



City of Hutto

Agenda

City Council Meeting

Thursday, October 7, 2021 at 7:00 PM

City Council Chambers

In accordance with the Texas Open Meetings Act this meeting agenda is posted for public information, continuously, for at least 72 hours prior to the scheduled time of the meeting on the bulletin board located on the exterior wall of the City Hall building at 500 West Live Oak, Hutto, Texas. This meeting agenda is also accessible via the Internet at huttotx.gov

1. CALL SESSION TO ORDER

2. ROLL CALL

3. INVOCATION

4. PLEDGE OF ALLEGIANCE

5. CITY COUNCIL COMMENTS

Pursuant to Texas Government Code Sec. 551.0415, a member of the governing body may make an announcement about items of community interest during a meeting of the governing body without given notice of the subject of the announcement. Items of Community Interests include: (1) expressions of thanks, congratulations, or condolence; (2) information regarding holiday schedule; (3) an honorary or salutary recognition of public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition of the subdivision; (4) a reminder regarding social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the political subdivision; and (5) announcements involving imminent threat to the public health and safety of people in the political subdivision that has arisen after the posting of the agenda.

5.1. General Comments from City Council

5.2. City Council Liaison Reports

6. PUBLIC COMMENT

Any citizen wishing to speak during public comment may do so after completing the required registration form. The purpose of this item is to allow the residents of Hutto and other interested persons an opportunity to address the City Council on agenda issues and on non-agenda issues that are a matter of the jurisdiction of the City Council (i.e., City policy or legislative issues). Non-agenda issues regarding daily operational or administrative matters should be first dealt with at the administrative level by calling City Hall at (512) 759-4839 during business hours. Each person providing public comment will be limited to 3 minutes. Any citizen wishing to speak during public comment may do so after completing the required registration form. Written comments for this meeting may also be sent to comments@huttotx.gov PRIOR to 4:00 pm on October 7, 2021. The email must include name, address, phone # and email to be recognized properly. Written comments will be provided to Council.

7. CITY MANAGER COMMENTS

8. PROCLAMATIONS

8.1. Proclamation No. 2021-013: Proclaiming October 23, 2021, Keep Hutto Beautiful Day.

9. CONSENT AGENDA ITEMS

- 9.1. Consideration and possible action on approving the September 2, 2021, City Council meeting minutes.
- 9.2. Consideration and possible action on approving the September 9, 2021, Special Called City Council meeting minutes.
- 9.3. Consideration and possible action on approving the September 16, 2021, City Council meeting minutes.
- 9.4. Consideration and possible action on Resolution No. R-2021-152 a Resolution accepting the infrastructure improvements for the subdivision known as Durango Farms Phase 1. (Wade Benton)
- 9.5. Consideration and possible action on Resolution No. R-2021-153 a Resolution accepting the infrastructure improvements for the subdivision known as Mustang Creek Phase 4.(Wade Benton)
- 9.6. Consideration and possible action on Resolution No. R-2021-154 a Resolution accepting the infrastructure improvements for the subdivision known as Mustang Creek CR 118 Arterial Phase 2. (Wade Benton)
- 9.7. Consideration and possible action on Ordinance No. O-2021-059 the proposed Unified Development Code (2020 Edition, as amended), Chapter 4 Section 10.410 Signs, to add and clarify language for temporary signage. (Second Reading)(Ashley Lumpkin)
- 9.8. Consideration and possible action on Ordinance No. O-2021-060 approving the proposed annexation of the Lidell-Walker Tracts, 263.008 acres, more or less, of land, and to establish the base zoning for the property as SF-1 (Single-Family Residential). (Second Reading)(Ashley Lumpkin).
- 9.9. Consideration and possible action on Resolution No. R-2021-156 authorizing the City Manager to execute a Settlement and Release Agreement with AmaTerra Environmental, Inc. (Dorothy Palumbo)

10. OTHER BUSINESS

- 10.1. Consideration and possible action regarding possible appointments, re-appointments, and/or removals to City Boards, Commissions, Task Forces, Economic Development Corporations, Local Government Corporations, and Tax Increment Reinvestment Zone Boards, City Council Liaisons, Area Government appointments, and Advisory Committees.
- 10.2. Quarterly Update regarding On-Demand Engineering. (Ashley Lumpkin)
- 10.3. Presentation of Phase 1 Water Project Update. (Wade Benton)
- 10.4. Consideration and possible action on a request from the Diversity & Inclusion Commission for potential funding for the Treats on East event.
- 10.5. Consideration and possible action on executing a professional services agreement with DCS Engineering, LLC to update the Water and Wastewater Impact Fee Study. (Ashley Lumpkin)
- 10.6. Discussion regarding drainage ditches within the city. (Wade Benton)
- 10.7. Consideration and possible action regarding amending the personnel policy.(Mayor Snyder)

11. ORDINANCES

- 11.1. Consideration and possible action on Ordinance No. O-2021-062 amending the budget for the fiscal year of October 1, 2020, through September 30, 2021, in accordance with existing statutory requirements, appropriating and setting aside the necessary funds for additional expenditures. (First Reading) (Angie Rios)
- 11.2. Consideration and possible action on Ordinance No. O-2021-058 opening a public hearing on the levy of assessments on property within Durango Farms Public Improvement District and approving levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Durango Farms Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district and the real and true owners thereof; approving a service and assessment plan; providing a severability clause; and providing an effective date. (First Reading) (Dorothy Palumbo)

12. RESOLUTIONS

- 12.1. Consideration and possible action on Resolution No. R-2021-157 determining costs of authorized improvements for the Durango Farms Public Improvement District and ordering the filing of an assessment roll with the City Secretary to make available to the public in compliance with Texas Local Government Code Chapter 372; calling a public hearing on the levy of assessments on property located within the Durango Farms Public Improvement District to pay such costs and directing the City Secretary to publish and mail notice of the public hearing in accordance with Texas Local Government Code Chapter 372; and related matters; and providing an effective date. (Dorothy Palumbo)
- 12.2. Consideration and possible action on Resolution No. R-2021-151 approving a fee waiver for the Library to forgive fines during the month of November in support of the Hutto Community Food Pantry. (Colleen Tierney)
- 12.3. Consideration and possible action on Resolution No. R-2021-152 directing the Economic Development Corporation to reimburse the city for expenditures paid for on behalf of the Economic Development Corporation. (Angie Rios)
- 12.4. Consideration and possible action on Resolution R-2021-147A repealing Resolution R-2021-147; approving the Development Agreement for the Lidell-Walker Tracts, 263.008 acres, more or less of land; authorizing the City Manager to execute the Development Agreement; and providing an effective date. (Ashley Lumpkin).
- 12.5. Consideration and possible action on Resolution No. R-2021-131 authorizing the City of Hutto's execution and entering into the Durango Farms Public Improvement District Financing and Reimbursement Agreement; ordering other matters in connection with the foregoing and providing an effective date. (Dorothy Palumbo)
- 12.6. Consideration and possible action on Resolution No. R-2021-144 approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District Project).
- 12.7. Consideration and possible action on Resolution No. R-2021-146 approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for "City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project).

13. EXECUTIVE SESSION

The City Council for the City of Hutto reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by the Texas Government Code Sections 551.071 (Litigation/Consultation with Attorney), 551.072 (Deliberations regarding real property), 551.073 (Deliberations regarding gifts and donations), 551.074 (Deliberations regarding personnel matters) or 551.076 (Deliberations regarding deployment/implementation of security personnel or devices) and 551.087 (Deliberations regarding Economic Development negotiations).

- 13.1. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims, Pending Litigation and City Council Legal Requests.
- 13.2. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to the 2019 annexations.
- 13.3. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to the 2019 contract amendment with ACDI Clawson Disposal, Inc. for collection and disposal of solid waste and recycling services, and solid waste collection fees.
- 13.4. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to Charge of Discrimination filed with the Equal Employment Opportunity Commission on July 30, 2021, by Chief Hall.
- 13.5. Receive legal advice pursuant to Texas Government Code Sections 551.071, 551.087, and 551.072 to deliberate and seek legal advice regarding economic development negotiations and real property in connection with project Darwin.

14. ACTION RELATIVE TO EXECUTIVE SESSION

- 14.1. Consideration and possible action related to legal advice received pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims, Pending Litigation and City Council Legal Requests.
- 14.2. Consideration and possible action on legal advice received pursuant to Texas Government Code Sec. 551.071 related to the 2019 annexations.
- 14.3. Consideration and possible action on legal advice received pursuant to Texas Government Code Sec. 551.071 related to the 2019 contract amendment with ACDI Clawson Disposal, Inc. for collection and disposal of solid waste and recycling services, and solid waste collection fees.
- 14.4. Consideration and possible action on legal advice received pursuant to Texas Government Code Sec. 551.071 related to Charge of Discrimination filed with the Equal Employment Opportunity Commission on July 30, 2021, by Chief Hall.
- 14.5. Consideration and possible action on legal advice received pursuant to Texas Government Code Sections 551.071, 551.087, and 551.072 to deliberate and seek legal advice regarding economic development negotiations and real property in connection with project Darwin.

15. ADJOURNMENT

16. CERTIFICATION

I certify that this notice of the Hutto City Council meeting was posted on the City of Hutto website and the City Hall bulletin board of the City of Hutto on October 4, 2021 at 5:00 P.M.



Holly Nagy

The City of Hutto is committed to comply with the Americans Disability Act. The Hutto City Council Chamber is wheelchair accessible. Request for reasonable special accommodations must be made 48 hours prior to the meeting. Please email the City Secretary's office at City.Secretary@huttox.gov or call (512) 759-4033 for assistance.

STATE OF TEXAS

COUNTY OF WILLIAMSON

CITY OF HUTTO



PROCLAMATION NO. 2021-013

PROCLAIMING OCTOBER 23, 2021 AS KEEP HUTTO BEAUTIFUL DAY.

WHEREAS, The foundation was originally formed in 2007 to "assist the City Council in establishing a Citywide policy for decreasing the amount of loose refuse in the City, enhancing the preserving the City's natural beauty, and encouraging the use of landscaping and the improvement of deteriorating features." Becoming it's separate entity from the City in 2016, the Keep Hutto Beautiful Foundation celebrated 19 years of service May 2021; and

WHEREAS, 150+ community participants resulting in 4,500 pounds of documents shredded and twelve large bulk boxes directed to Goodwill Central Texas (equal to 4,792 pounds of donations diverted from the Williamson County landfill) at the 2020 Great Hutto Cleanup hosted by Keep Hutto Beautiful Foundation; and

WHEREAS, Efforts of many and a collaboration led to the result of the Hutto Community receiving the Governor's Community Achievement Award from Keep Texas Beautiful and Texas Department of Transportation in 2010. The award of \$160,000 yielded the Hutto sign on Highway 79 as you enter the city.

WHEREAS, Recognized by the Keep Texas Beautiful Foundation in 2019 with the Award of Excellence among 2nd Place Governor's Community Achievement Award, Congressional Recognition by Congressman John Carter; and

WHEREAS, Keep Hutto Beautiful thrives to inspire the community to be environmentally engaged by providing education and resources along with litter prevention and green initiative programs in place, actively working to be a greener, cleaner community; and

WHEREAS, A clean community equals a safer community that encourages quality of life and economic development. As our program continues to grow, so does our commitment to making a difference in Hutto; and

WHEREAS, The Keep Hutto Beautiful Foundation invites all residents of Hutto to participate in Keep Hutto Beautiful Day.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Hutto hereby proclaims the 23rd day of October, 2021 as:

"Keep Hutto Beautiful Day"

IN WITNESS THEREOF, I have hereunto subscribed my name to be affixed this 7th day of October, 2021.

PASSED AND APPROVED by the Hutto City Council on October 7, 2021.

ATTEST:

Holly Nagy, City Secretary



Mike Snyder, Mayor

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on approving the September 2, 2021, City Council meeting minutes.
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 9-2-21 Minutes



City of Hutto

Minutes

City Council Meeting

Thursday, September 2, 2021 at 7:00 PM

City Council Chambers

In accordance with the Texas Open Meetings Act this meeting agenda is posted for public information, continuously, for at least 72 hours prior to the scheduled time of the meeting on the bulletin board located on the exterior wall of the City Hall building at 500 West Live Oak, Hutto, Texas. This meeting agenda is also accessible via the Internet at huttotx.gov

1. CALL SESSION TO ORDER – 7:20 PM

2. ROLL CALL

Members of the Council present: Mayor Mike Snyder, MPT Tanner Rose Councilmember Robin Sutton, Councilmember Dan Thornton, Councilmember Mandi Villarreal Salvo, Councilmember Peter Gordon, Councilmember Krystal Kinsey.

3. INVOCATION – Led by Bishop K. Wilcox of The Church of Jesus Christ of Latter-day Saints

4. PLEDGE OF ALLEGIANCE

5. CITY COUNCIL COMMENTS

5.1. General Comments from City Council

Mayor Snyder:

-There is an upcoming town hall meeting discussion regarding the Diversity Inclusion Commission with the Black Families of Hutto. The meeting will be next Tuesday, September 7th at the Hutto Discovery United Methodist Church.

-Regarding community interest, Mayor Snyder advised that after budget, several items will need to be discussed involving the Police Department. There are several items that will be discussed with the City Attorney to determine which policies the Council body can and cannot address. The items will focus on increasing standards. He will discuss several boards including; a disciplinary review board, a promotion board, a citizen use of force board and a discussion regarding a policy on transfer and special duties assignments along with a policy review board. Mayor Snyder discussed the findings of a survey that was conducted at the Police Department.

5.2. City Council Liaison Reports

-Councilmember Sutton gave an update regarding HPC. There is a team being arranged, their objective is to document the history of Hutto. The goal is to have a report of their findings by the end of the month. She encouraged anyone with the City of Hutto family history to contact them, as they would be very interested to document it for future generations.

-Councilmember Gordon provided an update on the last Hutto Emergency Management meeting. They discussed creating a general incident objective report for the purpose of handling severe weather events including severe heat. They also discussed creating an emergency management coordinator position. There are currently four members on the committee. He encouraged citizens to get involved and to apply so that it can be fully staffed. In the event of a disaster, the committee can begin organizing efforts while awaiting assistance from other government agencies.

6. PUBLIC COMMENT - None

7. CITY MANAGER COMMENTS

- 7.1. Introduction of Autumn Speer, Planning Manager
- 7.2. Introduction of Gracie Perez, Assistant City Secretary

8. PROCLAMATIONS

- 8.1. Proclamation No. 2021-012: Proclaiming October 5, 2021 as National Night Out.

9. CONSENT AGENDA ITEMS

- 9.1. Consideration and possible action on approving the August 19, 2021 City Council meeting minutes.
- 9.2. Consideration and possible action on approval of the August 19, 2021 work session minutes.

Councilmember Villarreal Salvo made a motion to approve Items as presented. Councilmember Gordon pulled Item 9.3. Councilmember Villarreal Salvo made a motion to approve Items 9.1 and 9.2 as presented. Councilmember Kinsey seconded the motion. The motion passed unanimously. (7:0)

- 9.3. Consideration and possible action on Resolution No. R-2021-138 Opioid Settlement.

Councilmember Gordon made a motion to approve item 9.3 as presented. Councilmember Sutton seconded the motion. The motion passed unanimously. (7:0)

City Manager, Warren Hutmacher requested to move Item 12.1 up. Mayor Snyder added 12.2 to follow. There were no objections.

- 12.1. Discussion and possible action related to HNTB Master Services Agreement Supplemental Agreement No. 3 for ongoing Road Bond Projects.

Councilmember Gordon made a motion to approve item 12.1, in the amount of \$1,241,258.66 for the start of Agreement No. 3. (There was a two-minute recess). Meeting resumed. Mayor Snyder repeated the motion made by Councilmember Gordon. Councilmember Kinsley added that she would like to make the motion contingent upon monthly updates, Councilmember Villarreal Salvo agreed. Councilmember Gordon then made a motion to approve allocating \$1,241,258.66 to Master Services Supplemental Agreement No. 3 from the 2019 Streets and Drainage Bond with condition that HNTB provide monthly updates at meetings. The motion passed unanimously. (7:0)

- 12.2. Consideration and possible action amending an Ordinance on school zones. (Councilmember Villarreal Salvo)

Discussion ensued. No action taken.

10. ORDINANCES

- 10.12 Consideration and possible action on Ordinance No. O-2021-053 approving a negotiated settlement between Atmos Cities Steering Committee (ACSC) and Atmos Energy Corporation, Mid-Tex Division regarding the company's rate review mechanism. (First Reading)(Legal)

Councilmember Villarreal Salvo made a motion to approve Item 10.12 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously (7:0) Councilmember Villarreal Salvo requested to move up item 11.5. There were no objections.

- 11.5. Discussion and possible action on Resolution No. R-2021-140 authorizing the City Manager to execute an Impact Fee Credit or Reimbursement Agreement with Meritage Homes for the Cross Creek Development.(D.Palumbo)
- Councilmember Villarreal Salvo made a motion to approve item 11.5 as presented. Councilmember Sutton seconded the motion. Mayor Snyder added that this item will be discussed again at the September 16th City Council Meeting. The motion passed unanimously. (7:0)
- 10.1. Consideration and possible action on Ordinance No. O-2021-049 establishing a Comprehensive Plan Advisory Committee providing for the scope and authority of the committee, providing for the appointment of the members and providing for time of service. (First Reading)(Ashley Lumpkin)
- Councilmember Villarreal Salvo made a motion to approve item 10.1 as presented. MPT Rose seconded the motion. The motion passed unanimously. (7:0)
- 10.2. Consideration and possible action on Ordinance No. O-2021-049 to dispense with second reading pursuant to Hutto City Charter Article 3, Section 3.13.
- Councilmember Villarreal Salvo made a motion to approve item 10.2 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0) Stacy Schmitt requested that item 10.6 be moved up. There were no objections.
- 10.6. Consideration and possible action on Ordinance No. O-2021-050 accepting and approving an Annual Service Plan Update to the Service and Assessment Plan for the Co-Op Public Improvement District.(First Reading)(D.Palumbo)
- Councilmember Villarreal Salvo made a motion to approve item 10.6 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)
- 10.7. Consideration and possible action on Ordinance No. O-2021-050 to dispense with second reading pursuant to Hutto City Charter Article 3, Section 3.13.
- Councilmember Villarreal Salvo made a motion to approve item 10.7 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)
- 10.8. Consideration and possible action on Ordinance No. O-2021-051 accepting and approving an Annual Service Plan Update to the Service and Assessment Plan for the Cross Creek Public Improvement District.(First Reading)(D.Palumbo)
- Councilmember Villarreal Salvo made a motion to approve item 10.8 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)
- 10.9. Consideration and possible action on Ordinance No. O-2021-051 to dispense with second reading pursuant to Hutto City Charter Article 3, Section 3.13.
- Councilmember Villarreal Salvo made a motion to approve item 10.9 as presented. Councilmember Kinsey seconded the motion. The motion passed unanimously. (7:0)
- 10.10. Consideration and possible action on Ordinance No. O-2021-052 accepting and approving an Annual Service Plan Update to the Service and Assessment Plan for the Mustang Creek Public Improvement District. (First Reading)(D.Palumbo)
- Councilmember Villarreal Salvo made a motion to approve item 10.10 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)
- 10.11. Consideration and possible action on Ordinance No. O-2021-052 to dispense with second reading pursuant to Hutto City Charter Article 3, Section 3.13.
- Councilmember Villarreal Salvo made a motion to approve item 10.11 as presented. Councilmember Kinsey seconded the motion. The motion passed unanimously. (7:0)

- 11.3. Consideration and possible action on Resolution No. R-2021-137 approving a Second Amended and Restated Development Agreement between the City of Hutto and MA Durango, LLC for a property being approximately 105 acres, also known as Durango Farms.(D.Palumbo)

Item 11.3 tabled, will be discussed again at the meeting of September 16th, 2021.

- 11.4. Consideration and possible action on Resolution No. R-2021-131 authorizing the City of Hutto's execution and entering into the Durango Farms Public Improvement District Financing and Reimbursement Agreement; ordering other matters in connection with the foregoing and providing an effective date. (D.Palumbo)

Item 11.4 tabled, will be discussed again at the meeting of September 16th, 2021.

- 12.3. Consideration and possible action regarding filing a notice on the Electronic Municipal Market Access website, a service of the Municipal Securities Rulemaking Board, regarding past actions by City Officials and Administrators involving bond issuances and expenditure of bond proceeds. (D.Palumbo)

Mayor Snyder made a motion to approve item 12.3. as presented. MPT Tanner Rose seconded the motion. The motion passed unanimously. (7:0)

Recess at 10:17 PM, resumed at 10:26 PM.

- 10.3. Consideration of a public hearing and possible action on Ordinance No. O-2021-054 approving and adopting a budget for the City of Hutto for the Fiscal Year beginning October 1, 2021 and ending September 30, 2022. (First Reading)(Angie Rios)

Public hearing opened: 10:26 PM.

Public hearing closed: 10:27 PM.

The following changes were made to the City Manager's Office budget:

Office Supplies - \$1000.00

Reference Books/Materials - \$0

Food/Meals - \$1500.00

Furniture & Office Equipment - \$0

Other Supplies & Materials - \$150.00

Professional Services - \$25,000.00

Outside Printing - \$50.00

Membership dues & subscriptions - \$10,000.00

Mayor Snyder made a motion to approve item 10.3 – City Manager's budget.

Councilmember Villarreal Salvo seconded the motion. The motion passed. (5:2)

Councilmember Villarreal Salvo and Councilmember Gordon opposed.

The following changes were made to the City Council's budget:

Office Supplies - \$250.00

Special Events/Awards - \$500.00

Food/Meals - \$1000.00

Other Supplies & Materials - \$250.00

Fuel & Mileage - \$0

Outside Printing - \$0

Contribution to Civic Programs - \$120,400.00:

Legends of Life - \$0

Meals on Wheels - \$0

Lutheran Feeding – budget increase of \$5k – new total \$15,000.00

HRC – budget increase of \$5k – new total \$65,400.00

Hutto Education Foundation -\$0

Mayor Snyder made a motion to approve item 10.3 – City Council budget.
Councilmember Villarreal Salvo seconded the motion. The motion passed. (7:0)

The following changes were made to the Human Resources Office budget:

Office Supplies - \$1000.00

Relocation Expenses - \$20,000.00

Mayor Snyder made a motion to approve item 10.3 – Human Resources budget.

Councilmember Kinsey seconded the motion. The motion passed. (6:1)

Councilmember Peter Gordon opposed.

The following changes were made to the Economic Development budget:

Salaries - \$150,000.00

Mayor Snyder made a motion to approve item 10.3 –Economic Development budget.

Councilmember Villarreal Salvo seconded the motion. The motion passed. (5:2)

Councilmember Peter Gordon and Councilmember Kinsey opposed.

The following changes were made to Finance budget:

Office Supplies - \$2,000.00

Furniture & Office Equip - \$0

Technology Equip. & Supplies - \$3,000.00

Mayor Snyder made a motion to approve item 10.3 –Finance budget. Councilmember Villarreal Salvo seconded the motion. The motion passed. (7:0)

13. EXECUTIVE SESSION- Entered: 11:58 PM

The City Council for the City of Hutto reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by the Texas Government Code Sections 551.071 (Litigation/Consultation with Attorney), 551.072 (Deliberations regarding real property), 551.073 (Deliberations regarding gifts and donations), 551.074 (Deliberations regarding personnel matters) or 551.076 (Deliberations regarding deployment/implementation of security personnel or devices) and 551.087 (Deliberations regarding Economic Development negotiations).

Consideration of a public hearing and possible action on Ordinance No. O-2021-055 levying Ad Valorem taxes for the use and support of the municipal government for the City of Hutto for the Tax Year 2021. (First Reading)(Angie Rios)

Consideration and possible action on Ordinance No. O-2021-056 prescribing certain fees for the City of Hutto, Texas, amending all applicable ordinances and other instruments; providing for a schedule of fees and charges. (First Reading)

- 13.1. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims Pending Litigation and City Council Legal Requests.
- 13.2. Deliberate and seek the advice of legal counsel regarding the pursuit of claims arising out the delivery of legal services rendered to the city, from 2017 to 2019, pursuant to Section 551.071 of the Texas Government Code.
- 13.3. Deliberate and seek the advice of legal counsel regarding the pursuit of claims arising out of Emergency Service District No. 17 operations as alleged by the City of Pflugerville in *Rogers, et. al v. Travis County ESD No. 17, et. al*, filed in Travis County District Court.

14. ACTION RELATIVE TO EXECUTIVE SESSION – Reconvened: 12:43 PM

- 14.1. Consideration and possible action related to legal advice received pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims Pending Litigation and City Council Legal Requests.- **No action taken.**
- 14.3. Consideration and possible action on legal advice received regarding the pursuit of claims arising out of Emergency Service District No. 17 operations as alleged by the City of Pflugerville in *Rogers, et. al v. Travis County ESD No. 17, et. al*, filed in Travis County District Court. - **No action taken.**
- 10.3. Consideration of a public hearing and possible action on Ordinance No. O-2021-054 approving and adopting a budget for the City of Hutto for the Fiscal Year beginning October 1, 2021 and ending September 30, 2022. (First Reading)(Angie Rios)
Mayor Snyder made a motion to approve item 10.3 – Municipal Court's budget. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

The following changes were made to the Planning and Development Services budget:
Property Clean-up & Demolition reduced to \$0
Investigation Expenses reduced to \$0
Mayor Snyder made a motion to approve item 10.3 – Planning and Development budget. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 14.2. Consideration and possible action on legal advice received pursuant to Section 551.071 of the Texas Government Code regarding the pursuit of claims arising out the delivery of legal services rendered to the city, from 2017 to 2019.
- MPT Tanner Rose made a motion to direct the City Council to direct Special Counsel George Hyde to prepare an engagement letter to retain the Kassab Law Firm to pursue any and all claims against McGinnis and Lochridge and its attorneys in connection with their representation of the City and recommend each city create a corporation to take action to engage the firm for the same purpose. Councilmember Sutton seconded the motion. The motion passed unanimously. (7:0)**
- 10.3. Consideration of a public hearing and possible action on Ordinance No. O-2021-054 approving and adopting a budget for the City of Hutto for the Fiscal Year beginning October 1, 2021 and ending September 30, 2022. (First Reading)(Angie Rios)

Mayor Snyder made a motion to approve item 10.3 –Construction Inspection budget as presented. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

The following changes were made to the Streets and Drainage budget:
Special Events reduced to \$0
Clothing and Uniforms reduced to \$2,000.00
Small Tools and Equipment reduced to \$2500.00
Traffic Control Supplies reduced to \$1000.00
Other Supplies and Materials reduced to \$500.00
Sidewalk Repair and Maintenance reduced to \$50,000.00
\$100,000 was added for laser truck

Mayor Snyder made a motion to approve item 10.3 – Streets and Drainage budget. Councilmember Villarreal Salvo seconded the motion. The motion passed. (6:1). Councilmember Gordon opposed.

Mayor Snyder made a motion to approve item 10.3 –Hutto Police Department budget as presented. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

Councilmember Villarreal Salvo made a motion to approve item 10.3 –City Secretary's budget as presented. Councilmember Gordon seconded the motion. The motion passed. (7:0)

The following changes were made to the Communications budget:

Longevity pay reduced to \$0

Councilmember Villarreal Salvo made a motion to approve item 10.3 –Communications' budget as presented. Councilmember Gordon seconded the motion. The motion passed. (7:0)

Councilmember Villarreal Salvo made a motion to approve item 10.3 –Library budget as presented. MPT Rose seconded the motion. The motion passed. (7:0)

The following changes were made to the Community Outreach & Programs budget:

BCA Event Management was reduced to \$100,000.00

Mayor Snyder made a motion to approve item 10.3 –Community Outreach & Programs budget. Councilmember Villarreal Salvo seconded the motion. The motion passed. (4:3) Councilmember Kinsey, Councilmember Gordon and Councilmember Sutton opposed.

Councilmember Villarreal Salvo made a motion to approve item 10.3 –Information Technology's budget as presented. Councilmember Gordon seconded the motion. The motion passed. (7:0)

Mayor Snyder made a motion to accept Item 10.3., the budget as presented, accepting proposed amendments. The remaining department budgets, beginning with Parks Maintenance will require further review by Council. The Community Outreach budget will also be reviewed again. Councilmember Villarreal Salvo seconded the motion. The motion passed. (5:2) Councilmember Peter Gordon and Councilmember Villarreal Salvo opposed.

- 10.4. Consideration of a public hearing and possible action on Ordinance No. O-2021-055 levying Ad Valorem taxes for the use and support of the municipal government for the City of Hutto for the Tax Year 2021. (First Reading)(Angie Rios)

Public hearing open at 2:13 AM, closed at 2:14 AM.

MPT Rose made a motion to adopt the new revenue rate of .536448. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 10.5. Consideration and possible action on Ordinance No. O-2021-056 prescribing certain fees for the City of Hutto, Texas, amending all applicable ordinances and other instruments; providing for a schedule of fees and charges. (First Reading)

Mayor Snyder made a motion to charge a fee of \$500.00 for all masterplan submittals. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 10.13. Consideration of a public hearing and possible action on Ordinance No. O-2021-054

approving a zoning change request by Tex Mix 685 from SF-1, Single Family to General Commercial (B-2) for approximately 20.063 acres, more or less, generally located along Chris Kelley Blvd/FM 685. (First Reading)(Ashley Lumpkin)

Public hearing opened: 2:22 AM.

Public hearing closed: 2:23 AM.

Councilmember Sutton made a motion to approve item 10.13. as presented.

Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 10.14. Consideration and possible action on Ordinance No. O-2021-054 to dispense with second reading pursuant to Hutto City Charter Article 3, Section 3.13.

Councilmember Gordon made a motion to waive the second reading. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 11.1. Consideration and possible action on Resolution No. R-2021-138 approving a Memorandum of Understanding by and among the Cities of Cedar Park, Georgetown, Round Rock, Taylor, Hutto, Leander, and Liberty Hill (collectively the "Cities") and the County of Williamson ("County") to proceed with identifying and evaluating the services Currently being provided by the Williamson County and Cities Health District.

Item 11.1. postponed.

- 11.2. Consideration and possible action on Resolution No. R-2021-139 approving an Amended and Restated Cooperative Agreement by and between Williamson County and the Cities of Cedar Park, Georgetown, Round Rock, Taylor, Hutto, Leander, and Liberty Hill under Chapter 121, Subchapter E of the Texas Health and Safety Code.

Item 11.2. postponed.

15. ADJOURNMENT – 2:26 AM

PASSED AND APPROVED this 7TH day of October, 2021.

ATTEST:

Mike Snyder, Mayor

Gracie Perez, Assistant City Secretary



City of Hutto

MINUTES

Special Called City Council Meeting Thursday, September 9, 2021 at 6:00 PM City Council Chambers

In accordance with the Texas Open Meetings Act this meeting agenda is posted for public information, continuously, for at least 72 hours prior to the scheduled time of the meeting on the bulletin board located on the exterior wall of the City Hall building at 500 West Live Oak, Hutto, Texas. This meeting agenda is also accessible via the Internet at huttotx.gov

1. CALL SESSION TO ORDER - 6:00 PM

2. ROLL CALL

Members of the Council present: Mayor Mike Snyder, MPT Tanner Rose Councilmember Robin Sutton, Councilmember Dan Thornton, Councilmember Mandi Villarreal Salvo, Councilmember Peter Gordon,

Councilmember Krystal Kinsey arrived at the meeting at 8:22 PM.

3. INVOCATION

4. PLEDGE OF ALLEGIANCE

5. CITY COUNCIL COMMENTS

- 5.1. General Comments from City Council
- None

6. PUBLIC COMMENT – None

7. CITY MANAGER COMMENTS

-City Manager Hutmacher introduced Wade Benton, Interim Public Works Director.
-Resignation of Chief Hall

Mayor Snyder moved Items 9.1, 9.2 and 9.3 up at this time. There were no objections.

9. EXECUTIVE SESSION - Entered: 6:05 PM

The City Council for the City of Hutto reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by the Texas Government Code Sections 551.071 (Litigation/Consultation with Attorney), 551.072 (Deliberations regarding real property), 551.073 (Deliberations regarding gifts and donations), 551.074 (Deliberations regarding personnel matters) or 551.076 (Deliberations regarding deployment/implementation of security personnel or devices) and 551.087 (Deliberations regarding Economic Development negotiations).

- 9.1. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims and City Council Legal Requests.
- 9.2. Receive legal advice pursuant to Texas Government Code Sections 551.071, 551.087 and 551.072 to deliberate and seek legal advice regarding economic development negotiations; and securing an option to purchase real property involving, and in connection with, project Darwin.
- 9.3. Deliberate and seek the advice of legal counsel regarding the pursuit of claims arising out of Emergency Service District No. 17 operations as alleged by the City of Pflugerville in *Rogers, et. al v. Travis County ESD No. 17, et. al*, filed in Travis County

10. ACTION RELATIVE TO EXECUTIVE SESSION - Reconvened: 7:50 PM

- 10.1. Consideration and possible action related to legal advice received pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims and City Council Legal Requests.- **No action taken.**
- 10.2. Consideration and possible action based on legal advice and economic development negotiations regarding the option to purchase real property involving, and in connection with, project Darwin.

