or structures that render them more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- 9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this Appraisal Report.
- 10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
- 11. Any sketches in this report may show approximate dimensions and is included to assist the reader in visualizing the properties. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No surveys have been made for the purpose of this report.

- 12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the properties described and that there is no encroachment or trespass unless otherwise stated in this report.
- 13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the properties. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the properties that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- 14. Unless otherwise stated in this report, the subject property are appraised without specific compliance surveys having been conducted to determine if the properties are or are not in conformance with the requirements of the Americans With Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's' value, marketability, or utility.
- 15. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
- 16. The distributions, if any, of the total valuations in this report between land and improvements apply only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
- 18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, new sales, or other media without prior written consent and approval of the appraiser.
- 19. This appraisal assumes that there are no significant wetlands and/or endangered species or habitats issues affecting the subject sites.

20. Texas is a non-disclosure state. It is important that the intended users of this appraisal understand that in Texas, there is no legal requirement for grantors or grantees to disclose any information relative to a transfer of real property. As a result, no data source provides absolute coverage of all transactions. It is possible that there are sales data of which we are unaware, or were non-verifiable. My sources provide the data typically available to appraisers in the ordinary course of business.

## **Extraordinary Assumptions:**

- 1.) The subject property is under-development as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
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- 3.) The valuation of the subject improvements "Upon Completion" requires a valuation of the subject improvements as of a prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the under-development improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$450,000 up to \$500,000, by Highland Homes and Perry Homes, or comparable production home builders.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

## **SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

Type of Property: 6 Creeks Public Improvement District (PID), Area 5,

being 71 under-development residential lots, on 15.920 acres in Phase 1, Section 11, located along the north line of 6 Creeks Boulevard at Flower Basket Loop, in the ETJ of Kyle, Hays County, Texas 78640. The 71 subject lots in Phase 1, Section 11 will have typical dimensions of 45' x 120', or 5,400 SF, and are to be built-out by Highland

Homes and Perry Homes.

Mapsco Reference: Hays County – 699 F & K

Postal Address: TBD 6 Creeks Boulevard

Kyle, Texas 78640

Location: Along the north line of 6 Creeks Boulevard at Flower

Basket Loop, in Kyle, Hays County, Texas 78640.

Development Tract: 15.920 acres, platted for 71 lots

Density: 4.47 lots per acre

Subject Lot Mix Typical

6 Creeks, Ph. 1, Sec. 11: Description Dimensions Avg. Size
71 Under-development 45' x 120' 5,400 SF

**Utilities/Services** 

Sanitary Sewer & Water: City of Kyle

Electricity: Pedernales Electric Co-Op Natural Gas: Center Point Energy

Cable/Telephone Service: Centric Fiber

Police Protection: Hays County Sheriff's Dept.

Fire Protection: Hays County Emergency Districts #5 & #9

School District: Hays Consolidated I.S.D.

Topography: Functionally level, and above street grade.

Zoning: None (City of Kyle ETJ).

Restrictions: I am not aware of any adverse deed restrictions on

the subject lots.

Floodplain: Zone "X," outside of the 500-year floodplain,

according to FEMA Map No. 48209C0270F, dated

9/2/2005.

Soil/Subsoils: There are no known soil or subsoil conditions, which

would adversely affect development.

Easements: I observed no easements that would adversely affect

the value or use of the subject lots.

**Appraisal Dates** 

Date of Site Visit: November 1, 2024
Date of Report Transmittal: January 8, 2025
Prospective Date of Value: December 15, 2024

Purpose of the Appraisal: To provide an opinion of the "Upon Completion"

Market Value in Bulk of the subject 71 Phase 1, Section 11 residential lots, in compliance with the FMSbonds, Inc.'s Appraisal Instructions; the Uniform Standards of Professional Appraisal Practice; and the Appraisal Institute's Code of

Professional Ethics.

Rights Appraised: Fee Simple Estate

Subject Builders: Highland Homes & Perry Homes.

New Home Price Range: \$450,000 to \$500,000

Highest & Best Use: Near term, residential lot development, as economic

conditions and demand warrants.

<u>CONCLUSION:</u> The subject 6 Creeks PID has a suburban location in the growing Kyle/Buda Market Area of Austin. The subject subdivision is an established master-planned community, and offers numerous master-planned amenities. All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for mid-priced production housing, as proposed.

## MARKET VALUE CONCLUSION:

Description	No.	Bulk	Prospective
	Lots	Market Value	Date
6 Creeks PID Area 5, Phase 1, Section 11	71	\$7,500,000	12/15/2024

## **Extraordinary Assumptions:**

1.) The subject property is under-development as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of

- completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.
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- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$450,000 up to \$500,000, by Highland Homes and Perry Homes, or comparable production home builders.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

# **IDENTIFICATION OF THE SUBJECT PROPERTY**

The subject property consists of 6 Creeks Public Improvement District (PID), Area 5, being 71 under-development residential lots, on 15.920 acres in Phase 1, Section 11, located along the north line of 6 Creeks Boulevard at Flower Basket Loop, in the ETJ of Kyle, Hays County, Texas 78640. The 71 subject lots in Phase 1, Section 11 will have typical dimensions of 45' x 120', or 5,400 SF, and are to be built-out by Highland Homes and Perry Homes.

The subject lots are legally described as:

Lots 57-82, Block S; Lots 1-28, Block U; and Lots 1-17, Block V, 6 Creeks, Phase 1, Section 11, Hays County, Texas.

#### HISTORY OF THE SUBJECT PROPERTY

The subject development tract comprising 6 Creeks Public Improvement District (PID), Area 5, Phase 1, Section 11 is jointly owned by Highland Homes Austin, LLC (50.70% undivided interest), and PHAU – 6 Creeks (Perry Homes), with a 49.30% undivided interest. Highland Homes and PHAU – 6 Creeks both entered into an agreement with the developer, HM 6 Creeks Development, Inc., to purchase a total of 71 paper lots in Phase 1, Section 11, at a price of \$42,000 per paper lot. Highland Homes purchased 36 paper lots (50.7%) and PHAU-6 purchased 35 paper lots (49.3%).

In turn, HM 6 Creeks will develop the 71 lots for a price of \$58,000 per lot, plus a management fee of \$1,200 per lot. Thus, the total lot purchase price amounts to (\$42,000 + \$58,000 + \$1,200 = \$101,200) \$101,200 per lot, or \$2,249 PFF. In addition, each builder will pay the developer \$5,376 per lot (\$119 PFF) for amenity fees and wastewater permits. The effective bulk lot cost are below the Retail Lot Values concluded herein.

Each builder has already purchased their respective lots in bulk transactions, and will begin vertical construction upon substantial completion of the subject lots. I am not aware of any other transactions involving the subject property during the past three years.

# INTENDED USE/USER OF THE APPRAISAL

This appraisal is intended to offer my opinion of the "Upon Completion" Bulk Market Value of the subject 71 under-development Phase 1, Section 11 lots, to the client, FMSbonds, Inc., for the underwriting of the City's proposed 6 Creeks Public Improvement District Bond transaction. The use of the appraisal by anyone other than Mr. Tripp Davenport, III and Mr. Robert Rivera (c/o FMSbonds, Inc.), or the City is prohibited, except as provided herein. Additionally, I confirm our permission to use the final Appraisal Report in the offer and sale of public securities, secured by the special assessments levied on property within the PID, and I confirm that I will execute, subject to our approval of the same, a certificate related to the use of the appraisal for such purpose, as provided by the client. Any other party is an unintended unauthorized user.

At the request of the client, the "As Is" Market Value of the 71 paper lots has not been valued herein.

# SCOPE OF WORK OF THE APPRAISAL

The scope of work of the appraisal is the process to support my opinion of the "Upon Completion" Bulk Market Value of the subject 71 under-development Phase 1, Section 11 lots, employing the Sales Comparison Approach and the Income Approach (DCF), in an Appraisal Report format. In preparing this appraisal, the appraiser:

- visited the subject property and surrounding market area, unaccompanied;
- contacted Mr. Tripp Davenport with FMSbonds (214/418-1588), and Mr. Jay Hanna, the developer of 6 Creeks (512/784-8494), both of whom provided significant physical, financial and historical data to the appraiser for this valuation analysis;
- was provided a survey for the subject development tract;
- was provided costs for the subject 6 Creeks, Phase 1, Section 11;
- was provided a plat for 6 Creeks, Phase 1, Section 11;
- was provided a copy of the lot purchase agreement for the subject lots;
- analyzed macro and micro market conditions of this region and market area;
- interviewed active market participants;
- gathered relevant available information on current comparable builder retail lot sales and lot absorption data, referencing such publications as the ABOR MLS, and the <u>Zonda Austin Metrostudy</u>;
- analyzed macro and micro market conditions of this region and market area;

- gathered current comparable land sales referencing such publications as the CoStar, CommGate, LoopNet, Crexi;
- referenced other publications and services such as MapPro, Google Earth, Realty Rates.com, the Hays Central Appraisal District, and the Hays County Clerk's Office, among other services, as well as the appraiser's vast data base:
- confirmed and analyzed the data and applied the most applicable approaches to value; i.e., the Sales Comparison Approach, and the Income Approach; and
- concluded the "Upon Completion" Bulk Market Value of the subject 71 underdevelopment lots in 6 Creeks, Phase 1, Section 11 lots, for reasonable exposure periods as of the stated prospective effective date.

While considered, at the client's request, the Cost Approach was not developed. Further, at the request of the client, the "As Is" Market Value of the subject 71 paper lots has not been valued herein. The absence of the Cost Approach does not affect the credibility of the Market Value conclusions in this appraisal.

# PROPERTY RIGHTS APPRAISED

The property rights appraised are the *Fee Simple Estate*. Fee Simple Estate is defined by <u>The Dictionary of Real Estate Appraisal</u>, Seventh Edition, Appraisal Institute, published in 2022, Page 73, as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

#### **DEFINITION OF MARKET VALUE**

As referred to herein, *Market Value* is defined by FIRREA, as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) buyer and seller are typically motivated;
- (2) both parties are well informed or well advised, and each acting in what they consider their own best interests;
- (3) a reasonable time is allowed for exposure in the open market;
- (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

(5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

# **DEFINITION OF "SUM OF THE RETAIL VALUES"**

As referred to herein, **Sum of Retail Values** is defined by <u>The Dictionary of Real Estate</u> <u>Appraisal</u>, Seventh Edition, Appraisal Institute, published in 2022, Page 185, as follows:

The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the aggregate of the retail values or aggregate retail selling price.

# **DEFINITION OF "AS IS" MARKET VALUE ON APPRAISAL DATE**

As referred to herein, "As Is" Market Value is defined by The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, published in 2022, Page 10, as follows:

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

# **DEFINITION OF "BULK VALUE"**

As referred to herein, "**Bulk Value**" is defined by <u>The Dictionary of Real Estate Appraisal</u>, Seventh Edition, revised 2022, by the Appraisal Institute, Page 22, as follows:

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction.

#### **DATES OF THE APPRAISAL**

The effective date of my appraisal site inspection was November 1, 2024. The prospective "Upon Completion" date of value of Phase 1 is December 15, 2024, and the date of transmittal of the report is January 8, 2025.

#### ZONING AND RESTRICTIONS

The subject is within the ETJ of the City of Kyle, and is not zoned. I am unaware of any adverse deed restrictions which would preclude development to the subject's highest and best use.

#### AD VALOREM TAX DATA

<u>Tax Assessments & Taxes</u>: The subject development tract comprising 6 Creeks Public Improvement District (PID), Area 5, Phase 1, Section 11 is assessed by Hays Central Appraisal District (HCAD) under Account R201840, which is described as a 15.92-acre parcel with an assessed value of \$999,550, or \$62,471 per acre. HCAD identifies Highland Homes Austin, LLC as owning a 50.70% undivided interest, and PHAU – 6 Creeks (Perry Homes), as owning a 49.30% undivided interest. The subject development tract is <u>not shown to carry an ag exemption</u>.

For 2024, the taxing authorities affecting the subject property include Hays County, Hays County Special Road District, Hays County Emergency Service District #9, Hays County Emergency Service District #5, Austin Community College, Hays C.I.S.D. and the City of Kyle – Pid Assessor.

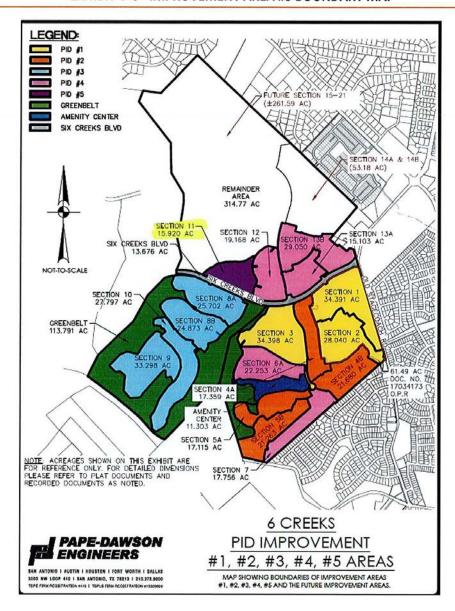
**Tax Assessments & Taxes**: The tax rates are as follows:

TAXING AUTHORITY	2024 TAX RATE
Hays County	\$0.350000
Hays County Special Road District	\$0.041500
Hays County Emergency District #9	\$0.046650
Hays County Fire Emergency District #5	\$0.100000
Austin Community College	\$0.101300
Hays C.I.S.D.	\$1.154600
City of Kyle – PID Assessor (Projected)	\$0.972200
TOTAL:	\$2.766250

Rollback Taxes: The subject lots do not carry an agricultural exemption; thus a 3-year rollback of taxes is not applicable.

# 6 CREEKS PID IMPROVEMENT AREA 5 BOUNDARY

#### **EXHIBIT V-6 - IMPROVEMENT AREA #5 BOUNDARY MAP**

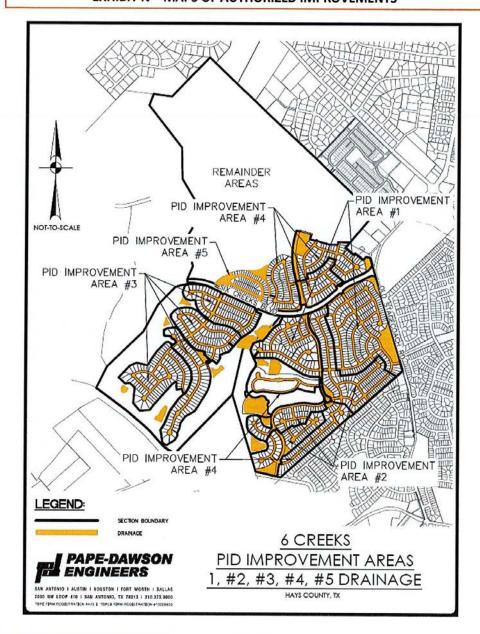


6 CREEKS PID 2024 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

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# **AUTHORIZED IMPROVEMENTS**

#### **EXHIBIT N - MAPS OF AUTHORIZED IMPROVEMENTS**

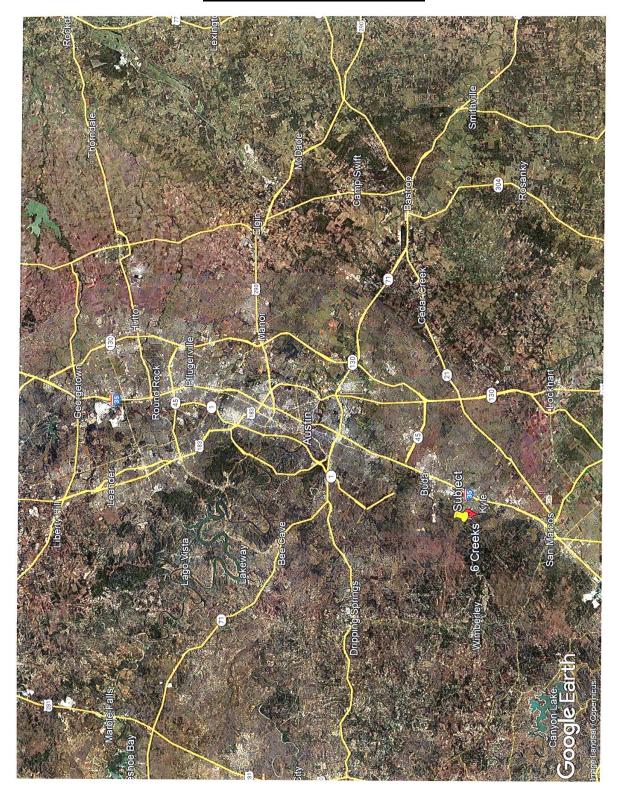


6 CREEKS PID 2024 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

# **GREATER AUSTIN AREA DATA**

(Please refer to the Addenda of this appraisal for an Austin MSA summary analysis.)

# **AUSTIN REGIONAL AERIAL PHOTO**



#### **MARKET AREA ANALYSIS**

<u>Market Area Defined</u>: According to <u>The Dictionary of Real Estate Appraisal</u>, Seventh Edition, by the Appraisal Institute, 2022, page 116, a *market area* is defined as: "The geographic region from which a majority demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area."

**Boundaries**: In order to discuss a market area, the boundaries must be established in order to distinguish it from the rest of the community. The market area boundaries are generally delineated as follows:

The city limits of Kyle, Texas and outlying periphery.

The City of Kyle, which contains 31.27 square miles, is located 21 miles southwest of Austin, and 58 miles northeast of San Antonio, along IH 35, in the Austin-Round Rock-San Marcos metropolitan area. Kyle, Texas is located immediately south of Buda, and immediately north of San Marcos, which is the county seat for Hays County. Kyle is now one of the fastest growing cities in Texas. According to 2020 Census estimates, the population is 52,300, which is 86.67% greater than the 2010 Census estimate of 28,016. The city has experienced rapid growth due to the southerly expansion of Austin, as well as the northerly expansion of San Marcos and New Braunfels due just south of Kyle.

Major Streets: I.H. 35 extends northeast/southwest through Kyle, and is the primary commercial/retail corridor. I.H. 35 links Austin and San Antonio, and is heavily traveled. Major secondary thoroughfares include Kyle Parkway (F.M. 1626); Jack C. Hays Trail (F.M. 2770); F.M. 150; Old Stagecoach Road; and Kohlers Crossing. Access to and through Kyle is considered to be above average.

**Vybe Trail:** In September 2022, the Kyle City Council approved a "Citywide Trails Master Plan," known as The Vybe, that prioritizes trail-oriented developments connecting the entire city of Kyle. The ultimate goal of The Vybe is to reduce in-town traffic, by providing an 80-mile network of trails for hiking, biking and skating, as well as golf carts. The Vybe

will offer illuminated paths, and provide space for shopping and dining kiosks, public restrooms, golf cart parking, and charging stations, as well as green spaces for recreational uses, including swimming pools, dog parks and picnic areas. Construction of the first phase of The Vybe is now underway.

<u>Services/Utilities</u>: Police and fire protection is provided by the various municipalities for the areas situated within the city limits of Kyle. The areas beyond the city limits are patrolled and serviced by the Hays County Sheriff's Department, and various fire/EMS districts.

Water and wastewater for the majority of the area is provided by the City of Kyle, with sufficient capacity to sustain future growth. The areas outside of the city limits are served through either Special Utility Districts, MUDs, WCIDs, or private well and septic systems. Electricity to the area is provided by Pedernales Electric Co-op, and typically AT&T or Spectrum provides telephone service. Natural gas is provided by Center Point Energy.

Kyle is located entirely within the Hays Consolidated I.S.D., which operates 26 campuses, and serves in excess of 20,000 students, with a student - teacher ratio 16:1. San Marcos is home to Texas State University (formerly known as Southwest Texas State), which is the 5<sup>th</sup> largest university in Texas with enrollment in excess of 38,800 students, and is the largest employer in San Marcos with 2,780 employees. In 2014, the Hays Campus of Austin Community College opened, and is the only ACC campus to offer a First Responders Training Center, with a 50-yard tactical gun range, and a vehicle operations track.

Additional higher education in this region is provided by The University of Texas at Austin, Concordia University, Huston-Tillotson College and St. Edward's University in Austin, and Southwestern University in Georgetown.

<u>Single-Family Market</u>: According to the <u>Zonda Austin Metrostudy</u>, 2nd Quarter 2024, the subject's South Market Area is the third most active sector of the eight market areas comprising the Austin region. For the 12 months ending with the 2nd Quarter 2024, the

South Market Area had 4,579 starts and 4,462 closings, for an undersupplied vacant developed lot (VDL) inventory of 16.0 months, and a slightly elevated housing inventory of 8.6 months.

The subject 6 Creeks is within the South Market Area, and the Kyle/Buda Submarket. The Kyle/Buda Submarket accounted for 3,446 of those 4,579 starts (75.26%) and 3,217 of those 4,462 closings (72.10%), with a notably undersupplied vacant developed lot inventory of only 15.8 months, and an elevated housing inventory of 9.1 months. Typically, a 20 to 24-month lot supply is considered to be equilibrium; thus, the Kyle/Buda Submarket is notably undersupplied at 15.8 months, as is the South Market Area at 16.0 months.

Submarket/ Market Area		1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	Annual Rates/ Inventory Supply (Mos)
Kyle/Buda	Starts	393	857	740	864	956	886	3,466
Submarket	Closings	544	436	677	783	889	868	3,217
	Housing Inv.	1,782	2,203	2,266	2,347	2,414	2,432	9.1 Mos.
	VDL Inv.	4,899	5,786	5,940	5,272	4,834	4,527	15.8 Mos.
South	Starts	629	1,276	1,018	1,195	1,291	1,075	4,579
Market Area	Closings	801	819	854	1,152	1,215	1,241	4,462
	Housing Inv.	2,617	3,075	3,238	3,294	3,370	3,204	8.6 Mos.
	VDL Inv.	7,119	7,983	7,893	7,212	6,439	6,121	16.0 Mos.

Source: Zonda Austin Metrostudy, 2nd Quarter 2024

Within the South Market Area starts in the 2nd Quarter 2024 were up 6.60% over 2nd Quarter 2023, and closings were up 51.53% over the same time period. Within the Kyle/Buda Submarket starts in the 2nd Quarter 2024 were up 3.38% over the 2nd Quarter 2023, and closings were up 99.08% over the same time period. Prior to 2022, the Austin region experienced unprecedented growth. Inflation in June 2022 reached a record high level since 1982 of 9.1%, causing the Federal Reserve increased interest rates from May 2022 into August 2023. The increase in interest rates has caused slower activity in new home sales for most market areas throughout the Austin region, and this trend will likely

improve throughout the remainder of 2024, as rates have receded in the 4<sup>th</sup> quarter of 2024, and perhaps beyond into 2025.

The housing inventory for both the South Market and the Kyle/Buda Submarket are elevated, and is due, in part, to the dramatic increase in starts. Further, the VDL inventories in both the Kyle/Buda Submarket, and the South Market Area have continually remained at undersupplied levels over the past 8 quarters, and are still notably undersupplied.

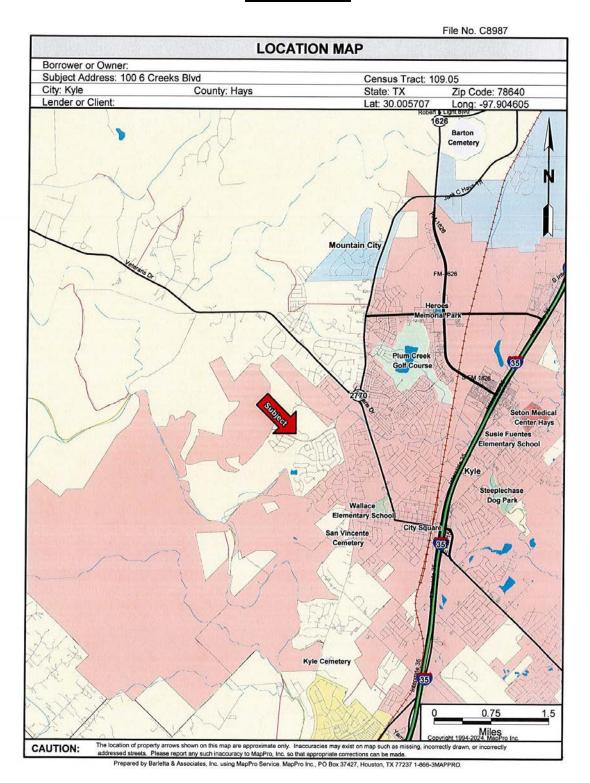
Notable recent residential developments in proximity to the subject market area include 6 Creeks, Anthem, Blanco Vista, Casetta Ranch, Crosswinds, Cypress Forest, Paramount Park, Plum Creek, Sage Hollow, Sunfield, and Porter Country, as well as proposed master-planned communities of Infinity Square and Persimmon.

**CONCLUSION**: The subject market area is in the direct path of Austin's rapid growth patterns to the south, and San Antonio's growth patterns to the north, along the I-35 corridor. The subject market area is best characterized as an emerging suburb of south Austin, in Hays County, which is in a growth stage of its life cycle. The market area is very accessible, and is comprised of mostly residential subdivisions, with supporting commercial, recreational and educational centers interspersed throughout. Notable recent residential developments in proximity to Kyle include 6 Creeks, Anthem, Blanco Vista, Casetta Ranch, Crosswinds, Cypress Forest, Paramount Park, Plum Creek, Sage Hollow, and Sunfield, Infinity Square, and Persimmon.

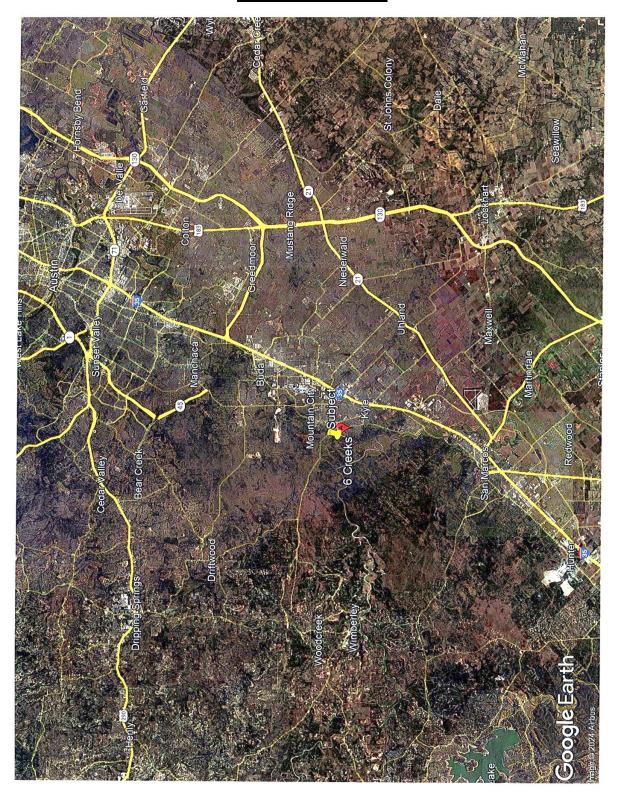
Public services and other public utilities are available in sufficient capacity to accommodate future growth. I am unaware of any adverse conditions or environmental hazards that would prohibit or restrict growth.