Councilmember Sutton made a motion to authorize the City Manager to execute an option agreement to purchase 4 tracts of land for Project Darwin and appropriate the option fee of \$100,000 from the unreserved fund balance. MPT Rose seconded the motion. The motion passed. (6:0)

Councilmember Sutton made a motion to authorize the EDC to expend \$100,000 to acquire option contract to purchase the 4 tracts of land for Project Darwin from the City. MPT Rose seconded the motion. The motion passed. (6:0)

- 10.3. Consideration and possible action on legal advice received regarding the pursuit of claims arising out of Emergency Service District No. 17 operations as alleged by the City of Pflugerville in *Rogers, et. al v. Travis County ESD No. 17, et. al*, filed in Travis County District Court. – **No action taken.**

8. OTHER BUSINESS

- 8.1. Consideration and possible action on Resolution No. R-2021-141 approving a Memorandum of Understanding by and among the Cities of Cedar Park, Georgetown, Round Rock, Taylor, Hutto, Leander, and Liberty Hill (collectively the “Cities”) and the County of Williamson (“County”) to proceed with identifying and evaluating the services currently being provided by the Williamson County and Cities Health District.

Discussion ensued. Item will be tabled until September 16, 2021 City Council meeting.

- 8.2. Consideration and possible action on Resolution No. R-2021-139 approving an Amended and Restated Cooperative Agreement by and between Williamson County and the Cities of Cedar Park, Georgetown, Round Rock, Taylor, Hutto, Leander, and Liberty Hill under Chapter 121, Subchapter E of the Texas Health and Safety Code.

Discussion ensued. Item will be tabled until September 16, 2021 City Council meeting.

- 8.3. Consideration and possible action regarding possible appointments, re-appointments and/or removals to City Boards, Commissions, Task Forces, Economic Development Corporations, Local Government Corporations, Tax Increment Reinvestment Zone Boards, City Council Liaisons, Area Government, and Advisory Committees.

No action taken.

- 8.4. Discussion of the budget for the City of Hutto for the Fiscal Year beginning October 1, 2021 and ending September 30, 2022.

Discussion ensued. Proposed changes will be presented at the September 16, 2021 meeting. No action taken.

11. ADJOURNMENT – 10:18 PM

PASSED AND APPROVED this 7th day of October, 2021.

ATTEST:

Holly Nagy, City Secretary

Mike Snyder, Mayor

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on approving the September 16, 2021, City Council meeting minutes.
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Minutes 9-16-21



City of Hutto

MINUTES

City Council Meeting

Thursday, September 16, 2021 at 7:00 PM

City Council Chambers

In accordance with the Texas Open Meetings Act this meeting agenda is posted for public information, continuously, for at least 72 hours prior to the scheduled time of the meeting on the bulletin board located on the exterior wall of the City Hall building at 500 West Live Oak, Hutto, Texas. This meeting agenda is also accessible via the Internet at huttotx.gov

1. CALL SESSION TO ORDER- 7:00 PM

2. ROLL CALL

Members of the Council present: Mayor Mike Snyder, MPT Tanner Rose Councilmember Robin Sutton, Councilmember Dan Thornton, Councilmember Mandi Villarreal Salvo, Councilmember Peter Gordon, Councilmember Krystal Kinsey

3. INVOCATION- Led by Danny Cook, Legacy Church

4. PLEDGE OF ALLEGIANCE

5. CITY COUNCIL COMMENTS

5.1. General Comments from City Council

Councilmember Villarreal Salvo: I would just like to say that yesterday was the start of Hispanic Heritage Month and I'm very excited to celebrate with the community and just talk about some of the ways we can in the upcoming years add to our cultural expansion within the City of Hutto.

5.2. City Council Liaison Reports

Councilmember Kinsey gave an update on the Diversity & Inclusion Commission.
Councilmember Gordon gave an update on the Communication Task Force meeting.
MPT Rose gave an update on the Library Advisory Board meeting.

6. PUBLIC COMMENT

- Onnesha Williams
- Jimmy Pierce
- Helen Coffman
- Vanessa Henry
- Tabitha Bluett
- Jackie Corbiere

7. CITY MANAGER COMMENTS

-National Night Out - Tuesday, October 5th at the Brushy Creek Amphitheatre

8. CONSENT AGENDA ITEMS

- 8.1. Consideration and possible action on approving the September 2, 2021 City Council work session meeting minutes.

- 8.3. Consideration and possible action on Ordinance O-2021-061 amending the School Zones Ordinance, Section 22.03.034 of the Hutto Code of Ordinances to modify the intervals of operation for school zones; and providing for the following: findings of fact; enactment; repealer; severability; codification; effective date; and proper notice & meeting.
- 8.4. Consideration and possible action on Ordinance No. O-2021-053 approving a negotiated settlement between Atmos Cities Steering Committee (ACSC) and Atmos Energy Corporation, Mid-Tex Division regarding the company's rate review mechanism. (Second Reading)(Legal)

Mayor Snyder pulled Item 8.2.

Councilmember Villarreal Salvo made a motion to approve Items 8.1, 8.3, and 8.4 as presented. Councilmember Kinsey seconded the motion. The motion passed unanimously. (7:0)

- 8.2. Consideration and possible action on Ordinance No. O-2021-056 prescribing certain fees for the City of Hutto, Texas, amending all applicable ordinances and other instruments; providing for a schedule of fees and charges. (as amended) (Second Reading)

Discussion ensued. The fee schedule will come back by end of year for further adjustments.

Councilmember Villarreal Salvo made a motion to approve Item 8.2 as presented with the condition that a revised ordinance come back before the end of the year for a first reading and that the typographical errors be fixed. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)

9. OTHER BUSINESS

- 9.1. Consideration and possible action regarding possible appointments, re-appointments and/or removals to City Boards, Commissions, Task Forces, Economic Development Corporations, Local Government Corporations and Tax Increment Reinvestment Zone Boards, City Council Liaisons, Area Government appointments and Advisory Committees.

Councilmember Sutton made a motion to appoint Kathy Hoover to the Historic Preservation Commission. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

Councilmember Villarreal Salvo made a motion to reappoint Victor Henry to the Economic Development Corporation. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)

The following nominations were made to the Comprehensive Plan Action Committee:

- Historic Preservation Commission- Bob Lykins, Travis Allen.
- ETJ Member - Tara Ray
- Economic Development Corp. - Randal Clark & Cheney Gamboa
- Community members - Brad Walker & Terrance Owens
- Planning & Zoning - Rick Hudson & Bryan Lee
- City Council – Dan Thornton & Mandi Villarreal Salvo

MPT Rose made a motion to approve nominations as presented. Councilmember Kinsey seconded the motion. The motion passed unanimously (7:0)

MPT Rose made a motion to remove Christina Garza from the Library Advisory Board. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 9.2. Consideration and possible action on the charge, goals, and objectives of the Diversity and Inclusion Commission, including possible suspension or dissolution of the Commission.

Discussion ensued. Each Councilmember spoke on this item.

Discussion ensued regarding deadline on training.

Onnesha Williams spoke on this item.

Helen Coffman spoke on this item.

Robiet La spoke on this item.

Mayor Snyder recommended bringing this item back at the second meeting in October. In the meantime, work as a Council to bring back goals and objectives.

No action taken.

- 9.3. Consideration and possible action regarding alleged violations of the Open Meetings Act by members of the Diversity and Inclusion Commission through a series of communications by a quorum, including a letter dated June 18, 2021.

Discussion ensued.

Onnesha Williams spoke on this item.

No action taken.

- 9.4. Consideration and possible action relating to the procedures to set speed limits within the City of Hutto. (Councilmember Sutton)

Update given by City Attorney Cristian Rosas-Grillet. Councilmember Sutton tabled this item for a future meeting. Councilmember Sutton requests a presentation to include some options as to cost to study particular routes including State Road 79 Chris Kelley and Ed Schmidt corridors. Mayor Snyder would like to know the process for neighborhoods. Item will be brought to the first meeting in November.

No action taken.

- 9.5. Discussion and update on Impact Fee Credit or Reimbursement Agreement with Meritage Homes for the Cross Creek Development.(D.Palumbo)

Discussion ensued. Item will be brought back at a future meeting.

- 9.6. Consideration and possible action on the plat application review process. (Mayor Snyder)

Presentation ensued.

A 10-minute break was taken at this time.

- 9.7. Consideration and possible action on Resolution No. R-2021-141 approving a Memorandum of Understanding by and among the Cities of Cedar Park, Georgetown, Round Rock, Taylor, Hutto, Leander, and Liberty Hill (collectively the "Cities") and the County of Williamson ("County") to proceed with identifying and evaluating the services currently being provided by the Williamson County and Cities Health District.

Back in session at 9:42 PM.

Councilmember Villarreal Salvo made a motion to approve Item 9.7 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)

- 9.8. Consideration and possible action on Resolution No. R-2021-139 approving an

Amended and Restated Cooperative Agreement by and between Williamson County and the Cities of Cedar Park, Georgetown, Round Rock, Taylor, Hutto, Leander, and Liberty Hill under Chapter 121, Subchapter E of the Texas Health and Safety Code.

Discussion ensued. Bob Farley will be the appointed representative.

Councilmember Gordon made a motion to approve Item 9.8 as presented.

Councilmember Sutton seconded the motion. The motion passed unanimously. (7:0)

10. ORDINANCES

- 10.1. Consideration of a public hearing and possible action on Ordinance No. O-2021-057 for a zoning change request known as Carver Ridge Ph. II, 3.27 acres, more or less, of land, from B-2 (General Commercial) to MF (Multifamily) use, located on Swindoll Lane at FM 1660 South. (First Reading)(Ashley Lumpkin)

Public hearing opened: 9:59 PM

Public hearing closed: 9:59 PM

Councilmember Gordon made a motion to approve Item 10.1 as presented. MPT Rose seconded the motion. The motion passed with Councilmembers Kinsey and Sutton against. (5:2)

MPT Rose made a motion to dispense of the second reading. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)

MPT Rose requested to move to Item 10.4. There were no objections.

- 10.4. Consideration of a public hearing and possible action on Ordinance No. O-2021-059 the proposed Unified Development Code (2020 Edition, as amended), Chapter 4 Section 10.410 Signs, to add and clarify language for temporary signage. (First Reading)(Ashley Lumpkin)

Public hearing opened: 10:38 PM

Public hearing closed: 10:38 PM

Councilmember Gordon made a motion to approve Item 10.4 with the following changes. Remove reference to ISD Section II Banners. Item No. 3 totally remove Section IV construction signs, Section VI "coming soon" request for the second reading that city staff define within the ordinance what a city event is.

Councilmember Thornton seconded the motion. The motion passed with Councilmember Kinsey against. (6:1)

- 10.5. Consideration of a public hearing and possible action on Ordinance No. O-2021-012 approving the annexation of Urbana at Cottonwood Creek, 43.521 acres, more or less, of land, and to establish the base zoning as SF-1 (Single Family Residential), located on CR 199. (First Reading)(Ashley Lumpkin)

Public hearing opened: 10:44 PM

Public hearing closed: 10:45 PM

Councilmember Villarreal Salvo made a motion to approve Item 10.5 as presented. Councilmember Kinsey seconded the motion. The motion passed unanimously. (7:0)

Councilmember Villarreal Salvo made a motion to dispense of the second reading. Councilmember Kinsey seconded the motion. The motion passed unanimously.

(7:0)

- 10.6. Consideration of a public hearing and possible action on Ordinance No. O-2021-013 approving the zoning change request for Urbana at Cottonwood Creek Planned Unit Development (PUD), 43.521 acres, more or less, of land, a mixed-use PUD, located on CR 199. (First Reading)(Ashley Lumpkin)

Public hearing opened: 10:55 PM

Public hearing closed: 10:55 PM

Councilmember Kinsey made a motion to approve Item 10.6 as presented. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

MPT Rose made a motion to dispense of the second reading. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 10.7. Consideration of a public hearing and possible action on Ordinance No. O-2021-060 approving the proposed annexation of the Lidell-Walker Tracts, 263.008 acres, more or less, of land, and to establish the base zoning for the property as SF-1 (Single-Family Residential). (First Reading)(Ashley Lumpkin).

Item 11.1 was moved up at this time. There were no objections.

- 11.1 Consideration and possible action on Resolution No. R-2021-147 approving the proposed development agreement for the Lidell-Walker Tracts, 263.008 acres, more or less, of land. (Ashley Lumpkin).

MPT Rose made a motion to approve Item 11.1 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)

- 10.7. Consideration of a public hearing and possible action on Ordinance No. O-2021-060 approving the proposed annexation of the Lidell-Walker Tracts, 263.008 acres, more or less, of land, and to establish the base zoning for the property as SF-1 (Single-Family Residential). (First Reading)(Ashley Lumpkin).

Public hearing opened: 11:31 PM

Public hearing closed: 11:31 PM

Councilmember Villarreal Salvo made a motion to approve Item 10.7 as presented. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)

This item will come back at the October 7, 2021 Council meeting.

MPT Rose made a motion to move up Item 11.7. There were no objections.

- 11.7 Consideration and possible action on Resolution R-2021-148 of the City Council of the City of Hutto, Texas, consenting to the expansion of a Municipal Utility District to be known as Star Ranch Municipal Utility District No. 3 and the inclusion of approximately 29.93 acres of land, and annexation of approximately 29.93 acres of land, into the district; and providing an effective date.

Councilmember Villarreal Salvo made a motion to approve Item 11.7 as presented. MPT Rose seconded the motion. The motion passed unanimously. (7:0)

- 10.8. Consideration and possible action on Ordinance No. O-2021-058 opening a public hearing on the levy of assessments on property within Durango Farms Public Improvement District and approving levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Durango Farms Public Improvement District; fixing a charge and lien against all properties within the

district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district and the real and true owners thereof; approving a service and assessment plan; providing a severability clause; and providing an effective date. (First Reading) (Dorothy Palumbo)

Public hearing opened: 11:44 PM

Public hearing will remain open until the October 7, 2021 Council meeting.

No action taken.

- 11.2 Consideration and possible action on Resolution No. R-2021-137 approving a Second Amended and Restated Development Agreement between the City of Hutto and MA Durango, LLC for a property being approximately 105 acres, also known as Durango Farms. (Dorothy Palumbo)

Councilmember Gordon made a motion to approve Item 11.2 as presented.

Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 11.3 Consideration and possible action on Resolution No. R-2021-131 authorizing the City of Hutto's execution and entering into the Durango Farms Public Improvement District Financing and Reimbursement Agreement; ordering other matters in connection with the foregoing and providing an effective date. (D. Palumbo)

Item postponed until a future meeting. No action taken.

- 11.5 Consideration and possible action on Resolution No. R-2021-145 approving a Second Amended and Restated Development Agreement between the City of Hutto and Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership.

Councilmember Villarreal Salvo made a motion to approve Item 11.5 as presented.

Councilmember Kinsey seconded the motion. The motion passed unanimously. (7:0)

- 11.6 Consideration and possible action on Resolution No. R-2021-146 approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for "City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project).

Item postponed until a future meeting. No action taken.

- 10.2. Consideration of a public hearing and possible action on Ordinance No. O-2021-054 approving and adopting a budget for the City of Hutto for the Fiscal Year beginning October 1, 2021 and ending September 30, 2022. (Second Reading) (Angie Rios)

Public hearing opened: 11:58 PM

Public hearing closed: 11:58 PM

Discussion ensued.

Councilmember Gordon made a motion to keep the Public Works Field Manager position but reduce it to \$85,000 max a year. Councilmember Sutton seconded the motion. The motion passed with MPT Rose against. (6:1)

Councilmember Kinsey made a motion to raise IT salaries by 5%. Discussion ensued. Councilmember Kinsey rescinded her motion.

MPT Rose made a motion to increase all three IT positions salaries by 10% COLA plus 3% merit. Councilmember Kinsey seconded the motion. The motion passed unanimously.

Councilmember Villarreal Salvo made a motion to raise to all sworn positions plus

ACO and Code Enforcement salaries by 5% COLA plus 3% merit. Councilmember Gordon seconded the motion. The motion passed unanimously. (7:0)

Councilwoman Sutton made a motion to make the BCA line item \$150,000. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

Mayor Snyder made a motion to increase the Creative Marketing Specialist position by \$8,000. Councilmember Sutton seconded the motion. The motion passed unanimously. (7:0)

Mayor Snyder made a motion to approve the budget as presented with the following changes; Public Works Field Manager salary to \$85,000, increase the three positions in the IT Department with a 10% COLA raise and 3% merit, increase public safety line for all sworn officers, ACO's and Code Enforcer by 5% COLA increase and 3% merit increase. Increase the BCA line by \$50,000 totaling \$150,000 and increase the Creative Marking Specialist position by \$8,000. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

Mayor Snyder made a motion to ratify the property tax increase reflected in the budget for fiscal year 2021-2022 which will raise more property taxes than last years budget. MPT Rose seconded the motion. The motion passed unanimously. (7:0)

- 10.3 Consideration of a public hearing and possible action on Ordinance No. O-2021-055 levying Ad Valorem taxes for the use and support of the municipal government for the City of Hutto for the Tax Year 2021. (Second Reading) (Angie Rios)

Public hearing opened: 1:13 AM

Public hearing closed: 1:14 AM

Councilmember Sutton made a motion to accept Item 10.3 as presented. Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

- 11.4 Consideration and possible action on Resolution No. R-2021-142 adopting the Investment Policy. (Angie Rios)

MPT Rose made a motion to approve Item 11.4 as presented.

Councilmember Villarreal Salvo seconded the motion. The motion passed unanimously. (7:0)

12. EXECUTIVE SESSION Entered: 1:17 AM

The City Council for the City of Hutto reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by the Texas Government Code Sections 551.071 (Litigation/Consultation with Attorney), 551.072 (Deliberations regarding real property), 551.073 (Deliberations regarding gifts and donations), 551.074 (Deliberations regarding personnel matters) or 551.076 (Deliberations regarding deployment/implementation of security personnel or devices) and 551.087 (Deliberations regarding Economic Development negotiations).

- 12.1. Receive legal advice pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims and City Council Legal Requests.

13. ACTION RELATIVE TO EXECUTIVE SESSION Reconvened: 1:36 AM

- 13.1. Consideration and possible action related to legal advice received pursuant to Texas Government Code Sec. 551.071 related to Pending Legal Requests, Potential Claims and City Council Legal Requests. **No action taken.**

14. ADJOURNMENT - 1:38 AM

PASSED and APPROVED this 7th day of October, 2021.

Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-152 a Resolution accepting the infrastructure improvements for the subdivision known as Durango Farms Phase 1. (Wade Benton)
Meeting: Thursday, October 7, 2021
Department: Community Services
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Durango Farms Phase 1_Concurrence Letter City of Hutto
2. Durango Farms Phase 1_PROJECT CONSTRUCTION SUMMARY
3. Durango Farms Phase 1_Maintenance Bond
4. Durango Farms Phase 1_TAS Inspection Report 20-152
5. Durango Farms Phase 1_Final Cost and Quantities
6. R-2021-152 Durango Farms Phase 1 acceptance resolution



August 12, 2021

City of Hutto
Engineering and Public Works
Attn: Mr. Todd Meaker

RE: Durango Farms Phase 1 – Engineer's Concurrence Letter

I, Keith Parkan, P.E., registered professional engineer, and/or members of our staff made a visual inspection of the above referenced project and periodically visited the site to observe the construction activities. Based on our observation, I represent, to the best of my knowledge, that the improvements within the Durango Farms Phase 1 Construction Plans have been completed in general conformance with the approved subdivision construction plans.

Based on our construction observation and site visit, I have observed that the grading, water, wastewater, drainage, paving, and dry utility infrastructure was constructed per the approved plans with insignificant deviations by the general contractor. I, therefore, verify the adequate completion of this project.

If you should have any questions, please contact me at 512-872-6696.

Sincerely,

A handwritten signature in blue ink, reading 'Keith Parkan', is located to the left of the professional engineer seal.

Keith Parkan, P.E.
LDC
TBPE Firm #16384





PROJECT CONSTRUCTION SUMMARY

PROJECT NAME: DURANGO FARMS PHASE 1

FINAL ACCEPTANCE DATE: _____

INSPECTOR: TODD MEAKER

CONTRACTOR: PRO DIRT SERVICES, LLC.

Maintained By:	
COH	Other
Boxes checked by COH	

CONSTRUCTION COSTS

STREET IMPROVEMENT COST: \$1,441,684.90

EXCAVATION AND EMBANKMENT IMPROVEMENT COST: \$289,577.50

SLEEING & MISC ONSITE CHANGES IMPROVEMENT COST: \$23,736.00

CONSTRUCTION MATERIALS TESTING IMPROVEMENT COST: \$65,000.00

OLD TOWN TIE IN & MERITAGE/CoH IMPROVEMENT COST: \$64,799.50

DRAINAGE IMPROVEMENT COST: \$1,347,925.82

WATER IMPROVEMENT COST: \$585,116.28

WASTEWATERIMPROVEMENTCOST: \$437,718.28

EROSION CONTROLS / RESTORATION COST: \$114,175.30

TOTAL IMPROVEMENT COST: \$4,369,733.58

PREPARED FOR (DESIGN ENGINEER): 

CHECKED BY (CITY INSPECTOR): _____

CONSTRUCTION SUMMARY FOR WATER

VALVES INSTALLED			PIPE			FIRE HYDRANTS		
SIZE	DESCRIPTION	NO.	SIZE	TYPE	LENGTH	SIZE	TYPE	NO.
8"	GATE	20	8"	C-900 DR-14	5,870'	5 1/4"	CLOW MEDALLION	20
12"	"	12	12"	"	2,098'			
1"	COMBO VALVE	6						
AIR RELEASE								
SIZE	TYPE	NO.						
8"	AUTO FLUSH ASSEM.	2						
			SERVICES INSTALLED					
			NO.	TYPE				
			61	DOUBLE				
			26	SINGLE				

REMARKS: 2 – 1" Irrigation meters with backflow preventors installed.

CONSTRUCTION SUMMARY FOR WASTEWATER 1 OF 3

PIPE			MANHOLES					
SIZE	TYPE	LENGTH	DEPTH	MAKE	STA. NO.	BOLTED COVER	STUB-OUTS	STREET
8"	SDR-26	7,986'		WW-LINE B				
			12.5'	PRE-CAST	STA. 1+90.85	YES	2	NO
			11.2'	"	STA. 3+40.11	"	2	"
			10.6'	"	STA. 4+99.77	"	2	"
			9.5'	"	STA. 9+10.41	"	2	"
			8.5'	"	STA. 13+65.08	"	3	"
			10.1'	"	STA. 13+97.32	NO	3	MAGER LANE
				WW-LINE C				
			11.9'	PRE-CAST	STA. 2+13.97	NO	2	MAGER LANE
			12.3'	"	STA. 3+22.20	"	2	"
			12.2'	"	STA. 4+20.22	"	2	"
			12.1'	"	STA. 4+81.07	"	3	"
			11.8'	"	STA. 6+92.80	"	2	"
			11.2'	"	STA. 8+17.73	"	2	"
			11.5'	"	STA. 9+13.70	"	2	"
			11.4'	"	STA. 10+67.83	"	3	"
			11.3'	"	STA. 11+39.84	"	2	"
			11.3'	"	STA. 12+68.53	"	2	"
			11.2'	"	STA. 13+61.94	"	2	"
			8.9'	"	STA. 14+71.52	"	2	MAIN STREET
			8.8'	"	STA. 15+82.67	"	2	"
			8.6'	"	STA. 16+86.87	"	2	"
SERVICES INSTALLED								
NO.	TYPE – S / D	TYPE OF MANHOLE COATING: SPRAYWALL						
12	SINGLE							
67	DOUBLE							

CONSTRUCTION SUMMARY FOR WASTEWATER 2 OF 3

PIPE			MANHOLES					
SIZE	TYPE	LENGTH	DEPTH	MAKE	STA. NO.	BOLTED COVER	STUB-OUTS	STREET
					WW-LINE C			
			8.6'	PRE-CAST	STA. 17+66.78	NO	2	MAIN STREET
			8.4'	"	STA. 20+82.40	"	2	"
			8.3'	"	STA. 23+97.40	"	3	"
					WW-LINE D			
			10.7'	PRE-CAST	STA. 1+73.62	NO	2	DURANGO DOWNS
			11.4'	"	STA. 2+48.18	"	2	"
			12.0'	"	STA. 4+23.62	"	3	"
			12.0'	"	STA. 7+13.62	"	3	"
			11.7'	"	STA. 10+03.62	"	2	"
			11.0'	"	STA. 12+73.02	"	2	"
			7.3'	"	STA. 15+43.76	"	1	"
					WW-LINE E			
			11.6'	PRE-CAST	STA. 1+12.95	NO	2	EAST STREET
			11.6'	"	STA. 2+51.71	"	2	"
			11.6'	"	STA. 4+44.28	"	3	"
			11.5'	"	STA. 7+34.28	"	3	"
			7.8'	"	STA. 10+24.28	"	3	FALLS BRANCH
			9.0'	"	STA. 13+49.28	"	3	"
			7.9'	"	STA. 14+41.60	"	2	MAIN STREET
			6.7'	"	STA. 15+54.48	"	1	"
SERVICES INSTALLED								
NO.	TYPE – S / D		TYPE OF MANHOLE COATING: SPRAYWALL					
	SINGLE							
	DOUBLE							

CONSTRUCTION SUMMARY FOR WASTEWATER 3 OF 3

PIPE			MANHOLES					
SIZE	TYPE	LENGTH	DEPTH	MAKE	STA. NO.	BOLTED COVER	STUB-OUTS	STREET
					WW-LINE F			
			6.0'	PRE-CAST	STA. 3+55.59	NO	2	MAIN STREET
					WW-LINE G			
			6.7'	PRE-CAST	STA. 3+84.95	NO	1	MAGNOLIA RANCH
					WW-LINE H			
			5.6'	PRE-CAST	STA. 4+60.55	NO	1	OAKLAND MEADOWS
					WW-LINE J			
			6.8'	PRE-CAST	STA. 3+79.59	NO	1	MAGNOLIA RANCH
					WW-LINE K			
			8.2'	PRE-CAST	STA. 2+89.68	NO	1	OAKLAND MEADOWS
					WW-LINE L			
			6.7'	PRE-CAST	STA. 1+08.72	NO	1	EAST STREET
					WW-LINE M			
			10.3'	PRE-CAST	STA. 5+29.46	NO	1	MAGER LANE
SERVICES INSTALLED								
NO.	TYPE – S / D		TYPE OF MANHOLE COATING: SPRAYWALL					
	SINGLE							
	DOUBLE							

CONSTRUCTION SUMMARY FOR DRAINAGE

STORM DRAIN			MANHOLES			INLETS		
SIZE (IN)	MATERIAL TYPE	L (FT)	QTY	SIZE (Dia-FT)	MATERIAL TYPE	QTY	SIZE (L – FT)	TYPE ₁
18"	CL-III RCP	2,839'	2	5'	PRE-CAST	46	10'	CURB
24"	"	1,493'				13	3'x3'	GRATE
30"	"	894'				2	4'x4'	AREA
36"	"	1,550'				1	5'x5'	"
48"	"	427'				1	20'	CURB
54"	"	660'				1	4'x4'	GRATE
60"	"	689'						

JUNCTION BOXES			STRUCTURES		
QTY	SIZE (FT x FT x FT)	MATERIAL TYPE ₂	QTY	SIZE ₃	DESCRIPTION ₄
4	4'x4'	PRE-CAST	1	72"	HEADWALL
3	5'x5'	"	1	36"	HEADWALL
2	6'x6'	"	1	36"	HEADWALL W/SET
3	7'x7'	"	179'	5'x5'	BOX CULVERT
4	8'x8'	"	701'	6'x5'	"

CHANNEL			
LENGTH (FT)	BOTTOM WIDTH (FT)	SIDE SLOPE (FT/FT)	LINING MATERIAL TYPE

- 1) Grate, Area, Curb, Recessed Curb, Combination, Slotted Drain
- 2) Cast in-Place, Precast
- 3) Pipe size / Culvert Size
- 4) Headwall, Wing Walls, Gabions

CONSTRUCTION SUMMARY FOR STREETS & SIDEWALKS

STREET PAVING							
STREET NAME	Address From	Address To	Pavement Design (Thickness) Asphalt / Base	Pavement Width (FT) (foc-foc)	L (FT)	PRIVATE	ETJ
MAGER LANE	STA. 1+00	STA. 18+00	2" ASPH. 14" BASE	33'	1,800'	NO	NO
MAIN STREET	STA. 1+00	STA. 18+65.34	2" ASPH 9" BASE	33'	1,865'	"	"
DURANGO DOWNS	STA. 1+00	STA. 16+38.49	2" ASPH 9" BASE	33'	1,638'	"	"
FALLS BRANCH DR.	STA. 16+38.49	STA. 19+63.49	2" ASPH 9" BASE	33'	325'	"	"
EAST STREET	STA. 1+00	STA. 12+11.71	2" ASPH 9" BASE	33'	1,212'	"	"
MAGNOLIA RANCH	STA. 1+00	STA. 7+39.77	2" ASPH 9" BASE	33'	739'	"	"
OAKLAND MEADOWS	STA. 1+00	STA. 7+39.77	2" ASPH 9" BASE	33	739'	"	"
FAIRMEADOW	STA. 1+00	STA. 3+00.51	2" ASPH 9" BASE	33'	300'	"	"

SIDEWALKS / SIDEWALK RAMPS						
STREET NAME	Address From	Address To	W (FT)	L (FT)	SIDES ₁	CURB RAMP ₂
MAGER LANE			5'	1,810'	N, S	6
MAIN STREET			5'	500'	E, W	4
DURANGO DOWNS			5'	160'	W	8
FALLS BRANCH DR.			N/A			4
EAST STREET			5'	520'	Cult-a-sac E	10
MAGNOLIA RANCH			5'	40'	N	4
OAKLAND MEADOWS			N/A			4
FAIRMEADOW			N/A			2

1 – Designates location of existing sidewalk (E, W, S, N, SE, SW, NE, NW of designated street)

2 – Number of Ramps



Durango Farms PH1 Final Cost and Quantities

Submitted by: Zach Cason

PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1							
A1	Furnish and install inlet	EA	63	\$ 100.00	\$ 6,300.00	63	\$ 6,300.00
A2	Furnish and Install temporary silt fence within limits of construction-complete in place. Maintain.	LF	4,489	-	-	4489	-
A3	Furnish and Install Rock Berm	LF	30	-	-	30	-
A4	Furnish and Install topsoil (6" depth) within landscaped tract areas and within ROW	SY	32,138	1.00	32,138.00	32138	32,138.00
A5	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within ROW	SY	32,138	0.85	27,317.30	32138	27,317.30
A7	Furnish and Install mailbox unit included but not limited to cluster box unit per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS	EA	10	4,500.00	45,000.00	10	45,000.00
TOTAL PART A: EROSION CONTROLS & MISC. (Items A1 - A7)					\$ 110,755.30		\$ 110,755.30
PART B: WASTEWATER IMPROVEMENTS PHASE 1							
B1	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe(all depths)	LF	7,986	23.73	\$ 189,507.78	7986	\$ 189,507.78
B2	Furnish and Install 4-ft diameter wastewater manhole	EA	46	3,500.00	161,000.00	46	161,000.00
B3	Trench safety system for wastewater line	LF	7,986	1.00	7,986.00	7986	7,986.00
B4	CCTV Wastewater Lines	LF	7986	1.25	9,982.50	7986	9,982.50
B5	Furnish and Install double service connection, per detail	EA	67	750.00	50,250.00	67	50,250.00
B6	Furnish and Install single service connection, per detail	EA	12	700.00	8,400.00	12	8,400.00
B7	Connect to wastewater stub or existing wastewater manhole	EA	1	250.00	250.00	1	250.00
B8	Furnish and Install Stub for future connection	EA	3	350.00	1,050.00	3	1,050.00
TOTAL PART B: WASTEWATER IMPROVEMENTS (Items B1 - B8)					\$ 428,426.28		\$ 428,426.28
PART C: DRAINAGE IMPROVEMENTS PHASE 1							
C1	Furnish and Install 18-inch Class III RCP storm sewer(all depths)	LF	2,839	41.00	\$ 116,399.00	2839	\$ 116,399.00
C2	Furnish and Install 24-inch Class III RCP storm sewer(all depths)	LF	1,425	47.75	\$ 68,043.75	1425	\$ 68,043.75
C3	Furnish and Install 30-inch Class III RCP storm sewer(all depths)	LF	894	60.00	\$ 53,640.00	894	\$ 53,640.00