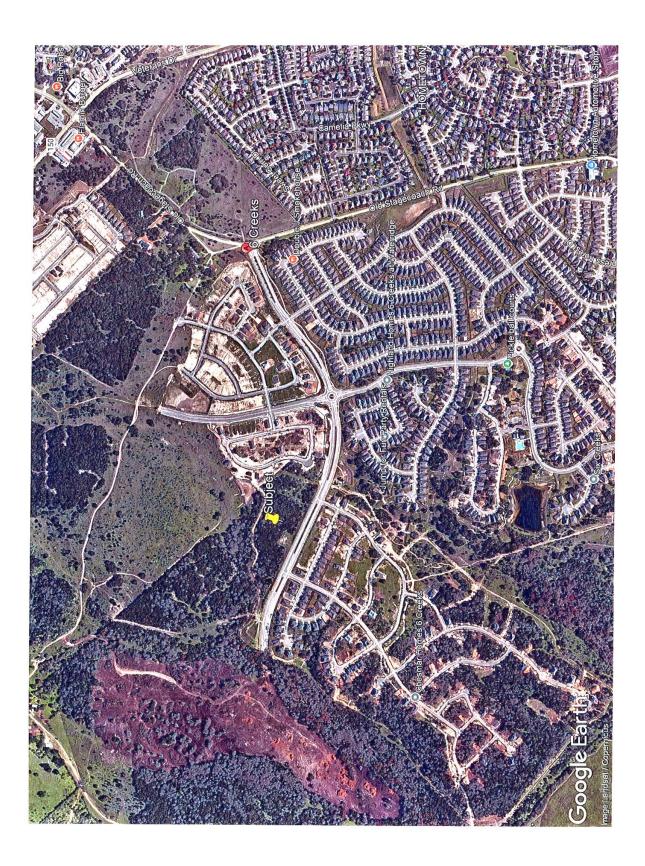
Inflation in June 2022 reached a record high level since 1982 of 9.1%, causing the Federal Reserve to rapidly increase interest rates from May 2022 into August 2023. The overall attitude and expectations of most market area participants is that of continued population growth over the foreseeable future.

# **LOCATION MAP**



# **AERIAL PHOTOGRAPH**





# ANALYSIS OF 6 CREEKS PID, AREA 5

#### 71 Under-Development Residential Lots in Phase 1, Section 11, "Upon Completion"

Type of Property: 6 Creeks Public Improvement District (PID), Area 5,

being 71 under-development residential lots, on 15.920 acres in Phase 1, Section 11, located along the north line of 6 Creeks Boulevard at Flower Basket Loop, in the ETJ of Kyle, Hays County, Texas 78640. The 71 subject lots in Phase 1, Section 11 will have typical dimensions of 45' x 120', or 5,400 SF, and are to be built-out by Highland

Homes and Perry Homes.

Mapsco Reference: Hays County – 699 F & K

Postal Address: TBD 6 Creeks Boulevard

Kyle, Texas 78640

Location: Along the north line of 6 Creeks Boulevard at Flower

Basket Loop, in Kyle, Hays County, Texas 78640.

Development Tract: 15.920 acres, platted for 71 lots

Density: 4.47 lots per acre

Subject Lot Mix Typical

6 Creeks, Ph. 1, Sec. 11: No. Description Dimensions Avg. Size
71 Under-development 45' x 120' 5,400 SF

**Utilities/Services** 

Sanitary Sewer & Water: City of Kyle

Electricity: Pedernales Electric Co-Op

Natural Gas: Center Point Energy

Cable/Telephone Service: Centric Fiber

Police Protection: Hays County Sheriff's Dept.

Fire Protection: Hays County Emergency Districts #5 & #9

School District: Hays Consolidated I.S.D.

Topography: Functionally level, and above street grade.

Zoning: None (City of Kyle ETJ).

Restrictions: I am not aware of any adverse deed restrictions on

the subject lots.

Floodplain: Zone "X," outside of the 500-year floodplain,

according to FEMA Map No. 48209C0270F, dated

9/2/2005.

Soil/Subsoils: There are no known soil or subsoil conditions, which

would adversely affect development.

Easements: I observed no easements that would adversely affect

the value or use of the subject under-development

lots.

Subject Builders: Highland Homes & Perry Homes.

New Home Price Range: \$450,000 to \$500,000

Highest & Best Use: Residential lot completion and construction of lower

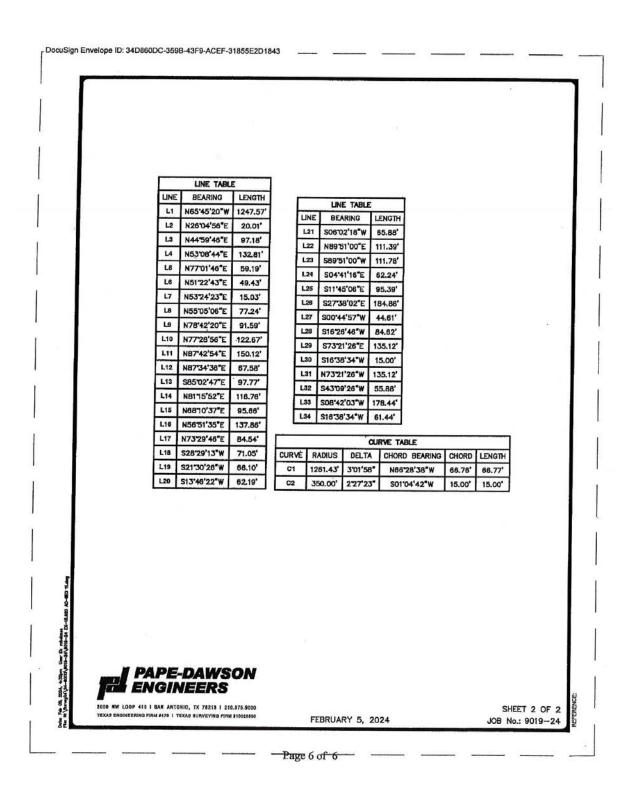
move-up homes, as economic conditions and

demand warrants.

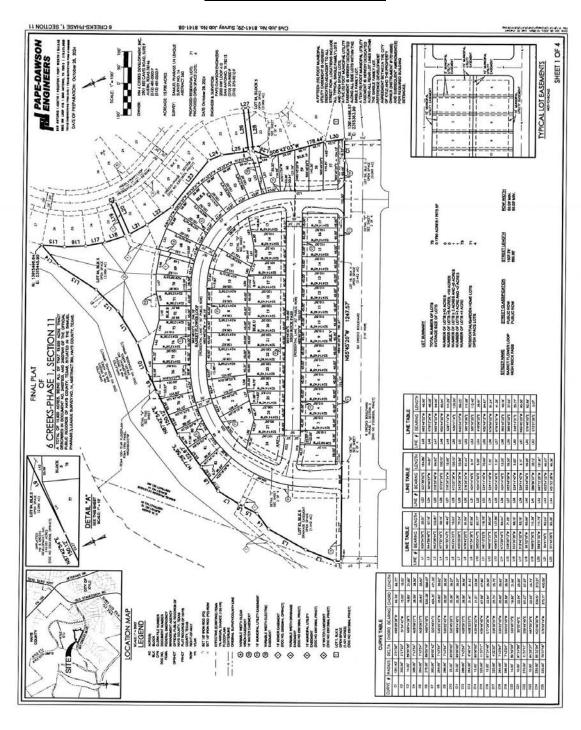
<u>Conclusion</u>: The subject 6 Creeks PID has a suburban location in the growing Kyle/Buda Market Area of Austin. The subject subdivision is an established master-planned community, and offers numerous master-planned amenities. All services and public utilities are available, and no detrimental zoning, encroachments, or restrictions were noted, which would represent an adverse influence to the subject lots for lower mid-priced production housing, as proposed.

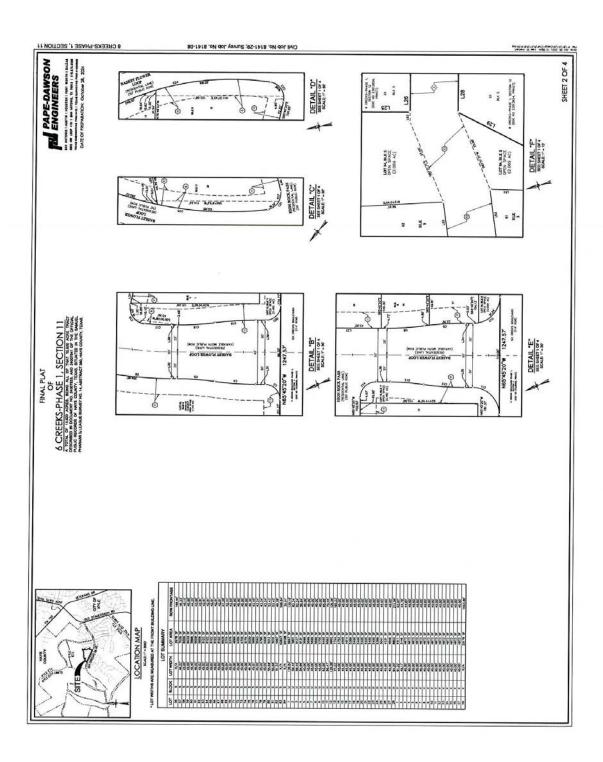
#### **SURVEY**





# PHASE 1, SECTION 11 PLAT

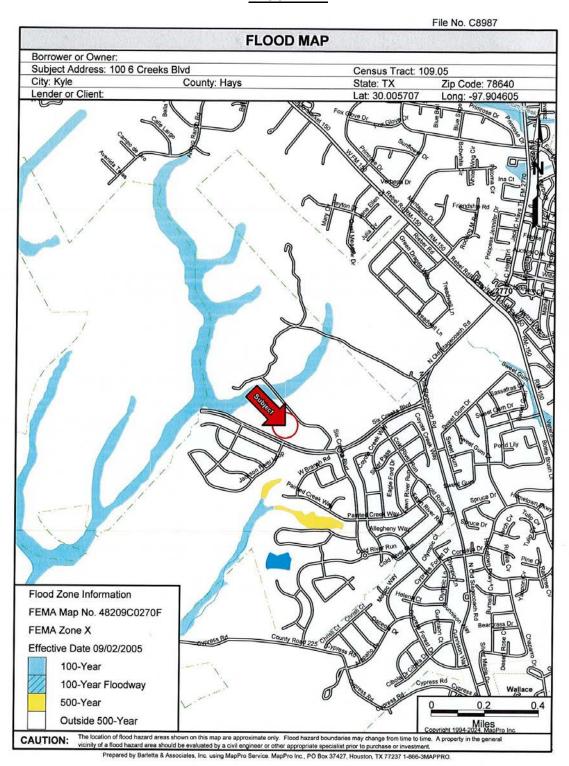




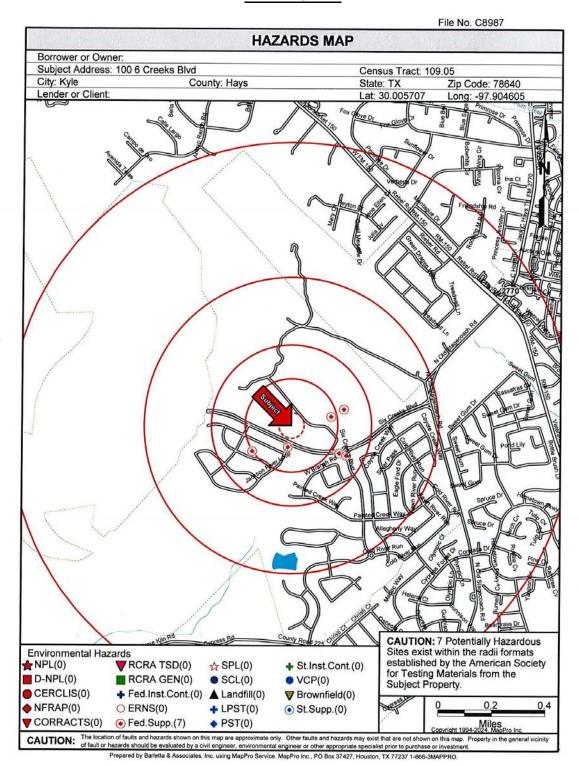
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# FLOOD MAP



# **HAZARDS MAP**



# **SUBJECT PROPERTY PHOTOGRAPHS**





The entry to 6 Creeks from Old Stagecoach Road





Northerly and southerly views of Old Stagecoach Road





Model Homes in 6 Creeks









Interior views of Phase 1, Section 11





Interior views of Phase 1, Section 11





Interior views of Phase 1, Section 11

#### **HIGHEST AND BEST USE**

The "Highest and Best Use" is defined and described as:

The reasonably probable use of property, that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. (The Dictionary of Real Estate Appraisal, Seventh Edition, 2022, page 88, Appraisal Institute).