C4	Furnish and Install 36-inch Class III RCP storm sewer(all depths)	LF	1,125	78.52	\$ 88,335.00	1125	\$ 88,335.00
C5	Furnish and Install 48-inch Class III RCP storm sewer(all depths)	LF	427	117.52	\$ 50,181.04	427	\$ 50,181.04
C6	Furnish and Install 54-inch Class III RCP storm sewer(all depths)	LF	660	172.52	\$ 113,863.20	660	\$ 113,863.20
C7	Furnish and Install 60-inch Class III RCP storm sewer(all depths)	LF	451	200.52	\$ 90,434.52	451	\$ 90,434.52
C8	Furnish and Install (5'dia) storm sewer manhole	EA	2	2,250.00	\$ 4,500.00	2	\$ 4,500.00
C9	Furnish and Install (4'X4') storm sewer junction box (all depths)	EA	4	2,100.00	\$ 8,400.00	4	\$ 8,400.00
C10	Furnish and Install (5'X5') storm sewer junction box (all depths)	EA	3	2,500.00	\$ 7,500.00	3	\$ 7,500.00
C11	Furnish and Install (6'X6') storm sewer junction box (all depths)	EA	2	5,000.00	\$ 10,000.00	2	\$ 10,000.00
C12	Furnish and Install (7'X7') storm sewer junction box (all depths)	EA	3	10,000.00	\$ 30,000.00	3	\$ 30,000.00
C13	Furnish and Install (8'X8') storm sewer junction box (all depths)	EA	4	12,000.00	\$ 48,000.00	4	\$ 48,000.00
C14	Furnish and Install 10' curb inlet (5'-10' depths), Type I, per City of Round Rock standard detail	EA	46	4,500.00	\$ 207,000.00	46	\$ 207,000.00
C15	Furnish and Install 3'X3' grate inlet	EA	13	2,000.00	\$ 26,000.00	13	\$ 26,000.00
C16	Furnish and Install 4'X4' area inlet	EA	2	2,000.00	\$ 4,000.00	2	\$ 4,000.00
C17	Furnish and Install 5'X5' area inlet	EA	1	2,250.00	\$ 2,250.00	1	\$ 2,250.00
C18	Furnish and Install 72" headwall outlet structure	EA	1	25,000.00	\$ 25,000.00	1	\$ 25,000.00
C19	Furnish and Install 5'X5' reinforced concrete box culvert storm sewer	LF	179	310.00	\$ 55,490.00	179	\$ 55,490.00
C20	Furnish and Install 6'X5' reinforced concrete box culvert storm sewer	LF	701	370.85	\$ 259,965.85	701	\$ 259,965.85
C21	Rock Rip Rap	SF	2,250	2.50	\$ 5,625.00	2250	\$ 5,625.00
C22	Trench Safety systems for storm sewers	LF	8,701	1.00	\$ 8,701.00	8701	\$ 8,701.00
C23	Furnish and Install 36" headwall outlet structure	EA	1	10,000.00	\$ 10,000.00	1	\$ 10,000.00
C24	Furnish and Install 36" concrete headwall, mitered to slope, with safety end treatment	EA	1	9,000.00	\$ 9,000.00	1	\$ 9,000.00
C25	Furnish and Install temporary outlet protection	EA	1	500.00	\$ 500.00	1	\$ 500.00
C26	Furnish and Install 20' curb inlet (5'-10' depths), Type I, per City of Round Rock standard	EA	1	6,500.00	\$ 6,500.00	1	\$ 6,500.00
C27	Furnish and Install 4'X4' grate inlet	EA	1	2,500.00	\$ 2,500.00	1	\$ 2,500.00

TOTAL PART C: DRAINAGE IMPROVEMENTS (Item C1-C27)					\$1,311,828.36		\$ 1,311,828.36
PART D: POTABLE WATER IMPROVEMENTS PHASE 1							
D1	Furnish and Install 8-inch C-900 PVC DR-14 water line(all depths)	LF	5,870	23.01	\$ 135,068.70	5870	\$ 135,068.70
D2	Furnish and Install 12-inch C-900 PVC DR-14 water line(all depths)	LF	2,098	32.09	\$ 67,324.82	2098	\$ 67,324.82
D3	Ductile Iron Fittings	LF	7,968	4.60	\$ 36,652.80	7968	\$ 36,652.80
D4	Furnish and Install 8" Gate valve	EA	17	1,200.00	\$ 20,400.00	17	\$ 20,400.00
D5	Furnish and Install 12" Gate valve	EA	12	2,000.00	\$ 24,000.00	12	\$ 24,000.00
D6	8" Auto flush valve assembly	EA	2	3,500.00	\$ 7,000.00	2	\$ 7,000.00
D7	Furnish and Install standard fire hydrant assembly	EA	20	3,500.00	\$ 70,000.00	20	\$ 70,000.00
D8	1" Irrigation Meters with backflow preventors	EA	2	1,000.00	\$ 2,000.00	2	\$ 2,000.00
D9	1" Combination Valve	EA	6	3,500.00	\$ 21,000.00	6	\$ 21,000.00
D10	Furnish and Install standard potable water double service connection with meter boxes	EA	61	800.00	\$ 48,800.00	61	\$ 48,800.00
D11	Furnish and Install standard potable water single service connection with meter box	EA	23	750.00	\$ 17,250.00	23	\$ 17,250.00
D12	Trench safety sytems for water line	LF	7,968	1.00	\$ 7,968.00	7968	\$ 7,968.00
D13	Furnish and Install 8-inch plug	EA	3	250.00	\$ 750.00	3	\$ 750.00
D14	Furnish and Install 12-inch plug	EA	4	250.00	\$ 1,000.00	4	\$ 1,000.00
D15	Pressure pipe hydrostatic testing	LF	7,968	2.00	\$ 15,936.00	7968	\$ 15,936.00
TOTAL PART D: POTABLE WATER IMPROVEMENTS (Items D1 - D15)					\$ 475,150.32		\$ 475,150.32
PART F: STREET IMPROVEMENTS PHASE 1							
F1	8" of Lime stabilized subgrade (to 3' behind curb)	SY	35,560	\$ 5.80	\$ 206,248.00	35,560	\$ 206,248.00
F2	8" of Lime stabilized subgrade (to 3' behind curb) (alleys)	SY	5,582	5.80	\$ 32,375.60	5,582	\$ 32,375.60
F3	9" Crushed limestone base (to 3' behind curb) (residential local)	SY	35,560	8.90	\$ 316,484.00	35,560	\$ 316,484.00
F4	9" Crushed limestone base (to 3' behind curb) (alleys)	SY	5,582	8.90	\$ 49,679.80	5582	\$ 49,679.80
F5	Furnish and Install CoRR item 340 Type D HMAc, 2.0" depth	SY	26,305	9.95	\$ 261,734.75	26305	\$ 261,734.75
F6	Furnish and Install CoRR item 340 Type D HMAc, 2.0" depth (alleys)	SY	2,845	9.95	\$ 28,307.75	2845	\$ 28,307.75
F7	Furnish and Install Standard 18" ribbon curb	LF	4,758	10.00	\$ 47,580.00	4758	\$ 47,580.00
F8	Furnish and Install Standard 6" concrete curb and gutter	LF	14,434	12.00	\$ 173,208.00	14434	\$ 173,208.00
F9	Furnish and Install concrete sidewalks, 5' wide	LF	3,030	28.00	\$ 84,840.00	3030	\$ 84,840.00
F10	Furnish and Install curb ramp (all types)	EA	42	1,250.00	\$ 52,500.00	42	\$ 52,500.00
F11	Furnish and Install pavement marking and signage	LS	1	15,000.00	\$ 15,000.00	1	\$ 15,000.00
F12	Provide Temporary traffic controll during construction	LS	1	20,000.00	\$ 20,000.00	1	\$ 20,000.00
F13	Furnish and Install street end barricades	LS	1	750.00	\$ 750.00	1	\$ 750.00

F14	Furnish and Install concrete valley gutter	EA	6	5,600.00	\$ 33,600.00	6	\$ 33,600.00
F15	Furnish and Install Type II driveway for alleys and pond access	EA	13	6,700.00	\$ 87,100.00	13	\$ 87,100.00
TOTAL PART F: STREET IMPROVEMENTS. (Items F1 - F15)					\$1,409,407.90		\$ 1,409,407.90
PART G: EXCAVATION AND EMBANKMENT PHASE 1							
G1	Clear and grub (Row)	AC	10.01	\$ 750.00	\$ 7,507.50	10.01	\$ 7,507.50
G2	Clear and grub (Alleys)	AC	1.13	\$ 750.00	\$ 847.50	1.13	\$ 847.50
G3	Clear and grub (Lots)	AC	21.63	\$ 750.00	\$ 16,222.50	21.63	\$ 16,222.50
G4	Earthwork (inclusive of excavation, embankment, import, or haul-off, as required to deliver finished site)	LS	1	\$ 265,000.00	\$ 265,000.00	1	\$ 265,000.00
TOTAL PART G: EXCAVATION AND EMBANKMENT (Items G1 - G4)					\$ 289,577.50		\$ 289,577.50
PART H: SLEEVING PHASE 1							
H1	Sleeving	LS	1	10,000.00	\$ 10,000.00	1	\$ 10,000.00
TOTAL PART H: SLEEVING (Item H1)					\$ 10,000.00		\$ 10,000.00
PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1 OFFSITE IMPROVEMENTS							
A1	Furnish and Install stabilized construction entrance - complete in place. Maintain.	EA	1	\$ -	\$ -		\$ -
A2	Furnish and Install temporary silt fence within limits of construction-complete in place. Maintain.	LF	2200	-	-		-
A4	Furnish and Install topsoil (6" depth) within landscaped tract areas and within ROW	SY	1200	2.00	2,400.00	1200	2,400.00
A5	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within ROW	SY	1,200	0.85	1,020.00	1200	1,020.00
TOTAL PART A: EROSION CONTROLS & MISC. (Items A1 - A5)					\$ 3,420.00		\$ 3,420.00
PART B: CONSTRUCTION MATERIALS TESTING (BOTH FOR MASS GRADING & PH1)							
B1	Construction Materials Testing	LS	1	65,000.00	\$ 65,000.00	1.00	\$ 65,000.00
TOTAL PART B: CONSTRUCTION MATERIALS TESTING (Item B1)					\$ 65,000.00		\$ 65,000.00
PART C: POTABLE WATER IMPROVEMENTS PHASE 1 OFFSITE IMPROVEMENTS							
C1	Furnish and Install 8-inch C-900 PVC DR-14 water line(all depths)	LF	862	45.00	\$ 38,790.00	862	\$ 38,790.00
C2	Furnish and Install 12-inch C-900 PVC DR-14 water line(all depths)	LF	988	34.92	\$ 34,500.96	988	\$ 34,500.96
C3	Ductile Iron Fittings (\$3.08 per LF)	LF	1,850	3.00	\$ 5,550.00	1850	\$ 5,550.00
C4	Trench safety sytems for water line	LF	1,850	1.00	\$ 1,850.00	1850	\$ 1,850.00
C5	Connect to existing water line	EA	3	500.00	\$ 1,500.00	3	\$ 1,500.00
C6	FM 1660 Bore	LS	1	25,000.00	\$ 25,000.00	1	\$ 25,000.00
C7	Pressure pipe hydrostatic testing	LF	1,850	1.50	\$ 2,775.00	1850	\$ 2,775.00
TOTAL PART C: POTABLE WATER IMPROVEMENTS (Items C1 - C7)					\$ 109,965.96		\$ 109,965.96
CHANGE ORDER #002: WW MANHOLE BASES							
1	Increased WW base thickness on reflected in plans	EA	46	202.00	\$ 9,292.00	46	\$ 9,292.00
TOTAL CHANGE ORDER #002: WW MANHOLE BASES					\$ 9,292.00		\$ 9,292.00

CHANGE ORDER #003: MISC. ON SITE CHANGES							
1	Misc. on site changes	EA	1	13,736.00	\$ 13,736.00	1	\$ 13,736.00
TOTAL CHANGE ORDER #003: MISC. ON SITE CHANGES					\$ 13,736.00		\$ 13,736.00
CHANGE ORDER #005: Upgraded RCP							
1	36" Class IV RCP	LF	425	18.00	\$ 7,650.00	425	\$ 7,650.00
2	60" Class IV RCP	LF	238	115.00	\$ 27,370.00	238	\$ 27,370.00
3	24" Class IV RCP	LF	68	8.00	\$ 544.00	68	\$ 544.00
4	Bond Premium	LS	1	533.46	\$ 533.46	1	\$ 533.46
TOTAL CHANGE ORDER #005: UPGRADED RCP					\$ 36,097.46		\$ 36,097.46
CHANGE ORDER #010: Old Town Tie In Changes per City of Hutto							
1	Demo existing asphalt	SF	7,200	2.50	\$ 18,000.00	7200	\$ 18,000.00
3	Single Services	EA	3	1,250.00	\$ 3,750.00	3	\$ 3,750.00
4	Flowable Fill	CY	8	200.00	\$ 1,600.00	8	\$ 1,600.00
5	8" Gate Valve	EA	3	1,200.00	\$ 3,600.00	3	\$ 3,600.00
6	Concrete RIP RAP	CY	7	250.00	\$ 1,750.00	7	\$ 1,750.00
7	Curb Repair	LF	60	25.00	\$ 1,500.00	60	\$ 1,500.00
8	Traffic Control	MO	1	3,500.00	\$ 3,500.00	1	\$ 3,500.00
9	Bond Premium	EA	1	649.50	\$ 649.50	1	\$ 649.50
TOTAL CHANGE ORDER #010: OLD TOWN TIE IN CHANGES PER COH					\$ 34,349.50		\$ 34,349.50
CHANGE ORDER #011: Increased Street Sections							
1	Increased Base Thickness(Mager) by 1"	SY	5,000	2.00	\$ 10,000.00	5000	\$ 10,000.00
2	Increased Asphalt Thickness(Mager/1660) by .5"	SY	1,900	2.00	\$ 3,800.00	1900	\$ 3,800.00
3	Increased Base Thickness(Mager/1660) by 3"	SY	2,400	3.50	\$ 8,400.00	2400	\$ 8,400.00
4	TX5 Geogrid	SY	2,400	4.00	\$ 9,600.00	2400	\$ 9,600.00
5	Bond Premium	EA	1	477.00	\$ 477.00	1	\$ 477.00
TOTAL CHANGE ORDER #011: INCREASED STREET SECTIONS					\$ 32,277.00		\$ 32,277.00
CHANGE ORDER #014A: Meritage and CoH Adjustments							
1	Relocate area inlet	EA	1	5,500.00	\$ 5,500.00	1	\$ 5,500.00
2	Knuckle valley gutter	LS	1	5,500.00	\$ 5,500.00	1	\$ 5,500.00
3	Sawcut existing asphalt/haul off	LS	1	3,500.00	\$ 3,500.00	1	\$ 3,500.00
4	Asphalt patching for valley gutter	LS	1	10,000.00	\$ 10,000.00	1	\$ 10,000.00
5	Sawcut more joints in driveways per CoH	EA	11	500.00	\$ 5,500.00	11	\$ 5,500.00
6	Bond Premium	EA	1	450.00	\$ 450.00	1	\$ 450.00
TOTAL CHANGE ORDER #014: MERITAGE & COH ADJUSTMENTS					\$ 30,450.00		\$ 30,450.00
							Cost Amounts
PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1							\$ 110,755.30
PART B: WASTEWATER IMPROVEMENTS PHASE 1							\$ 428,426.28
PART C: DRAINAGE IMPROVEMENTS PHASE 1							\$ 1,311,828.36
PART D: POTABLE WATER IMPROVEMENTS PHASE 1							\$ 475,150.32
PART F: STREET IMPROVEMENTS PHASE 1							\$ 1,409,407.90
PART G: EXCAVATION AND EMBANKMENT PHASE 1							\$ 289,577.50
PART H: SLEEVEING PHASE 1							\$ 10,000.00
PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1 OFFSITE IMPROVEMENTS							\$ 3,420.00
PART B: CONSTRUCTION MATERIALS TESTING (BOTH FOR MASS GRADING & PH1)							\$ 65,000.00
PART C: POTABLE WATER IMPROVEMENTS PHASE 1 OFFSITE IMPROVEMENTS							\$ 109,965.96
CHANGE ORDER #002: WW MANHOLE BASES							\$ 9,292.00
CHANGE ORDER #003: MISC. ON SITE CHANGES							\$ 13,736.00
CHANGE ORDER #005: Upgraded RCP							\$ 36,097.46
CHANGE ORDER #010: Old Town Tie In Changes per City of Hutto							\$ 34,349.50
CHANGE ORDER #011: Increased Street Sections							\$ 32,277.00
CHANGE ORDER #014A: Meritage and CoH Adjustments							\$ 30,450.00
							\$ 4,369,733.58

Philadelphia Indemnity Insurance Company

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004
877-438-7459

Bond No. PB03016800667M

MAINTENANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that we ProDirt Services, LLC as Principal, and Philadelphia Indemnity Insurance Company, a corporation organized under the laws of the State of Pennsylvania, and duly authorized to do business in the State of Texas as Surety, are held and firmly bound unto City of Hutto as Obligee, in the penal sum of Four Million Eight Hundred Six Thousand Seven Hundred Six and 94/100 (\$4,806,706.94) to which payment well and truly to be made we do bind ourselves, and each of our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

WHEREAS, the said Principal has entered into a contract with City of Hutto dated July 30, 2020 for Durango Farms Phase 1, which contract is hereinafter referred to as the "Contract."

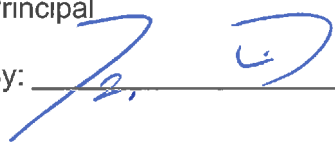
WHEREAS, said Obligee requires that the Principal furnish a bond conditioned to guarantee for the period of Three year (s) from date of acceptance of the work performed under the Contract against all defects in workmanship and materials which would have been the responsibility under the Contract for which written notice is made to Surety during said period

NOW THEREFORE, THE CONDITIONS OF THIS OBLIGATION IS SUCH that, if the Principal shall indemnify the Obligee for all loss that the Obligee may sustain by reason of any defective materials or workmanship which may become apparent and with respect to which notice is delivered to Surety in writing during the period of Two year (s) from and after date of acceptance of the work under the Contract, then this obligation shall be void, otherwise to remain in full force and effect.

No right of action shall accrue hereunder to or for the benefit of any person or entity other the Obligee named herein, nor shall any suit be filed or action maintained on this bond more than thirty seven (37) months after the date of the earliest timely notice of defect by Obligee to Surety.

SIGNED, SEALED AND DATED THIS 25th day of August, 2021.

ProDirt Services, LLC
Principal

By:  _____

Philadelphia Indemnity Insurance Company

By:  _____

Tom Mulanax, Attorney-in-Fact

PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: That **PHILADELPHIA INDEMNITY INSURANCE COMPANY** (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint **Tom Mulanax, Michael Whorton, David Whorton, Rachel Martinez, Rosemarie Lopez, Jeremy Farque and/or Noe Moreno of Whorton Insurance Services**, its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed \$50,000,000.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY on the 14th of November, 2016.

RESOLVED: That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

FURTHER RESOLVED: That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 5TH DAY OF MARCH, 2021.

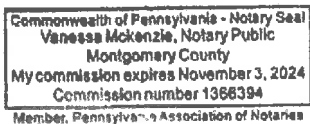
(Seal)



John Glomb, President & CEO
Philadelphia Indemnity Insurance Company

On this 5th day of March, 2021 before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the **PHILADELPHIA INDEMNITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.

Notary Public:



residing at:

Bala Cynwyd, PA

My commission expires:

November 3, 2024

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and the Power of Attorney issued pursuant thereto on the 5th day March, 2021 are true and correct and are still in full force and effect. I do further certify that John Glomb, who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 25th day of August, 2021.



Edward Sayago, Corporate Secretary
PHILADELPHIA INDEMNITY INSURANCE COMPANY

IMPORTANT NOTICE

To obtain information or make a complaint: You may call the Surety's toll free telephone number for information or to make a complaint at:

1-877-438-7459

You may also write Philadelphia Indemnity Insurance Company at:

**One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004
Attention: Senior Vice President and
Director of Surety**

You may contact the Texas Department of Insurance to obtain information on companies, coverage, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

**P.O. Box 149104
Austin, TX 78714-9104
Web: <http://www.tdi.texas.gov>**

PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim, you should contact the Surety first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR BOND: This notice is for information only and does not become a part or condition of the attached document.

ADVISO IMPORTANTE

Para obtener informacion o para someter una queja: Usted puede llamar al numero de telefono gratis de para informacion o para someter una queja al:

1-877-438-7459

Usted tambien puede escribir a Philadelphia Indemnity Insurance Company:

**One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004
Attention: Senior Vice President and
Director of Surety**

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

**P.O. Box 149104
Austin, TX 78714-9104
Web: <http://www.tdi.texas.gov>**

DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el Surety primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU FIANZA DE GARANTIA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

July 15, 2021

Jerry Wayne Roznovak
3051 County Road 101
Hutto, Texas 78634

TDLR Project Number: TABS2021000357

PROJECT:

Durango Farms Phase 1
700 FM 1660 North
Hutto, TX 78634

INSPECTION COMPLETED – NO VIOLATIONS

Dear Jerry:

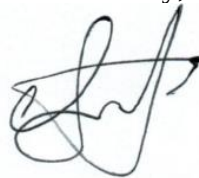
We are pleased to inform you that the referenced facility has been inspected and found to be in substantial compliance with provisions of the Texas Government Code, Chapter 469.

The inspection results will be forwarded to the Texas Department of Licensing and Regulation for issuance of the final approval letter. For newly constructed buildings and facilities, the Department will provide a Notice of Substantial Compliance (Certificate and Decal) to the owner up on receipt of a completed Notice of Substantial Compliance Request Form.

Please note, this determination does not address the requirements of the Americans with Disabilities Act (ADA), (P.L/ 101-336), or any other state, local, or federal requirements. For information on the ADA, please contact the United States Department of Justice, Civil Rights Division at (202) 514-0301.

Please reference the TABS number in all future correspondence pertaining to this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arturo Pinero', with a stylized flourish at the end.

Arturo Pinero, RAS #1551

cc: LandDev Consulting, LLC



Inspection Report

Article 9102, T.C.S.

Texas Accessibility Standards (TAS)

Inspection Date: July 14, 2021

TDLR Project Number: TABS2021000357

RAS: Arturo Pinero (License #1551)

Altura Project No: 20-152

PROJECT INFORMATION

Durango Farms Phase 1

700 FM 1660 North

Hutto, TX 78634

Description: Single Family Residential, Right-of-way, drainage, utilities, and sidewalks

Scope: The scope of the project includes the requirements for TAS 201.1 and Elimination of Architectural Barriers Administrative Rules 68.102

OWNER INFORMATION

Jerry Wayne Roznovak

3051 County Road 101

Hutto, Texas 78634

The following report identifies violations with the Texas Accessibility Standards (TAS).

No violations of the TAS were found.

Inspection Report

Article 9102, T.C.S.
Texas Accessibility Standards (TAS)

TDLR Project No: TABS2021000357
Altura Project No: 20-152

REPORT COMMENTS

1. The scope of this report is limited to an inspection for compliance with the 2012 Texas Accessibility Standards (TAS). This report excludes a review for compliance with other accessibility requirements such as the Americans with Disabilities Act Accessibility Guidelines (ADAAG) and the 2010 Standards for Accessible Design.
2. The scope of the report excludes an inspection for compliance with building code requirements such as the International Building Code (IBC).
3. The report does not cover any elements or spaces which are not subject to the TAS. The report does not cover any elements or spaces that are outside of the scope of work of this project or outside of the property line as indicated by the construction documents.
4. Contact Arturo Pinero at (512) 410-7059 or at arturo@alturalp.com with any questions or comments.

-END OF REPORT

PRO DIRT SERVICES, LLC



Durango Farms PH1 Final Cost and Quantities

Submitted by: Zach Cason



PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1							
A1	Furnish and install inlet	EA	63	\$ 100.00	\$ 6,300.00	63	\$ 6,300.00
A2	Furnish and Install temporary silt fence within limits of construction-complete in place. Maintain.	LF	4,489	-	-	4489	-
A3	Furnish and Install Rock Berm	LF	30	-	-	30	-
A4	Furnish and Install topsoil (6" depth) within landscaped tract areas and within ROW	SY	32,138	1.00	32,138.00	32138	32,138.00
A5	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within ROW	SY	32,138	0.85	27,317.30	32138	27,317.30
A7	Furnish and Install mailbox unit included but not limited to cluster box unit per plan, foundation, sidewalk to curb connection, pedestal, side panels for end units and coordination with USPS	EA	10	4,500.00	45,000.00	10	45,000.00
TOTAL PART A: EROSION CONTROLS & MISC. (Items A1 - A7)				\$ 110,755.30			\$ 110,755.30
PART B: WASTEWATER IMPROVEMENTS PHASE 1							
B1	Furnish and Install 8-inch SDR-26 PVC gravity wastewater pipe(all depths)	LF	7,986	23.73	\$ 189,507.78	7986	\$ 189,507.78
B2	Furnish and Install 4-ft diameter wastewater manhole	EA	46	3,500.00	161,000.00	46	161,000.00
B3	Trench safety system for wastewater line	LF	7,986	1.00	7,986.00	7986	7,986.00
B4	CCTV Wastewater Lines	LF	7986	1.25	9,982.50	7986	9,982.50
B5	Furnish and Install double service connection, per detail	EA	67	750.00	50,250.00	67	50,250.00
B6	Furnish and Install single service connection, per detail	EA	12	700.00	8,400.00	12	8,400.00
B7	Connect to wastewater stub or existing wastewater manhole	EA	1	250.00	250.00	1	250.00
B8	Furnish and Install Stub for future connection	EA	3	350.00	1,050.00	3	1,050.00
TOTAL PART B: WASTEWATER IMPROVEMENTS (Items B1 - B8)				\$ 428,426.28			\$ 428,426.28
PART C: DRAINAGE IMPROVEMENTS PHASE 1							
C1	Furnish and Install 18-inch Class III RCP storm sewer(all depths)	LF	2,839	41.00	\$ 116,399.00	2839	\$ 116,399.00
C2	Furnish and Install 24-inch Class III RCP storm sewer(all depths)	LF	1,425	47.75	\$ 68,043.75	1425	\$ 68,043.75
C3	Furnish and Install 30-inch Class III RCP storm sewer(all depths)	LF	894	60.00	\$ 53,640.00	894	\$ 53,640.00

C4	Furnish and Install 36-inch Class III RCP storm sewer(all depths)	LF	1,125	78.52	\$ 88,335.00	1125	\$ 88,335.00
C5	Furnish and Install 48-inch Class III RCP storm sewer(all depths)	LF	427	117.52	\$ 50,181.04	427	\$ 50,181.04
C6	Furnish and Install 54-inch Class III RCP storm sewer(all depths)	LF	660	172.52	\$ 113,863.20	660	\$ 113,863.20
C7	Furnish and Install 60-inch Class III RCP storm sewer(all depths)	LF	451	200.52	\$ 90,434.52	451	\$ 90,434.52
C8	Furnish and Install (5'dia) storm sewer manhole	EA	2	2,250.00	\$ 4,500.00	2	\$ 4,500.00
C9	Furnish and Install (4'X4') storm sewer junction box (all depths)	EA	4	2,100.00	\$ 8,400.00	4	\$ 8,400.00
C10	Furnish and Install (5'X5') storm sewer junction box (all depths)	EA	3	2,500.00	\$ 7,500.00	3	\$ 7,500.00
C11	Furnish and Install (6'X6') storm sewer junction box (all depths)	EA	2	5,000.00	\$ 10,000.00	2	\$ 10,000.00
C12	Furnish and Install (7'X7') storm sewer junction box (all depths)	EA	3	10,000.00	\$ 30,000.00	3	\$ 30,000.00
C13	Furnish and Install (8'X8') storm sewer junction box (all depths)	EA	4	12,000.00	\$ 48,000.00	4	\$ 48,000.00
C14	Furnish and Install 10' curb inlet (5'-10' depths), Type I, per City of Round Rock standard detail	EA	46	4,500.00	\$ 207,000.00	46	\$ 207,000.00
C15	Furnish and Install 3'X3' grate inlet	EA	13	2,000.00	\$ 26,000.00	13	\$ 26,000.00
C16	Furnish and Install 4'X4' area inlet	EA	2	2,000.00	\$ 4,000.00	2	\$ 4,000.00
C17	Furnish and Install 5'X5' area inlet	EA	1	2,250.00	\$ 2,250.00	1	\$ 2,250.00
C18	Furnish and Install 72" headwall outlet structure	EA	1	25,000.00	\$ 25,000.00	1	\$ 25,000.00
C19	Furnish and Install 5'X5' reinforced concrete box culvert storm sewer	LF	179	310.00	\$ 55,490.00	179	\$ 55,490.00
C20	Furnish and Install 6'X5' reinforced concrete box culvert storm sewer	LF	701	370.85	\$ 259,965.85	701	\$ 259,965.85
C21	Rock Rip Rap	SF	2,250	2.50	\$ 5,625.00	2250	\$ 5,625.00
C22	Trench Safety systems for storm sewers	LF	8,701	1.00	\$ 8,701.00	8701	\$ 8,701.00
C23	Furnish and Install 36" headwall outlet structure	EA	1	10,000.00	\$ 10,000.00	1	\$ 10,000.00
C24	Furnish and Install 36" concrete headwall, mitered to slope, with safety end treatment	EA	1	9,000.00	\$ 9,000.00	1	\$ 9,000.00
C25	Furnish and Install temporary outlet protection	EA	1	500.00	\$ 500.00	1	\$ 500.00
C26	Furnish and Install 20' curb inlet (5'-10' depths), Type I, per City of Round Rock standard	EA	1	6,500.00	\$ 6,500.00	1	\$ 6,500.00
C27	Furnish and Install 4'X4' grate inlet	EA	1	2,500.00	\$ 2,500.00	1	\$ 2,500.00



TOTAL PART C: DRAINAGE IMPROVEMENTS (Item C1-C27)					\$1,311,828.36		\$ 1,311,828.36
PART D: POTABLE WATER IMPROVEMENTS PHASE I							
D1	Furnish and Install 8-inch C-900 PVC DR-14 water line(all depths)	LF	5,870	23.01	\$ 135,068.70	5870	\$ 135,068.70
D2	Furnish and Install 12-inch C-900 PVC DR-14 water line(all depths)	LF	2,098	32.09	\$ 67,324.82	2098	\$ 67,324.82
D3	Ductile Iron Fittings	LF	7,968	4.60	\$ 36,652.80	7968	\$ 36,652.80
D4	Furnish and Install 8" Gate valve	EA	17	1,200.00	\$ 20,400.00	17	\$ 20,400.00
D5	Furnish and Install 12" Gate valve	EA	12	2,000.00	\$ 24,000.00	12	\$ 24,000.00
D6	8" Auto flush valve assembly	EA	2	3,500.00	\$ 7,000.00	2	\$ 7,000.00
D7	Furnish and Install standard fire hydrant assembly	EA	20	3,500.00	\$ 70,000.00	20	\$ 70,000.00
D8	1" Irrigation Meters with backflow preventors	EA	2	1,000.00	\$ 2,000.00	2	\$ 2,000.00
D9	1" Combination Valve	EA	6	3,500.00	\$ 21,000.00	6	\$ 21,000.00
D10	Furnish and Install standard potable water double service connection with meter boxes	EA	61	800.00	\$ 48,800.00	61	\$ 48,800.00
D11	Furnish and Install standard potable water single service connection with meter box	EA	23	750.00	\$ 17,250.00	23	\$ 17,250.00
D12	Trench safety sytems for water line	LF	7,968	1.00	\$ 7,968.00	7968	\$ 7,968.00
D13	Furnish and Install 8-inch plug	EA	3	250.00	\$ 750.00	3	\$ 750.00
D14	Furnish and Install 12-inch plug	EA	4	250.00	\$ 1,000.00	4	\$ 1,000.00
D15	Pressure pipe hydrostatic testing	LF	7,968	2.00	\$ 15,936.00	7968	\$ 15,936.00
TOTAL PART D: POTABLE WATER IMPROVEMENTS (Items D1 - D15)					\$ 475,150.32		\$ 475,150.32
PART F: STREET IMPROVEMENTS PHASE I							
F1	8" of Lime stabilized subgrade (to 3' behind curb)	SY	35,560	\$ 5.80	\$ 206,248.00	35,560	\$ 206,248.00
F2	8" of Lime stabilized subgrade (to 3' behind curb) (alleys)	SY	5,582	5.80	\$ 32,375.60	5,582	\$ 32,375.60
F3	9" Crushed limestone base (to 3' behind curb) (residential local)	SY	35,560	8.90	\$ 316,484.00	35,560	\$ 316,484.00
F4	9" Crushed limestone base (to 3' behind curb) (alleys)	SY	5,582	8.90	\$ 49,679.80	5582	\$ 49,679.80
F5	Furnish and Install CoRR item 340 Type D HMAc, 2.0" depth	SY	26,305	9.95	\$ 261,734.75	26305	\$ 261,734.75
F6	Furnish and Install CoRR item 340 Type D HMAc, 2.0" depth (alleys)	SY	2,845	9.95	\$ 28,307.75	2845	\$ 28,307.75
F7	Furnish and Install Standard 18" ribbon curb	LF	4,758	10.00	\$ 47,580.00	4758	\$ 47,580.00
F8	Furnish and Install Standard 6" concrete curb and gutter	LF	14,434	12.00	\$ 173,208.00	14434	\$ 173,208.00
F9	Furnish and Install concrete sidewalks, 5' wide	LF	3,030	28.00	\$ 84,840.00	3030	\$ 84,840.00
F10	Furnish and Install curb ramp (all types)	EA	42	1,250.00	\$ 52,500.00	42	\$ 52,500.00
F11	Furnish and Install pavement marking and signage	LS	1	15,000.00	\$ 15,000.00	1	\$ 15,000.00
F12	Provide Temporary traffic controll during construction	LS	1	20,000.00	\$ 20,000.00	1	\$ 20,000.00
F13	Furnish and Install street end barricades	LS	1	750.00	\$ 750.00	1	\$ 750.00





F14	Furnish and Install concrete valley gutter	EA	6	5,600.00	\$ 33,600.00	6	\$ 33,600.00
F15	Furnish and Install Type II driveway for alleys and pond access	EA	13	6,700.00	\$ 87,100.00	13	\$ 87,100.00
TOTAL PART F: STREET IMPROVEMENTS. (Items F1 - F15)					\$1,409,407.90		\$ 1,409,407.90
PART G: EXCAVATION AND EMBANKMENT PHASE I							
G1	Clear and grub (Row)	AC	10.01	\$ 750.00	\$ 7,507.50	10.01	\$ 7,507.50
G2	Clear and grub (Alleys)	AC	1.13	\$ 750.00	\$ 847.50	1.13	\$ 847.50
G3	Clear and grub (Lots)	AC	21.63	\$ 750.00	\$ 16,222.50	21.63	\$ 16,222.50
G4	Earthwork (inclusive of excavation, embankment, import, or haul-off, as required to deliver finished site)	LS	1	\$ 265,000.00	\$ 265,000.00	1	\$ 265,000.00
TOTAL PART G: EXCAVATION AND EMBANKMENT (Items G1 - G4)					\$ 289,577.50		\$ 289,577.50
PART H: SLEEVING PHASE I							
H1	Sleeving	LS	1	10,000.00	\$ 10,000.00	1	\$ 10,000.00
TOTAL PART H: SLEEVING (Item H1)					\$ 10,000.00		\$ 10,000.00
PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1 OFFSITE IMPROVEMENTS							
A1	Furnish and Install stabilized construction entrance - complete in place. Maintain.	EA	1	\$ -	\$ -		\$ -
A2	Furnish and Install temporary silt fence within limits of construction-complete in place. Maintain.	LF	2200	-	-		-
A4	Furnish and Install topsoil (6" depth) within landscaped tract areas and within ROW	SY	1200	2.00	2,400.00	1200	2,400.00
A5	Furnish and Install permanent erosion control by hydromulch planting in all disturbed areas and within ROW	SY	1,200	0.85	1,020.00	1200	1,020.00
TOTAL PART A: EROSION CONTROLS & MISC. (Items A1 - A5)					\$ 3,420.00		\$ 3,420.00
PART B: CONSTRUCTION MATERIALS TESTING (BOTH FOR MASS GRADING & PHI)							
B1	Construction Materials Testing	LS	1	65,000.00	\$ 65,000.00	1.00	\$ 65,000.00
TOTAL PART B: CONSTRUCTION MATERIALS TESTING (Item B1)					\$ 65,000.00		\$ 65,000.00
PART C: POTABLE WATER IMPROVEMENTS PHASE 1 OFFSITE IMPROVEMENTS							
C1	Furnish and Install 8-inch C-900 PVC DR-14 water line(all depths)	LF	862	45.00	\$ 38,790.00	862	\$ 38,790.00
C2	Furnish and Install 12-inch C-900 PVC DR-14 water line(all depths)	LF	988	34.92	\$ 34,500.96	988	\$ 34,500.96
C3	Ductile Iron Fittings (\$3.08 per LF)	LF	1,850	3.00	\$ 5,550.00	1850	\$ 5,550.00
C4	Trench safety systems for water line	LF	1,850	1.00	\$ 1,850.00	1850	\$ 1,850.00
C5	Connect to existing water line	EA	3	500.00	\$ 1,500.00	3	\$ 1,500.00
C6	FM 1660 Bore	LS	1	25,000.00	\$ 25,000.00	1	\$ 25,000.00
C7	Pressure pipe hydrostatic testing	LF	1,850	1.50	\$ 2,775.00	1850	\$ 2,775.00
TOTAL PART C: POTABLE WATER IMPROVEMENTS (Items C1 - C7)					\$ 109,965.96		\$ 109,965.96
CHANGE ORDER #002: WW MANHOLE BASES							
1	Increased WW base thickness on reflected in plans	EA	46	202.00	\$ 9,292.00	46	\$ 9,292.00
TOTAL CHANGE ORDER #002: WW MANHOLE BASES					\$ 9,292.00		\$ 9,292.00

F-16384



CHANGE ORDER #003: MISC. ON SITE CHANGES							
1	Misc. on site changes	EA	1	13,736.00	\$ 13,736.00	1	\$ 13,736.00
TOTAL CHANGE ORDER #003: MISC. ON SITE CHANGES					\$ 13,736.00		\$ 13,736.00
CHANGE ORDER #005: Upgraded RCP							
1	36" Class IV RCP	LF	425	18.00	\$ 7,650.00	425	\$ 7,650.00
2	60" Class IV RCP	LF	238	115.00	\$ 27,370.00	238	\$ 27,370.00
3	24" Class IV RCP	LF	68	8.00	\$ 544.00	68	\$ 544.00
4	Bond Premium	LS	1	533.46	\$ 533.46	1	\$ 533.46
TOTAL CHANGE ORDER #005: UPGRADED RCP					\$ 36,097.46		\$ 36,097.46
CHANGE ORDER #010: Old Town Tie In Changes per City of Hutto							
1	Demo existing asphalt	SF	7,200	2.50	\$ 18,000.00	7200	\$ 18,000.00
3	Single Services	EA	3	1,250.00	\$ 3,750.00	3	\$ 3,750.00
4	Flowable Fill	CY	8	200.00	\$ 1,600.00	8	\$ 1,600.00
5	8" Gate Valve	EA	3	1,200.00	\$ 3,600.00	3	\$ 3,600.00
6	Concrete RIP RAP	CY	7	250.00	\$ 1,750.00	7	\$ 1,750.00
7	Curb Repair	LF	60	25.00	\$ 1,500.00	60	\$ 1,500.00
8	Traffic Control	MO	1	3,500.00	\$ 3,500.00	1	\$ 3,500.00
9	Bond Premium	EA	1	649.50	\$ 649.50	1	\$ 649.50
TOTAL CHANGE ORDER #010: OLD TOWN TIE IN CHANGES PER COH					\$ 34,349.50		\$ 34,349.50
CHANGE ORDER #011: Increased Street Sections							
1	Increased Base Thickness(Mager) by 1"	SY	5,000	2.00	\$ 10,000.00	5000	\$ 10,000.00
2	Increased Asphalt Thickness(Mager/1660) by .5"	SY	1,900	2.00	\$ 3,800.00	1900	\$ 3,800.00
3	Increased Base Thickness(Mager/1660) by 3"	SY	2,400	3.50	\$ 8,400.00	2400	\$ 8,400.00
4	TX5 Geogrid	SY	2,400	4.00	\$ 9,600.00	2400	\$ 9,600.00
5	Bond Premium	EA	1	477.00	\$ 477.00	1	\$ 477.00
TOTAL CHANGE ORDER #011: INCREASED STREET SECTIONS					\$ 32,277.00		\$ 32,277.00
CHANGE ORDER #014A: Meritage and CoH Adjustments							
1	Relocate area inlet	EA	1	5,500.00	\$ 5,500.00	1	\$ 5,500.00
2	Knuckle valley gutter	LS	1	5,500.00	\$ 5,500.00	1	\$ 5,500.00
3	Sawcut existing asphalt/haul off	LS	1	3,500.00	\$ 3,500.00	1	\$ 3,500.00
4	Asphalt patching for valley gutter	LS	1	10,000.00	\$ 10,000.00	1	\$ 10,000.00
5	Sawcut more joints in driveways per CoH	EA	11	500.00	\$ 5,500.00	11	\$ 5,500.00
6	Bond Premium	EA	1	450.00	\$ 450.00	1	\$ 450.00
TOTAL CHANGE ORDER #014: MERITAGE & COH ADJUSTMENTS					\$ 30,450.00		\$ 30,450.00
						Cost Amounts	
PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1						\$ 110,755.30	
PART B: WASTEWATER IMPROVEMENTS PHASE 1						\$ 428,426.28	
PART C: DRAINAGE IMPROVEMENTS PHASE 1						\$ 1,311,828.36	
PART D: POTABLE WATER IMPROVEMENTS PHASE 1						\$ 475,150.32	
PART F: STREET IMPROVEMENTS PHASE 1						\$ 1,409,407.90	
PART G: EXCAVATION AND EMBANKMENT PHASE 1						\$ 289,577.50	
PART H: SLEEVING PHASE 1						\$ 10,000.00	
PART A: EROSION CONTROLS & MISCELLANEOUS ITEMS PHASE 1 OFFSITE IMPROVEMENTS						\$ 3,420.00	
PART B: CONSTRUCTION MATERIALS TESTING (BOTH FOR MASS GRADING & PH1)						\$ 65,000.00	
PART C: POTABLE WATER IMPROVEMENTS PHASE 1 OFFSITE IMPROVEMENTS						\$ 109,965.96	
CHANGE ORDER #002: WW MANHOLE BASES						\$ 9,292.00	
CHANGE ORDER #003: MISC. ON SITE CHANGES						\$ 13,736.00	
CHANGE ORDER #005: Upgraded RCP						\$ 36,097.46	
CHANGE ORDER #010: Old Town Tie In Changes per City of Hutto						\$ 34,349.50	
CHANGE ORDER #011: Increased Street Sections						\$ 32,277.00	
CHANGE ORDER #014A: Meritage and CoH Adjustments						\$ 30,450.00	
						\$ 4,369,733.58	

RESOLUTION NO. R-2021-152

A RESOLUTION ACCEPTING THE INFRASTRUCTURE IMPROVEMENTS FOR THE SUBDIVISION KNOWN AS DURANGO FARMS PHASE 1; IN THE CITY OF HUTTO, WILLIAMSON COUNTY, TEXAS.

WHEREAS, the infrastructure improvements for the Durango Farms Phase 1 Residential subdivision have been constructed and are ready for acceptance, and;

WHEREAS, a final inspection was conducted by the City's Construction and Public Works staff of all roads, drainage, sidewalks, ADA ramps, water and wastewater improvements, and;

WHEREAS, all items have been constructed according to engineering plans and City codes and standards, and;

WHEREAS, Pro Dirt Services, LLC, submitted a warranty bond to cover the material and workmanship for two years,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
HUTTO, TEXAS, hereby** accepts the infrastructure improvements for Durango Farms Phase 1

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

CONSIDERED and RESOLVED by the City Council of the City of Hutto on this the **7th** day of **October, 2021**.

THE CITY OF HUTTO, TEXAS

Mike Snyder, Mayor

ATTESTED:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-153 a Resolution accepting the infrastructure improvements for the subdivision known as Mustang Creek Phase 4.(Wade Benton)
Meeting: Thursday, October 7, 2021
Department: Community Services
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Mustang Creek Phase 4_Engineer's Concurrence Letter_rev
2. Mustang Creek Phase 4_Maintenance Bond
3. Mustang Creek Phase 4_TDLR Inspection Report
4. Mustang Creek Phase 4_Final Cost and Quantities
5. Mustang Creek Phase 4_Project Construction Summary
6. R-2021-153 Mustang Creek Phase 4 acceptance resolution

ENGINEER'S CONCURRENCE
FOR
PROJECT ACCEPTANCE

PROJECT: Mustang Creek Phase 4
Street, Drainage, Water and Wastewater

Date: September 29, 2021

Owner's Name and Address

Continental Homes of Texas, L.P.
10700 Pecan Park Blvd. Suite 400
Austin, Texas 78750

Consultant Engineer's Name and Address

Pape-Dawson Engineers, Inc.
10801 N. MoPac Expy. Bldg. 3 Suite 200
Austin, Texas 78759

On September 1, 2021, and at intervals during construction, I, the undersigned Professional Engineer in the State of Texas, or a designated representative working under my direct supervision, met with representatives of the City of Hutto and the Project Contractor and made a visual inspection of the above referenced project. No discrepancies in approved construction plans or deficiencies in construction were visible or brought to my attention by the parties at the meetings except those listed below. I, therefore, recommend acceptance of this project by the City of Hutto once the following listed items are corrected to the satisfaction of the City of Hutto.



(SEAL)

Signature

Dustin Goss, P.E., LEED AP
Typed Name

91805
Texas Registration No.

MAINTENANCE BOND
BOND NUMBER 2322904

THE STATE OF TEXAS

§

§ KNOW ALL MEN BY THESE PRESENTS:

THE COUNTY OF WILLIAMSON

§

THAT Liberty Civil Construction, LLC, 2937 Hero Way, Leander, TX 78641 (name of contractor-owner, address), being the General Contractor who constructed the public improvements including but not limited to, streets, utilities, drainage, services, and facilities to serve the Property identified herein-below, as Principal (the "Principal"), and North American Specialty Insurance Company, 1200 Main Street, Suite 800, Kansas City, MO 64105 (name of bonding company, address), a corporate surety/sureties organized under the laws of the State of Texas and fully licensed to transact business in the State of Texas, as Surety (the "Surety"), are held and firmly bound unto the City of Hutto, 401 West Front Street, Hutto, Texas 78634, a municipal corporation, (hereinafter referred to as "Obligee" or "City") in the penal sum of two million three hundred forty thousand one hundred thirty-eight and 24/100 (*typed amount*) (\$ 2,340,138.24) DOLLARS (100% of the contract price of all public improvements, or in such amount as approved by the City Engineer) for the payment of which are well and truly to be made in lawful money of the United States to Owner, we the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION are such that:

WHEREAS, the Principal entered into a certain written contract with City (the "Contract") in which the said Principal agrees to complete all of the improvements, dated the 13th day of November, 2020, which is made a part hereof by reference, for Mustang Creek Phase 4 (name of development), the improvements of which being generally described as follows: Street and Drainage Improvements and Water and Wastewater Improvements (the "Improvements"), including ADA Ramps and Sidewalks

NOW, THEREFORE, if Principal will maintain and keep in good repair the work herein contracted to be done for a period of two (2) years from the date of final acceptance by the City of Hutto and do and perform all the necessary work and repair any defective condition, it being understood that the purpose of this section is to cover all defective conditions arising by reason of defective materials, work, or labor performed by Principal, then this obligation shall be void, otherwise it shall remain in full force and effect; and in case Principal shall fail to do so, it is agreed that the City may do such work and supply such materials and charge the same against the Principal and Surety on this obligation.

PROVIDED, however, that the said Principal hereby agrees to indemnify and save harmless the City of Hutto against any claim or liability for personal injury, loss, or property damage occasioned directly by the failure of said materials or workmanship of the Improvements. It is understood,

MAINTENANCE BOND
BOND NUMBER 2322904

however, that this Bond shall not include loss or damage by failure or workmanship or materials due to hurricane, cyclone, tornado, earthquake, volcanic eruption or any similar disturbance of nature, nor military, naval or usurped power, insurrection, riot or civil commotion, nor any act of God.

PROVIDED, further, that if any legal action be filed on this Bond, exclusive venue shall lie in Williamson County, Texas.

PROVIDED, further, that nothing contained in this Maintenance Bond and/or the City's acceptance of this Maintenance Bond from Principal shall waive or be deemed or interpreted to waive any claims or cause of action that City may now have or which may hereafter accrue arising out of or related to the Improvements.

PROVIDED, further, it is understood and agreed that the Surety does hereby relieve the City of Hutto or its representatives from the exercise of any diligence whatever in securing compliance on the part of the Principal in terms of the Contract, and the Surety hereby waives any notice to it of any default, or delay by the Principal in performance regarding the Contract, and agrees that it, the Surety, shall be bound to take notice of and shall be held to have knowledge of all acts or omissions of the Principal in all matters pertaining to the Contract.

AND PROVIDED FURTHER, Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or to the work performed thereunder, or any breach of the Principal of the Contract or any duty of any kind or nature owed to Surety shall in any way affect its obligation on this Bond; and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract regarding the Improvements or to the work performed thereunder.

The undersigned and designated agent is hereby designated by Surety as the resident agent in Williamson County, Texas to whom all requisite notice may be delivered and on whom service of process may be had in matters arising out of this suretyship.

IN WITNESS WHEREOF, the above bounden parties have executed this instrument under their several seals this 27th day of August 2021 the name and corporate seal of each corporate party being hereto affixed, and these presents duly signed by its undersigned representative pursuant to the authority of its governing body.

ATTEST:

PRINCIPAL:

Liberty Civil Construction, LLC
Company Name

By: [Signature]
Signature

By: [Signature]
Signature

Stacy Smay
Typed/Printed Name

Michael Ehrhardt
Typed/Printed Name

(Signatures Continued on Next Page)

MAINTENANCE BOND
BOND NUMBER 2322904

Contract Admin
Title
2937 Hero Way
Address
Leander, TX 78641
City State Zip
(512) 986-7649
Phone Fax

ATTEST:

By: Drew Riddle
Signature

Typed/Printed Name
Drew Riddle
Title
Witness
Address 35335 US Highway 281 N, Suite 1201
Bulverde, TX 78163
City State Zip
210.697.2230
Phone Fax

President
Title
2937 Hero Way
Address
Leander, TX 78641
City State Zip
(512) 986-7649
Phone Fax

SURETY:
By: Betty J. Reeb
Signature

Typed/Printed Name
Betty J. Reeb
Title
Attorney-in-Fact
Address 1200 Main Street, Suite 800
Kansas City, MO 64105
City State Zip
(816) 235-3700
Phone Fax

The Resident Agent of the Surety in Williamson County, Texas, for delivery of notice and service of the process is:

NAME: Acruisure, LLC dba IBTX - Bryan K. Moore
STREET ADDRESS: 35335 US Highway 281 N, Suite 1201
CITY, STATE, ZIP: Bulverde, TX 78163

Note: If Resident Agent is not a corporation, give a person's name.

Note: Bonding Company should attach a State of Texas Claim Notice Endorsement, which states in accordance with Section 2253.021(f) of the Texas Government Code and Section 53.202(6) of the Texas Property Code any notice of claim to the named surety under this bond should be sent to (full name, address, phone number, fax of the bonding company).

Note: Date on Page 1 of Maintenance Bond must be the same date that City Counsel awarded Contract. Date on Page 2 of Maintenance Bond must be after date of Contract.

END OF DOCUMENT

SWISS RE CORPORATE SOLUTIONS

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Kansas City, Missouri, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Kansas City, Missouri, each does hereby make, constitute and appoint:

GARY W. WHEATLEY, BETTY J. REEH, CLARK D. FRESHER, BRYAN K. MOORE
ANDREW ADDISON, ELIZABETH ORTIZ, ANA TOMES, AND PATRICK COYLE

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

'RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached.



By 
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By 
Michael A. Ito, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

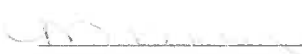
IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 23rd day of February, 2021.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 23rd day of February, 2021, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.




M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Senior Vice President and Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 27th day of August, 2021.


Jeffrey Goldberg, Senior Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company

IMPORTANT NOTICE

In order to obtain information or make a complaint:

You may contact **Jeffrey Goldberg, Vice President - Claims**, at **1-800-338-0753**.

You may call **Washington International Insurance Company and/or North American Specialty Insurance Company's** toll-free number for information or to make a complaint at:

1-800-338-0753

You may also write to **Washington International Insurance Company and/or North American Specialty Insurance Company** at the following address:

**1450 American Lane, Suite 1100
Schaumburg, IL 60173**

You may contact the **Texas Department of Insurance** to obtain information on companies, coverages, rights or complaints at:

1- 800-252-3439

You may write the **Texas Department of Insurance**:

**P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us**

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should first contact the **Washington International Insurance Company and/or North American Specialty Insurance Company**. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter un queja:

Puede comunicarse con **Jeffrey Goldberg, Vice President - Claims**, al **1-800-338-0753**.

Usted puede llamar al numero de telefono gratis de **Washington International Insurance Company and/or North American Specialty Insurance Company's** para informacion o para someter una queja al:

1-800-338-0753

Usted tambien puede escribir a **Washington International Insurance Company and/or North American Specialty Insurance Company** al:

**1450 American Lane, Suite 1100
Schaumburg, IL 60173**

Puede escribir al **Departamento de Seguros de Texas** para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1- 800-252-3439

Puede escribir al **Departamento de Seguros de Texas**:

**P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us**

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el **Washington International Insurance Company and/or North American Specialty Insurance Company** primero. Si no se resuelve la disputa, puede entonces comunicarse con el Departamento de Seguros de Texas.

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

August 24, 2021

Aurora Castaneda
Pape Dawson

Re: Mustang Creek Phase 4

Dear Aurora:

This report presents the findings of the on-site inspection for the Mustang Creek Phase 4 Project for compliance with the Texas Accessibility Standards. This report is limited to inspecting the elements for compliance with the applicable technical standards and not scoping. An inspection of the site was conducted on August 23, 2021 which included the review of pedestrian sidewalks, curb ramps and associated crosswalks of the subdivision in Hutto, Texas.

All of the pedestrian elements were found to be in compliance with the Texas Accessibility Standards. The scope of work is limited to the inspection of the elements and excludes project registration with TDLR and a formal plan review of the design documents.

Feel free to contact me at (512) 410-7059 or at arturo@alturalp.com with any questions.

Sincerely,



Arturo Pinero, RAS #1551

**Construction Contract Summary
Mustang Creek
Phase 4**

Contractor Pay Application (8/31/21)
Liberty Civil Construction, LLC

Prepared By:
Aurora Castaneda
Pape-Dawson Engineers, Inc.
TBPE Firm Reg #470

8/20/21

	Original Contract						
	Amount	CO#1	CO#2	CO#3	CO#4	CO#5	Final
Streets	\$ 876,714.72	\$ -	\$ -	\$ 28,907.04	\$ -	\$ -	\$ 905,621.76
Drainage (City)	\$ 617,357.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,357.01
WW	\$ 496,586.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,586.26
ESC	\$ 54,696.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,696.07
Miscellaneous	\$ 265,877.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,877.14
Dry Utilities	\$ -	\$ 169,092.00	\$ 195,987.10	\$ -	\$ -	\$ -	\$ 365,079.10
*Drainage (HOA Channels)	\$ 134,268.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,268.00
*Water (Jonah)	\$ 476,903.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 476,903.75
*Lots (including exc/embk, import and walls)	\$ 734,459.77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734,459.77
*Mobilization, Insurance, Bonding & SWPPP	\$ 3,350.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,350.27
*Trench Safety and Testing	\$ 12,629.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,629.12
Total	\$ 3,672,842.11	\$ 169,092.00	\$ 195,987.10	\$ 28,907.04	\$ -	\$ -	\$ 4,066,828.25
Total Net	\$ 2,311,231.20	\$ -	\$ -	\$ 28,907.04	\$ -	\$ -	\$ 2,340,138.24
Maint Bond (100%)							\$ 2,340,138.24

Excludes: Trench Safety
Excludes: Trench Safety

\$ 95,380.75 Jonah Water Bond Amount (20%)
*Excludes Trench Safety

Note: HOA Channels, Jonah Water Improvements, Trench Safety and Testing, Lot improvements, contract reduction, and SWPPP are excluded from Construction Summary total and Maintenance Bond amount.



**Construction Contract Summary
Mustang Creek
CR188 Minor Arterial Phase 2**

Contractor Pay Application (8/31/21)
Liberty Civil Construction, LLC

Prepared By:
Aurora Castaneda
Pape-Dawson Engineers, Inc.
TBPE Firm Reg #470

8/20/21

	Original Contract						
	Amount	CO#1	CO#2	CO#3	CO#4	CO#5	Final
Streets	\$ 672,723.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672,723.80
Drainage (City)	\$ 261,406.44	\$ -	\$ 89,247.95	\$ -	\$ -	\$ -	\$ 350,654.39
ESC	\$ 26,429.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,429.51
*Water (Jonah)	\$ 135,548.76	\$ -	\$ 3,264.95	\$ -	\$ -	\$ -	\$ 138,813.71
*Mobilization, Insurance, Bonding & SWPPP	\$ 4,575.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,575.81
*Trench Safety and Testing	\$ 2,638.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,638.53
Total	\$ 1,103,322.85	\$ -	\$ 92,512.90	\$ -	\$ -	\$ -	\$ 1,195,835.75
Total Net	\$ 960,559.75	\$ -	\$ 89,247.95	\$ -	\$ -	\$ -	\$ 1,049,807.70
Maint Bond (100%)							\$ 1,049,807.70

Excludes: Trench Safety

\$ 27,762.74 Jonah Water Bond Amount (20%)
*Excludes Trench Safety

Note: Jonah Water Improvements, Trench Safety and Testing, SWPPP and Future FM1660 Turn Lane Improvements are excluded from Construction Summary total and Maintenance Bond amount.



APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER:

CONTINENTAL HOMES OF TEXAS, L.P., DBA
D.R. HORTON, INC.
10700 PECAN PARK BLVD., SUITE 400
AUSTIN, TEXAS 78750

FROM CONTRACTOR:

LIBERTY CIVIL CONSTRUCTION, LLC
2937 HERO WAY
LEANDER, TX 78641

PROJECT:

MUSTANG CREEK PHASE 4 & 5

VIA ENGINEER:

PAPE-DAWSON ENGINEERS, INC
10801 N MOPAC EXPY, BLDG 3, STE 200
AUSTIN, TX 78759

APPLICATION #:

Ten (10)

Distribution to:

PERIOD TO:

08/31/21

PROJECT #:

20046

APPLICATION DATE:

8/20/2021

CONTRACT DATE:

11/13/20

x

Owner

Const. Mgr

x

Engineer

x

Contractor

CONTRACT FOR:

STREET AND UTILITIES IMPROVEMENTS

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.

Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM	\$	6,771,091.77
2. Net change by Change Orders	\$	812,038.64
3. CONTRACT SUM TO DATE (Line 1 +/- 2)	\$	7,583,130.41
4. TOTAL COMPLETED & STORED TO DATE-	\$	7,411,993.81

(Column G on Continuation Sheet)

5. RETAINAGE:

a. 10.0% of Completed Work	\$	741,199.38
(Columns D+E on Continuation Sheet)		
b. 10.0% of Stored Material	\$	0.00
(Column F on Continuation Sheet)		

Total Retainage (Line 5a + 5b or

Total in Column 1 of Continuation Sheet) \$ 741,199.38

6. TOTAL EARNED LESS RETAINAGE \$ 6,670,794.43

(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate) \$ 5,865,124.80

8. CURRENT PAYMENT DUE \$ 805,669.63

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6) \$ 912,335.98

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous	\$783,131.60	
Total approved this Month	\$28,907.04	
TOTALS	\$812,038.64	\$0.00
NET CHANGES by Change Order	\$812,038.64	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown therein is now due.

CONTRACTOR:

LIBERTY CIVIL CONSTRUCTION, LLC

By:

Date:

State of:

TEXAS

County of:

WILLIAMSON

Subscribed and sworn to before

me this

19

day of August, 2021

Notary Public:

Stacy Small

My Commission expires:

03/04/24



CERTIFICATE FOR PAYMENT

In accordance with Contract Documents, based on on-site observations and the data comprising application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this application and on the Continuation Sheet that are changed to conform to the amount certified.)

Engineer:

By:

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner of Contractor under this Contract.

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)
APPLICATION DATE: 08/20/21
PERIOD TO: 31-Aug-21

A	B				C	D	E	F	G	H	I			
Item No.	Description of Work	QTY	UNIT	UNIT PRICE	Scheduled Value	QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
PHASE 4 - STREET IMPROVEMENTS														
1	Clear & Grub (ROW - ROW)	29,208	SY	\$ 0.28	\$ 8,178.24	29,208.00		29,208.00	\$ 8,178.24	\$ -	\$ 8,178.24	100%	\$ -	\$ 817.82
2	Excavation and Embankment (ROW - ROW)	29,208	SY	\$ 1.97	\$ 57,539.76	29,208.00		29,208.00	\$ 57,539.76	\$ -	\$ 57,539.76	100%	\$ -	\$ 5,753.98
3	Subgrade Prep (3' BOC)	20,041	SY	\$ 1.94	\$ 38,879.54	20,041.00		20,041.00	\$ 38,879.54	\$ -	\$ 38,879.54	100%	\$ -	\$ 3,887.95
4	8" Lime Treated Subgrade	20,041	SY	\$ 5.30	\$ 106,217.30	20,041.00		20,041.00	\$ 106,217.30	\$ -	\$ 106,217.30	100%	\$ -	\$ 10,621.73
5	Crushed Limestone Base (9" Thick) (3' BOC)	19,133	SY	\$ 9.85	\$ 188,460.05	19,133.00		19,133.00	\$ 188,460.05	\$ -	\$ 188,460.05	100%	\$ -	\$ 18,846.01
6	Crushed Limestone Base (17" Thick) (3' BOC)	908	SY	\$ 18.32	\$ 16,634.56	908.00		908.00	\$ 16,634.56	\$ -	\$ 16,634.56	100%	\$ -	\$ 1,663.46
7	H.M.A.C. (2.0" Thick)	14,212	SY	\$ 11.84	\$ 168,270.08	0.00	14,212.00	14,212.00	\$ -	\$ 168,270.08	\$ 168,270.08	100%	\$ -	\$ 16,827.01
8	H.M.A.C. (2.5" Thick)	826	SY	\$ 14.88	\$ 12,290.88	0.00	826.00	826.00	\$ -	\$ 12,290.88	\$ 12,290.88	100%	\$ -	\$ 1,229.09
9	6" Standard Curb & Gutter	9,067	LF	\$ 15.23	\$ 138,090.41	9,067.00		9,067.00	\$ 138,090.41	\$ -	\$ 138,090.41	100%	\$ -	\$ 13,809.04
10	5' Concrete Sidewalk	665	LF	\$ 34.88	\$ 23,195.20	665.00		665.00	\$ 23,195.20	\$ -	\$ 23,195.20	100%	\$ -	\$ 2,319.52
11	Concrete Valley Gutter	6	EA	\$ 4,688.80	\$ 28,132.80	6.00		6.00	\$ 28,132.80	\$ -	\$ 28,132.80	100%	\$ -	\$ 2,813.28
12	Type 1 Sidewalk Ramps	38	EA	\$ 1,432.24	\$ 54,425.12	38.00		38.00	\$ 54,425.12	\$ -	\$ 54,425.12	100%	\$ -	\$ 5,442.51
13	Street End Barricade	6	EA	\$ 977.16	\$ 5,862.96	0.00	6.00	6.00	\$ -	\$ 5,862.96	\$ 5,862.96	100%	\$ -	\$ 586.30
14	Sawcut and Tie to Existing Street	2	EA	\$ 111.68	\$ 223.36	0.00	2.00	2.00	\$ -	\$ 223.36	\$ 223.36	100%	\$ -	\$ 22.34
15	Stop Signs With Street Name & Stop Bars	15	EA	\$ 558.38	\$ 8,375.70	0.00	15.00	15.00	\$ -	\$ 8,375.70	\$ 8,375.70	100%	\$ -	\$ 837.57
16	Miscellaneous Signage (Speed Limit, No through Traffic)	22	EA	\$ 388.08	\$ 8,537.76	0.00	22.00	22.00	\$ -	\$ 8,537.76	\$ 8,537.76	100%	\$ -	\$ 853.78
17	Streetlights	15	EA	\$ 893.40	\$ 13,401.00	0.00	15.00	15.00	\$ -	\$ 13,401.00	\$ 13,401.00	100%	\$ -	\$ 1,340.10
SUBTOTAL PHASE 4 - STREET IMPROVEMENTS					\$ 876,714.72				\$ 659,752.98	\$ 216,961.74	\$ 876,714.72	100%	\$ -	\$ 87,671.47
PHASE 4 - DRAINAGE IMPROVEMENTS														
1	10' City Standard Curb Inlet	13	EA	\$ 4,136.21	\$ 53,770.73	13.00		13.00	\$ 53,770.73	\$ -	\$ 53,770.73	100%	\$ -	\$ 5,377.07
2	15' City Standard Curb Inlet	1	EA	\$ 6,185.95	\$ 6,185.95	1.00		1.00	\$ 6,185.95	\$ -	\$ 6,185.95	100%	\$ -	\$ 618.60
3	Curb Cut	1	EA	\$ 10,243.75	\$ 10,243.75	1.00		1.00	\$ 10,243.75	\$ -	\$ 10,243.75	100%	\$ -	\$ 1,024.38
4	18" Class III R.C.P.	1,025	LF	\$ 45.81	\$ 46,955.25	1,025.00		1,025.00	\$ 46,955.25	\$ -	\$ 46,955.25	100%	\$ -	\$ 4,695.53
5	24" Class III R.C.P.	988	LF	\$ 57.66	\$ 56,968.08	988.00		988.00	\$ 56,968.08	\$ -	\$ 56,968.08	100%	\$ -	\$ 5,696.81
6	36" Class III R.C.P.	641	LF	\$ 97.44	\$ 62,459.04	641.00		641.00	\$ 62,459.04	\$ -	\$ 62,459.04	100%	\$ -	\$ 6,245.90
7	6' x 3' R.C.P. Box	95	LF	\$ 369.54	\$ 35,106.30	95.00		95.00	\$ 35,106.30	\$ -	\$ 35,106.30	100%	\$ -	\$ 3,510.63
8	Drainage Channel A1.01	2,500	LF	\$ 20.10	\$ 50,250.00	2,500.00		2,500.00	\$ 50,250.00	\$ -	\$ 50,250.00	100%	\$ -	\$ 5,025.00
9	Drainage Channel B1.01	2,265	LF	\$ 20.10	\$ 45,526.50	2,265.00		2,265.00	\$ 45,526.50	\$ -	\$ 45,526.50	100%	\$ -	\$ 4,552.65
10	Drainage Channel C1.01	1,453	LF	\$ 20.10	\$ 29,205.30	1,453.00		1,453.00	\$ 29,205.30	\$ -	\$ 29,205.30	100%	\$ -	\$ 2,920.53
11	Drainage Channel D1.02	482	LF	\$ 20.10	\$ 9,686.20	482.00		482.00	\$ 9,286.20	\$ -	\$ 9,286.20	100%	\$ -	\$ 928.62
12	3' x 3' Junction Box	1	EA	\$ 2,558.19	\$ 2,558.19	1.00		1.00	\$ 2,558.19	\$ -	\$ 2,558.19	100%	\$ -	\$ 255.82
13	4' x 4' Junction Box	3	EA	\$ 3,128.45	\$ 9,385.35	3.00		3.00	\$ 9,385.35	\$ -	\$ 9,385.35	100%	\$ -	\$ 938.54
14	18" Sloping Headwall	3	EA	\$ 2,963.45	\$ 8,890.35	3.00		3.00	\$ 8,890.35	\$ -	\$ 8,890.35	100%	\$ -	\$ 889.04
15	24" Sloping Headwall	3	EA	\$ 4,498.75	\$ 13,496.25	3.00		3.00	\$ 13,496.25	\$ -	\$ 13,496.25	100%	\$ -	\$ 1,349.63
16	Double 36" Sloping Headwall	4	EA	\$ 7,747.92	\$ 30,991.68	4.00		4.00	\$ 30,991.68	\$ -	\$ 30,991.68	100%	\$ -	\$ 3,099.17
17	Triple 36" Sloping Headwall	2	EA	\$ 9,885.88	\$ 19,771.76	2.00		2.00	\$ 19,771.76	\$ -	\$ 19,771.76	100%	\$ -	\$ 1,977.18
18	6' x 3' Sloping Headwall	2	EA	\$ 14,329.04	\$ 28,658.08	2.00		2.00	\$ 28,658.08	\$ -	\$ 28,658.08	100%	\$ -	\$ 2,865.81
18A	Concrete Wall & Channel (Budget-Detail Needed)	455	LF	\$ 444.35	\$ 202,179.25	300.00	155.00	455.00	\$ 133,305.00	\$ 68,874.25	\$ 202,179.25	100%	\$ -	\$ 20,217.93
19	Trench Safety	2,759	LF	\$ 1.12	\$ 3,090.08	2,759.00		2,759.00	\$ 3,090.08	\$ -	\$ 3,090.08	100%	\$ -	\$ 309.01
20	Rock Berm	50	LF	\$ 22.34	\$ 1,117.00	50.00		50.00	\$ 1,117.00	\$ -	\$ 1,117.00	100%	\$ -	\$ 111.70
21	Rock Rip Rap	1,080	SY	\$ 26.50	\$ 28,620.00	580.00	500.00	1,080.00	\$ 15,370.00	\$ 13,250.00	\$ 28,620.00	100%	\$ -	\$ 2,862.00
SUBTOTAL PHASE 4 - DRAINAGE IMPROVEMENTS					\$ 754,715.09				\$ 672,590.84	\$ 82,124.25	\$ 754,715.09	100%	\$ -	\$ 75,471.51
PHASE 4 - WATER IMPROVEMENTS														
1	8" Class 30S C900 DR-14 Water Line	2,839	LF	\$ 31.39	\$ 88,661.97	839.00		2,839.00	\$ 88,661.97	\$ -	\$ 88,661.97	100%	\$ -	\$ 8,866.20