The definition immediately above applies specifically to the highest and best use of land. It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use.

Implied within these definitions is recognition of the contribution of that specific use to community environment or to community development goals in addition wealth maximization to individual property owners. Also implied is that the determination of the highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based. In the context of most probable selling price (market value) another appropriate term to reflect highest and best use would be "most probable use." In the current context of investment value, an alternative term would be "most profitable use".

In order to reasonably determine the "highest and best use" of the subject, legally permissible uses, physically possible uses, financially feasible uses and the maximally productive use are considered.

# **LEGALLY PERMISSIBLE**

**Zoning/Restrictions**: Zoning regulations, deed restrictions, adverse easements, historical districts, building codes, and environmental regulations often limit the potential uses of a property. The subject is within the ETJ of the City of Kyle, and is not zoned. I am unaware of any adverse deed restrictions which would preclude development to the subject's highest and best use.

# **PHYSICALLY POSSIBLE**

Site size, shape, topography, location, and the availability of utilities are generally held as the most important factors in determining uses by which land may be developed. Some small sites, because of their limited size, can only reach their optimum use as part of an assemblage with adjacent tracts. Conversely, larger sites are not restricted by size, allowing for a wider range of possible uses.

The subject property consists of 6 Creeks Public Improvement District (PID), Area 5, being 71 under-development residential lots, on 15.920 acres in Phase 1, Section 11, located along the north line of 6 Creeks Boulevard at Flower Basket Loop, in the ETJ of Kyle, Hays County, Texas 78640. The 71 subject lots in Phase 1, Section 11 will have typical dimensions of 45' x 120', or 5,400 SF, and are to be built-out by Highland Homes and Perry Homes.

# FINANCIALLY FEASIBLE

Any use that produces a positive rate of return is regarded as feasible from a financial point of view. The general character of the market area and adjacent land uses also provide indications of feasible use. This data along with other market data form the basis for analysis of various alternate investment returns.

According to the <u>Zonda Austin Metrostudy</u>, 2nd Quarter 2024, the subject's South Market Area is the third most active sector of the eight market areas comprising the Austin region. For the 12 months ending with the 2nd Quarter 2024, the South Market Area had 4,579 starts and 4,462 closings, for an undersupplied vacant developed lot (VDL) inventory of 16.0 months, and a slightly elevated housing inventory of 8.6 months.

The subject 6 Creeks is within the South Market Area, and the Kyle/Buda Submarket. The Kyle/Buda Submarket accounted for 3,446 of those 4,579 starts (75.26%) and 3,217 of those 4,462 closings (72.10%), with a notably undersupplied vacant developed lot inventory of only 15.8 months, and an elevated housing inventory of 9.1 months. Typically, a 20 to 24-month lot supply is considered to be equilibrium; thus, the Kyle/Buda

Submarket is notably undersupplied at 15.8 months, as is the South Market Area at 16.0 months.

Submarket/ Market Area		1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	Annual Rates/ Inventory Supply (Mos)
Kyle/Buda	Starts	393	857	740	864	956	886	3,466
Submarket	Closings	544	436	677	783	889	868	3,217
	Housing Inv.	1,782	2,203	2,266	2,347	2,414	2,432	9.1 Mos.
	VDL Inv.	4,899	5,786	5,940	5,272	4,834	4,527	15.8 Mos.
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	VDL Inv.	7,119	7,983	7,893	7,212	6,439	6,121	16.0 Mos.

Source: Zonda Austin Metrostudy, 2nd Quarter 2024

Within the South Market Area starts in the 2nd Quarter 2024 were up 6.60% over 2nd Quarter 2023, and closings were up 51.53% over the same time period. Within the Kyle/Buda Submarket starts in the 2nd Quarter 2024 were up 3.38% over the 2nd Quarter 2023, and closings were up 99.08% over the same time period. Prior to 2022, the Austin region experienced unprecedented growth. Inflation in June 2022 reached a record high level since 1982 of 9.1%, causing the Federal Reserve to rapidly increases interest rates from May 2022 into August 2023. The increase in interest rates has caused slower activity in new home sales for most market areas throughout the Austin region, and this trend will likely improve throughout the remainder of 2024, as rates are anticipated to recede in the 4th quarter of 2024.

The housing inventory for both the South Market and the Kyle/Buda Submarket are elevated, and is due, in part, to the dramatic increase in starts. Further, the VDL inventories in both the Kyle/Buda Submarket, and the South Market Area have continually remained at undersupplied levels over the past 8 quarters, and are still notably undersupplied.

Notable recent residential developments in proximity to the subject market area include 6 Creeks, Anthem, Blanco Vista, Casetta Ranch, Crosswinds, Cypress Forest,

Paramount Park, Plum Creek, Sage Hollow, Sunfield, and Porter Country, as well as proposed master-planned communities of Infinity Square and Persimmon.

# **MAXIMALLY PRODUCTIVE HIGHEST & BEST USE CONCLUSION**

The usage that produces the highest value is the maximally productive use, which is the highest and best use for the subject site. The physically possible and financially feasible permissible use of the subject development tract strongly supports a residential use, given that the subject lots are now under-development. Thus, the maximally productive use of the subject 71 under-development Phase 1, Section 11 lots is for near-term residential lot development completion, as proposed, and as economic conditions and demand warrant.

# SALES COMPARISON APPROACH - BUILDER TAKEDOWN LOT SALES VALUATION

The Sales Comparison Approach is "The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison." (The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, 2022, p. 170).

The rationale for this approach, based on the principle of substitution, is that a probable purchaser would not be justified in paying more for an individual retail lot than the cost of acquiring a substitute property of similar utility and characteristics, as that of the typical subject lot.

Again, knowledgeable individuals active in the area, which include real estate brokers, appraisers, developers, and builders, were consulted for information that would aid in the investigation. All of the data presented was confirmed for accuracy. On the following pages are details concerning the comparable takedown lot sales that have been used for the establishment of the subject's typical or base Builder Takedown Lot Value conclusion.

# BUILDER BULK LOT SALE NUMBER ONE



Subdivision: Quad Park, Phase 3B-3A (marketed as Balboa Park at Easton

Park)

Mapsco Reference: 705-M

Location: Located along the east line of Apogge Boulevard at Skytex

Street, in South Austin, Travis County, Texas 78744.

New Home Price Range: From the \$500,000s

Lot Sales Data:

No.	Avg	Base Lot	Esc Lot	Lot	Sale
<u>Lots</u>	<u>FF</u>	<u>Price</u>	<u>Charge</u>	Price PFF	<u>Date</u>
12	45'	\$128,250	N/A	\$2,850	12/27/2023
<u>12</u>	60'	\$171,000	N/A	\$2,850	12/27/2023
2/					

Developer/Seller: Carma Easton, LLC

Builder: Newmark Homes

Financing: Cash to seller

Utilities: All available

School District: Del Valle I.S.D.

Zoning: PUD by the City of Austin

Restrictions: Typical Deed Restrictions

Floodplain: None

Recording Information: Clerk's File #2023143584

Confirmation: Lot Purchase Contract & Builder

Comments: This is the purchase of 12, 45' and 12, 60' Quad lots. Additional fees of \$7,380 per 60' lot and \$6,780 per 45' lot, or an average of \$7,080 per lot, or approximately \$135 PFF.

### **BUILDER BULK LOT SALE NUMBER TWO**



Subdivision: Quad Park, Phase 3B-3A (marketed as Balboa Park at Easton

Park)

Mapsco Reference: 705-M

Location: Located along the east line of Apogge Boulevard at Skytex

Street, in South Austin, Travis County, Texas 78744.

New Home Price Range: From the \$500,000s

Lot Sales Data:

Financing:

No.	Avg	Base Lot	Esc Lot	Lot	Sale
<u>Lots</u>	<u>FF</u>	<u>Price</u>	<b>Charge</b>	Price PFF	<u>Date</u>
10	45'	\$128,250	N/A	\$2,850	12/28/2023
<u>11</u>	60'	\$171,000	N/A	\$2,850	12/28/2023
21					

Developer/Seller: Carma Easton, LLC

Builder: Pacesetter Homes

Utilities: All available

School District: Del Valle I.S.D.

Zoning: PUD by the City of Austin

Restrictions: Typical Deed Restrictions

Floodplain: None

Recording Information: Clerk's File #2023143998

Confirmation: Lot Purchase Contract & Builder

Cash to seller

Comments: This is the purchase of 10, 45' and 11, 60' Quad lots. Additional fees of \$7,380 per 60' lot and \$6,780 per 45' lot, or an average of \$7,094 per lot, or approximately \$133 PFF.

### BUILDER BULK LOT SALE NUMBER THREE - SUBJECT PROPERTY



Subdivision: 6 Creeks, Phase 1, Section 11

Mapsco: 699 F & K

Location: Located along the north line of 6 Creeks Boulevard at Flower

Basket Loop, in Kyle, Hays County, Texas 78640.

Grantor: HM 6 Creeks Development, Inc.

Grantee: Highland Homes – Austin, LLC

SFR Price Range: \$450,000 to \$500,000+

Lot Sales Data:

Avg Base Lot Esc. Lot Esc. Lot Sale Lot **Price** Charge Price Per FF Date Lots \$192,000 3/6/2024 N/A \$101,200 \$2.249

Financing: Cash to seller

Utilities: All available

School District: Lake Travis I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: None

Confirmation: Purchase Contract & Mr. Jay Hanna with HM 6 Creeks,

Development, Inc.

Recording Information: 24007833

Comments: This is the purchase of 36 of the 71 subject lots by Highland Homes. In addition to the base price, builder fees amount to a total of \$5,376 per lot, or \$119 PFF.

### BUILDER BULK LOT SALE NUMBER FOUR - SUBJECT PROPERTY



Subdivision: 6 Creeks, Phase 1, Section 11

Mapsco: 699 F & K

Location: Located along the north line of 6 Creeks Boulevard at Flower

Basket Loop, in Kyle, Hays County, Texas 78640.

Grantor: HM 6 Creeks Development, Inc.

Grantee: PHAU – 6 Creeks (Perry Homes)

SFR Price Range: \$450,000 to \$500,000+

Lot Sales Data:

Avg Base Lot Esc. Lot Esc. Lot Sale Lot Charge **Price** Price Per FF Date \$192,000 3/6/2024 N/A \$101,200 \$2.249

Financing: Cash to seller

Utilities: All available

School District: Lake Travis I.S.D.

Zoning: None

Restrictions: Typical Deed Restrictions

Floodplain: None

Confirmation: Purchase Contract & Mr. Jay Hanna with HM 6 Creeks,

Development, Inc.

Recording Information: 24007841

Comments: This is the purchase of 35 of the 71 subject lots by Perry Homes. In addition to the base price, builder fees amount to a total of \$5,376 per lot, or \$119 PFF.

### **BUILDER LOT SALE NUMBER FIVE**



Subdivision Name: Lakeside at Tessera, Phase 4A

Mapsco Reference: 399 J & K

Location: Along the east line of Tessera Parkway at Lago

Lookout Lane, in Lago Vista, Travis County, Texas

78654.

Grantor: Hines Lake Travis Land II, LP. Middlebrook, Ltd.

Grantee: JNC Development, Inc. (Saratoga Homes)

New Home Price Range: \$475,000 to \$700,000

Sales Data:

LotPurchasePurchaseSalesNo. ofWidthPrice/LotPrice/FFDateLots45'\$125,027\$2,7783/20/20246

Financing: Cash to seller

Utilities: All available

School District: Lago Vista I.S.D.

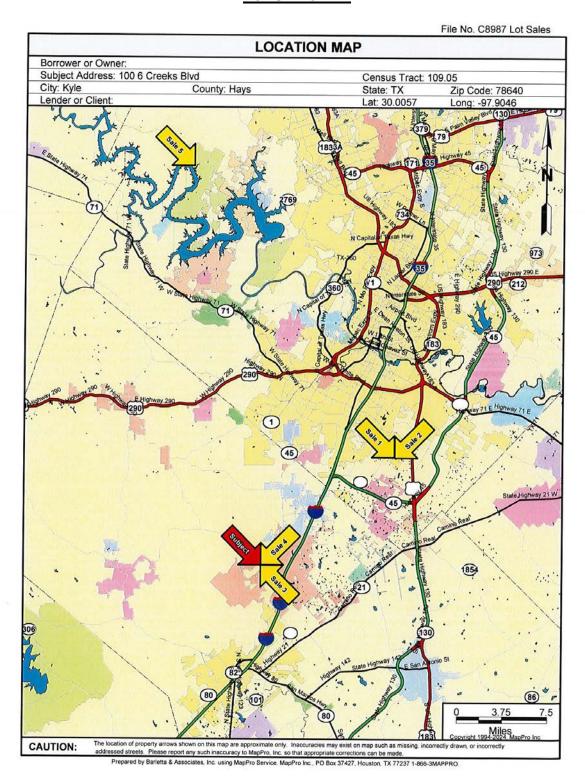
Zoning/Restrictions: PDD/Residential Deed Restrictions

Floodplain: No

Confirmation: Lot Purchase Contract, File # 2024029871

Comments: This represents the third takedown of 6 lots out of a total of 35 lots to be purchased by Saratoga Homes, along with a 6.0% annual escalator. In addition to the base purchase price, Saratoga Homes has agreed to pay builder fees of \$12,950, or \$287 PFF for amenity fees, marketing fees, gas fees, construction increase fees, and mailbox fees.

### **LOT SALES MAP**



### **BUILDER LOT SALES ANALYSES**

My analysis indicated several comparable builder bulk lot sales, as well as two pending builder lot takedowns in the subject market area. I have researched lot sales data from local home builders and lot developers, who are considered to be knowledgeable of the local residential lot market with respect to physical characteristics, overall appeal, and price range. These sales illustrated on the preceding pages are considered to be representative of the best available data for comparison to the subject lots, and are summarized on the following chart:

	BUILDER LOT SALES SUMMARY										
LOT SALE	SALE DATE	SUBDIVISION	SALE TYPE	NO. LOTS	LOT SIZE	LOT PRICE	LOT PRICE PFF				
1	4Q 2023	Quad Park, Phase 3B-3A	Bulk	12	45'	\$128,250	\$2,850				
1	4Q 2023	Quad Park, Phase 3B-3A	Bulk	12	60'	\$171,250	\$2,850				
2	4Q 2023	Quad Park, Phase 3B-3A	Bulk	10	45'	\$128,250	\$2,850				
2	4Q 2023	Quad Park, Phase 3B-3A	Bulk	11	60'	\$171,250	\$2,850				
3	1Q 2024	6 Creeks, Phase 1, Section 11	Bulk	36	45'	\$101,200	\$2,249				
4	1Q 2024	6 Creeks, Phase 1, Section 11	Bulk	36	45'	\$101,200	\$2,249				
5	1Q 2024	Lakeside at Tessera, Phase 4A	Takedown	6	45'	\$125,027	\$2,778				

The market data was first analyzed to determine the best unit of comparison, and the features inherent to a given property causing a property's sale price to vary relative to another property. Sales comparison was then used to estimate representative and reasonable measures for adjustment factors or differences between the comparable sales and subject lots. The best units of comparison for Builder Lot Sales are the total sales price per lot, or the price per front foot (PFF). Of these various units of comparison, it was determined that the price PFF was the most applicable. The categories found to be prevalent for adjustment analysis were cumulative adjustments such as Real Property Rights Conveyed, Financing (cash equivalent consideration), Conditions of Sale (motivation), and Time (sale date); and additive market related conditions adjustments such as Location, Size and Overall Property Characteristics (physical). Adjustments are made on a cumulative basis for the first four categories listed, and then on an additive basis on the remaining categories.

### **CUMULATIVE ADJUSTMENTS**

**Real Property Rights Conveyed**: The comparability of property interests must first be considered when utilizing sales for adjustment analysis. The real property rights conveyed of the sales were all found to feature fee simple interest. **Therefore, no adjustment is necessary for this category,** as it is considered that each sale adequately represents market prices and market activity in the subject area for fee simple estates.

<u>Date of Sale</u>: A time adjustment is required if changes occur in market conditions between the time of sale of a comparable property, and the effective date of the appraisal of the subject property. Under such circumstances, the price of the comparable property would be different at the date of appraisal, and an adjustment is warranted to the cash equivalent sales price for the sale to be used as a comparable.

As mentioned, the subject lots are expected to be substantially complete by December 15, 2024. Lot Sales 1, 2, 3, 4 and 5 are each adjusted at a rate of 6.0%, or 1.50% per quarter.

Conditions of Sale: This category, as well as the previous two categories, is related to motivation of the parties in the transaction to agree on the sales price at the date of sale. The conditions and reasons for a sale are factors, which can have a direct impact on the sales price. Buyers and sellers motivation for acquisition or disposition of a property can cause large differences in the actual sales price versus market value. Extraction of an appropriate adjustment for special sales conditions is generally difficult to ascertain. Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional information provided by the buyer and/or seller, which may be difficult to measure, but must be considered, analyzed, and reasonably adjusted.

Pairing of sales is typically the best method in establishing an adjustment. However, when sales are scarce and/or significant differences in the properties are evident, additional considerations must be reviewed. Such considerations typically relate to additional

information provided by the buyer and/or seller, which may be difficult to measure, but must be considered, analyzed, and reasonably adjusted. Lot Sale 5 is a typical builder lot takedown similar to the manner in which the subject lots are projected to be purchased, and is not adjusted. Lot Sales 1, 2, 3 and 4 are bulk lot transactions, and each is adjusted +5%.

### **ADDITIVE ADJUSTMENTS**

<u>Location</u>: Factors, which often have an effect on lot values, include proximity to schools, the specific school district, shopping, market area amenities, and employment centers. In addition to these elements, lots located in well-established subdivisions with higher priced homes tend to likewise command higher prices than otherwise equal lots in less desirable subdivisions. Lot Sales 3 and 4 are from within the under-development 6 Creeks, Phase 1, Section 11, and are not adjusted. Lot Sales 1 and 2 are located in far south Austin, and are considered to be superior to the subject in terms of location, due to their closer-in location, warranting -20% adjustments. Lot Sale 5 is located adjacent to Lake Travis in the Lake Travis North market area of Travis County. The new home price points are significantly greater in this locale, warranting an adjustment of -20% to Lot Sale 5 for its superior location.

<u>Size</u>: Developers and home builders are now negotiating residential lot sales on a perfront-foot (PFF) basis, and the comparables clearly support this trend. The subject lots are 45' lots, which are similar to **Lot Sales 1, 2, 3, 4 and 5, requiring no adjustments.** 

<u>Physical Characteristics</u>: Other factors, which can have an effect on lot values include drainage, shape with respect to development potential, adverse easements, cul-de-sac location, corner lots, location with respect to flood hazard areas and especially in this market area is the hillside view consideration. All of the lot sales can be described as very similar in overall physical characteristics compared to the subject lots, **thus requiring no adjustment for this category**.

### **LOT SALES ADJUSTMENT GRID**

The following Lot Sales Adjustment Grid illustrates the adjustments that were extracted and applied in the analyses of the comparable lot sales to the typical subject 45' lots, "Upon Completion."

6.0	Lot Takedown Adjustment Grid 6 Creeks, Section 11, - 45' Lots, "Upon Completion"								
0.0	JREENS, JEC	110N 11, - 43	LOIS, UPO	IN COMPLETIO	<u>N</u>				
MARKET DATA	SUBJECT	SALE 1	SALE 2	SALE 3	SALE 4	SALE 5			
Sale Price PFF	-	\$2,850	\$2,850	\$2,292	\$2,292	\$2,778			
Sales Date Adjustment	12/2024 -	4Q/2023 +6.0%	4Q/2023 +6.0%	1Q/2024 +4.50%	1Q/2024 +4.50%	1Q/2024 +4.50%			
Adjusted Sale Price PFF	-	\$3,021	\$3,021	\$2,395	\$2,395	\$2,903			
Builder Fees Adjustment	None -	\$7,080/Lot or \$135 PFF +\$135	\$7,080/Lot or \$135 PFF +\$135	\$5,376/Lot or \$119 PFF +\$119	\$5,376/Lot or \$119 PFF +\$119	\$12,950/Lot or \$287 PFF +\$287			
Adjusted Sale Price PFF	-	\$3,156	\$3,156	\$2,514	\$2,514	\$3,190			
Financing Adjustment	-	CTS 0%	CTS 0%	CTS 0%	CTS 0%	CTS 0%			
Conditions of Sale Adjustment	Typical Lot Takedown -	Bulk Sale 24 Lots +5%	Bulk Sale 24 Lots +5%	Bulk Sale 36 Lots +5%	Bulk Sale 36 Lots +5%	6 Lot Takedown 0%			
Adjusted Sale Price PFF	-	\$3,314	\$3,314	\$2,640	\$2,640	\$3,190			
Location Adjustment	6 Creeks, Section 11 -	Quad Park, Ph. 3B-3A -20%	Quad Park, Ph. 3B-3A -20%	6 Creeks, Ph. 1, Sec. 11 0%	6 Creeks, Ph. 1, Sec. 11 0%	Lakeside at Tessera -20%			
Lot Size (FF) Adjustment	45" -	45' & 60' 0%	45' & 60' 0%	45' 0%	45' 0%	45' 0%			
Physical Characteristics Adjustment	Typical -	Equal 0%	Equal 0%	Equal 0%	Equal 0%	Equal 0%			
Net Adjustment	-	-20%	-20%	0%	0%	-20%			
Indicated Sale Price PFF	-	\$2,651	\$2,651	\$2,640	\$2,640	\$2,552			
Indicated Mean Price PFF	\$2,627								
Indicated Median Price PFF	\$2,651								

BUILDER LOT VALUE CONCLUSION, 45' LOTS, "UPON COMPLETION": The lot sales used in this analysis exhibit an adjusted value range from \$2,552 PFF up to \$2,651 PFF, with a mean indication of \$2,627 PFF and a median of \$2,651 PFF. Lot Sales 3 and 4 are the recent sales of subject lots in 6 Creeks, Phase 1, Section 11, which are to be delivered in

December 2024, and are well supported by the central tendency of the range. As mentioned previously, in September 2024 the Federal Reserve cut interest rates by 50 basis points, and rates are now anticipated to recede in late 2024 or early 2025, which will likely stimulate new home sales, and in turn will create more demand for residential lots. After considering the physical characteristics of the subject lots, as well as the supply and demand for these lots in the market area; it is my opinion that the Base Lot Retail Value of a typical 45' subject lot in 6 Creeks, Phase 1, Section 11, as of December 15, 2024, is \$2,640 PFF, inclusive of any and all builder lot fees. Thus, the "Upon Completion" Retail Lot Value of a typical 45' lot, is concluded as follows:

Lot		Retail Lot		Indicated Retail
<b>Width</b>	<u> </u>	Revenue PF	<u> </u>	Lot Value
45'	Х	\$2,640	_ =	\$118,800

### SUM OF RETAIL REVENUE CONCLUSION, "UPON COMPLETION"

The 71 under-development subject lots in 6 Creeks, Phase 1, Section 11 have an "Upon Completion" sum of retail revenue computed as follows:

					Sum of	Effective
<u>No.</u>	<b>Description</b>	Lot Size	Retail Lot	<u>Value</u>	Retail Revenue	<u>Date</u>
71	Under-development	45' × 120' @	\$118,800/	Lot =	\$8,434,800	12/15/2024

### INCOME APPROACH - DISCOUNTED BULK MARKET VALUE ANALYSIS

The Bulk Market Value for the subject lots, or sold collectively to a single purchaser, is determined by discounting the net sales proceeds of the aggregate gross builder retail lot value arrived at previously. The discounting is necessary to reflect the absorption period, required yield, and related expenses incurred during the sell-out term. The following is a discussion of each of these categories and the assumptions applicable thereto:

### **ABSORPTION**

Generally, in developments such as the subject, an absorption period is required in order to promote and eventually sell-out the subject lots on an individual lot basis. To determine the rates at which the subject single-family lots will be absorbed into the market, I have analyzed the recent absorption of lots in several competing subdivisions in the vicinity of the subject subdivision.

Subdivision	Lot Size	No. Builders	Price Range (\$1,000's)	12-Month Closings	Closings Per Quarter	Closings Per Builder Per Quarter
6 Creeks/Dove Creek	50' – 70'	6	\$439-\$826	150	37.75	6.25
Anthem	50' - 60'	7	\$329 - \$600	159	39.75	5.68
Crosswinds	40' – 60'	8	\$310 - \$730	258	64.50	8.06
Plum Creek/North	35' – 55'	1	\$253 - \$505	246	61.50	61.50
Big Sky Ranch	35' – 60'	1	\$378 - \$660	156	39.00	39.00
Heritage	40' - 50'	2	\$386 - \$650	104	26.00	13.00
Turner's Crossing	40' - 50'	3	\$320 - \$600	151	37.75	12.58

Source: Zonda Austin Metrostudy, 2nd Quarter 2022

These absorption comparables indicate annual absorption of 104 lots up to 258 lots, with an average of 174.86 lots per year, or 43.71 closings per quarter, and a median of 156 lots per year. On a per-builder basis, the absorption comparables indicate a range of 5.68 lots to 61.50 lots per quarter, with an average of 20.87 lot closings per quarter, per builder, and a median of 12.58 lots per quarter, per builder.

As mentioned previously, typically, a 20 to 24-month lot supply is considered to be equilibrium; thus, the Kyle/Buda Submarket is severely undersupplied at 15.8 months, as is the South Market Area at 16.0 months.

Absorption Conclusion, 6 Creeks Phase 1, Section 11 "Upon Completion": Again, the subject 6 Creeks, Section 11 is expected to be substantially complete by December 15, 2024, and pre-marketing will begin in the interim. Herein, I have projected lot absorption at an initial rate of 14 lots per quarter, or 7 lots per builder, summarized as follows:

6 Creeks Phase 1, Section 11									
"Upon Completion" - December 15, 2024									
Quarterly Period	Quarterly Period 0 1 2 3 4 Total								
Lot Absorption	14	14	14	14	15	71			

The projected absorption amounts to 71 lots being absorbed over 4 quarterly periods, indicating actual average absorption of 17.75 lots per quarter, or approximately 8.88 lots per builder, per quarter, which is considered to be well supported by the absorption comparables.

### **INTERNAL RATE OF RETURN (IRR)**

I referenced the Developer's Survey conducted by RealtyRates.com for the 3rd Quarter 2024 (2nd quarter 2024 data).