BOA Drainage Channels, trench safety and joint water excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

 APPLICATION NUMBER: Ten (10)
 APPLICATION DATE: 08/20/21
 PERIOD TO: 31-Aug-21

A Item No.	B Description of Work	QTY	UNIT	UNIT PRICE	C Scheduled Value	D QUANTITY COMPLETED			E TO DATE	F PREVIOUS AMOUNT	G AMOUNT THIS PERIOD	H AMOUNT TO DATE	I % (G/C)	Balance To Finish (C - G)	Retainage
						PREVIOUS	THIS PERIOD	TO DATE							
2	12" Class 305 C900 DR-14 Water Line	2,248	LF	\$ 55.58	\$ 124,943.84	2,248.00			2,248.00	\$ 124,943.84	\$ -	\$ 124,943.84	100%	\$ -	\$ 12,494.38
3	8" Gate Valve	15	EA	\$ 1,768.22	\$ 26,523.30	15.00			15.00	\$ 26,523.30	\$ -	\$ 26,523.30	100%	\$ -	\$ 2,652.33
4	12" Gate Valve	14	EA	\$ 2,803.46	\$ 39,248.44	14.00			14.00	\$ 39,248.44	\$ -	\$ 39,248.44	100%	\$ -	\$ 3,924.84
5	Double Water Service	49	EA	\$ 1,545.63	\$ 75,735.87	49.00			49.00	\$ 75,735.87	\$ -	\$ 75,735.87	100%	\$ -	\$ 7,573.59
6	Single Water Service	17	EA	\$ 1,256.75	\$ 21,364.75	17.00			17.00	\$ 21,364.75	\$ -	\$ 21,364.75	100%	\$ -	\$ 2,136.48
7	Fire Hydrant Assembly	9	EA	\$ 4,580.06	\$ 41,220.54	9.00			9.00	\$ 41,220.54	\$ -	\$ 41,220.54	100%	\$ -	\$ 4,122.05
8	Irrigation Services	12	EA	\$ 2,145.57	\$ 25,746.84	12.00			12.00	\$ 25,746.84	\$ -	\$ 25,746.84	100%	\$ -	\$ 2,574.68
9	3 - 6" PVC Sleeves (Bundle)	564	LF	\$ 32.48	\$ 18,318.72	564.00			564.00	\$ 18,318.72	\$ -	\$ 18,318.72	100%	\$ -	\$ 1,831.87
10	Connect to Existing 12" Waterline (Standard connection)	2	EA	\$ 2,285.69	\$ 4,571.38	2.00			2.00	\$ 4,571.38	\$ -	\$ 4,571.38	100%	\$ -	\$ 457.14
11	Trench Safety	4,892	LF	\$ 0.56	\$ 2,739.52	4,892.00			4,892.00	\$ 2,739.52	\$ -	\$ 2,739.52	100%	\$ -	\$ 273.95
12	Temporary Fire Type Blow Off Hydrant	6	EA	\$ 1,761.35	\$ 10,568.10	6.00			6.00	\$ 10,568.10	\$ -	\$ 10,568.10	100%	\$ -	\$ 1,056.81
SUBTOTAL PHASE 4 - WATER IMPROVEMENTS						\$ 479,643.27				\$ 479,643.27	\$ -	\$ 479,643.27	100%	\$ -	\$ 47,964.33
PHASE 4 - WASTEWATER IMPROVEMENTS															
1	8" PVC SDR 26 Pipe <8'	313	LF	\$ 27.89	\$ 8,729.57	313.00			313.00	\$ 8,729.57	\$ -	\$ 8,729.57	100%	\$ -	\$ 872.96
2	8" PVC SDR 26 Pipe 8-10'	855	LF	\$ 28.76	\$ 24,589.80	855.00			855.00	\$ 24,589.80	\$ -	\$ 24,589.80	100%	\$ -	\$ 2,458.98
3	8" PVC SDR 26 Pipe 10-12'	658	LF	\$ 30.94	\$ 20,358.52	658.00			658.00	\$ 20,358.52	\$ -	\$ 20,358.52	100%	\$ -	\$ 2,035.85
4	8" PVC SDR 26 Pipe 12-14'	460	LF	\$ 33.48	\$ 15,400.80	460.00			460.00	\$ 15,400.80	\$ -	\$ 15,400.80	100%	\$ -	\$ 1,540.08
5	8" PVC SDR 26 Pipe 14-16'	750	LF	\$ 38.90	\$ 29,175.00	750.00			750.00	\$ 29,175.00	\$ -	\$ 29,175.00	100%	\$ -	\$ 2,917.50
6	8" PVC SDR 26 Pipe >16'	553	LF	\$ 41.50	\$ 22,949.50	553.00			553.00	\$ 22,949.50	\$ -	\$ 22,949.50	100%	\$ -	\$ 2,294.95
7	Trench Safety	3,589	LF	\$ 1.14	\$ 4,091.68	3,589.00			3,589.00	\$ 4,091.68	\$ -	\$ 4,091.68	100%	\$ -	\$ 401.97
8	4' Diameter Standard Manhole	13	EA	\$ 3,972.44	\$ 51,641.72	13.00			13.00	\$ 51,641.72	\$ -	\$ 51,641.72	100%	\$ -	\$ 5,164.17
9	Extra Depth Manhole	42	VF	\$ 337.69	\$ 14,182.98	42.00			42.00	\$ 14,182.98	\$ -	\$ 14,182.98	100%	\$ -	\$ 1,418.30
10	Double Wastewater Service	49	EA	\$ 1,686.39	\$ 82,633.11	49.00			49.00	\$ 82,633.11	\$ -	\$ 82,633.11	100%	\$ -	\$ 8,263.31
11	Single Wastewater Service	15	EA	\$ 1,464.15	\$ 21,962.25	15.00			15.00	\$ 21,962.25	\$ -	\$ 21,962.25	100%	\$ -	\$ 2,196.23
12	Adjust Existing Manhole to Finished Grade	1	EA	\$ 559.90	\$ 559.90	0.00	1.00		1.00	\$ -	\$ 559.90	\$ 559.90	100%	\$ -	\$ 55.99
SUBTOTAL PHASE 4 - WASTEWATER IMPROVEMENTS						\$ 296,202.83				\$ 295,642.93	\$ 559.90	\$ 296,202.83	100%	\$ -	\$ 29,620.28
PHASE 4 - OFFSITE WASTEWATER IMPROVEMENTS															
1	8" PVC SDR 26 Pipe 12-14'	418	LF	\$ 33.48	\$ 13,994.64	418.00			418.00	\$ 13,994.64	\$ -	\$ 13,994.64	100%	\$ -	\$ 1,399.46
2	8" PVC SDR 26 Pipe 14-16'	705	LF	\$ 35.49	\$ 25,020.45	705.00			705.00	\$ 25,020.45	\$ -	\$ 25,020.45	100%	\$ -	\$ 2,502.05
3	8" PVC SDR 26 Pipe >16'	1,359	LF	\$ 43.39	\$ 58,967.01	1,359.00			1,359.00	\$ 58,967.01	\$ -	\$ 58,967.01	100%	\$ -	\$ 5,896.70
4	Trench Safety	2,482	LF	\$ 7.79	\$ 19,373.58	2,482.00			2,482.00	\$ 19,373.58	\$ -	\$ 19,373.58	100%	\$ -	\$ 1,937.36
5	4' Diameter Standard Manhole	7	EA	\$ 3,972.44	\$ 27,807.08	7.00			7.00	\$ 27,807.08	\$ -	\$ 27,807.08	100%	\$ -	\$ 2,780.71
6	Extra Depth Manhole	67	VF	\$ 337.69	\$ 22,625.23	67.00			67.00	\$ 22,625.23	\$ -	\$ 22,625.23	100%	\$ -	\$ 2,262.52
7	Future Partial Wastewater Service (Double)	26	EA	\$ 1,560.45	\$ 40,571.70	26.00			26.00	\$ 40,571.70	\$ -	\$ 40,571.70	100%	\$ -	\$ 4,057.17
8	Future Partial Wastewater Service (Single)	7	EA	\$ 1,381.13	\$ 9,667.91	7.00			7.00	\$ 9,667.91	\$ -	\$ 9,667.91	100%	\$ -	\$ 966.79
9	Temporary Creek Crossing and Restoration	1	EA	\$ 5,749.09	\$ 5,749.09	1.00			1.00	\$ 5,749.09	\$ -	\$ 5,749.09	100%	\$ -	\$ 574.91
SUBTOTAL PHASE 4 - OFFSITE WASTEWATER IMPROVEMENTS						\$ 207,182.95				\$ 207,182.95	\$ -	\$ 207,182.95	100%	\$ -	\$ 20,718.30
PHASE 4 - ESC IMPROVEMENTS															
1	Stabilized Construction Entrance	1	EA	\$ 2,607.62	\$ 2,607.62	1.00			1.00	\$ 2,607.62	\$ -	\$ 2,607.62	100%	\$ -	\$ 260.76
2	Silt Fence	13,476	LF	\$ 2.35	\$ 31,668.60	12,000.00	1,476.00		13,476.00	\$ 28,200.00	\$ 3,468.60	\$ 31,668.60	100%	\$ -	\$ 3,166.86
3	Inlet Protection	15	EA	\$ 78.17	\$ 1,172.55	15.00			15.00	\$ 1,172.55	\$ -	\$ 1,172.55	100%	\$ -	\$ 117.26
4	Revegetation (R.O.W. & Easements)	13,274	SY	\$ 1.45	\$ 19,247.30	0.00	13,274.00		13,274.00	\$ -	\$ 19,247.30	\$ 19,247.30	100%	\$ -	\$ 1,924.73
5	Trench Safety	1	LS	\$ 3,350.27	\$ 3,350.27	1.00			1.00	\$ 3,350.27	\$ -	\$ 3,350.27	100%	\$ -	\$ 335.03
SUBTOTAL PHASE 4 - ESC IMPROVEMENTS						\$ 58,046.34				\$ 35,330.44	\$ 22,715.90	\$ 58,046.34	100%	\$ -	\$ 5,804.63

Jonah water, trench safety, SWPPP excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION
PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)
APPLICATION DATE: 08/20/21
PERIOD TO: 31-Aug-21

A	B				C	D	E	F	G		H	I		
Item No.	Description of Work	QTY	UNIT	UNIT PRICE	Scheduled Value	QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
PHASE 4 - MISC IMPROVEMENTS														
1	Lot Pst Grading (including Excavation and Embankment)	107	PER LOT	\$ 1,904.07	\$ 203,735.49	107.00		107.00	\$ 203,735.49	\$ -	\$ 203,735.49	100%	\$ -	\$ 20,373.55
2	Flood Plain Excavation and Embankment	1	LS	\$ 190,486.46	\$ 190,486.46	1.00		1.00	\$ 190,486.46	\$ -	\$ 190,486.46	100%	\$ -	\$ 19,048.65
2A	As Built Top	107	LOTS	\$ 85.04	\$ 9,099.28	107.00		107.00	\$ 9,099.28	\$ -	\$ 9,099.28	100%	\$ -	\$ 909.93
2B	MC Lote Section 4 (S)	107	PER LOT	\$ 460.00	\$ 49,200.00	107.00		107.00	\$ 49,200.00	\$ -	\$ 49,200.00	100%	\$ -	\$ 4,920.00
2C	MC Lote Double Layer 5 mil poly	107	PER LOT	\$ 2,925.00	\$ 29,425.00	107.00		107.00	\$ 29,425.00	\$ -	\$ 29,425.00	100%	\$ -	\$ 2,942.50
3	Concrete Pad for Cluster Box Units	3	LS	\$ 5,350.51	\$ 16,051.53	3.00		3.00	\$ 16,051.53	\$ -	\$ 16,051.53	100%	\$ -	\$ 1,605.15
4	Loose River Rock 2"-3" dia. Stone 12" depth. River Rick will b	1,250	SY	\$ 39.00	\$ 48,750.00	0.00	1,250.00	1,250.00	\$ -	\$ 48,750.00	\$ 48,750.00	100%	\$ -	\$ 4,875.00
AA-1	Erosion Control Matting PH4	7,405	SY	\$ 1.43	\$ 10,589.15	0.00	7,405.00	7,405.00	\$ -	\$ 10,589.15	\$ 10,589.15	100%	\$ -	\$ 1,058.92
SUBTOTAL PHASE 4 - MISC IMPROVEMENTS					\$ 1,000,336.91				\$ 940,997.76	\$ 59,339.15	\$ 1,000,336.91	100%	\$ -	\$ 100,033.69
PHASE 5 - STREET IMPROVEMENTS														
1	Clear & Grub (ROW-ROW)	18,111	SY	\$ 0.28	\$ 5,071.08	18,111.00		18,111.00	\$ 5,071.08	\$ -	\$ 5,071.08	100%	\$ -	\$ 507.11
2	Excavation/Embankment (ROW-ROW)	18,111	SY	\$ 1.77	\$ 32,056.47	18,111.00		18,111.00	\$ 32,056.47	\$ -	\$ 32,056.47	100%	\$ -	\$ 3,205.65
3	Subgrade Preparation (3' BOC)	12,487	SY	\$ 1.94	\$ 24,224.78	12,487.00		12,487.00	\$ 24,224.78	\$ -	\$ 24,224.78	100%	\$ -	\$ 2,422.48
4	8" Lime Treated Subgrade (3' BOC)	12,487	SY	\$ 5.30	\$ 66,181.10	12,487.00		12,487.00	\$ 66,181.10	\$ -	\$ 66,181.10	100%	\$ -	\$ 6,618.11
5	Crushed Limestone Base (3" Thick) (3' BOC)	12,487	SY	\$ 9.85	\$ 122,996.95	12,487.00		12,487.00	\$ 122,996.95	\$ -	\$ 122,996.95	100%	\$ -	\$ 12,299.70
6	H.M.A.C. (2.0" Thick)	9,288	SY	\$ 11.84	\$ 109,969.92	0.00	9,288.00	9,288.00	\$ -	\$ 109,969.92	\$ 109,969.92	100%	\$ -	\$ 10,996.99
7	6" Standard Curb & Gutter w/Base	5,798	LF	\$ 15.23	\$ 88,303.54	5,798.00		5,798.00	\$ 88,303.54	\$ -	\$ 88,303.54	100%	\$ -	\$ 8,830.35
8	5' Concrete Sidewalk	342	LF	\$ 34.88	\$ 11,928.96	342.00		342.00	\$ 11,928.96	\$ -	\$ 11,928.96	100%	\$ -	\$ 1,192.90
8A	5' Concrete Sidewalk - GreenLink	513	LF	\$ 34.88	\$ 17,893.44	513.00		513.00	\$ 17,893.44	\$ -	\$ 17,893.44	100%	\$ -	\$ 1,789.34
9	Sawcut and Tie to Existing Street		EA	\$ 111.68	\$ 446.72	0.00	4.00	4.00	\$ -	\$ 446.72	\$ 446.72	100%	\$ -	\$ 44.67
10	Streetlights	6		\$ 893.40	\$ 5,360.40	0.00	6.00	6.00	\$ -	\$ 5,360.40	\$ 5,360.40	100%	\$ -	\$ 536.04
10A	Remove Barricade	4	EA	\$ 226.77	\$ 907.08	4.00		4.00	\$ 907.08	\$ -	\$ 907.08	100%	\$ -	\$ 90.71
10B	Street Name Sign	3	EA	\$ 1,164.24	\$ 3,492.72	0.00	3.00	3.00	\$ -	\$ 1,164.24	\$ 1,164.24	100%	\$ -	\$ 116.42
10C	No Parking Sign	9	EA	\$ 388.08	\$ 3,492.72	0.00	9.00	9.00	\$ -	\$ 3,492.72	\$ 3,492.72	100%	\$ -	\$ 349.27
SUBTOTAL PHASE 5 - STREET IMPROVEMENTS					\$ 489,997.40				\$ 369,563.40	\$ 120,434.00	\$ 489,997.40	100%	\$ -	\$ 48,999.74
PHASE 5 - DRAINAGE IMPROVEMENTS														
1	10' City Standard Curb Inlet	11	EA	\$ 413.45	\$ 4,547.95	11.00		11.00	\$ 4,547.95	\$ -	\$ 4,547.95	100%	\$ -	\$ 454.79
2	15' City Standard Curb Inlet	3	EA	\$ 6,185.95	\$ 18,557.85	3.00		3.00	\$ 18,557.85	\$ -	\$ 18,557.85	100%	\$ -	\$ 1,855.79
3	18" CLASS III R.C.P.	1,178	LF	\$ 45.81	\$ 53,964.18	1,178.00		1,178.00	\$ 53,964.18	\$ -	\$ 53,964.18	100%	\$ -	\$ 5,396.42
4	24" CLASS III R.C.P.	959	LF	\$ 55.25	\$ 53,295.94	959.00		959.00	\$ 53,295.94	\$ -	\$ 53,295.94	100%	\$ -	\$ 5,329.59
5	36" CLASS III R.C.P.	279	LF	\$ 77.44	\$ 21,584.76	279.00		279.00	\$ 21,584.76	\$ -	\$ 21,584.76	100%	\$ -	\$ 2,158.48
6	4' x 4' Junction Box	5	EA	\$ 2,914.66	\$ 14,573.30	5.00		5.00	\$ 14,573.30	\$ -	\$ 14,573.30	100%	\$ -	\$ 1,457.33
7	24" Sloping Headwall		EA	\$ 4,498.75	\$ 22,493.75	5.00		5.00	\$ 22,493.75	\$ -	\$ 22,493.75	100%	\$ -	\$ 2,249.38
8	Triple 36" Sloping Headwall	2	EA	\$ 11,340.67	\$ 22,681.34	2.00		2.00	\$ 22,681.34	\$ -	\$ 22,681.34	100%	\$ -	\$ 2,268.13
8A	Concrete Wall @ Channel (Budget - Detail Needed)	207	LF	\$ 342.01	\$ 70,796.07	207.00		207.00	\$ 70,796.07	\$ -	\$ 70,796.07	100%	\$ -	\$ 7,079.61
9	Trench Safety	2,416	LF	\$ 1.12	\$ 2,705.92	2,416.00		2,416.00	\$ 2,705.92	\$ -	\$ 2,705.92	100%	\$ -	\$ 270.59
10	Rock Rip-Rap	435	SY	\$ 26.50	\$ 11,527.50	200.00	235.00	435.00	\$ 5,300.00	\$ 6,227.50	\$ 11,527.50	100%	\$ -	\$ 1,152.75
11	Rock Berm	75	LF	\$ 22.34	\$ 1,675.50	75.00		75.00	\$ 1,675.50	\$ -	\$ 1,675.50	100%	\$ -	\$ 167.55
SUBTOTAL PHASE 5 - DRAINAGE IMPROVEMENTS					\$ 346,955.42				\$ 340,727.92	\$ 6,227.50	\$ 346,955.42	100%	\$ -	\$ 34,695.54
PHASE 5 - WATER IMPROVEMENTS														
1	8" Class 305 C900 DR-14 Water Line	1,582	LF	\$ 31.23	\$ 49,405.86	1,582.00		1,582.00	\$ 49,405.86	\$ -	\$ 49,405.86	100%	\$ -	\$ 4,940.59
2	12" Class 305 C900 DR-14 Water Line	925	LF	\$ 55.58	\$ 51,411.50	925.00		925.00	\$ 51,411.50	\$ -	\$ 51,411.50	100%	\$ -	\$ 5,141.15

Lot grading improvements excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)

APPLICATION DATE: 08/20/21

PERIOD TO: 31-Aug-21

Item No.	Description of Work	QTY	UNIT	UNIT PRICE	Scheduled Value	QUANTITY COMPLETED		TO DATE	PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Balance
						PREVIOUS	THIS PERIOD							
3	Double Water Service	42	EA	\$ 1,545.63	\$ 64,916.46	42.00		42.00	\$ 64,916.46	\$ -	\$ 64,916.46	100%	\$ -	\$ 6,491.65
4	Single Water Service	10	EA	\$ 1,256.75	\$ 12,567.50	10.00		10.00	\$ 12,567.50	\$ -	\$ 12,567.50	100%	\$ -	\$ 1,256.75
5	Irrigation Services	6	EA	\$ 2,145.57	\$ 12,873.42	6.00		6.00	\$ 12,873.42	\$ -	\$ 12,873.42	100%	\$ -	\$ 1,287.34
6	3 - 6" PVC Sleeves (Bundle)	165	LF	\$ 32.48	\$ 5,359.20	165.00		165.00	\$ 5,359.20	\$ -	\$ 5,359.20	100%	\$ -	\$ 535.92
7	Fire Hydrant Assembly	5	EA	\$ 4,580.06	\$ 22,900.30	5.00		5.00	\$ 22,900.30	\$ -	\$ 22,900.30	100%	\$ -	\$ 2,290.03
8	Connect to Existing 8" Water Line (Standard Connection)	2	EA	\$ 2,186.10	\$ 4,372.20	2.00		2.00	\$ 4,372.20	\$ -	\$ 4,372.20	100%	\$ -	\$ 437.22
9	Connect to Existing 12" Water Line (Standard Connection)	2	EA	\$ 2,285.69	\$ 4,571.38	2.00		2.00	\$ 4,571.38	\$ -	\$ 4,571.38	100%	\$ -	\$ 457.14
10	Trench Safety	2,507	LF	\$ 0.56	\$ 1,403.92	2,507.00		2,507.00	\$ 1,403.92	\$ -	\$ 1,403.92	100%	\$ -	\$ 140.39
SUBTOTAL PHASE 5 - WATER IMPROVEMENTS					\$ 229,781.74				\$ 229,781.74	\$ -	\$ 229,781.74	100%	\$ -	\$ 22,978.17
PHASE 5 - WASTEWATER IMPROVEMENTS														
1	8" PVC SDR 26 Pipe <8'	134	LF	\$ 27.89	\$ 3,737.26	134.00		134.00	\$ 3,737.26	\$ -	\$ 3,737.26	100%	\$ -	\$ 373.73
2	8" PVC SDR 26 Pipe 8-10'	400	LF	\$ 28.76	\$ 11,504.00	400.00		400.00	\$ 11,504.00	\$ -	\$ 11,504.00	100%	\$ -	\$ 1,150.40
3	8" PVC SDR 26 Pipe 10-12'	400	LF	\$ 30.94	\$ 12,376.00	400.00		400.00	\$ 12,376.00	\$ -	\$ 12,376.00	100%	\$ -	\$ 1,237.60
4	8" PVC SDR 26 Pipe 12-14'	100	LF	\$ 33.80	\$ 3,380.00	100.00		100.00	\$ 3,380.00	\$ -	\$ 3,380.00	100%	\$ -	\$ 338.00
5	Trench Safety	1,034	LF	\$ 1.12	\$ 1,158.08	1,034.00		1,034.00	\$ 1,158.08	\$ -	\$ 1,158.08	100%	\$ -	\$ 115.81
6	4" Diameter Standard Manhole	4	EA	\$ 3,972.44	\$ 15,889.76	4.00		4.00	\$ 15,889.76	\$ -	\$ 15,889.76	100%	\$ -	\$ 1,588.98
7	Extra Depth Manhole	6	VF	\$ 337.69	\$ 2,026.14	6.00		6.00	\$ 2,026.14	\$ -	\$ 2,026.14	100%	\$ -	\$ 202.61
8	Double Wastewater Service	16	EA	\$ 26,982.24	\$ 431,715.92				\$ 26,982.24	\$ -	\$ 26,982.24	100%	\$ -	\$ 2,698.22
9	Single Wastewater Service	5	EA	\$ 7,320.75	\$ 36,603.75				\$ 7,320.75	\$ -	\$ 7,320.75	100%	\$ -	\$ 732.08
10	Adjust Existing Partial Wastewater Service (Double)	26	EA	\$ 1,882.32	\$ 48,940.32	26.00		26.00	\$ 48,940.32	\$ -	\$ 48,940.32	100%	\$ -	\$ 4,894.03
11	Adjust Existing Partial Wastewater Service (Single)	7	EA	\$ 1,591.23	\$ 11,138.61	7.00		7.00	\$ 11,138.61	\$ -	\$ 11,138.61	100%	\$ -	\$ 1,113.86
12	Adjust Existing Manhole to Finished Grade	5	EA	\$ 559.90	\$ 2,799.50	0.00	5.00	5.00	\$ -	\$ 2,799.50	\$ 2,799.50	100%	\$ -	\$ 279.95
SUBTOTAL PHASE 5 - WASTEWATER IMPROVEMENTS					\$ 147,673.28				\$ 144,873.78	\$ 2,799.50	\$ 147,673.28	100%	\$ -	\$ 14,767.33
PHASE 5 - ESC IMPROVEMENTS														
1	Stabilized Construction Entrance	2	EA	\$ 2,607.62	\$ 5,215.24	2.00		2.00	\$ 5,215.24	\$ -	\$ 5,215.24	100%	\$ -	\$ 521.52
2	Silt Fence	7,248	LF	\$ 2.35	\$ 17,032.80	7,248.00		7,248.00	\$ 17,032.80	\$ -	\$ 17,032.80	100%	\$ -	\$ 1,703.28
3	Inlet Protection	14	EA	\$ 78.17	\$ 1,094.38	14.00		14.00	\$ 1,094.38	\$ -	\$ 1,094.38	100%	\$ -	\$ 109.44
4	Revegetation (R.O.W. & Easements)	6,835	SY	\$ 1.45	\$ 9,910.75	0.00	6,835.00	6,835.00	\$ -	\$ 9,910.75	\$ 9,910.75	100%	\$ -	\$ 991.08
5	SWPPP Plan Preparation, Permitting, Maintenance	1	LS	\$ 3,350.27	\$ 3,350.27	1.00		1.00	\$ 3,350.27	\$ -	\$ 3,350.27	100%	\$ -	\$ 335.03
SUBTOTAL PHASE 5 - ESC IMPROVEMENTS					\$ 36,603.44				\$ 26,692.69	\$ 9,910.75	\$ 36,603.44	100%	\$ -	\$ 3,660.34
PHASE 5 - MISC IMPROVEMENTS														
1	Lot Pad Grading (Including Excavation and Embankment)	102	PER LOT	\$ 1,904.07	\$ 194,215.14	102.00		102.00	\$ 194,215.14	\$ -	\$ 194,215.14	100%	\$ -	\$ 19,421.51
2A	As Built Topo	102	LOTS	\$ 85.04	\$ 8,674.08	102.00		102.00	\$ 8,674.08	\$ -	\$ 8,674.08	100%	\$ -	\$ 867.41
2B	MC Lots Section	102	PER LOT	\$ 4,690.00	\$ 469,200.00	102.00		102.00	\$ 469,200.00	\$ -	\$ 469,200.00	100%	\$ -	\$ 46,920.00
2C	MC Lots - Double Layer 6 mil poly	102	PER LOT	\$ 275.00	\$ 28,050.00	102.00		102.00	\$ 28,050.00	\$ -	\$ 28,050.00	100%	\$ -	\$ 2,805.00
3	Concrete Pad for Cluster Box Units	1	LS	\$ 1,604.96	\$ 1,604.96	1.00		1.00	\$ 1,604.96	\$ -	\$ 1,604.96	100%	\$ -	\$ 160.50
4	Double River Rock 2'-3" dia. Stone 12" depth. River Rick will t	845	SY	\$ 39.00	\$ 32,955.00	0.00	845.00	845.00	\$ -	\$ 32,955.00	\$ 32,955.00	100%	\$ -	\$ 3,295.50
AA	Reveg Storm Sewer Outfalls PH5	6,445	SY	\$ 1.43	\$ 9,216.35	0.00	6,445.00	6,445.00	\$ -	\$ 9,216.35	\$ 9,216.35	100%	\$ -	\$ 921.64
SUBTOTAL PHASE 5 - MISC IMPROVEMENTS					\$ 743,915.53				\$ 701,744.18	\$ 42,171.35	\$ 743,915.53	100%	\$ -	\$ 74,391.64
CR189 MINOR ARTERIAL PH 2 - STREET IMPROVEMENTS														
1	Clear & Grub (ROW-ROW)	21,702	SY	\$ 0.29	\$ 6,293.58	21,702.00		21,702.00	\$ 6,293.58	\$ -	\$ 6,293.58	100%	\$ -	\$ 629.36
2	Excavation/Embankment (ROW-ROW)	21,702	SY	\$ 2.06	\$ 44,706.12	21,702.00		21,702.00	\$ 44,706.12	\$ -	\$ 44,706.12	100%	\$ -	\$ 4,470.61
3	Subgrade Preparation (3' BOC)	7,798	SY	\$ 1.99	\$ 15,518.02	7,798.00		7,798.00	\$ 15,518.02	\$ -	\$ 15,518.02	100%	\$ -	\$ 1,551.80

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

 APPLICATION NUMBER: Ten (10)
 APPLICATION DATE: 08/20/21
 PERIOD TO: 31-Aug-21

A	B				C	D		E	F		G		H	I
Item No.	Description of Work	QTY	UNIT	UNIT PRICE	Scheduled Value	QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
4	10" Lime Treated Subgrade (3' BOC)	7,798	SY	\$ 7.39	\$ 57,627.22	7,798.00		7,798.00	\$ 57,627.22	\$ -	\$ 57,627.22	100%	\$ -	\$ 5,762.72
5	Crushed Limestone Base (21" Thick) (3' BOC)	7,798	SY	\$ 22.72	\$ 177,170.56	7,798.00		7,798.00	\$ 177,170.56	\$ -	\$ 177,170.56	100%	\$ -	\$ 17,717.06
6	H.M.A.C. (6.0" Thick)	6,279	SY	\$ 36.64	\$ 230,062.56	6,279.00		6,279.00	\$ 230,062.56	\$ -	\$ 230,062.56	100%	\$ -	\$ 23,006.26
7	6" Standard Curb & Gutter w/Base	1,542	LF	\$ 15.67	\$ 24,163.14	1,542.00		1,542.00	\$ 24,163.14	\$ -	\$ 24,163.14	100%	\$ -	\$ 2,416.31
8	5' Concrete Sidewalk	3,140	LF	\$ 33.31	\$ 104,593.40	3,140.00		3,140.00	\$ 104,593.40	\$ -	\$ 104,593.40	100%	\$ -	\$ 10,459.34
9	Sawcut and Tie to Existing Street	1	EA	\$ 571.98	\$ 571.98	1.00		1.00	\$ 571.98	\$ -	\$ 571.98	100%	\$ -	\$ 57.20
10	Street End Barricade	1	EA	\$ 1,429.94	\$ 1,429.94	0.00	1.00	1.00	\$ -	\$ 1,429.94	\$ 1,429.94	100%	\$ -	\$ 142.99
11	Miscellaneous Signage (Speed Limit, No Through Traffic)	1	EA	\$ 549.10	\$ 549.10	0.00	1.00	1.00	\$ -	\$ 549.10	\$ 549.10	100%	\$ -	\$ 54.91
12	Striping	1	LS	\$ 10,038.18	\$ 10,038.18	0.00	1.00	1.00	\$ -	\$ 10,038.18	\$ 10,038.18	100%	\$ -	\$ 1,003.82
	SUBTOTAL CR188 MINOR ARTERIAL PH 2 - STREET IMPROVEMENTS					\$ 672,723.80			\$ 660,706.58	\$ 12,017.22	\$ 672,723.80	100%	\$ -	\$ 67,272.38