RealtyRates.cor To	n DEVELOF exas - Sub			Quarter 2	2024*		
	Actual Rates Pro-Forma Rates						
	Min	Maz	Avg	Min	Maz	Avg	
Site-Built Residential	15.70%	34.04%	23.08%	15.07%	32.67%	22.15%	
-100 Units	15.70%	29.34%	22.07%	15.07%	28.17%	21.19%	
10 0-500 Units	16.09%	32.27%	23.22%	15.45%	30.98%	22.29%	
500+ Units	16.48%	33.74%	23.61%	15.83%	32.39%	22.66%	
Mixed Use	16.88%	34.04%	23.42%	16.20%	32.67%	22.48%	
Manufactured Housing	16.18%	37.13%	24.73%	15.54%	35.64%	23.74%	
-100 Units	16.18%	32.29%	23.75%	15.54%	31.00%	22.80%	
10 0-500 Units	16.59%	35.52%	25.01%	15.92%	34.09%	24.01%	
500+ Units	16.99%	37.13%	25.44%	16.31%	35.64%	24.42%	
Business Parks	16.14%	34.56%	23.55%	15.50%	33.17%	22.61%	
-100 Acres	16.14%	30.05%	22.63%	15.50%	28.85%	21.73%	
10 0-500 Acres	16.55%	33.05%	23.81%	15.89%	31.73%	22.86%	
500+ Acres	16.95%	34.56%	24.21%	16.27%	33.17%	23.24%	
Industrial Parks	16.23%	30.01%	21.54%	15.58%	28.81%	20.68%	
-100 Acres	16.23%	26.10%	20.74%	15.58%	25.05%	19.91%	
10 0-500 Acres	16.64%	28.71%	21.76%	15.97%	27.56%	20.89%	
500+ Acres	17.04%	30.01%	22.12%	16.36%	28.81%	21.23%	

<sup>\*2</sup>nd Quarter 2024 Data

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As indicated within the RealtyRates.com survey, developers and builders reported modeling proforma internal rates of return ranging from 15.07% to 28.17%, with an average of 21.19 for site-built residential developments of 100 units or less. These same developers and builders reported actual internal rates of return ranging from 15.70% to 29.34%, with an average of 22.07%.

Based on the availability of alternative investment yields, and considering the relative risk of the subject residential development investment in the Greater Austin region, it is the appraiser's opinion that an overall **IRR of 17.0%** is most appropriate for subject lot cash

flow, inclusive of profit, and given the lot quantity of 71 lots over only a 4-quarter sell-out period.

On the following pages are the discounted cash flow (DCF) analyses builder retail sellout of the subject lots, along with a discussion of the various absorption, carrying expenses, and yield assumptions to discount the cash flow builder retail sell-out of the subject 71, Phase 1, Section 11 under-development lots, "Upon Completion."

### **DISCOUNTED CASH FLOW ASSUMPTIONS**

<u>Sum of Retail Revenue</u>: The 71 under-development subject lots in 6 Creeks, Phase 1, Section 11 have an "Upon Completion" sum of retail revenue computed as follows:

No. Description Lot Size Retail Lot Value Retail Revenue Date 12/15/2024  $45^{\circ} \times 120^{\circ}$  3118,800 Lot 912,120 Lo

<u>Absorption Period</u>: The absorption period projected for the subject lots' sell-out is based on the vacant lot inventory and absorption projections, as detailed in the prior section of this appraisal.

<u>Growths</u>: The retail lot values have been escalated over the projected sell-out at **1.50%** per quarter, or **6.0%** per year, which is well supported by current trends in the Kyle/Buda market area, whereby builders have agreed to annual escalators ranging from 6.0% to 9.0%.

<u>Beginning Lot Inventory</u>: The Beginning Lot Inventory is the total number of lots in inventory on the first day of each quarterly period.

**Lot Sales Per Period**: The Lots Sales per Period is the total number of lots sold or absorbed during each quarterly period.

**Ending Lot Inventory**: The Ending Inventory is the total number of lots in inventory on the last day of each quarterly period.

**Average Lots Held Per Period**: The Average Lots Held per Period is the average of Beginning Lot Inventory and Ending Lot Inventory.

**Starting Inventory (Dollars)**: The Starting Inventory is expressed in terms of dollars by multiplying the Average Lot Value by the Beginning Lot Inventory, and is a carry-over of the Ending Inventory balance.

<u>Average Inventory Held (Dollars)</u>: The Average Inventory Held in Dollars is the average of the Starting Inventory (dollars) and the Ending Inventory (dollars).

**Ending Inventory (Dollars)**: The Ending Inventory is expressed in terms of dollars by subtracting the periodic Sales (dollars) from the Starting Lot Inventory (dollars).

<u>Periodic Sales Income</u>: The total Quarterly Sales are the revenue generated during the period, before sales expense deductions.

### **SALES EXPENSES**

<u>Marketing/Closing Costs</u>: Herein, I have projected broker commissions at 3.0% of periodic sales. The closing costs and marketing costs of the subject lots were estimated at 2.0% of the periodic sales, for a total of **5.0%** for marketing and closing costs.

<u>Taxes</u>: The subject lots are under-development, and are not yet assessed. HCAD typically discounts lots held in bulk, between 50% to 75% of retail value. Herein, I have projected taxes at a rate of 65% of the average retail value (\$118,800 x 0.65 = \$77,220) for a projected average assessed value of \$77,220 per lot. The tax expense is based on the projected average assessed value per lot, multiplied by the tax rate per \$100, and divided by four to reflect quarterly taxes. The tax rate for the subject lots is based on the 2024 total tax rate of \$2.766250 per \$100, of assessed value, which is rounded to \$2.77 per \$100.

<u>Administrative Expense</u>: This category reflects incidental expenses including bank charges, accounting and legal fees, office expenses, etc., which are typically incurred by the developer throughout the holding period. These expenses are typically relatively minor; thus, I have projected this expense at **0.5% of quarterly lot sales revenue**.

<u>Maintenance</u>: The subject lots will be part of 6 Creeks Homeowners Association. The HOA dues to the developer for vacant lots are estimated at \$200 per lot per year or **\$50** per lot per quarterly period.

### DISCOUNTED CASH FLOW ANALYSIS

See the following page for the discounted cash flow (DCF) analyses builder retail sell-out of the 71 under-development lots in 6 Creeks PID Area 5, Phase 1, Section 11, "Upon Completion."

# 6 CREEKS, PHASE 1, SECTION 11 71 Lots, "Upon Completion" – December 15, 2024

# 6 CREEKS PID AREA 5, PHASE 1, SECTION 11 - 71 LOTS "UPON COMPLETION" DISCOUNTED SELL-OUT CASH FLOW ANALYSIS

TOTAL NO. OF LOTS: GROSS RETAIL REVENUE: ABSORPTION PERIOD: INTERNAL RATE OF RETURN: ASSESSED VALUE PER LOT: EFFECTIVE TAX RATE/\$100: MAINTENANCE (LOT/QUARTER): BUILDER FEES PER LOT:	71 \$8,434,800 4 QUARTERS 17.0% \$77,220 \$2.77 \$50 \$0	\$77,220 \$2.77 \$50 \$0	\$77,220 \$2.77 \$50 \$0	\$77,220 \$2.77 \$50 \$0	\$77,220 \$2.77 \$50 \$0
QUARTERLY PERIOD:	ZERO	ONE	TWO	THREE	FOUR
STARTING INVENTORY:		57.0	43.0	29.0	15.0
LOT SALES/PERIOD:	14.0	14.0	14.0	14.0	15.0
ENDING INVENTORY:	57.0	43.0	29.0	15.0	0.0
AVG. LOTS HELD/PERIOD:	64.0	50.0	36.0	22.0	7.5
SALES APPRECIATION:	0.00%	1.50%	1.50%	1.50%	1.50%
STARTING INVENTORY:	\$8,434,800	\$6,873,174	\$5,262,801	\$3,602,571	\$1,891,350
AVG. LOT VALUE:	\$118,800	\$120,582	\$122,391	\$124,227	\$126,090
AVG. INVENTORY HELD:	\$7,603,200	\$6,029,100	\$4,406,066	\$2,732,985	\$945,675
ENDING INVENTORY:	\$6,771,600	\$5,185,026	\$3,549,331	\$1,863,399	\$0
QUARTERLY SALES:	\$1,663,200	\$1,688,148	\$1,713,470	\$1,739,172	\$1,891,350
BUILDER FEES:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUES:	\$1,663,200	\$1,688,148	\$1,713,470	\$1,739,172	\$1,891,350
LESS EXPENSES:					
a) MKTING/CLOSING (5.0%):	\$83,160	\$84,407	\$85,674	\$86,959	\$94,567
b) TAXES/AVG. INV HELD.:	\$0	\$26,737	\$19,251	\$11,764	\$4,011
c) ADMINISTRATIVE (0.5%):	\$8,316	\$8,441	\$8,567	\$8,696	\$9,457
d) MAINTENANCE:	\$0 	\$2,500 	\$1,800 	\$1,100 	\$375 
TOTAL EXPENSES:	\$91,476	\$122,086	\$115,292	\$108,519	\$108,410
NET SALES INCOME:	\$1,571,724	\$1,566,062	\$1,598,178	\$1,630,653	\$1,782,940
QUARTERLY IRR					
AT 17.0%:	1.00	0.959233	0.920127	0.882616	0.846634
DISCOUNTED SALES: TOTAL NPV OF SALES	\$1,571,724	\$1,502,218	\$1,470,527	\$1,439,241	\$1,509,498
"UPON COMPLETION":	\$7,493,208				
ROUNDED TO:	\$7,500,000				
VALUE PER LOT:	\$105,634				
	<del></del>				

### **DISCOUNTED CASH FLOW MARKET VALUE CONCLUSIONS**

After applying an IRR of 17.0%, inclusive of profit, to the 71 under-development subject lots' prospective cash flow sell-out, it is the opinion of the appraiser that the "**Upon Completion**" **Bulk Market Value** of the subject lots to a single purchaser, via the Income Approach, are as follows:

Description	No.	Bulk	Prospective
	Lots	Market Value	Date
6 Creeks PID Area 5, Phase 1, Section 11	71	\$7,500,000	12/15/2024

When estimating the value of multiple lots or parcels of land "In Bulk" or collectively to a single purchaser, individual builder retail lot market values are typically totaled, and a discounted cash flow is then applied to reflect factors such as yield, risk, and expenses which must be incurred by the owner throughout the holding period or sell-out term for the multiple retail properties. The preceding discounted cash flow model is deemed to be the most reliable technique in concluding my opinion of the Market Value for the subject lots "In Bulk" or collectively to a single purchaser.

The indicated "Upon Completion" Bulk Market Value of the 71 subject under-development lots computes to a total of \$7,500,000, or an average of \$105,634 per lot. This net present value conclusion represents a discount of approximately 11.08% in comparison to the previously estimated sum of retail revenue of \$8,434,800, or an average of \$118,800 per lot.

The resulting bulk purchase discount is considered to be reasonable, particularly when considering that purchasing the subject lots "In Bulk" will involve an assumption of a certain amount of risk and known carrying costs.

### RECONCILIATION AND FINAL MARKET VALUE CONCLUSIONS

The Sales Comparison Approach was used to conclude the "Upon Completion" retail revenues of the subject residential lots. An Income Approach retail sell-out technique was then employed to derive the indicated "Upon Completion" Bulk Market Value of the subject 71 under-development lots in 6 Creeks, Phase 1, Section 11. The cumulative builder retail revenue of the subject lots was discounted for the projected absorption period. A discounted cash flow analysis was used to present value the projected income stream of the subject under-development lots over the projected absorption period. The Income Approach procedure is generally considered to be the most valid method of estimating the bulk value of multiple builder retail lots to one individual buyer, especially if the parcels/lots involve a holding period or sell-out term and carrying costs.

While considered, the Cost Approach was not developed. Further, at the request of the client, the "As Is" Market Value of the subject under-development lots was not valued herein. The absence of the Cost Approach does not affect the credibility of the Market Value conclusion in this appraisal.

### FINAL MARKET VALUE CONCLUSION

Description	No.	Bulk	Prospective
	Lots	Market Value	Date
6 Creeks PID Area 5, Phase 1, Section 11	71	\$7,500,000	12/15/2024

### **Extraordinary Assumptions:**

1.) The subject property is under-development as a residential subdivision, with a prospective completion date. In this appraisal report, I have projected the market conditions at the prospective time of completion that would be anticipated by typical market participants. In a similar fashion, I projected the retail valuation of the individual subject lots, absorption period and holding costs, based on projected conditions that are anticipated by typical market participants. Further, unknown circumstances may change the anticipated date of completion to another date, which may have market conditions that are different from those which are expected on the anticipated date of completion that is reflected in this report. Because actual future market conditions may deviate from those which are anticipated by typical market participants, this appraisal is subject to a review of market conditions and current sale data that will be available on the prospective or actual date of completion.

- 2.) This appraisal is subject to the under-development improvements being completed in a timely and professional workmanlike manner and that the under-development improvements do not deviate significantly from those described herein.
- 3.) The valuation of the subject improvements "Upon Completion" requires a valuation of the subject improvements as of a prospective date, when they are projected to be physically complete based upon the plans and specifications provided. Developing this opinion of value requires the use of an extraordinary assumption because the subject in the prospective value opinion is as it exists as of a future date when physically complete. Therefore, I have relied upon information and specifications for the under-development improvements provided by the subject developing party. Should these representations be amended, or prove to be inaccurate, the value conclusions are subject to revision.
- 4.) This appraisal assumes that the developer's marketing plan is for new homes with a price-point range of \$450,000 up to \$500,000, by Highland Homes and Perry Homes, or comparable production home builders.
- 5.) A deviation from any of the extraordinary assumptions stated above might have an effect on the Market Value conclusions contained herein.

### **MARKETING AND EXPOSURE PERIODS**

A marketing period is not a fact which can be found, but is an estimate which is dependent on supply/demand market conditions, availability of financing, competent marketing and negotiating efforts, and perhaps most important, the appropriate asking price. My estimate of the projected marketing period assumes market conditions are similar to those, which currently exist, as of the effective date of this appraisal. It also assumes reasonable financing can be obtained and that the property is aggressively marketed.

According to participants in the regional and local residential land market and others who have experience handling and marketing of such properties in the subject area, marketing times for properties such as the subject have been decreasing in recent years. Based upon my market analysis, I have estimated a prospective marketing period for the "upon completion" residential lots to be within 3 months. The subject property should market well at the reasonable and competitive concluded Market Values. As a result, I further estimate a historic exposure period of approximately 3 months or less for the subject lots, based upon the market data presented herein and the reported exposure times of the comparable sales.

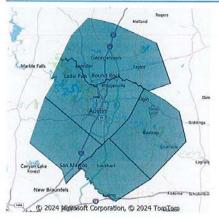
# **A**DDENDA

# **AUSTIN AREA ANALYSIS**

# Quarterly Housing Report

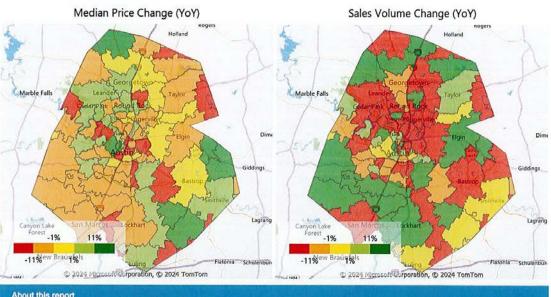
### **AUSTIN ROUND ROCK SAN MARCOS** MSA

Third Quarter 2024



### **Executive Summary**

- Metro area sales volume decreased 3.7% to 7,798 transactions. Median price decreased 3.8% year-over-year to \$437,925.
- 2024 Q3 months inventory for all residential properties rose 16.4% year-over-year to 4.6 months.
- Metro area residential property listings increased 15% year-over-year to 11,679 active listings.
- Single-family new construction median price decreased by 10.2% year-over-year to \$400,000.
- Single-family rental average rent decreased by 2.1% year-over-year to \$2,300.



### About this report

Data used in this report come from the Texas REALTOR® Data Relevance Project, a partnership among the Texas REALTOR® and local REALTOR® associations throughout the state. Analysis is provided through a research agreement with the Texas Real Estate Research Center at Texas A&M University.

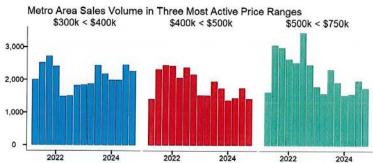


Texas Real Estate Research Center

### **Key Market Metrics**



Median price in the Austin-Round Rock-San Marcos metro decreased by approximately 3.8% year-over-year, from \$455,000 to \$437,925. Metro area price exceeded the statewide median price of \$340,000 by \$97,925.



2024 Q3 total sales volume decreased by approximately 3.7% year-over-year, from 8,093 to 7,798. Sales of homes between \$300k and \$400k rose from 2,178 to 2,254, while homes between \$500k and \$750k dipped from 1,927 to 1,754, and homes between \$400k and \$500k dipped from 1,736 to 1,419.



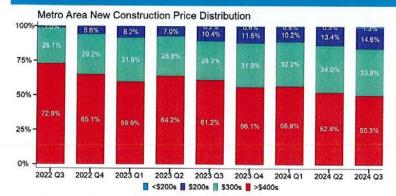
Metro area months inventory increased year-over-year from 3.99 to 4.64 months. Homes between \$300k and \$400k rose year-over-year, from 3.3 to 3.55 months, while homes between \$500k and \$750k rose year-over-year, from 3.86 to 5.11 months and homes between \$400k and \$500k rose year-over-year, from 3.65 to 4.63 months.



Average days to sell throughout the metro area increased from 99 to 100 days, an increase of 1% year-over-year. Average days to sell for homes between \$300k and \$400k remained stagnant compared with the same quarter last year.

TEXAS ARM UNIVERSITY
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### **Single-Family New Construction**



Homes in the \$400s and above range fell to 50.3% of single-family new construction sales through the MLS. The second most active price range was homes in the \$300s, which grew from 28.2% to 33.8% year-over-year.



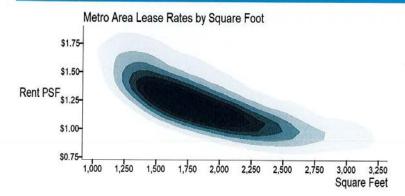
In the latest quarter, the average price was \$491,834 for new homes sold through the MLS, a decrease over last year's figure of \$546,124. Average price for existing homes was \$619,671, an increase over last year's figure of \$616,773.

### Top Five Most Active Zip Codes

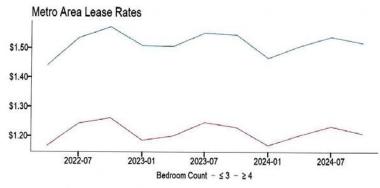
Median Price	YoY%	Median Price PSF	YoY%	Median Square Feet
\$312,000	-8.2%	\$179.34	-6.2%	1,747
\$327,740	-9.0%	\$178.56	-6.8%	1,853
\$520,000	4.0%	\$218.31	0.0%	2,480
\$495,955	2.2%	\$212.79	-3.5%	2,441
\$280,000	-6.0%	\$156.21	-5.6%	1,874



# Single-Family Rentals



Average rent per square foot for single-family properties was \$1.39, a decrease compared with last year's rental rate of \$1.42. The average home size was 1,956 square feet.



Average rent per square foot for three-bedroom single-family properties was \$1.52, a decrease compared with last year's rental rate of \$1.54. For four-bedroom single-family homes, the rental rate per square foot was \$1.21, a decrease compared with last year's rental rate of \$1.23.

### Rental Metrics by Bedroom Count

Bedroom Count	Average Monthly Rent	Average Monthly Rent	Average Square Feet	Distribution
Three or less	\$2,349	\$1.52	1,624	58.5%
Four or more	\$2,924	\$1.21	2,424	41.5%
Overall	\$2,588	\$1.39	1,956	100%



### **Housing Metrics by County**

### **Bastrop County**

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Yea Built
\$0 < \$70k	1	100%	0%	-		-		0	0.0		***
\$70k < \$100k	0	-100%	0%			12		1	12.0	120	
\$100k < \$150k	2	-33%	1%			•••	***	4	6.0		
\$150k < \$200k	11	38%	3%	\$168,000	1%	\$153.06	-11%	4	1.6	1,000	1983
\$200k < \$250k	14	-30%	4%	\$227,490	-2%	\$169.69	-9%	23	3.3	1,293	2011
\$250k < \$300k	55	-26%	16%	\$285,000	2%	\$196.47	0%	74	3.6	1,409	2014
\$300k < \$400k	151	3%	43%	\$339,945	-1%	\$189.74	-5%	255	5.5	1,765	2024
\$400k < \$500k	48	-28%	14%	\$441,965	0%	\$216.87	1%	155	8.5	2,083	2023
\$500k < \$750k	52	4%	15%	\$566,640	-5%	\$229.64	-3%	144	8.3	2,472	2021
\$750k < \$1M	12	-33%	3%	\$783,500	-1%	\$274.87	22%	43	14.3	3,090	2000
\$1M+	2	0%	1%		***			34	45.3		***

<sup>\*\*\*</sup> Not displayed when fewer than five sales

### Caldwell County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Year Built
\$0 < \$70k	1	100%	1%	-			-	0	0.0		•••
\$70k < \$100k	0	-100%	0%		- 42			1	4.0	2	
\$100k < \$150k	0	0%	0%		-			3	4.0		
\$150k < \$200k	14	180%	8%	\$184,900	9%	\$135.29	-38%	6	2.1	1,344	2023
\$200k < \$250k	32	45%	19%	\$224,990	-3%	\$170.83	3%	14	1.7	1,360	2024
\$250k < \$300k	40	25%	24%	\$272,884	-2%	\$192.71	-2%	39	2.8	1,411	2024
\$300k < \$400k	59	37%	36%	\$333,500	3%	\$172.83	-7%	65	3.1	1,961	2024
\$400k < \$500k	9	29%	5%	\$460,000	5%	\$176.38	-20%	19	4.9	2,608	2003
\$500k < \$750k	8	0%	5%	\$565,000	-1%	\$340.05	18%	19	8.4	1,835	1997
\$750k < \$1M	2	100%	1%		***			15	25.7		
\$1M+	1	100%	1%		***			4	6.0	***	

<sup>\*\*\*</sup> Not displayed when fewer than five sales

### **Hays County**

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Yea Built
\$0 < \$70k	0	0%	0%					0	0.0		
\$70k < \$100k	0	-100%	0%			4.5		0	0.0		- 2
\$100k < \$150k	4	300%	0%		***		•••	3	4.5	-	
\$150k < \$200k	11	57%	1%	\$169,500	-1%	\$152.34	2%	14	4.1	1,108	1997
\$200k < \$250k	90	173%	7%	\$227,500	-1%	\$171.50	-5%	40	2.4	1,360	2024
\$250k < \$300k	179	57%	13%	\$284,661	0%	\$183.18	-6%	182	3.7	1,527	2023
\$300k < \$400k	467	6%	35%	\$339,000	-2%	\$185.35	-3%	581	3.8	1,853	2024
\$400k < \$500k	211	9%	16%	\$443,000	0%	\$200.60	-2%	318	5.0	2,196	2024
\$500k < \$750k	212	-7%	16%	\$585,000	0%	\$235.40	1%	376	5.7	2,602	2020
\$750k < \$1M	90	1%	7%	\$857,500	0%	\$283.35	3%	174	6.1	3,068	2015
\$1M+	67	20%	5%	\$1,325,000	0%	\$359.25	-3%	181	9.6	3,797	2015

<sup>\*\*\*</sup> Not displayed when fewer than five sales



# **Housing Metrics by County**

### **Travis County**

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Yea Built
\$0 < \$70k	1	0%	0%	-		•••	•••	1	4.0	-	
\$70k < \$100k	0	0%	0%		3.0		*	1	12.0		140
\$100k < \$150k	9	200%	0%	\$133,000	6%	\$128.56	-2%	7	3.8	1,089	1979
\$150k < \$200k	41	86%	1%	\$183,500	1%	\$279.79	20%	47	4.8	651	1983
\$200k < \$250k	71	-3%	2%	\$230,000	0%	\$299.85	0%	105	5.1	782	1984
\$250k < \$300k	175	5%	5%	\$280,000	2%	\$227.59	-11%	214	3.9	1,239	2002
\$300k < \$400k	716	5%	21%	\$351,000	-1%	\$225.14	-5%	863	3.9	1,533	2007
\$400k < \$500k	592	-23%	18%	\$443,500	0%	\$237.62	-1%	995	4.8	1,886	2010
\$500k < \$750k	854	-14%	25%	\$600,001	0%	\$287.94	0%	1,357	4.9	2,080	2005
\$750k < \$1M	382	-20%	11%	\$840,000	-1%	\$323.37	-3%	667	5.2	2,546	2004
\$1M+	513	-6%	15%	\$1,450,000	4%	\$471,72	-2%	1,306	8.0	3,354	2006

<sup>\*\*\*</sup> Not displayed when fewer than five sales

### Williamson County

Price Cohort	Closed Sales	YoY%	% Sales	Median Price	YoY%	Median Price PSF	YoY%	Active Listings	Months Inventory	Median Square Feet	Median Yea Built
\$0 < \$70k	0	0%	0%	100	15		• 5	0	0.0		
\$70k < \$100k	1	100%	0%	-			***	1	6.0		
\$100k < \$150k	3	-25%	0%	***		***	***	1	0.9		
\$150k < \$200k	34	240%	1%	\$185,000	4%	\$139.70	-18%	10	1.7	1,200	2024
\$200k < \$250k	82	100%	3%	\$225,000	-4%	\$161.36	-3%	46	2.1	1,411	2024
\$250k < \$300k	154	11%	6%	\$282,995	1%	\$189.46	-2%	173	3.2	1,473	2017
\$300k < \$400k	861	0%	33%	\$354,695	0%	\$203.67	-4%	808	2.9	1,724	2015
\$400k < \$500k	559	-20%	22%	\$441,970	0%	\$205.31	0%	821	4.0	2,168	2018
\$500k < \$750k	628	-4%	24%	\$592,600	1%	\$219.49	-2%	1,013	5.0	2,706	2017
\$750k < \$1M	201	7%	8%	\$840,000	2%	\$246.27	-1%	305	5.0	3,399	2016
\$1M+	70	-27%	3%	\$1,187,500	-5%	\$292.10	-11%	147	6.9	4.241	2017

<sup>\*\*\*</sup> Not displayed when fewer than five sales



# QUALIFICATIONS OF THE APPRAISER

### QUALIFICATIONS OF PHILLIP F. BARLETTA, MAI, SRA

### **PROFESSIONAL AFFILIATIONS**

Member Appraisal Institute, MAI Number:

7644

Texas State Certified General Real Estate Appraiser Certificate Number: Date of Expiration:

TX-1320197-G 03/31/2025

Texas Real Estate Broker, License Number:

0235500

Mr. Barletta is a designated Realtor Member of the Houston Association of Realtors and the Texas Association of Realtors. He has served as a member on the Appraisal Institute's Houston Chapter Number 33 Admissions Committee and Candidate's Guidance Committee. He has also been elected to the Houston Chapter Number 33 Board of Directors for Years 2000, 2001 and 2002, and served on the Officer's Nominating Committee for 2003, 2004, 2011, 2014, 2017 and 2019. In 2020, he was again elected to the Houston Chapter Board of Directors in 2020 for 2021.