CR188 MINOR ARTERIAL PH 2 - DRAINAGE IMPROVEMENTS														
1	10' City Standard Curb Inlet	2	EA	\$ 4,398.66	\$ 8,797.32	2.00		2.00	\$ 8,797.32	\$ -	\$ 8,797.32	100%	\$ -	\$ 879.73
2	4' X 4' Temporary Area Inlet	2	EA	\$ 3,229.50	\$ 6,459.00	2.00		2.00	\$ 6,459.00	\$ -	\$ 6,459.00	100%	\$ -	\$ 645.90
3	18" CLASS III R.C.P.	125	LF	\$ 43.61	\$ 5,451.25	125.00		125.00	\$ 5,451.25	\$ -	\$ 5,451.25	100%	\$ -	\$ 545.13
4	24" CLASS III R.C.P.	487	LF	\$ 60.88	\$ 29,648.56	487.00		487.00	\$ 29,648.56	\$ -	\$ 29,648.56	100%	\$ -	\$ 2,964.86
5	30" CLASS III R.C.P.	249	LF	\$ 84.50	\$ 21,040.50	249.00		249.00	\$ 21,040.50	\$ -	\$ 21,040.50	100%	\$ -	\$ 2,104.05
6	36" CLASS III R.C.P.	357	LF	\$ 102.52	\$ 36,599.84	357.00		357.00	\$ 36,599.84	\$ -	\$ 36,599.84	100%	\$ -	\$ 3,659.96
7	54" CLASS III R.C.P.	177	LF	\$ 229.74	\$ 40,663.98	177.00		177.00	\$ 40,663.98	\$ -	\$ 40,663.98	100%	\$ -	\$ 4,066.40
8	Drainage Channel A1.01	130	LF	\$ 17.16	\$ 2,230.80	130.00		130.00	\$ 2,230.80	\$ -	\$ 2,230.80	100%	\$ -	\$ 223.08
9	Drainage Channel D1.01	1,478	LF	\$ 17.16	\$ 25,362.48	1,478.00		1,478.00	\$ 25,362.48	\$ -	\$ 25,362.48	100%	\$ -	\$ 2,536.25
10	3' x 3' Junction Box	1	EA	\$ 2,730.09	\$ 2,730.09	1.00		1.00	\$ 2,730.09	\$ -	\$ 2,730.09	100%	\$ -	\$ 273.01
11	3-36" SET	2	EA	\$ 7,555.94	\$ 15,111.88	2.00		2.00	\$ 15,111.88	\$ -	\$ 15,111.88	100%	\$ -	\$ 1,511.19
12	2-54" SW Headwall	1	EA	\$ 16,741.00	\$ 16,741.00	1.00		1.00	\$ 16,741.00	\$ -	\$ 16,741.00	100%	\$ -	\$ 1,674.10
13	24" / 30" / 2-54 PW Headwall	1	EA	\$ 39,516.52	\$ 39,516.52	1.00		1.00	\$ 39,516.52	\$ -	\$ 39,516.52	100%	\$ -	\$ 3,951.65
14	Trench Safety	1,395	LF	\$ 1,395.00	\$ 1,935.00	1,395.00		1,395.00	\$ 1,935.00	\$ -	\$ 1,935.00	100%	\$ -	\$ 159.03
15	Rock Berm	25	LF	\$ 40.04	\$ 1,001.00	25.00		25.00	\$ 1,001.00	\$ -	\$ 1,001.00	100%	\$ -	\$ 100.10
16	Rock Rip-Rap	202	SY	\$ 35.36	\$ 7,142.72	100.00	102.00	202.00	\$ 3,536.00	\$ 3,606.72	\$ 7,142.72	100%	\$ -	\$ 714.27
17	Handrails	106	LF	\$ 27.45	\$ 2,909.70	0.00	106.00	106.00	\$ -	\$ 2,909.70	\$ 2,909.70	100%	\$ -	\$ 290.97
SUBTOTAL CR188 MINOR ARTERIAL PH 2 - DRAINAGE IMPROVEMENTS					\$ 262,996.74				\$ 256,480.32	\$ 6,516.42	\$ 262,996.74	100%	\$ -	\$ 26,299.67

CR188 MINOR ARTERIAL PH 2 - WATER IMPROVEMENTS															
1	12" Class 300 C900 DR-14 Water Line	1,839	LF	\$ 48.18	\$ 88,603.02	1,839.00			1,839.00	\$ 88,603.02	\$ -	\$ 88,603.02	100%	\$ -	\$ 8,860.30
2	12" Gate Valve	7	EA	\$ 2,814.58	\$ 19,814.06	7.00			7.00	\$ 19,814.06	\$ -	\$ 19,814.06	100%	\$ -	\$ 1,981.41
3	Fire Hydrant Assembly	4	EA	\$ 5,014.15	\$ 20,056.60	4.00			4.00	\$ 20,056.60	\$ -	\$ 20,056.60	100%	\$ -	\$ 2,005.66
4	Connect to Existing 12" Waterline (Standard connection)	1	EA	\$ 2,820.77	\$ 2,820.77	1.00			1.00	\$ 2,820.77	\$ -	\$ 2,820.77	100%	\$ -	\$ 282.08
5	Trench Safety	1,839	LF	\$ 0.57	\$ 1,046.23	1,839.00			1,839.00	\$ 1,046.23	\$ -	\$ 1,046.23	100%	\$ -	\$ 104.82
6	Temporary Fire Type Blow-off Hydrant	1	EA	\$ 4,254.31	\$ 4,254.31	1.00			1.00	\$ 4,254.31	\$ -	\$ 4,254.31	100%	\$ -	\$ 425.43
SUBTOTAL CR188 MINOR ARTERIAL PH 2 - WATER IMPROVEMENTS					\$ 136,596.99				\$ 136,596.99	\$ -	\$ 136,596.99	100%	\$ -	\$ 13,659.70	

CR188 MINOR ARTERIAL PH 2 - ESC IMPROVEMENTS														
1	Stabilized Construction Entrance	1	EA	\$ 2,728.33	\$ 2,728.33	1.00		1.00	\$ 2,728.33	\$ -	\$ 2,728.33	100%	\$ -	\$ 272.83
2	Silt Fence	1,365	LF	\$ 2.40	\$ 3,276.00	1,365.00		1,365.00	\$ 3,276.00	\$ -	\$ 3,276.00	100%	\$ -	\$ 327.60
3	Inlet Protection	4	EA	\$ 80.08	\$ 320.32	4.00		4.00	\$ 320.32	\$ -	\$ 320.32	100%	\$ -	\$ 32.03
4	Revegetation (R.O.W. & Easements)	10,760	SY	\$ 1.73	\$ 18,614.80	7,530.00	3,230.00	10,760.00	\$ 13,026.90	\$ 5,587.90	\$ 18,614.80	100%	\$ -	\$ 1,861.48
5	SWPPP Plan Preparation, Permitting, Maintenance	1	LS	\$ 4,575.81	\$ 4,575.81	1.00		1.00	\$ 4,575.81	\$ -	\$ 4,575.81	100%	\$ -	\$ 457.58

Grab water, trench safety, and SWPPP excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)

APPLICATION DATE: 08/20/21

PERIOD TO: 31-Aug-21

A Item No.	B Description of Work	C QTY	D UNIT	E UNIT PRICE	F Scheduled Value	G QUANTITY COMPLETED			H PREVIOUS AMOUNT	I AMOUNT THIS PERIOD	J AMOUNT TO DATE	K % (G/C)	L Balance To Finish (C - G)	M Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
6	Erosion Matting	1,042	SY	\$ 1.43	\$ 1,490.06	0.00	1,042.00	1,042.00	\$ -	\$ 1,490.06	\$ 1,490.06	100%	\$ -	\$ 149.01
	SUBTOTAL CR188 MINOR ARTERIAL PH 2 - ESC IMPROVEMENTS				\$ 31,005.32				\$ 23,927.36	\$ 7,077.96	\$ 31,005.32	100%	\$ -	\$ 3,100.53
CHANGE ORDER #1														
ELECTRIC IMPROVEMENTS PH 4 CROSSINGS														
1	Crossings Trench with Base Backfill	3,360	LF	\$ 34.00	\$ 114,240.00									
2	2" Conduit	350	LF	\$ 6.28	\$ 2,170.00									
3	3" Conduit	2,030	LF	\$ 10.00	\$ 20,300.00									
4	2" Abras	2,100	LF	\$ 6.20	\$ 13,020.00									
5	4" Abras	250	LF	\$ 14.40	\$ 3,600.00									
6	6" Abras	210	LF	\$ 29.20	\$ 6,132.00									
7	10" Abras	70	LF	\$ 34.50	\$ 2,415.00									
8	Survey	1	LS	\$ 3,360.00	\$ 3,360.00									
9	Place spoils onsite	487	CY	\$ 5.00	\$ 2,435.00									
	SUBTOTAL CHANGE ORDER #1				\$ 169,092.00				\$ 169,092.00	\$ -	\$ 169,092.00	100%	\$ -	\$ 16,909.20
CHANGE ORDER #2														
Arterial Rd Ph 2 Plan Changes														
	3' Trickle Channel	1,391	LF	\$ 45.70	\$ 63,568.70		1,391.00	1,391.00	\$ -	\$ 63,568.70	\$ 63,568.70	100%	\$ -	\$ 6,356.87
	24" Steel Encasement	225	LF	\$ 114.13	\$ 25,679.25	225.00		225.00	\$ 25,679.25	\$ -	\$ 25,679.25	100%	\$ -	\$ 2,567.93
	Air Release Valve	1	EA	\$ 3,264.95	\$ 3,264.95	1.00		1.00	\$ 3,264.95	\$ -	\$ 3,264.95	100%	\$ -	\$ 326.50
Phase 4 Trench Improvements														
	Joint Trench Excavation	2,945	LF	\$ 13.00	\$ 38,285.00		2,945.00	2,945.00	\$ -	\$ 38,285.00	\$ 38,285.00	100%	\$ -	\$ 3,828.50
	Non-Joint Trench Excavation	4,830	LF	\$ 8.00	\$ 38,640.00		4,830.00	4,830.00	\$ -	\$ 38,640.00	\$ 38,640.00	100%	\$ -	\$ 3,864.00
	Survey	1	LS	\$ 7,775.00	\$ 7,775.00	1.00		1.00	\$ 7,775.00	\$ -	\$ 7,775.00	100%	\$ -	\$ 777.50
	Place Spoils Onsite	1,152	CY	\$ 5.00	\$ 5,760.00		1,152.00	1,152.00	\$ -	\$ 5,760.00	\$ 5,760.00	100%	\$ -	\$ 576.00
Phase 4 Electric Improvement														
	Install 2" Conduit	4,060	LF	\$ 1.50	\$ 6,090.00		4,060.00	4,060.00	\$ -	\$ 6,090.00	\$ 6,090.00	100%	\$ -	\$ 609.00
	Install 3" Conduit	4,830	LF	\$ 1.50	\$ 7,245.00		4,830.00	4,830.00	\$ -	\$ 7,245.00	\$ 7,245.00	100%	\$ -	\$ 724.50
	Install Transformer Pad	14	EA	\$ 1,350.00	\$ 18,900.00		14.00	14.00	\$ -	\$ 18,900.00	\$ 18,900.00	100%	\$ -	\$ 1,890.00
	Install Secondary Pedestal	50	EA	\$ 420.00	\$ 21,000.00		50.00	50.00	\$ -	\$ 21,000.00	\$ 21,000.00	100%	\$ -	\$ 2,100.00
	Install Street Light	1	EA	\$ 893.40	\$ (893.40)		(1.00)	(1.00)	\$ -	\$ (893.40)	\$ (893.40)	100%	\$ -	\$ (89.34)
	Pole Base	2	EA	\$ 1,980.00	\$ 3,960.00		2.00	2.00	\$ -	\$ 3,960.00	\$ 3,960.00	100%	\$ -	\$ 396.00
Phase 4 Gas Improvements														
	Install 3/4" Poly Pipe	2,775	LF	\$ 4.50	\$ 12,487.50		2,775.00	2,775.00	\$ -	\$ 12,487.50	\$ 12,487.50	100%	\$ -	\$ 1,248.75
	2" Poly Pipe	3,280	LF	\$ 4.50	\$ 15,088.80		3,280.00	3,280.00	\$ -	\$ 15,088.80	\$ 15,088.80	100%	\$ -	\$ 1,508.80
	4" Poly Pipe	840	LF	\$ 12.00	\$ 10,080.00		840.00	840.00	\$ -	\$ 10,080.00	\$ 10,080.00	100%	\$ -	\$ 1,008.00
	Service Tap	61	EA	\$ 170.00	\$ 10,370.00		61.00	61.00	\$ -	\$ 10,370.00	\$ 10,370.00	100%	\$ -	\$ 1,037.00
Phase 5 Trench Improvements														
	Joint Trench Excavation	3,905	LF	\$ 13.00	\$ 50,765.00		980.00	980.00	\$ -	\$ 12,740.00	\$ 12,740.00	25%	\$ 38,025.00	\$ 1,274.00
	Non-Joint Trench Excavation	3,005	LF	\$ 8.00	\$ 24,040.00		980.00	980.00	\$ -	\$ 7,280.00	\$ 7,280.00	25%	\$ 21,560.00	\$ 728.00
	Crossings Trench with Base Backfill	2,550	LF	\$ 3,600.00	\$ 9,180.00				\$ 91,800.00	\$ -	\$ 91,800.00	100%	\$ -	\$ 9,180.00
	Survey	1	LS	\$ 10,080.00	\$ 10,080.00	1.00			\$ -	\$ -	\$ 10,080.00	100%	\$ -	\$ 1,008.00
	Place Spoils Onsite	1,490	CY	\$ 5.00	\$ 7,450.00		390.00	390.00	\$ -	\$ 1,950.00	\$ 1,950.00	26%	\$ 5,500.00	\$ 195.00

Dry Utilities excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

 APPLICATION NUMBER: Ten (10)
 APPLICATION DATE: 08/20/21
 PERIOD TO: 31-Aug-21

A Item No.	B Description of Work	QTY	UNIT	UNIT PRICE	C Scheduled Value	D		E	F	G			H	I	
						QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Retainage	
						PREVIOUS	THIS PERIOD	TO DATE							
Phase 5 Electric Improvements															
	Install 2" Conduit	4,980	LF	\$ 1.50	\$ 7,470.00			1,250.00	1,250.00	\$ -	\$ 1,875.00	\$ 1,875.00	25%	\$ 5,595.00	\$ 187.50
	Provide and Install 2" Conduits for Crossings	280	LF	\$ 6.20	\$ 1,736.00	280.00		280.00	280.00	\$ 1,736.00	\$ -	\$ 1,736.00	100%	\$ -	\$ 173.60
	Install 3" Conduit	4,740	LF	\$ 1.50	\$ 7,110.00			1,200.00	1,200.00	\$ -	\$ 1,800.00	\$ 1,800.00	25%	\$ 5,310.00	\$ 180.00
	Provide and Install 3" Conduits for Crossings	1,470	LF	\$ 10.00	\$ 14,700.00	1,470.00		1,470.00	1,470.00	\$ 14,700.00	\$ -	\$ 14,700.00	100%	\$ -	\$ 1,470.00
	Install Pull Box		EA	\$ 4,860.00	\$ 4,860.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 4,860.00	\$ -
	Install Transformer Pad	14	EA	\$ 1,350.00	\$ 18,900.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 18,900.00	\$ -
	Install Secondary Pedestal	44	EA	\$ 420.00	\$ 18,480.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 18,480.00	\$ -
	Install Street Light	4	EA	\$ 893.40	\$ 3,573.60			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 3,573.60	\$ -
	Pole Riser	1	EA	\$ 1,980.00	\$ 1,980.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 1,980.00	\$ -
Phase 5 Not Included in this calculation															
Phase 5 Gas Improvements															
	Install 3/4" Poly Pipe	2,350	LF	\$ 4.50	\$ 10,575.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 10,575.00	\$ -
	2" Poly Pipe	1,640	LF	\$ 6.20	\$ 10,168.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 10,168.00	\$ -
	4" Poly Pipe	1,350	LF	\$ 12.00	\$ 16,200.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 16,200.00	\$ -
	Service Taps	58	EA	\$ 170.00	\$ 9,860.00			0.00	0.00	\$ -	\$ -	\$ -	0%	\$ 9,860.00	\$ -
	2" Atmos Crossings	1,640	LF	\$ 6.20	\$ 10,168.00	1,640.00		1,640.00	1,640.00	\$ 10,168.00	\$ -	\$ 10,168.00	100%	\$ -	\$ 1,016.80
	4" Atmos Crossings Pipe	70	LF	\$ 4.20	\$ 294.00	70.00		70.00	70.00	\$ 294.00	\$ -	\$ 294.00	100%	\$ -	\$ 29.40
SUBTOTAL CHANGE ORDER #2					\$ 614,039.60					\$ 165,477.20	\$ 277,425.80	\$ 442,903.00	72%	\$ 171,136.60	\$ 4,719.20
CHANGE ORDER #3															
MUSTANG CREEK PHASE 4															
1	Greenlink Sidewalk	762	LF	\$ 34.88	\$ 26,578.56			762.00	762.00	\$ -	\$ 26,578.56	\$ 26,578.56	100%	\$ -	\$ 2,657.86
2	Signs	6	EA	\$ 388.08	\$ 2,328.48			6.00	6.00	\$ -	\$ 2,328.48	\$ 2,328.48	100%	\$ -	\$ 232.85
SUBTOTAL CHANGE ORDER #3					\$ 28,907.04					\$ -	\$ 28,907.04	\$ 28,907.04	100%	\$ -	\$ 2,890.70
CONTRACT TOTAL					\$ 7,583,130.41					\$ 6,516,805.33	\$ 895,188.48	\$ 7,411,993.81	98%	\$ 171,136.60	\$ 741,199.38

Approved:

Engineer's Name & Title Here

Date

Approved:

Owner's Name and Title Here

Date

PROJECT CONSTRUCTION SUMMARY

PROJECT NAME: Mustang Creek Phase 4

FINAL ACCEPTANCE DATE: _____

INSPECTOR: Richard Rodriguez

CONTRACTOR: Liberty Civil Construction, LLC

Maintained By:	
COH	Other
Boxes checked by COH	

CONSTRUCTION COSTS

STREET IMPROVEMENT COST: \$1,005,668.39

SIDEWALK IMPROVEMENT COST: \$23,159.20

SIDEWALK RAMP IMPROVEMENT COST: \$54,425.12

BRIDGE IMPROVEMENT COST: N/A

POND(S) COST N/A

DRAINAGE IMPROVEMENT COST: \$620,447.09

WATER IMPROVEMENT COST: N/A (Jonah SUD)

WASTEWATER IMPROVEMENT COST: \$503,385.78

EROSION CONTROLS / RESTORATION COST: \$117,385.49

TOTAL IMPROVEMENT COST: \$2,324,471.07

PREPARED BY (DESIGN ENGINEER): Dustin Goss, P.E. Pape-Dawson Engineers

CHECKED BY (CID SUPERVISOR): _____

CONSTRUCTION SUMMARY FOR STREETS & SIDEWALKS

STREET PAVING							
STREET NAME	Address from	Address to	Pavement Design (Thickness) Asphalt / Base	Pavement Width (FT) (foc-foc)	L (FT)	PRIVATE	ETJ
Aransas River Road			2" / 9"	30	27.5	___	___
Attoyac Bayou Drive			2" / 9"	30	176.5	___	___
Austin Bayou Drive			2" / 9"	30	3048	___	___
Fort Clark Springs Drive			2" / 9"	30	1,032.5	___	___
Mulberry Creek Lane			2" / 9"	30	1128	___	___
Sweetwater Creek Lane			2" / 9"	30	1,397.5	___	___
Pine Island Bayou Drive			2.5"/17"	44	176.5	___	___

SIDEWALKS / SIDEWALK RAMPS						
STREET NAME	Address from	Address to	W (FT)	L (FT)	SIDES ₁	CURB RAMP ₂
Aransas River Road			5	10.5	E&W	2
Attoyac Bayou Drive			5	120	E&W	4
Austin Bayou Drive			5	240	N&S	8
Fort Clark Springs Drive			5	100.5	E&W	6
Mulberry Creek Lane			5	110.5	N&S	8
Sweetwater Creek Lane			5	127	E&W	6
Pine Island Bayou Drive			5	10.5	N&S	4
LOT 10 BLOCK M GREENLINK			5	127	----	----
LOT 19 BLOCK M OSL			5	30	----	----
LOT 10 BLOCK L GREENLINK			5	127	----	----
LOT 19 BLOCK L OSL			5	30	----	----
LOT 28 BLOCK L GREENLINK			5	127	----	----
LOT 10 BLOCK K GREENLINK			5	127	----	----
LOT 10 BLOCK N GREENLINK			5	127	----	----
LOT 11 BLOCK N OSL			5	30	----	----
LOT 183 BLOCK B GREENLINK			5	127	----	----

1 – Designates location of existing sidewalk (E, W, S, N, SE, SW, NE, NW of designated street)

2 – Number of Ramps

CONSTRUCTION SUMMARY FOR BRIDGES

BRIDGES / BRIDGE CLASS CULVERTS / DRAINAGE CULVERTS ACROSS ROW								
STREET NAME AND ADDRESS OR LOCATION	FEATURE CROSSED ¹	TYPE ²	DESCRIPTION ³	DECK		COST	PRIVATE	ETJ
				W (FT) ⁴	L (FT) ⁵			

1 – Feature Crossed: Creek name if major creek or branch, or roadway name if overpass.

2 – Type: B – Bridge, C - Culvert, P – Pipe. All crossings 20' and wider including multiple box culverts totaling 20' or wider shall be classified as a B – Bridge. Culverts are precast or cast-in-place box culverts. Pipes are smaller drainage pipe crossings with or without headwalls.

3 – Description: i.e. 2 spans (Bridge), 2 – 5 X 7' (Culverts), 2 – 24" RCP (Pipes).

4 – Deck Width: Use "footprint" of culvert/pipes for width on buried culvert/pipes; include full "out to out" dimension including sidewalks/railings for width of standard bridges.

5 – Deck Length: Measured along the centerline of the roadway

CONSTRUCTION SUMMARY FOR PONDS

PONDS						
POND TYPE ¹	LOCATION (ADDRESS OR LOT / BLOCK #)	SIZE (SY) ²	DRAINAGE AREA (ACRES)	PRIVATE ³	ETJ	COST

- 1 – BD = Bio–Detention
D = Detention Only
DSF = Detention / Sedimentation / Filtration
F = Filtration Only
S = Sedimentation Only
SF = Sedimentation / Filtration
SFI = Sedimentation / Filtration / Infiltration
SI = Sedimentation / Irrigation
WP = Wet Pond

2 – Approximate boundary area

3 – Provide copy of recorded agreement for privately maintained ponds

CONSTRUCTION SUMMARY FOR DRAINAGE

STORM DRAIN			MANHOLES			INLETS		
SIZE (IN)	MATERIAL TYPE	L (FT)	QTY	SIZE (Dia – FT)	MATERIAL TYPE	QTY	SIZE (L – FT)	TYPE 1
18	RCP	1,025				13	10	Curb
24	RCP	988				1	15	Curb
36	RCP	641						
6'X3'	RCP	95						

JUNCTION BOXES			OUTFALL STRUCTURES		
QTY	SIZE (FT x FT x FT)	MATERIAL TYPE 2	QTY	SIZE 3	DESCRIPTION 4
1	3'x3'	Precast	3	18"	Sloping
3	4'x4'	Precast	3	24"	Headwall
			4	2X36"	Sloping
			2	3X36"	Sloping
			2	6'X3'	Sloping

1) Grate, Area, Curb, Recessed Curb, Combination, Slotted Drain

2) Cast-in-Place, Precast

3) Pipe size / Culvert Size

4) Headwall, Wing Walls, Gabions

CHANNEL			
LENGTH (FT)	BOTTOM WIDTH (FT)	SIDE SLOPE (FT/FT)	LINING MATERIAL TYPE

CONSTRUCTION SUMMARY FOR WATER

VALVES INSTALLED			PIPE			FIRE HYDRANTS		
SIZE	DESCRIPTION	NO.	SIZE	TYPE	LENGTH	SIZE	TYPE	NO.
AIR RELEASE								
SIZE	TYPE	NO.						
			SERVICES INSTALLED					
			NO.	TYPE				

REMARKS: JONAH SUD

CONSTRUCTION SUMMARY FOR WASTEWATER

PIPE			MANHOLES					
SIZE	TYPE	LENGTH	DEPTH	MAKE	STA. NO.	B.C.	EYE	STREET
8"	PVC	6,071	14.1'	Capital Concrete	4+00.00 WW-G2	No	No	PARKLAND
			18.1'	Capital Concrete	5+74.83 WW-G3	No	No	LOT 169 BLOCK B
			18.75'	Capital Concrete	7+79.31 WW-G4	No	No	JOHNSON DRAW RD & SWEETWATER CREEK LANE
			17.4'	Capital Concrete	10+65.60 WW-G5	No	No	SWEETWATER CREEK LANE
			17.3'	Capital Concrete	15+20.37 WW-G6	No	No	SWEETWATER CREEK LANE
			16'	Capital Concrete	17+69.31 WW-G7	No	No	SWEETWATER CREEK LANE & AUSTIN BAYOU DRIVE
			14'	Capital Concrete	21+27.66 WW-G8	No	No	SWEETWATER CREEK LANE
			12'	Capital Concrete	23+75.23 WW-G9	No	No	SWEETWATER CREEK LANE
			9.9'	Capital Concrete	27+09.31 WW-G10	No	No	SWEETWATER CREEK LANE & MULBERRY CREEK LANE
			7.0'	Capital Concrete	28+66.89 WW-G11	No	No	MULBERRY CREEK LANE
			17.7'	Capital Concrete	3+35.00 WW-H1	No	No	FORT CLARK SPRINGS DR & JOHNSON DRAW RD
			18.1'	Capital Concrete	6+46.99 WW-H2	No	No	FORT CLARK SPRINGS DR
			18.3'	Capital Concrete	10+46.99 WW-H3	No	No	FORT CLARK SPRINGS DR
			17.4'	Capital Concrete	13+25.00 WW-H4	No	No	FORT CLARK SPRINGS DR & AUSTIN BAYOU DR.
			13.2'	Capital Concrete	16+67.99 WW-H5	No	No	FORT CLARK SPRINGS DR
			9.87'	Capital Concrete	19+33.90 WW-H6	No	No	FORT CLARK SPRINGS DR
			6.2'	Capital Concrete	22+30.50 WW-H7	No	No	FORT CLARK SPRINGS DR.
			10.4'	Capital Concrete	3+34.81 WW-J1	No	No	MULBERRY CREEK LANE & ARANSAS RIVER RD
			8.35'	Capital Concrete	7+27.63 WW-J2	No	No	MULBERRY CREEK LANE
			8.5'	Capital Concrete	0+48.00 WW-K1	No	No	MULBERRY CREEK LANE
SERVICES INSTALLED								
NO.	TYPE – S / D	TYPE OF MANHOLE COATING: Spray Wall						
15	SINGLE							
49	DOUBLE							
7	PARTIAL SINGLE							
26	PARTIAL DOUBLE							

RESOLUTION NO. R-2021-153

A RESOLUTION ACCEPTING THE INFRASTRUCTURE IMPROVEMENTS FOR THE SUBDIVISION KNOWN AS MUSTANG CREEK PHASE 4; IN THE CITY OF HUTTO, WILLIAMSON COUNTY, TEXAS.

WHEREAS, the infrastructure improvements for the Mustang Creek Phase 4 Residential subdivision have been constructed and are ready for acceptance, and;

WHEREAS, a final inspection was conducted by the City's Construction and Public Works staff of all roads, drainage, sidewalks, ADA ramps, and wastewater improvements, and;

WHEREAS, all items have been constructed according to engineering plans and City codes and standards, and;

WHEREAS, Liberty Civil Construction, LLC, submitted a warranty bond to cover the material and workmanship for two years,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
HUTTO, TEXAS, hereby** accepts the infrastructure improvements for Mustang Creek Phase 4

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

CONSIDERED and RESOLVED by the City Council of the City of Hutto on this the **7th** day of **October, 2021**.

THE CITY OF HUTTO, TEXAS

Mike Snyder, Mayor

ATTESTED:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-154 a Resolution accepting the infrastructure improvements for the subdivision known as Mustang Creek CR 118 Arterial Phase 2. (Wade Benton)
Meeting: Thursday, October 7, 2021
Department: Public Works
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Mustang Creek CR 118 Arterial Phase 2_Engineer's Concurrence Letter_rev
2. Mustang Creek CR 118 Arterial Phase 2_Final Cost & Quantities
3. Mustang Creek CR 118 Arterial Phase 2_Maintenance Bond
4. Mustang Creek CR 118 Arterial Phase 2_Project Construction Summary
5. Mustang Creek CR 118 Arterial Phase 2_TDLR Inspection Report
6. R-2021-154 Mustang Creek CR 118 Arterial Phase 2 acceptance resolution

ENGINEER'S CONCURRENCE
FOR
PROJECT ACCEPTANCE

PROJECT: Mustang Creek CR 118 Arterial (Phase 2)
Street, Drainage and Water

Date: September 29, 2021

Owner's Name and Address

Continental Homes of Texas, L.P.
10700 Pecan Park Blvd. Suite 400
Austin, Texas 78750

Consultant Engineer's Name and Address

Pape-Dawson Engineers, Inc.
10801 N. MoPac Expy. Bldg. 3 Suite 200
Austin, Texas 78759

On September 1, 2021, and at intervals during construction, I, the undersigned Professional Engineer in the State of Texas, or a designated representative working under my direct supervision, met with representatives of the City of Hutto and the Project Contractor and made a visual inspection of the above referenced project. No discrepancies in approved construction plans or deficiencies in construction were visible or brought to my attention by the parties at the meetings except those listed below. I, therefore, recommend acceptance of this project by the City of Hutto once the following listed items are corrected to the satisfaction of the City of Hutto.



(SEAL)

Signature

Dustin Goss, P.E., LEED AP
Typed Name

91805

Texas Registration No.

**Construction Contract Summary
Mustang Creek
Phase 4**

Contractor Pay Application (8/31/21)
Liberty Civil Construction, LLC

Prepared By:
Aurora Castaneda
Pape-Dawson Engineers, Inc.
TBPE Firm Reg #470

8/20/21

	Original Contract						
	Amount	CO#1	CO#2	CO#3	CO#4	CO#5	Final
Streets	\$ 876,714.72	\$ -	\$ -	\$ 28,907.04	\$ -	\$ -	\$ 905,621.76
Drainage (City)	\$ 617,357.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 617,357.01
WW	\$ 496,586.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,586.26
ESC	\$ 54,696.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,696.07
Miscellaneous	\$ 265,877.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,877.14
Dry Utilities	\$ -	\$ 169,092.00	\$ 195,987.10	\$ -	\$ -	\$ -	\$ 365,079.10
*Drainage (HOA Channels)	\$ 134,268.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,268.00
*Water (Jonah)	\$ 476,903.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 476,903.75
*Lots (including exc/embk, import and walls)	\$ 734,459.77	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 734,459.77
*Mobilization, Insurance, Bonding & SWPPP	\$ 3,350.27	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,350.27
*Trench Safety and Testing	\$ 12,629.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,629.12
Total	\$ 3,672,842.11	\$ 169,092.00	\$ 195,987.10	\$ 28,907.04	\$ -	\$ -	\$ 4,066,828.25
Total Net	\$ 2,311,231.20	\$ -	\$ -	\$ 28,907.04	\$ -	\$ -	\$ 2,340,138.24
Maint Bond (100%)							\$ 2,340,138.24

Excludes: Trench Safety
Excludes: Trench Safety

\$ 95,380.75 Jonah Water Bond Amount (20%)
*Excludes Trench Safety

Note: HOA Channels, Jonah Water Improvements, Trench Safety and Testing, Lot improvements, contract reduction, and SWPPP are excluded from Construction Summary total and Maintenance Bond amount.



**Construction Contract Summary
Mustang Creek
CR188 Minor Arterial Phase 2**

Contractor Pay Application (8/31/21)
Liberty Civil Construction, LLC

Prepared By:
Aurora Castaneda
Pape-Dawson Engineers, Inc.
TBPE Firm Reg #470

8/20/21

	Original Contract						
	Amount	CO#1	CO#2	CO#3	CO#4	CO#5	Final
Streets	\$ 672,723.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672,723.80
Drainage (City)	\$ 261,406.44	\$ -	\$ 89,247.95	\$ -	\$ -	\$ -	\$ 350,654.39
ESC	\$ 26,429.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,429.51
*Water (Jonah)	\$ 135,548.76	\$ -	\$ 3,264.95	\$ -	\$ -	\$ -	\$ 138,813.71
*Mobilization, Insurance, Bonding & SWPPP	\$ 4,575.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,575.81
*Trench Safety and Testing	\$ 2,638.53	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,638.53
Total	\$ 1,103,322.85	\$ -	\$ 92,512.90	\$ -	\$ -	\$ -	\$ 1,195,835.75
Total Net	\$ 960,559.75	\$ -	\$ 89,247.95	\$ -	\$ -	\$ -	\$ 1,049,807.70
Maint Bond (100%)							\$ 1,049,807.70

Excludes: Trench Safety

\$ 27,762.74 Jonah Water Bond Amount (20%)

*Excludes Trench Safety

Note: Jonah Water Improvements, Trench Safety and Testing, SWPPP and Future FM1660 Turn Lane Improvements are excluded from Construction Summary total and Maintenance Bond amount.



APPLICATION AND CERTIFICATE FOR PAYMENT**TO OWNER:**

**CONTINENTAL HOMES OF TEXAS, L.P., DBA
D.R. HORTON, INC.
10700 PECAN PARK BLVD., SUITE 400
AUSTIN, TEXAS 78750**

FROM CONTRACTOR:

**LIBERTY CIVIL CONSTRUCTION, LLC
2937 HERO WAY
LEANDER, TX 78641**

PROJECT:

MUSTANG CREEK PHASE 4 & 5

VIA ENGINEER:

**PAPE-DAWSON ENGINEERS, INC
10801 N MOPAC EXPY, BLDG 3, STE 200
AUSTIN, TX 78759**

APPLICATION #:

Ten (10)

Distribution to:**PERIOD TO:**

08/31/21

PROJECT #:

20046

APPLICATION DATE:

8/20/2021

CONTRACT DATE:

11/13/20

☒

Owner

☐

Const. Mgr

☒

Engineer

☒

Contractor

CONTRACT FOR:

STREET AND UTILITIES IMPROVEMENTS

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.

Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM -----	\$	6,771,091.77
2. Net change by Change Orders -----	\$	812,038.64
3. CONTRACT SUM TO DATE (Line 1 +/- 2)	\$	7,583,130.41
4. TOTAL COMPLETED & STORED TO DATE-	\$	7,411,993.81

(Column G on Continuation Sheet)

5. RETAINAGE:

a. 10.0% of Completed Work	\$	741,199.38
(Columns D+E on Continuation Sheet)		
b. 10.0% of Stored Material	\$	0.00
(Column F on Continuation Sheet)		

Total Retainage (Line 5a + 5b or

Total in Column 1 of Continuation Sheet-----	\$	741,199.38
--	----	------------

6. TOTAL EARNED LESS RETAINAGE -----	\$	6,670,794.43
(Line 4 less Line 5 Total)		

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate)-----	\$	5,865,124.80
--------------------------------------	----	--------------

8. CURRENT PAYMENT DUE -----	\$	805,669.63
-------------------------------------	----	------------

9. BALANCE TO FINISH, INCLUDING RETAINAGE		
(Line 3 less Line 6)	\$	912,335.98

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous	\$783,131.60	
Total approved this Month	\$28,907.04	
TOTALS	\$812,038.64	\$0.00
NET CHANGES by Change Order	\$812,038.64	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown therein is now due.

CONTRACTOR:

LIBERTY CIVIL CONSTRUCTION, LLC

By:**Date:**

State of: **TEXAS**

County of: **WILLIAMSON**

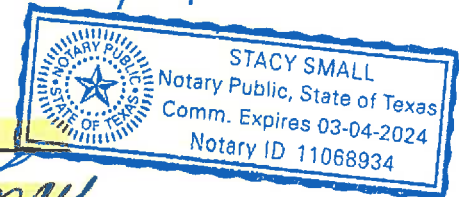
Subscribed and sworn to before

me this 19 day of August, 2021

Notary Public:

Stacy Small

My Commission expires: 03/04/24

**CERTIFICATE FOR PAYMENT**

In accordance with Contract Documents, based on on-site observations and the data comprising application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED ----- \$

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this application and on the Continuation Sheet that are changed to conform to the amount certified.)

Engineer:**By:****Date:**

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner of Contractor under this Contract.

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)

APPLICATION DATE: 08/20/21

PERIOD TO: 31-Aug-21

A Item No.	B Description of Work	QTY	UNIT	UNIT PRICE	C Scheduled Value	D QUANTITY COMPLETED			E PREVIOUS AMOUNT	F AMOUNT THIS PERIOD	G		H Balance To Finish (C - G)	I Retainage	
						PREVIOUS	THIS PERIOD	TO DATE			AMOUNT TO DATE	% (G/C)			
PHASE 4 - STREET IMPROVEMENTS															
1	Clear & Grub (ROW - ROW)	29,208	SY	\$ 0.28	\$ 8,178.24	29,208.00		29,208.00	\$ 8,178.24	\$ -	\$ 8,178.24	100%	\$ -	\$ 817.82	
2	Excavation and Embankment (ROW - ROW)	29,208	SY	\$ 1.97	\$ 57,539.76	29,208.00		29,208.00	\$ 57,539.76	\$ -	\$ 57,539.76	100%	\$ -	\$ 5,753.98	
3	Subgrade Prep (3' BOC)	20,041	SY	\$ 1.94	\$ 38,879.54	20,041.00		20,041.00	\$ 38,879.54	\$ -	\$ 38,879.54	100%	\$ -	\$ 3,887.95	
4	8" Lime Treated Subgrade	20,041	SY	\$ 5.30	\$ 106,217.30	20,041.00		20,041.00	\$ 106,217.30	\$ -	\$ 106,217.30	100%	\$ -	\$ 10,621.73	
5	Crushed Limestone Base (9" Thick) (3' BOC)	19,133	SY	\$ 9.85	\$ 188,460.05	19,133.00		19,133.00	\$ 188,460.05	\$ -	\$ 188,460.05	100%	\$ -	\$ 18,846.01	
6	Crushed Limestone Base (17" Thick) (3' BOC)	908	SY	\$ 18.32	\$ 16,634.56	908.00		908.00	\$ 16,634.56	\$ -	\$ 16,634.56	100%	\$ -	\$ 1,663.46	
7	H.M.A.C. (2.0" Thick)	14,212	SY	\$ 11.84	\$ 168,270.08	0.00	14,212.00	14,212.00	\$ -	\$ 168,270.08	\$ 168,270.08	100%	\$ -	\$ 16,827.01	
8	H.M.A.C. (2.5" Thick)	826	SY	\$ 14.88	\$ 12,290.88	0.00	826.00	826.00	\$ -	\$ 12,290.88	\$ 12,290.88	100%	\$ -	\$ 1,229.09	
9	6" Standard Curb & Gutter	9,067	LF	\$ 15.23	\$ 138,090.41	9,067.00		9,067.00	\$ 138,090.41	\$ -	\$ 138,090.41	100%	\$ -	\$ 13,809.04	
10	5' Concrete Sidewalk	665	LF	\$ 34.88	\$ 23,195.20	665.00		665.00	\$ 23,195.20	\$ -	\$ 23,195.20	100%	\$ -	\$ 2,319.52	
11	Concrete Valley Gutter	6	EA	\$ 4,688.80	\$ 28,132.80	6.00		6.00	\$ 28,132.80	\$ -	\$ 28,132.80	100%	\$ -	\$ 2,813.28	
12	Type 1 Sidewalk Ramps	38	EA	\$ 1,432.24	\$ 54,425.12	38.00		38.00	\$ 54,425.12	\$ -	\$ 54,425.12	100%	\$ -	\$ 5,442.51	
13	Street End Barricade	6	EA	\$ 977.16	\$ 5,862.96	0.00	6.00	6.00	\$ -	\$ 5,862.96	\$ 5,862.96	100%	\$ -	\$ 586.30	
14	Sawcut and Tie to Existing Street	2	EA	\$ 111.68	\$ 223.36	0.00	2.00	2.00	\$ -	\$ 223.36	\$ 223.36	100%	\$ -	\$ 22.34	
15	Stop Signs With Street Name & Stop Bars	15	EA	\$ 558.38	\$ 8,375.70	0.00	15.00	15.00	\$ -	\$ 8,375.70	\$ 8,375.70	100%	\$ -	\$ 837.57	
16	Miscellaneous Signage (Speed Limit, No through Traffic)	22	EA	\$ 388.08	\$ 8,537.76	0.00	22.00	22.00	\$ -	\$ 8,537.76	\$ 8,537.76	100%	\$ -	\$ 853.78	
17	Streetlights	15	EA	\$ 893.40	\$ 13,401.00	0.00	15.00	15.00	\$ -	\$ 13,401.00	\$ 13,401.00	100%	\$ -	\$ 1,340.10	
SUBTOTAL PHASE 4 - STREET IMPROVEMENTS					\$ 876,714.72				\$ 659,752.98	\$ 216,961.74	\$ 876,714.72	100%	\$ -	\$ 87,671.47	
PHASE 4 - DRAINAGE IMPROVEMENTS															
1	10" City Standard Curb Inlet	13	EA	\$ 4,136.21	\$ 53,770.73	13.00		13.00	\$ 53,770.73	\$ -	\$ 53,770.73	100%	\$ -	\$ 5,377.07	
2	15" City Standard Curb Inlet	1	EA	\$ 6,185.95	\$ 6,185.95	1.00		1.00	\$ 6,185.95	\$ -	\$ 6,185.95	100%	\$ -	\$ 618.60	
3	Curb Cut	1	EA	\$ 10,243.75	\$ 10,243.75	1.00		1.00	\$ 10,243.75	\$ -	\$ 10,243.75	100%	\$ -	\$ 1,024.38	
4	18" Class III R.C.P.	1,025	LF	\$ 45.81	\$ 46,955.25	1,025.00		1,025.00	\$ 46,955.25	\$ -	\$ 46,955.25	100%	\$ -	\$ 4,695.53	
5	24" Class III R.C.P.	988	LF	\$ 57.66	\$ 56,968.08	988.00		988.00	\$ 56,968.08	\$ -	\$ 56,968.08	100%	\$ -	\$ 5,696.81	
6	36" Class III R.C.P.	641	LF	\$ 97.44	\$ 62,459.04	641.00		641.00	\$ 62,459.04	\$ -	\$ 62,459.04	100%	\$ -	\$ 6,245.90	
7	6' x 3' R.C.P. Box	95	LF	\$ 369.54	\$ 35,106.30	95.00		95.00	\$ 35,106.30	\$ -	\$ 35,106.30	100%	\$ -	\$ 3,510.63	
8	Drainage Channel A1 01	2,500	LF	\$ 20.10	\$ 50,250.00	2,500.00		2,500.00	\$ 50,250.00	\$ -	\$ 50,250.00	100%	\$ -	\$ 5,025.00	
9	Drainage Channel B1 01	2,265	LF	\$ 20.10	\$ 45,526.50	2,265.00		2,265.00	\$ 45,526.50	\$ -	\$ 45,526.50	100%	\$ -	\$ 4,552.65	
10	Drainage Channel C1 01	1,453	LF	\$ 20.10	\$ 29,205.30	1,453.00		1,453.00	\$ 29,205.30	\$ -	\$ 29,205.30	100%	\$ -	\$ 2,920.53	
11	Drainage Channel D1 02	462	LF	\$ 20.10	\$ 9,286.20	462.00		462.00	\$ 9,286.20	\$ -	\$ 9,286.20	100%	\$ -	\$ 928.62	
12	3' x 3' Junction Box	1	EA	\$ 2,558.19	\$ 2,558.19	1.00		1.00	\$ 2,558.19	\$ -	\$ 2,558.19	100%	\$ -	\$ 255.82	
13	4' x 4' Junction Box	3	EA	\$ 3,128.45	\$ 9,385.35	3.00		3.00	\$ 9,385.35	\$ -	\$ 9,385.35	100%	\$ -	\$ 938.54	
14	18" Sloping Headwall	3	EA	\$ 2,963.45	\$ 8,890.35	3.00		3.00	\$ 8,890.35	\$ -	\$ 8,890.35	100%	\$ -	\$ 889.04	
15	24" Sloping Headwall	3	EA	\$ 4,496.75	\$ 13,496.25	3.00		3.00	\$ 13,496.25	\$ -	\$ 13,496.25	100%	\$ -	\$ 1,349.63	
16	Double 36" Sloping Headwall	4	EA	\$ 7,747.92	\$ 30,991.68	4.00		4.00	\$ 30,991.68	\$ -	\$ 30,991.68	100%	\$ -	\$ 3,099.17	
17	Triple 36" Sloping Headwall	2	EA	\$ 9,885.88	\$ 19,771.76	2.00		2.00	\$ 19,771.76	\$ -	\$ 19,771.76	100%	\$ -	\$ 1,977.18	
18	6' x 3' Sloping Headwall	2	EA	\$ 14,329.04	\$ 28,658.08	2.00		2.00	\$ 28,658.08	\$ -	\$ 28,658.08	100%	\$ -	\$ 2,865.81	
18A	Concrete Wall @ Channel (Budget-Detail Needed)	455	LF	\$ 444.35	\$ 202,179.25	300.00	155.00	455.00	\$ 133,305.00	\$ 68,874.25	\$ 202,179.25	100%	\$ -	\$ 20,217.93	
19	Trench Safety	2,759	LF	\$ 3,090.08	\$ 8,537.76	2,759.00		2,759.00	\$ 3,090.08	\$ -	\$ 3,090.08	100%	\$ -	\$ 309.01	
20	Rock Berm	50	LF	\$ 22.34	\$ 1,117.00	50.00		50.00	\$ 1,117.00	\$ -	\$ 1,117.00	100%	\$ -	\$ 111.70	
21	Rock Rip Rap	1,080	SY	\$ 26.50	\$ 28,620.00	580.00	500.00	1,080.00	\$ 15,370.00	\$ 13,250.00	\$ 28,620.00	100%	\$ -	\$ 2,862.00	
SUBTOTAL PHASE 4 - DRAINAGE IMPROVEMENTS					\$ 754,715.09				\$ 672,580.84	\$ 82,124.25	\$ 754,715.09	100%	\$ -	\$ 75,471.51	
PHASE 4 - WATER IMPROVEMENTS															
1	8" Class 305 C900 DR-14 Water Line	2,839	LF	\$ 31.23	\$ 88,661.97	2,839.00		2,839.00	\$ 88,661.97	\$ -	\$ 88,661.97	100%	\$ -	\$ 8,866.20	

HGA Drainage Channels, trench safety and Johan water excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

 APPLICATION NUMBER: Ten (10)
 APPLICATION DATE: 08/20/21
 PERIOD TO: 31-Aug-21

A Item No.	B Description of Work	QTY	UNIT	UNIT PRICE	C Scheduled Value	D QUANTITY COMPLETED			F PREVIOUS AMOUNT	G AMOUNT THIS PERIOD	H AMOUNT TO DATE	I % (G/C)	J Balance To Finish (C - G)	K Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
2	12" Class 305 C900 DB-14 Water Line	2,248	LF	\$ 55.59	\$ 124,943.84			2,248.00	\$ 124,943.84	\$ -	\$ 124,943.84	100%	\$ -	\$ 12,494.38
3	8" Gate Valve	15	EA	\$ 1,759.29	\$ 26,523.30			15.00	\$ 26,523.30	\$ -	\$ 26,523.30	100%	\$ -	\$ 2,652.33
4	12" Gate Valve	14	EA	\$ 2,809.46	\$ 39,248.44			14.00	\$ 39,248.44	\$ -	\$ 39,248.44	100%	\$ -	\$ 3,924.84
5	Double Water Service	49	EA	\$ 1,545.63	\$ 75,735.87			49.00	\$ 75,735.87	\$ -	\$ 75,735.87	100%	\$ -	\$ 7,573.59
6	Single Water Service	17	EA	\$ 1,266.75	\$ 21,364.75			17.00	\$ 21,364.75	\$ -	\$ 21,364.75	100%	\$ -	\$ 2,136.48
7	Fire Hydrant Assembly	9	EA	\$ 4,580.06	\$ 41,220.54			9.00	\$ 41,220.54	\$ -	\$ 41,220.54	100%	\$ -	\$ 4,122.05
8	Irrigation Services	12	EA	\$ 2,145.57	\$ 25,746.84			12.00	\$ 25,746.84	\$ -	\$ 25,746.84	100%	\$ -	\$ 2,574.68
9	3" x 6" PVC Sleeves (Bund)	564	LF	\$ 32.98	\$ 18,318.72			564.00	\$ 18,318.72	\$ -	\$ 18,318.72	100%	\$ -	\$ 1,831.87
10	Connect to Existing 12" Waterline (Standard connection)	2	EA	\$ 2,265.89	\$ 4,571.38			2.00	\$ 4,571.38	\$ -	\$ 4,571.38	100%	\$ -	\$ 457.14
11	Trench Safety	4,892	LF	\$ 0.98	\$ 4,799.52			4,892.00	\$ 2,739.52	\$ -	\$ 2,739.52	100%	\$ -	\$ 273.95
12	Temporary Five Type Blow Off Hydrant	6	EA	\$ 1,761.85	\$ 10,568.10			6.00	\$ 10,568.10	\$ -	\$ 10,568.10	100%	\$ -	\$ 1,056.81
SUBTOTAL PHASE 4 - WATER IMPROVEMENTS					\$ 479,643.27				\$ 479,643.27	\$ -	\$ 479,643.27	100%	\$ -	\$ 47,964.33

PHASE 4 - WASTEWATER IMPROVEMENTS														
1	8" PVC SDR 26 Pipe <8'	313	LF	\$ 27.89	\$ 8,729.57			313.00	\$ 8,729.57	\$ -	\$ 8,729.57	100%	\$ -	\$ 872.96
2	8" PVC SDR 26 Pipe 8-10'	855	LF	\$ 28.76	\$ 24,589.80			855.00	\$ 24,589.80	\$ -	\$ 24,589.80	100%	\$ -	\$ 2,458.98
3	8" PVC SDR 26 Pipe 10-12'	658	LF	\$ 30.94	\$ 20,358.52			658.00	\$ 20,358.52	\$ -	\$ 20,358.52	100%	\$ -	\$ 2,035.85
4	8" PVC SDR 26 Pipe 12-14'	460	LF	\$ 33.48	\$ 15,400.80			460.00	\$ 15,400.80	\$ -	\$ 15,400.80	100%	\$ -	\$ 1,540.08
5	8" PVC SDR 26 Pipe 14-16'	750	LF	\$ 38.80	\$ 29,175.00			750.00	\$ 29,175.00	\$ -	\$ 29,175.00	100%	\$ -	\$ 2,917.50
6	8" PVC SDR 26 Pipe >16'	553	LF	\$ 41.50	\$ 22,949.50			553.00	\$ 22,949.50	\$ -	\$ 22,949.50	100%	\$ -	\$ 2,294.95
7	Trench Safety	3,589	LF	\$ 1.12	\$ 4,019.68			3,589.00	\$ 4,019.68	\$ -	\$ 4,019.68	100%	\$ -	\$ 401.97
8	4' Diameter Standard Manhole	13	EA	\$ 3,972.44	\$ 51,641.72			13.00	\$ 51,641.72	\$ -	\$ 51,641.72	100%	\$ -	\$ 5,164.17
9	Extra Depth Manhole	42	VF	\$ 337.69	\$ 14,182.98			42.00	\$ 14,182.98	\$ -	\$ 14,182.98	100%	\$ -	\$ 1,418.30
10	Double Wastewater Service	49	EA	\$ 1,686.39	\$ 82,633.11			49.00	\$ 82,633.11	\$ -	\$ 82,633.11	100%	\$ -	\$ 8,263.31
11	Single Wastewater Service	15	EA	\$ 1,464.15	\$ 21,962.25			15.00	\$ 21,962.25	\$ -	\$ 21,962.25	100%	\$ -	\$ 2,196.23
12	Adjust Existing Manhole to Finished Grade	1	EA	\$ 559.90	\$ 559.90		1.00	1.00	\$ -	\$ 559.90	\$ 559.90	100%	\$ -	\$ 55.99
SUBTOTAL PHASE 4 - WASTEWATER IMPROVEMENTS					\$ 296,202.83				\$ 295,642.93	\$ 559.90	\$ 296,202.83	100%	\$ -	\$ 29,620.28

PHASE 4 - OFFSITE WASTEWATER IMPROVEMENTS														
1	8" PVC SDR 26 Pipe 12-14'	418	LF	\$ 33.48	\$ 13,994.64			418.00	\$ 13,994.64	\$ -	\$ 13,994.64	100%	\$ -	\$ 1,399.46
2	8" PVC SDR 26 Pipe 14-16'	705	LF	\$ 35.49	\$ 25,020.45			705.00	\$ 25,020.45	\$ -	\$ 25,020.45	100%	\$ -	\$ 2,502.05
3	8" PVC SDR 26 Pipe >16'	1,359	LF	\$ 43.39	\$ 58,967.01			1,359.00	\$ 58,967.01	\$ -	\$ 58,967.01	100%	\$ -	\$ 5,896.70
4	Trench Safety	2,482	LF	\$ 2.779	\$ 6,899.54			2,482.00	\$ 2,779.84	\$ -	\$ 2,779.84	100%	\$ -	\$ 277.98
5	4' Diameter Standard Manhole	7	EA	\$ 3,972.44	\$ 27,807.08			7.00	\$ 27,807.08	\$ -	\$ 27,807.08	100%	\$ -	\$ 2,780.71
6	Extra Depth Manhole	67	VF	\$ 337.69	\$ 22,625.23			67.00	\$ 22,625.23	\$ -	\$ 22,625.23	100%	\$ -	\$ 2,262.52
7	Future Partial Wastewater Service (Double)	26	EA	\$ 1,560.45	\$ 40,571.70			26.00	\$ 40,571.70	\$ -	\$ 40,571.70	100%	\$ -	\$ 4,057.17
8	Future Partial Wastewater Service (Single)	7	EA	\$ 1,381.13	\$ 9,667.91			7.00	\$ 9,667.91	\$ -	\$ 9,667.91	100%	\$ -	\$ 966.79
9	Temporary Creek Crossing and Restoration	1	EA	\$ 5,749.09	\$ 5,749.09		1.00	1.00	\$ 5,749.09	\$ -	\$ 5,749.09	100%	\$ -	\$ 574.91
SUBTOTAL PHASE 4 - OFFSITE WASTEWATER IMPROVEMENTS					\$ 207,182.95				\$ 207,182.95	\$ -	\$ 207,182.95	100%	\$ -	\$ 20,718.30

PHASE 4 - ESC IMPROVEMENTS														
1	Stabilized Construction Entrance	1	EA	\$ 2,607.62	\$ 2,607.62	1.00		1.00	\$ 2,607.62	\$ -	\$ 2,607.62	100%	\$ -	\$ 260.76
2	Silt Fence	13,476	LF	\$ 2.35	\$ 31,668.60	12,000.00	1,476.00	13,476.00	\$ 28,200.00	\$ 3,468.60	\$ 31,668.60	100%	\$ -	\$ 3,166.86
3	Inlet Protection	15	EA	\$ 78.17	\$ 1,172.55			15.00	\$ 1,172.55	\$ -	\$ 1,172.55	100%	\$ -	\$ 117.26
4	Revegetation (R.O.W. & Easements)	13,274	SY	\$ 1.45	\$ 19,247.30	0.00	13,274.00	13,274.00	\$ -	\$ 19,247.30	\$ 19,247.30	100%	\$ -	\$ 1,924.73
5	SWPPP Plan Preparation, Permitting, Maintenance	1	LS	\$ 3,350.27	\$ 3,350.27	1.00		1.00	\$ 3,350.27	\$ -	\$ 3,350.27	100%	\$ -	\$ 335.03
SUBTOTAL PHASE 4 - ESC IMPROVEMENTS					\$ 58,046.34				\$ 35,330.44	\$ 22,715.90	\$ 58,046.34	100%	\$ -	\$ 5,804.63

Manhole water, trench safety, SWPPP excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)
APPLICATION DATE: 08/20/21
PERIOD TO: 31-Aug-21

A Item No.	B Description of Work	QTY	UNIT	UNIT PRICE	C Scheduled Value	D	E	F	G	H	I			
						QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
PHASE 4 - MISC IMPROVEMENTS														
1	Lot Pad Grading (Including Excavation and Embankment)	107	PER LOT	\$ 190,486.46	\$ 203,735.49	107.00		107.00	\$ 203,735.49	\$ -	\$ 203,735.49	100%	\$ -	\$ 20,373.55
2	Flood Plain Excavation and Embankment	1	LS	\$ 190,486.46	\$ 190,486.46	1.00		1.00	\$ 190,486.46	\$ -	\$ 190,486.46	100%	\$ -	\$ 19,048.65
2A	As Built Topo	107	LOTS	\$ 9,099.28	\$ 9,099.28	107.00		107.00	\$ 9,099.28	\$ -	\$ 9,099.28	100%	\$ -	\$ 909.93
2B	MG Lots Section 4 (6')	107	PER LOT	\$ 4,600.00	\$ 492,200.00	107.00		107.00	\$ 492,200.00	\$ -	\$ 492,200.00	100%	\$ -	\$ 49,220.00
2C	MG Lots - Double Layer 5 mil poly	107	PER LOT	\$ 27,500.00	\$ 29,425.00	107.00		107.00	\$ 29,425.00	\$ -	\$ 29,425.00	100%	\$ -	\$ 2,942.50
3	Concrete Pad for Cluster Box Units	3	LS	\$ 5,350.51	\$ 16,051.53	3.00		3.00	\$ 16,051.53	\$ -	\$ 16,051.53	100%	\$ -	\$ 1,605.15
4	Loose River Rock 2'-3" dia. Stone 12" depth. River Rock will b	1,250	SY	\$ 39.00	\$ 48,750.00	0.00	1,250.00	1,250.00	\$ -	\$ 48,750.00	\$ 48,750.00	100%	\$ -	\$ 4,875.00
AA-1	Erosion Control Matting PH4	7,405	SY	\$ 1.43	\$ 10,589.15	0.00	7,405.00	7,405.00	\$ -	\$ 10,589.15	\$ 10,589.15	100%	\$ -	\$ 1,058.92
SUBTOTAL PHASE 4 - MISC IMPROVEMENTS					\$ 1,000,336.91				\$ 940,997.76	\$ 59,339.15	\$ 1,000,336.91	100%	\$ -	\$ 100,033.89
PHASE 5 - STREET IMPROVEMENTS														
1	Clear & Grub (ROW-ROW)	18,111	SY	\$ 0.28	\$ 5,071.08	18,111.00		18,111.00	\$ 5,071.08	\$ -	\$ 5,071.08	100%	\$ -	\$ 507.11
2	Excavation/Embankment (ROW-ROW)	18,111	SY	\$ 1.77	\$ 32,056.47	18,111.00		18,111.00	\$ 32,056.47	\$ -	\$ 32,056.47	100%	\$ -	\$ 3,205.65
3	Subgrade Preparation (3' BOC)	12,487	SY	\$ 1.94	\$ 24,224.78	12,487.00		12,487.00	\$ 24,224.78	\$ -	\$ 24,224.78	100%	\$ -	\$ 2,422.48
4	8" Lime Treated Subgrade (3' BOC)	12,487	SY	\$ 5.30	\$ 66,181.10	12,487.00		12,487.00	\$ 66,181.10	\$ -	\$ 66,181.10	100%	\$ -	\$ 6,618.11
5	Crushed Limestone Base (2" Thick) (3' BOC)	12,487	SY	\$ 9.85	\$ 122,996.95	12,487.00		12,487.00	\$ 122,996.95	\$ -	\$ 122,996.95	100%	\$ -	\$ 12,299.70
6	H.M.A.C. (2.0" Thick)	9,288	SY	\$ 11.84	\$ 109,969.92	0.00	9,288.00	9,288.00	\$ -	\$ 109,969.92	\$ 109,969.92	100%	\$ -	\$ 10,996.99
7	6" Standard Curb & Gutter w/Base	5,798	LF	\$ 15.23	\$ 88,303.54	5,798.00		5,798.00	\$ 88,303.54	\$ -	\$ 88,303.54	100%	\$ -	\$ 8,830.35
8	5' Concrete Sidewalk	342	LF	\$ 34.88	\$ 11,928.96	342.00		342.00	\$ 11,928.96	\$ -	\$ 11,928.96	100%	\$ -	\$ 1,192.90
8A	5' Concrete Sidewalk - Greenlink	513	LF	\$ 34.88	\$ 17,893.44	513.00		513.00	\$ 17,893.44	\$ -	\$ 17,893.44	100%	\$ -	\$ 1,789.34
9	Sawcut and Tie to Existing Street		EA	\$ 111.68	\$ 446.72	0.00	4.00	4.00	\$ -	\$ 446.72	\$ 446.72	100%	\$ -	\$ 44.67
10	Streetlights	6		\$ 893.40	\$ 5,360.40	0.00	6.00	6.00	\$ -	\$ 5,360.40	\$ 5,360.40	100%	\$ -	\$ 536.04
10A	Remove Barricade	4	EA	\$ 226.77	\$ 907.08	4.00		4.00	\$ 907.08	\$ -	\$ 907.08	100%	\$ -	\$ 90.71
10B	Street Name Sign	3	EA	\$ 1,164.24	\$ 3,492.72	0.00	3.00	3.00	\$ -	\$ 1,164.24	\$ 1,164.24	100%	\$ -	\$ 116.42
10C	No Parking Sign	9	EA	\$ 388.00	\$ 3,492.72	0.00	9.00	9.00	\$ -	\$ 3,492.72	\$ 3,492.72	100%	\$ -	\$ 349.27
SUBTOTAL PHASE 5 - STREET IMPROVEMENTS					\$ 489,997.40				\$ 369,563.40	\$ 120,434.00	\$ 489,997.40	100%	\$ -	\$ 48,999.74
PHASE 5 - DRAINAGE IMPROVEMENTS														
Phase 5 Not Included in this calculation														
1	10' City Standard Curb Inlet	11	EA	\$ 418.01	\$ 4,598.11	11.00		11.00	\$ 4,598.31	\$ -	\$ 4,598.31	100%	\$ -	\$ 459.83
2	15' City Standard Curb Inlet	3	EA	\$ 6,185.95	\$ 18,557.85	3.00		3.00	\$ 18,557.85	\$ -	\$ 18,557.85	100%	\$ -	\$ 1,855.79
3	18" CLASS III R.C.P.	1,178	LF	\$ 45.84	\$ 53,964.18	1,178.00		1,178.00	\$ 53,964.18	\$ -	\$ 53,964.18	100%	\$ -	\$ 5,396.42
4	24" CLASS III R.C.P.	959	LF	\$ 57.86	\$ 55,295.94	959.00		959.00	\$ 55,295.94	\$ -	\$ 55,295.94	100%	\$ -	\$ 5,529.59
5	36" CLASS III R.C.P.	279	LF	\$ 97.44	\$ 27,185.76	279.00		279.00	\$ 27,185.76	\$ -	\$ 27,185.76	100%	\$ -	\$ 2,718.58
6	4' x 4' Junction Box	5	EA	\$ 2,914.66	\$ 14,573.30	5.00		5.00	\$ 14,573.30	\$ -	\$ 14,573.30	100%	\$ -	\$ 1,457.33
7	24" Sloping Headwall	2	EA	\$ 4,498.75	\$ 22,493.75	5.00		5.00	\$ 22,493.75	\$ -	\$ 22,493.75	100%	\$ -	\$ 2,249.38
8	Triple 36" Sloping Headwall	2	EA	\$ 11,340.67	\$ 22,681.34	2.00		2.00	\$ 22,681.34	\$ -	\$ 22,681.34	100%	\$ -	\$ 2,268.13
8A	Concrete Wall @ Channel (Budget - Detail Needed)	207	LF	\$ 342.01	\$ 70,796.07	207.00		207.00	\$ 70,796.07	\$ -	\$ 70,796.07	100%	\$ -	\$ 7,079.61
9	Trench Safety	2,416	LF	\$ 1.12	\$ 2,705.92	2,416.00		2,416.00	\$ 2,705.92	\$ -	\$ 2,705.92	100%	\$ -	\$ 270.59
10	Rock Rip-Rap	435	SY	\$ 26.50	\$ 11,527.50	200.00	235.00	435.00	\$ 5,300.00	\$ 6,227.50	\$ 11,527.50	100%	\$ -	\$ 1,152.75
11	Rock Berm	75	LF	\$ 22.34	\$ 1,675.50	75.00		75.00	\$ 1,675.50	\$ -	\$ 1,675.50	100%	\$ -	\$ 167.55
SUBTOTAL PHASE 5 - DRAINAGE IMPROVEMENTS					\$ 346,955.42				\$ 340,727.92	\$ 6,227.50	\$ 346,955.42	100%	\$ -	\$ 34,695.54
PHASE 5 - WATER IMPROVEMENTS														
1	8" Class 305 C900 DR-14 Water Line	1,582	LF	\$ 31.23	\$ 49,405.86	1,582.00		1,582.00	\$ 49,405.86	\$ -	\$ 49,405.86	100%	\$ -	\$ 4,940.59
2	12" Class 305 C900 DR-14 Water Line	925	LF	\$ 55.58	\$ 51,411.50	925.00		925.00	\$ 51,411.50	\$ -	\$ 51,411.50	100%	\$ -	\$ 5,141.15

Not grading improvements excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)