### **EDUCATIONAL BACKGROUND**

Mr. Barletta graduated from Sam Houston State University in Huntsville, Texas on May 21, 1977. He received a Bachelor of Business Administration degree with primary emphasis on finance, management, and real estate related courses. In addition he has successfully passed the following Appraisal Institute Courses and attended the following Seminars:

Basic Appraisal Principles, Methods and Techniques (1979) Single-Family Residential Appraisal (1979) Course 1-A: Course 8: 2) Course 1B-A: Capitalization Theory and Techniques, Part A (1984) Course 1B-B: Capitalization Theory and Techniques, Part B (1985) Course 2-1: Case Studies and Real Estate Valuation (1985) 5) 6) 7) 8) Course 2-2: Valuation Analysis and Report Writing (1985) Course 2-3: Standards of Professional Practice (1985) Seminar: Subdivision Analysis, by A.I.R.E.A., Houston, TX (1986) R41-b and the Appraiser, by S.R.E.A., Dallas, TX (1987) Seminar 10) Course 1B-B: Audited Capitalization, Part B (1987) 11) Seminar: FNMA Underwriting Guidelines, by S.R.E.A., Houston, TX (1987) 12) 13) 14) 15) Seminar: FNMA Appraisal Guidelines & Condo/PUD Acceptance (2 days), by S.R.E.A., Houston, TX (1988) FNMA Appraisal Guidelines a Corticor of Aceptanics (2 days), by 3.13.2.3., Housen, TX (FNMA Appraisal Guidelines, by S.R.E.A., Houston, TX (1989)
Standards of Professional Practice Update by A.I.R.E.A., Houston, TX (1989)
Comprehensive Appraisal Workshop by Ted Whitmer, MAI, Houston, TX (Jan. 15-18, 1990)
Affordable Housing Disposition Program by RTC, Houston, TX (Sept. 21, 1990) Seminar Seminar: Seminar: 16) 17) Seminar Appraising Troubled Income Properties by A.I.R.E.A., Houston, TX (Oct. 25, 1990) Discounted Cash Flow Analysis by A.I.R.E.A., Houston, TX (Nov. 16, 1990) Seminar: 18) Seminar Seminar: FNMA Underwriting Guidelines by Appraisal Institute, Houston, TX (July 19, 1991) 20) Valuation of Leased Fees by Appraisal Institute, Houston, TX (July 20, 1991)
Standards of Professional Practice - Parts A & B by Appraisal Institute, Houston, TX (March 26-29, 1992) Seminar: Course: Americans with Disabilities Act (ADA) Seminar by Appliaisal Institute, Houston, TX (Nov. 4, 1992)
ARGUS Version 3.0 Training Seminar by ARGUS Financial Software, Houston, TX (Nov. 12, 1993) 22) 23) 24) 25) 26) Seminar Seminar: Seminar: The New URAR Report, by Appraisal Institute, Houston, TX (Feb. 17, 1994) The New URAR Report, by Appraisal Institute, Houston, TX (Feb. 17, 1994)
Fair Lending and the Appraiser, by Appraisal Institute, Houston, TX (April 8, 1994)
Understanding Limited Appraisals & Reporting Options - General, Houston, TX (July 7, 1994)
How to Appraise FHA Insured Property, by H.U.D., Houston, TX (Dec. 1, 1994)
Real Estate Evaluations & The Appraisal Industry, by Appraisal Institute, Houston, TX (April 20, 1995)
Appraisal Practices for Litigation, by Appraisal Institute, Houston, TX (May 19-20, 1995)
The High-Tech Appraisal Office, by Appraisal Institute, Kansas City, MO (6/45/196) Seminar: Seminar: 27) Seminar: 28) Seminar: 29) Seminar: Seminar: 31) Seminar: The Internet and Appraising, by Appraisal Institute, Kansas City, MO (6/15//96) Litigation Skills for the Appraiser. An Overview, by Appraisal Institute, Houston, TX (10/25/96)
Understanding Limited Appraisals & Appraisal Reporting Options, by Appraisal Institute, Houston, TX (June 12, 32) Seminar: Seminar: 34) Seminar: Affordable Housing Valuation, by Appraisal Institute, Houston, TX (June 13, 1997) 35) Course 430: Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (Dec. 4-5, 1997) 36) Seminar: R4580 Fannie Mae Seminar, by Appraisal Institute, Houston, TX (July 17, 1998) Seminar: The Appraisal of Local Retail Properties, by Appraisal Institute, Houston, TX (September 28, 1998)

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38) Seminar:
                              Attacking & Defending an Appraisal in Litigation, by Ted Whitmer, MAI, CCIM, Houston, Texas (April 15-16,
        Seminar:
                              Fannie Mae - Mortgage Lending, by Appraisal Institute, Houston, TX (November 10, 1999)
 40)
        Seminar:
                              10th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (March 24,
                              2000)
                             Subdivision Analysis, by Appraisal Institute, Houston, TX (June 20, 2000)
HUD Multifamily Accelerated Processing (MAP), by HUD, Fort Worth, TX (September 27, 2000)
U.S.P.A.P. 2001 Update, by Appraisal Institute, Houston, TX (February 17, 2001)
 41)
        Seminar:
 42)
        Seminar:
 43)
        Seminar
 44)
                              11th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 4,
                              2001)
 45)
        Seminar
                              2002 Commercial Real Estate Forecast, by CCIM, Houston, TX (February 14, 2002)
                              Texas USPAP Update, by Appraisal Institute, Houston, TX (March 23, 2002)

12th Annual Outlook for Texas Rural Land Markets, by Texas A&M University, College Station, TX (May 3,
 46)
        Seminar
        Seminar:
 47)
 48)
        Course 430:
                              Standards of Professional Practice, Part C, by Appraisal Institute, Houston, TX (December 12-13, 2002)
 49)
        Seminar:
                              13th Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 10, 2003)
        Course 400:
 50)
                              U.S.P.A.P. 2004 Update, by Appraisal Institute, Houston, TX (January 24, 2004)
                             U.S.P.A.P. 2005 Update, by Appraisal Institute, Houston, TX (April 14, 2005)

15<sup>th</sup> Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 28, 2005)

Professional Guide to the URAR, by Appraisal Institute, Houston, TX (June 23, 2005)

16<sup>th</sup> Annual Outlook for Texas Land Markets, by Texas A&M University, College Station, TX (April 27, 2006)
 51)
        Course 400:
 52)
        Seminar:
 53)
        Seminar:
 54)
        Seminar
 55)
       Seminar:
                              Subdivision Valuation, by Appraisal Institute, Houston, TX (November 9, 2006)
 56)
                              Scope of Work, by Appraisal Institute, Houston, TX (January 18, 2007)
        Seminar
 57)
       Course 400:
                             U.S.P.A.P. 2008-09 Update, by Appraisal Institute, Houston, TX (Jan. 19, 2008)
 58)
                             Analyzing Distressed Real Estate, by Appraisal Institute, Houston, TX (Dec. 11, 2008) 
Mortgage Fraud, by Champions School of R.E., Houston, TX (Jan. 16, 2009)
       Seminar:
 59)
       Seminar:
 60)
       Seminar:
                              19th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 6-7, 2009)
61)
       Seminar:
                             U.S.P.A.P. 2010 - 2011 Update, by Appraisal Institute, Houston, TX (Feb. 24, 2010)
62)
       Seminar:
                             20th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (May 6-7, 2010)
63)
                             Business Practices & Ethics, by Appraisal Institute, Houston, TX (Dec. 9, 2010)
        Seminar.
       Seminar:
                              Staying out of Trouble in Appraisal Practice & A Lender's Perspective, by Appraisal Institute, Houston, TX
                             Appraising Distressed Commercial Real Estate, by Appraisal Institute, Houston, TX (April 15, 2011)
Appraisal Curriculum Overview (2-Day General), by Appraisal Institute, Austin, TX (May 10-11, 2011)
65)
       Seminar.
66)
       Seminar:
       Course:
67)
                             Fundamentals of Separating Real & Personal Property from Intangible Business Assets, by Appraisal Institute,
                             Chicago, IL (Dec. 15-16, 2011)
                             U.S.P.A.P. 2012-2013 Update, by Appraisal Institute, Houston, TX (Feb 22, 2012)
Complex Litigation Appraisal Case Studies, by Appraisal Institute, Houston, TX (Jan. 14, 2013)
68)
       Seminar:
69)
       Seminar:
70)
       Seminar:
                             23rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2013)
71)
       Seminar
                             Business Practices & Ethics, by Appraisal Institute, Houston, TX (July 31, 2013)
72)
       Seminar:
                             U.S.P.A.P. 2014-2015 Update, by Appraisal Institute, Houston, TX (December 6, 2013)
       Seminar:
                             24th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 17-18, 2014)
74)
                             Texas Appraiser Trainee/Sponsor Course, Houston, TX (April 16, 2015)
25th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 23-24, 2015)
U.S.P.A.P. 2016 – 2017 Update, by Appraisal Institute, Houston, TX (December 11, 2015)
       Course:
75)
       Seminar:
76)
       Seminar
77)
       Seminar:
                             26th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28 - 29, 2016)
78)
       Seminar
                             Eminent Domain, by CLE International, Austin, TX (Feb 9-10, 2017)
79)
                             27th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 20-21, 2017)
       Seminar
                             2017 Real Estate Symposium/TALCB Course #32884, by Appraisal Institute, Houston, TX (August 18, 2017) Business Practices & Ethics, by Appraisal Institute, Houston, TX (Oct. 13, 2017) U.S.P.A.P. 2018-2019, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 7, 2017)
80)
       Symposium:
81)
       Seminar:
82)
       Course:
83)
       Seminar:
                             28th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 26-27, 2018)
84)
       Symposium:
                             2018 Real Estate Symposium, by Appraisal Institute, Houston, TX (September 28, 2018)
85)
                             29th Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 25-26, 2019)
       Seminar:
                            2019 Real Estate Symposium, TALCB Course #37477, By Appraisal Institute, Houston, TX (Sept. 26, 2019)
U.S.P.A.P. 2020-2021, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 13, 2019)
Eminent Domain & Condemnation by Appraisal Institute Online, (Sept. 10, 2020)
86)
       Symposium:
87)
       Seminar:
88)
       Course:
89)
       Seminar:
                             Business Practice and Ethics, by Appraisal Institute, Live Online-Synchronous (July 27, 2021)
90)
       Course:
                             U.S.P.A.P. 2022-2023, 7-Hour Update by Appraisal Institute, Austin, TX (Dec. 17, 2021)
91)
                            31st Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 28-29, 2022)
       Seminar:
                            2022 Real Estate Symposium, by Appraisal Institute, Houston, TX (Oct. 25, 2022)
Supervisory Appraiser Course, by Appraisal Institute, Synchronous, Houston, TX (Dec. 2, 2022)
32nd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio (April 13-14, 2023)
92)
       Symposium:
93)
       Course:
94)
       Seminar:
95)
                            2023 Houston Real Estate Symposium - Riding the Waves of Market Volatility, Houston, TX (Sept. 19, 2023)
       Symposium:
96)
       Course:
                            U.S.P.A.P. 2024-2025, 7-Hour Update, by Appraisal Institute, Houston, TX (Dec. 15, 2023)
97)
                            33rd Annual Outlook for Texas Land Markets, by Texas A&M University, San Antonio, TX (April 4-5, 2024)
       Seminar
                            2024 Real Estate Symposium by Appraisal Institute, Houston, TX (Oct. 23, 2024)
       Symposium:
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### APPRAISAL BACKGROUND

Mr. Barletta began appraising in January, 1977. He has had extensive experience in appraising all types of commercial and residential properties (listed below) in the Houston, Dallas/Ft. Worth, Austin and San Antonio regions, plus numerous other cities throughout Texas. In August, 1987, Mr. Barletta became a partner in an appraisal company in which he held the title President. In 1991, he formed a new company, BARLETTA & ASSOCIATES, INC., where he also holds the title of President, with offices at 1313 Campbell Road, Suite C, Houston, Texas 77055-6429.

Some of the various types of appraisals performed by Mr. Barletta would include: high-end single-family residences, two-to-four unit residential income properties, raw land, mixed-use developed commercial sites, master-planned residential subdivisions, condominium/PUD projects, conventional and HUD apartment projects, office buildings, shopping centers, office/warehouses, special-purpose properties, motels/hotels, golf courses, marinas, restaurants, various commercial/retail facilities, all types of industrial properties and eminent domain/condemnation properties. Mr. Barletta has also been qualified as an expert witness in various court matters for real property valuation by numerous attorneys, and he has arbitrated and reviewed a number of legal issues.

Texas Address:

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# Certified General Real Estate Appraiser

Appraiser: Phillip Frank Barletta

License #: TX 1320197 G License Expires: 03/31/2025

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz Commissioner