APPLICATION DATE: 08/20/21

PERIOD TO: 31-Aug-21

Item No.	Description of Work	QTY	UNIT	UNIT PRICE	Scheduled Value	QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Balance
						PREVIOUS	THIS PERIOD	TO DATE						
3	Double Water Service	42	EA	\$ 1,545.63	\$ 64,916.46	42.00		42.00	\$ 64,916.46	\$ -	\$ 64,916.46	100%	\$ -	\$ 6,491.65
4	Single Water Service	10	EA	\$ 1,256.75	\$ 12,567.50	10.00		10.00	\$ 12,567.50	\$ -	\$ 12,567.50	100%	\$ -	\$ 1,256.75
5	Irrigation Services	6	EA	\$ 2,145.57	\$ 12,873.42	6.00		6.00	\$ 12,873.42	\$ -	\$ 12,873.42	100%	\$ -	\$ 1,287.34
6	3 - 6" PVC Sleeves (Bundle)	165	LF	\$ 32.48	\$ 5,359.20	165.00		165.00	\$ 5,359.20	\$ -	\$ 5,359.20	100%	\$ -	\$ 535.92
7	Fire Hydrant Assembly	5	EA	\$ 4,580.06	\$ 22,900.30	5.00		5.00	\$ 22,900.30	\$ -	\$ 22,900.30	100%	\$ -	\$ 2,290.03
8	Connect to Existing 8" Water Line (Standard Connection)	2	EA	\$ 2,188.10	\$ 4,372.20	2.00		2.00	\$ 4,372.20	\$ -	\$ 4,372.20	100%	\$ -	\$ 437.22
9	Connect to Existing 12" Water Line (Standard Connection)	2	EA	\$ 2,285.69	\$ 4,571.38	2.00		2.00	\$ 4,571.38	\$ -	\$ 4,571.38	100%	\$ -	\$ 457.14
10	Trench Safety	2,507	LF	\$ 0.56	\$ 1,403.92	2,507.00		2,507.00	\$ 1,403.92	\$ -	\$ 1,403.92	100%	\$ -	\$ 140.39
SUBTOTAL PHASE 5 - WATER IMPROVEMENTS					\$ 229,781.74				\$ 229,781.74	\$ -	\$ 229,781.74	100%	\$ -	\$ 22,978.17
PHASE 5 - WASTEWATER IMPROVEMENTS														
1	8" PVC SDR 26 Pipe <8"	134	LF	\$ 27.89	\$ 3,737.26	134.00		134.00	\$ 3,737.26	\$ -	\$ 3,737.26	100%	\$ -	\$ 373.73
2	8" PVC SDR 26 Pipe 8-10'	400	LF	\$ 28.76	\$ 11,504.00	400.00		400.00	\$ 11,504.00	\$ -	\$ 11,504.00	100%	\$ -	\$ 1,150.40
3	8" PVC SDR 26 Pipe 10-12'	400	LF	\$ 30.94	\$ 12,376.00	400.00		400.00	\$ 12,376.00	\$ -	\$ 12,376.00	100%	\$ -	\$ 1,237.60
4	8" PVC SDR 26 Pipe 12-14'	100	LF	\$ 33.48	\$ 3,348.00	100.00		100.00	\$ 3,348.00	\$ -	\$ 3,348.00	100%	\$ -	\$ 334.80
5	Trench Safety	1,034	LF	\$ 1.12	\$ 1,158.08	1,034.00		1,034.00	\$ 1,158.08	\$ -	\$ 1,158.08	100%	\$ -	\$ 115.81
6	4" Diameter Standard Manhole	4	EA	\$ 3,972.44	\$ 15,889.76	4.00		4.00	\$ 15,889.76	\$ -	\$ 15,889.76	100%	\$ -	\$ 1,588.98
7	Extra Depth Manhole	6	VF	\$ 337.69	\$ 2,026.14	6.00		6.00	\$ 2,026.14	\$ -	\$ 2,026.14	100%	\$ -	\$ 202.61
8	Double Wastewater Service	16	EA	\$ 26,982.24	\$ 26,982.24				\$ 26,982.24	\$ -	\$ 26,982.24	100%	\$ -	\$ 2,698.22
9	Single Wastewater Service	5	EA	\$ 7,320.75	\$ 7,320.75				\$ 7,320.75	\$ -	\$ 7,320.75	100%	\$ -	\$ 732.08
10	Adjust Existing Partial Wastewater Service (Double)	26	EA	\$ 48,940.32	\$ 48,940.32	26.00		26.00	\$ 48,940.32	\$ -	\$ 48,940.32	100%	\$ -	\$ 4,894.03
11	Adjust Existing Partial Wastewater Service (Single)	7	EA	\$ 11,591.23	\$ 11,591.23	7.00		7.00	\$ 11,591.23	\$ -	\$ 11,591.23	100%	\$ -	\$ 1,159.12
12	Adjust Existing Manhole to Finished Grade	5	EA	\$ 559.90	\$ 2,799.50	0.00	5.00	5.00	\$ -	\$ 2,799.50	\$ 2,799.50	100%	\$ -	\$ 279.95
SUBTOTAL PHASE 5 - WASTEWATER IMPROVEMENTS					\$ 147,673.28				\$ 144,873.78	\$ 2,799.50	\$ 147,673.28	100%	\$ -	\$ 14,767.33
PHASE 5 - ESC IMPROVEMENTS														
1	Stabilized Construction Entrance	2	EA	\$ 5,215.24	\$ 5,215.24	2.00		2.00	\$ 5,215.24	\$ -	\$ 5,215.24	100%	\$ -	\$ 521.52
2	Silt Fence	7,248	LF	\$ 17,032.80	\$ 17,032.80	7,248.00		7,248.00	\$ 17,032.80	\$ -	\$ 17,032.80	100%	\$ -	\$ 1,703.28
3	Inlet Protection	14	EA	\$ 1,094.38	\$ 1,094.38	14.00		14.00	\$ 1,094.38	\$ -	\$ 1,094.38	100%	\$ -	\$ 109.44
4	Revegetation (R.O.W. & Easements)	6,835	SY	\$ 9,910.75	\$ 9,910.75	0.00	6,835.00	6,835.00	\$ -	\$ 9,910.75	\$ 9,910.75	100%	\$ -	\$ 991.08
5	SWPPP Plan Preparation, Permitting, Maintenance	1	LS	\$ 3,350.27	\$ 3,350.27	1.00		1.00	\$ 3,350.27	\$ -	\$ 3,350.27	100%	\$ -	\$ 335.03
SUBTOTAL PHASE 5 - ESC IMPROVEMENTS					\$ 36,603.44				\$ 26,692.69	\$ 9,910.75	\$ 36,603.44	100%	\$ -	\$ 3,660.34
PHASE 5 - MISC IMPROVEMENTS														
1	Lot Pad Grading (Including Erosion and Embankment)	102	PER LOT	\$ 1,904.07	\$ 194,215.14	102.00		102.00	\$ 194,215.14	\$ -	\$ 194,215.14	100%	\$ -	\$ 19,421.51
2A	As Built Topo	102	LOTS	\$ 85.04	\$ 8,674.08	102.00		102.00	\$ 8,674.08	\$ -	\$ 8,674.08	100%	\$ -	\$ 867.41
2B	MC Lots Section	102	PER LOT	\$ 4,600.00	\$ 469,200.00	102.00		102.00	\$ 469,200.00	\$ -	\$ 469,200.00	100%	\$ -	\$ 46,920.00
2C	MC Lots - Double Layer 6 mil poly	102	PER LOT	\$ 275.00	\$ 28,050.00	102.00		102.00	\$ 28,050.00	\$ -	\$ 28,050.00	100%	\$ -	\$ 2,805.00
3	Concrete Pad for Cluster Box Units	1	LS	\$ 1,604.96	\$ 1,604.96	1.00		1.00	\$ 1,604.96	\$ -	\$ 1,604.96	100%	\$ -	\$ 160.50
4	Gravel River Rock 2'-3" dia. Stone 12" depth. River Rick will	845	SY	\$ 39.00	\$ 32,955.00	0.00	845.00	845.00	\$ -	\$ 32,955.00	\$ 32,955.00	100%	\$ -	\$ 3,295.50
AA	Reveg Storm Sewer Outfalls PH5	6,445	SY	\$ 1.43	\$ 9,216.35	0.00	6,445.00	6,445.00	\$ -	\$ 9,216.35	\$ 9,216.35	100%	\$ -	\$ 921.64
SUBTOTAL PHASE 5 - MISC IMPROVEMENTS					\$ 743,915.53				\$ 701,744.16	\$ 42,171.35	\$ 743,915.53	100%	\$ -	\$ 74,391.64
CR188 MINOR ARTERIAL PH 2 - STREET IMPROVEMENTS														
1	Clear & Grub (ROW-ROW)	21,702	SY	\$ 0.29	\$ 6,293.58	21,702.00		21,702.00	\$ 6,293.58	\$ -	\$ 6,293.58	100%	\$ -	\$ 629.36
2	Excavation/Embankment (ROW-ROW)	21,702	SY	\$ 2.06	\$ 44,706.12	21,702.00		21,702.00	\$ 44,706.12	\$ -	\$ 44,706.12	100%	\$ -	\$ 4,470.61
3	Subgrade Preparation (3' BOC)	7,798	SY	\$ 1.99	\$ 15,518.02	7,798.00		7,798.00	\$ 15,518.02	\$ -	\$ 15,518.02	100%	\$ -	\$ 1,551.80

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)

APPLICATION DATE: 08/20/21

PERIOD TO: 31-Aug-21

A	B				C	D		E	F		G		H	I
Item No.	Description of Work	QTY	UNIT	UNIT PRICE	Scheduled Value	QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
4	10" Lime Treated Subgrade (3' BOC)	7,798	SY	\$ 7.39	\$ 57,627.22	7,798.00		7,798.00	\$ 57,627.22	\$ -	\$ 57,627.22	100%	\$ -	\$ 5,762.72
5	Crushed Limestone Base (21" Thick) (3' BOC)	7,798	SY	\$ 22.72	\$ 177,170.56	7,798.00		7,798.00	\$ 177,170.56	\$ -	\$ 177,170.56	100%	\$ -	\$ 17,717.06
6	H.M.A.C. (6.0" Thick)	6,279	SY	\$ 36.64	\$ 230,062.56	6,279.00		6,279.00	\$ 230,062.56	\$ -	\$ 230,062.56	100%	\$ -	\$ 23,006.26
7	6" Standard Curb & Gutter w/Base	1,542	LF	\$ 15.67	\$ 24,163.14	1,542.00		1,542.00	\$ 24,163.14	\$ -	\$ 24,163.14	100%	\$ -	\$ 2,416.31
8	5' Concrete Sidewalk	3,140	LF	\$ 33.31	\$ 104,593.40	3,140.00		3,140.00	\$ 104,593.40	\$ -	\$ 104,593.40	100%	\$ -	\$ 10,459.34
9	Sawcut and Tie to Existing Street	1	EA	\$ 571.98	\$ 571.98	1.00		1.00	\$ 571.98	\$ -	\$ 571.98	100%	\$ -	\$ 57.20
10	Street End Barricade	1	EA	\$ 1,429.94	\$ 1,429.94	0.00	1.00	1.00	\$ -	\$ 1,429.94	\$ 1,429.94	100%	\$ -	\$ 142.99
11	Miscellaneous Signage (Speed Limit, No Through Traffic)	1	EA	\$ 549.10	\$ 549.10	0.00	1.00	1.00	\$ -	\$ 549.10	\$ 549.10	100%	\$ -	\$ 54.91
12	Striping	1	LS	\$ 10,038.18	\$ 10,038.18	0.00	1.00	1.00	\$ -	\$ 10,038.18	\$ 10,038.18	100%	\$ -	\$ 1,003.82
	SUBTOTAL CR188 MINOR ARTERIAL PH 2 - STREET IMPROVEMENTS				\$ 672,723.80				\$ 660,706.58	\$ 12,017.22	\$ 672,723.80	100%	\$ -	\$ 67,272.38

CR188 MINOR ARTERIAL PH 2 - DRAINAGE IMPROVEMENTS															
1	10' City Standard Curb Inlet	2	EA	\$ 4,398.66	\$ 8,797.32	2.00		2.00	\$ 8,797.32	\$ -	\$ 8,797.32	100%	\$ -	\$ 879.73	
2	4' X 4' Temporary Area Inlet	2	EA	\$ 3,229.50	\$ 6,459.00	2.00		2.00	\$ 6,459.00	\$ -	\$ 6,459.00	100%	\$ -	\$ 645.90	
3	18" CLASS III R.C.P.	125	LF	\$ 43.61	\$ 5,451.25	125.00		125.00	\$ 5,451.25	\$ -	\$ 5,451.25	100%	\$ -	\$ 545.13	
4	24" CLASS III R.C.P.	487	LF	\$ 60.88	\$ 29,648.56	487.00		487.00	\$ 29,648.56	\$ -	\$ 29,648.56	100%	\$ -	\$ 2,964.86	
5	30" CLASS III R.C.P.	249	LF	\$ 84.50	\$ 21,040.50	249.00		249.00	\$ 21,040.50	\$ -	\$ 21,040.50	100%	\$ -	\$ 2,104.05	
6	36" CLASS III R.C.P.	357	LF	\$ 102.52	\$ 36,599.64	357.00		357.00	\$ 36,599.64	\$ -	\$ 36,599.64	100%	\$ -	\$ 3,659.96	
7	54" CLASS III R.C.P.	177	LF	\$ 229.74	\$ 40,663.98	177.00		177.00	\$ 40,663.98	\$ -	\$ 40,663.98	100%	\$ -	\$ 4,066.40	
8	Drainage Channel A1.01	130	LF	\$ 17.16	\$ 2,230.80	130.00		130.00	\$ 2,230.80	\$ -	\$ 2,230.80	100%	\$ -	\$ 223.08	
9	Drainage Channel D1.01	1,478	LF	\$ 17.16	\$ 25,362.48	1,478.00		1,478.00	\$ 25,362.48	\$ -	\$ 25,362.48	100%	\$ -	\$ 2,536.25	
10	3' x 3' Junction Box	1	EA	\$ 2,730.09	\$ 2,730.09	1.00		1.00	\$ 2,730.09	\$ -	\$ 2,730.09	100%	\$ -	\$ 273.01	
11	3-36" SET	2	EA	\$ 7,555.94	\$ 15,111.88	2.00		2.00	\$ 15,111.88	\$ -	\$ 15,111.88	100%	\$ -	\$ 1,511.19	
12	2-54" SW Headwall	1	EA	\$ 16,741.00	\$ 16,741.00	1.00		1.00	\$ 16,741.00	\$ -	\$ 16,741.00	100%	\$ -	\$ 1,674.10	
13	24" / 30" / 2-54 PW Headwall	1	EA	\$ 39,516.52	\$ 39,516.52	1.00		1.00	\$ 39,516.52	\$ -	\$ 39,516.52	100%	\$ -	\$ 3,951.65	
14	Trench Safety	1,395	LF	\$ 1,395.00	\$ 1,395.00	1,395.00		1,395.00	\$ 1,395.00	\$ -	\$ 1,395.00	100%	\$ -	\$ 159.03	
15	Rock Berm	25	LF	\$ 40.04	\$ 1,001.00	25.00		25.00	\$ 1,001.00	\$ -	\$ 1,001.00	100%	\$ -	\$ 100.10	
16	Rock Rip-Rap	202	SY	\$ 35.36	\$ 7,142.72	100.00	102.00	202.00	\$ 3,536.00	\$ 3,606.72	\$ 7,142.72	100%	\$ -	\$ 714.27	
17	Handrails	106	LF	\$ 27.45	\$ 2,909.70	0.00	106.00	106.00	\$ -	\$ 2,909.70	\$ 2,909.70	100%	\$ -	\$ 290.97	
SUBTOTAL CR188 MINOR ARTERIAL PH 2 - DRAINAGE IMPROVEMENTS					\$ 262,996.74				\$ 256,480.32	\$ 6,516.42	\$ 262,996.74	100%	\$ -	\$ 26,299.67	

CR188 MINOR ARTERIAL PH 2 - WATER IMPROVEMENTS														
1	12" Class 305 C900 CR-14 Water Line	1,839	LF	\$ 48.18	\$ 88,603.02	1,839.00		1,839.00	\$ 88,603.02	\$ -	\$ 88,603.02	100%	\$ -	\$ 8,860.30
2	12" Gate Valve	7	EA	\$ 2,830.56	\$ 19,814.06	7.00		7.00	\$ 19,814.06	\$ -	\$ 19,814.06	100%	\$ -	\$ 1,981.41
3	Fire Hydrant Assembly	4	EA	\$ 5,014.15	\$ 20,056.60	4.00		4.00	\$ 20,056.60	\$ -	\$ 20,056.60	100%	\$ -	\$ 2,005.66
4	Connect to Existing 12" Waterline (Standard connection)	1	EA	\$ 2,820.77	\$ 2,820.77	1.00		1.00	\$ 2,820.77	\$ -	\$ 2,820.77	100%	\$ -	\$ 282.08
5	Trench Safety	1,839	LF	\$ 0.57	\$ 1,048.23	1,839.00		1,839.00	\$ 1,048.23	\$ -	\$ 1,048.23	100%	\$ -	\$ 104.82
6	Temporary Fire Type Blow-off Hydrant	1	EA	\$ 4,254.31	\$ 4,254.31	1.00		1.00	\$ 4,254.31	\$ -	\$ 4,254.31	100%	\$ -	\$ 425.43
SUBTOTAL CR188 MINOR ARTERIAL PH 2 - WATER IMPROVEMENTS					\$ 136,596.99				\$ 136,596.99	\$ -	\$ 136,596.99	100%	\$ -	\$ 13,659.70

CR188 MINOR ARTERIAL PH 2 - ESC IMPROVEMENTS														
1	Stabilized Construction Entrance	1	EA	\$ 2,728.33	\$ 2,728.33	1.00		1.00	\$ 2,728.33	\$ -	\$ 2,728.33	100%	\$ -	\$ 272.83
2	Silt Fence	1,365	LF	\$ 2.40	\$ 3,276.00	1,365.00		1,365.00	\$ 3,276.00	\$ -	\$ 3,276.00	100%	\$ -	\$ 327.60
3	Inlet Protection	4	EA	\$ 80.08	\$ 320.32	4.00		4.00	\$ 320.32	\$ -	\$ 320.32	100%	\$ -	\$ 32.03
4	Revegetation (R.O.W. & Easements)	10,760	SY	\$ 1.73	\$ 18,614.80	7,530.00	3,230.00	10,760.00	\$ 13,026.90	\$ 5,587.90	\$ 18,614.80	100%	\$ -	\$ 1,861.48
5	SWPPP Plan Preparation, Permitting, Maintenance	1	LS	\$ 4,575.81	\$ 4,575.81	1.00		1.00	\$ 4,575.81	\$ -	\$ 4,575.81	100%	\$ -	\$ 457.58

Trench water, trench safety, and SWPPP excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)

APPLICATION DATE: 08/20/21

PERIOD TO 31-Aug-21

A Item No.	B Description of Work	C QTY	D UNIT	E UNIT PRICE	F Scheduled Value	G QUANTITY COMPLETED			H PREVIOUS AMOUNT	I AMOUNT THIS PERIOD	J AMOUNT TO DATE	K % (G/C)	L Balance To Finish (C - G)	M Retainage
						PREVIOUS	THIS PERIOD	TO DATE						
6	Erosion Matting	1,042	SY	\$ 1.43	\$ 1,490.06	0.00	1,042.00	1,042.00	\$ -	\$ 1,490.06	\$ 1,490.06	100%	\$ -	\$ 149.01
SUBTOTAL CRT88 MINOR ARTERIAL PH 2 - ESC IMPROVEMENTS					\$ 31,005.32				\$ 23,927.36	\$ 7,077.96	\$ 31,005.32	100%	\$ -	\$ 3,100.53

CHANGE ORDER #1														
ELECTRIC IMPROVEMENTS PH 4 CROSSINGS														
1	Crossings Trench with Base Backfill	3,360	LF	\$ 34.00	\$ 114,240.00				3,360.00	\$ 114,240.00	\$ -	100%	\$ -	\$ 11,424.00
2	2" Conduit	350	LF	\$ 6.00	\$ 2,100.00				350.00	\$ 2,100.00	\$ -	100%	\$ -	\$ 217.00
3	3" Conduit	2,030	LF	\$ 10.00	\$ 20,300.00				2,030.00	\$ 20,300.00	\$ -	100%	\$ -	\$ 2,030.00
4	2" Altrms	2,100	LF	\$ 6.20	\$ 13,020.00				2,100.00	\$ 13,020.00	\$ -	100%	\$ -	\$ 1,302.00
5	4" Altrms	350	LF	\$ 14.20	\$ 4,970.00				350.00	\$ 4,970.00	\$ -	100%	\$ -	\$ 497.00
6	6" Altrms	210	LF	\$ 29.20	\$ 6,132.00				210.00	\$ 6,132.00	\$ -	100%	\$ -	\$ 613.20
7	10" Altrms	70	LF	\$ 34.50	\$ 2,415.00				70.00	\$ 2,415.00	\$ -	100%	\$ -	\$ 241.50
8	Survey	1	LS	\$ 3,360.00	\$ 3,360.00				1.00	\$ 3,360.00	\$ -	100%	\$ -	\$ 336.00
9	Place Spoils Onsite	497	CY	\$ 5.00	\$ 2,485.00				497.00	\$ 2,485.00	\$ -	100%	\$ -	\$ 248.50
SUBTOTAL CHANGE ORDER #1					\$ 169,092.00				\$ 169,092.00	\$ -	\$ 169,092.00	100%	\$ -	\$ 16,909.20

CHANGE ORDER #2														
Arterial Rd Ph 2 Plan Changes														
3'	Trickle Channel	1,391	LF	\$ 45.70	\$ 63,568.70		1,391.00	1,391.00	\$ -	\$ 63,568.70	\$ 63,568.70	100%	\$ -	\$ 6,356.87
24"	Steel Encasement	225	LF	\$ 114.13	\$ 25,679.25	225.00		225.00	\$ 25,679.25	\$ -	\$ 25,679.25	100%	\$ -	\$ 2,567.93
	Air Release Valve	1	EA	\$ 3,264.95	\$ 3,264.95	1.00		1.00	\$ 3,264.95	\$ -	\$ 3,264.95	100%	\$ -	\$ 326.50

Phase 4 Trench Improvement														
	Joint Trench Excavation	2,945	LF	\$ 13.00	\$ 38,285.00		2,945.00	2,945.00	\$ -	\$ 38,285.00	\$ 38,285.00	100%	\$ -	\$ 3,828.50
	Non-Joint Trench Excavation	4,830	LF	\$ 5.00	\$ 24,150.00		4,830.00	4,830.00	\$ -	\$ 24,150.00	\$ 24,150.00	100%	\$ -	\$ 3,864.00
	Survey	1	LS	\$ 7,775.00	\$ 7,775.00	1.00		1.00	\$ 7,775.00	\$ -	\$ 7,775.00	100%	\$ -	\$ 777.50
	Place Spoils Onsite	1,152	CY	\$ 5.00	\$ 5,760.00		1,152.00	1,152.00	\$ -	\$ 5,760.00	\$ 5,760.00	100%	\$ -	\$ 576.00
Phase 4 Electric Improvement														
	Install 2" Conduit	4,060	LF	\$ 1.50	\$ 6,090.00		4,060.00	4,060.00	\$ -	\$ 6,090.00	\$ 6,090.00	100%	\$ -	\$ 609.00
	Install 3" Conduit	4,830	LF	\$ 1.50	\$ 7,245.00		4,830.00	4,830.00	\$ -	\$ 7,245.00	\$ 7,245.00	100%	\$ -	\$ 724.50
	Install Transformer Pad	14	EA	\$ 1,350.00	\$ 18,900.00		14.00	14.00	\$ -	\$ 18,900.00	\$ 18,900.00	100%	\$ -	\$ 1,890.00
	Install Secondary Pedestal	50	EA	\$ 420.00	\$ 21,000.00		50.00	50.00	\$ -	\$ 21,000.00	\$ 21,000.00	100%	\$ -	\$ 2,100.00
	Install Street Light	1	EA	\$ 893.40	\$ (893.40)		(1.00)	(1.00)	\$ -	\$ (893.40)	\$ (893.40)	100%	\$ -	\$ (89.34)
	Pole Repair	2	EA	\$ 1,980.00	\$ 3,960.00		2.00	2.00	\$ -	\$ 3,960.00	\$ 3,960.00	100%	\$ -	\$ 396.00
Phase 4 Gas Improvements														
	Install 3/4" Poly Pipe	2,775	LF	\$ 4.50	\$ 12,487.50		2,775.00	2,775.00	\$ -	\$ 12,487.50	\$ 12,487.50	100%	\$ -	\$ 1,248.75
	2" Poly Pipe	3,280	LF	\$ 4.60	\$ 15,088.00		3,280.00	3,280.00	\$ -	\$ 15,088.00	\$ 15,088.00	100%	\$ -	\$ 1,508.80
	4" Poly Pipe	940	LF	\$ 12.00	\$ 11,280.00		940.00	940.00	\$ -	\$ 11,280.00	\$ 11,280.00	100%	\$ -	\$ 1,128.00
	Shrink Tape	61	EA	\$ 175.00	\$ 10,370.00		61.00	61.00	\$ -	\$ 10,370.00	\$ 10,370.00	100%	\$ -	\$ 1,037.00

Phase 5 Trench Improvements														
	Joint Trench Excavation	3,905	LF	\$ 13.00	\$ 50,765.00		980.00	980.00	\$ -	\$ 12,740.00	\$ 12,740.00	25%	\$ 38,025.00	\$ 1,274.00
	Non-Joint Trench Excavation	3,600	LF	\$ 6.00	\$ 21,600.00		910.00	910.00	\$ -	\$ 7,280.00	\$ 7,280.00	25%	\$ 21,560.00	\$ 728.00
	Crossings Trench with Base Backfill	2,550	LF	\$ 3.50	\$ 8,925.00				\$ 91,800.00	\$ -	\$ 91,800.00	100%	\$ -	\$ 9,180.00
	Survey	1	LS	\$ 10,060.00	\$ 10,060.00	1.00			\$ -	\$ -	\$ 10,060.00	100%	\$ -	\$ 1,006.00
	Place Spoils Onsite	1,490	CY	\$ 5.00	\$ 7,450.00		390.00	390.00	\$ -	\$ 1,950.00	\$ 1,950.00	26%	\$ 5,500.00	\$ 195.00

Dry Utilities excluded

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT: MUSTANG CREEK PHASE 4 & 5

APPLICATION NUMBER: Ten (10)

APPLICATION DATE: 08/20/21

PERIOD TO: 31-Aug-21

A Item No.	B Description of Work	QTY	UNIT	UNIT PRICE	C Scheduled Value	D			E	F	G			H		I
						QUANTITY COMPLETED			PREVIOUS AMOUNT	AMOUNT THIS PERIOD	AMOUNT TO DATE	% (G/C)	Balance To Finish (C - G)	Retainage		
						PREVIOUS	THIS PERIOD	TO DATE								
Phase 5 Electric Improvements																
	Install 2" Conduit	4,980	LF	\$ 1.50	\$ 7,470.00		1,250.00	1,250.00	\$ -	\$ 1,875.00	\$ 1,875.00	25%	\$ 5,595.00	\$ 187.50		
	Provide and Install 2" Conduits for Crossings	280	LF	\$ 6.20	\$ 1,736.00	280.00		280.00	\$ 1,736.00	\$ -	\$ 1,736.00	100%	\$ -	\$ 173.60		
	Install 3" Conduit	4,740	LF	\$ 1.50	\$ 7,110.00		1,200.00	1,200.00	\$ -	\$ 1,800.00	\$ 1,800.00	25%	\$ 5,310.00	\$ 180.00		
	Provide and Install 3" Conduits for Crossings	1,470	LF	\$ 10.00	\$ 14,700.00	1,470.00		1,470.00	\$ 14,700.00	\$ -	\$ 14,700.00	100%	\$ -	\$ 1,470.00		
	Install Pull Box		EA	\$ 4,860.00	\$ 4,860.00			0.00	\$ -	\$ -	\$ -	0%	\$ 4,860.00	\$ -		
	Install Transformer Pad	14	EA	\$ 1,350.00	\$ 18,900.00			0.00	\$ -	\$ -	\$ -	0%	\$ 18,900.00	\$ -		
	Install Secondary Pedestal	44	EA	\$ 420.00	\$ 18,480.00			0.00	\$ -	\$ -	\$ -	0%	\$ 18,480.00	\$ -		
	Install Street Light	4	EA	\$ 893.40	\$ 3,573.60			0.00	\$ -	\$ -	\$ -	0%	\$ 3,573.60	\$ -		
	Pole Riser	1	EA	\$ 1,980.00	\$ 1,980.00			0.00	\$ -	\$ -	\$ -	0%	\$ 1,980.00	\$ -		
Phase 5 Gas Improvements																
	Install 3/4" Poly Pipe	2,350	LF	\$ 4.50	\$ 10,575.00			0.00	\$ -	\$ -	\$ -	0%	\$ 10,575.00	\$ -		
	2" Poly Pipe	1,350	LF	\$ 4.60	\$ 10,718.00			0.00	\$ -	\$ -	\$ -	0%	\$ 10,718.00	\$ -		
	4" Poly Pipe	1,350	LF	\$ 12.00	\$ 16,200.00			0.00	\$ -	\$ -	\$ -	0%	\$ 16,200.00	\$ -		
	Service Taps	58	EA	\$ 170.00	\$ 9,860.00			0.00	\$ -	\$ -	\$ -	0%	\$ 9,860.00	\$ -		
	2" Atmos Crossings	1,640	LF	\$ 6.20	\$ 10,168.00	1,640.00		1,640.00	\$ 10,168.00	\$ -	\$ 10,168.00	100%	\$ -	\$ 1,016.80		
	4" Atmos Crossings Pipe	70	LF	\$ 4.20	\$ 294.00	70.00		70.00	\$ 294.00	\$ -	\$ 294.00	100%	\$ -	\$ 29.40		
SUBTOTAL CHANGE ORDER #2					\$ 614,039.60				\$ 165,477.20	\$ 277,425.80	\$ 442,903.00	72%	\$ 171,136.60	\$ 4,199.30		
CHANGE ORDER #3																
MUSTANG CREEK PHASE 4																
1	Greenlink Sidewalk	762	LF	\$ 34.88	\$ 26,578.56		762.00	762.00	\$ -	\$ 26,578.56	\$ 26,578.56	100%	\$ -	\$ 2,657.86		
2	Signs	6	EA	\$ 388.08	\$ 2,328.48		6.00	6.00	\$ -	\$ 2,328.48	\$ 2,328.48	100%	\$ -	\$ 232.85		
SUBTOTAL CHANGE ORDER #3					\$ 28,907.04				\$ -	\$ 28,907.04	\$ 28,907.04	100%	\$ -	\$ 2,890.70		
CONTRACT TOTAL					\$7,583,130.41				\$6,518,805.33	\$895,188.48	\$7,411,993.81	98%	\$171,136.60	\$741,199.30		

Approved:

Engineer's Name & Title Here

Date

Approved:

Owner's Name and Title Here

Date

MAINTENANCE BOND
BOND NUMBER 2322903

THE STATE OF TEXAS

§

§ KNOW ALL MEN BY THESE PRESENTS:

THE COUNTY OF WILLIAMSON

§

THAT Liberty Civil Construction, LLC, 2937 Hero Way, Leander, TX 78641 (name of contractor-owner, address), being the General Contractor who constructed the public improvements including but not limited to, streets, utilities, drainage, services, and facilities to serve the Property identified herein-below, as Principal (the "Principal"), and North American Specialty Insurance Company, 1200 Main Street, Suite 800, Kansas City, MO 64105 (name of bonding company, address), a corporate surety/sureties organized under the laws of the State of Texas and fully licensed to transact business in the State of Texas, as Surety (the "Surety"), are held and firmly bound unto the City of Hutto, 401 West Front Street, Hutto, Texas 78634, a municipal corporation, (hereinafter referred to as "Obligee" or "City") in the penal sum of one million forty-nine thousand eight hundred seven and 70/100 (*typed amount*) (\$ 1,049,807.70) DOLLARS (100% of the contract price of all public improvements, or in such amount as approved by the City Engineer) for the payment of which are well and truly to be made in lawful money of the United States to Owner, we the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION are such that:

WHEREAS, the Principal entered into a certain written contract with City (the "Contract") in which the said Principal agrees to complete all of the improvements, dated the 13th day of November, 2020, which is made a part hereof by reference, for Mustang Creek CR 118 Arterial Phase 2 (name of development), the improvements of which being generally described as follows: Street and Drainage Improvements and Water and Wastewater Improvements (the "Improvements"), including ADA Ramps and Sidewalks

NOW, THEREFORE, if Principal will maintain and keep in good repair the work herein contracted to be done for a period of two (2) years from the date of final acceptance by the City of Hutto and do and perform all the necessary work and repair any defective condition, it being understood that the purpose of this section is to cover all defective conditions arising by reason of defective materials, work, or labor performed by Principal, then this obligation shall be void, otherwise it shall remain in full force and effect; and in case Principal shall fail to do so, it is agreed that the City may do such work and supply such materials and charge the same against the Principal and Surety on this obligation.

PROVIDED, however, that the said Principal hereby agrees to indemnify and save harmless the City of Hutto against any claim or liability for personal injury, loss, or property damage occasioned directly by the failure of said materials or workmanship of the Improvements. It is understood,

MAINTENANCE BOND
BOND NUMBER 2322903

however, that this Bond shall not include loss or damage by failure or workmanship or materials due to hurricane, cyclone, tornado, earthquake, volcanic eruption or any similar disturbance of nature, nor military, naval or usurped power, insurrection, riot or civil commotion, nor any act of God.

PROVIDED, further, that if any legal action be filed on this Bond, exclusive venue shall lie in Williamson County, Texas.

PROVIDED, further, that nothing contained in this Maintenance Bond and/or the City's acceptance of this Maintenance Bond from Principal shall waive or be deemed or interpreted to waive any claims or cause of action that City may now have or which may hereafter accrue arising out of or related to the Improvements.

PROVIDED, further, it is understood and agreed that the Surety does hereby relieve the City of Hutto or its representatives from the exercise of any diligence whatever in securing compliance on the part of the Principal in terms of the Contract, and the Surety hereby waives any notice to it of any default, or delay by the Principal in performance regarding the Contract, and agrees that it, the Surety, shall be bound to take notice of and shall be held to have knowledge of all acts or omissions of the Principal in all matters pertaining to the Contract.

AND PROVIDED FURTHER, Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or to the work performed thereunder, or any breach of the Principal of the Contract or any duty of any kind or nature owed to Surety shall in any way affect its obligation on this Bond; and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract regarding the Improvements or to the work performed thereunder.

The undersigned and designated agent is hereby designated by Surety as the resident agent in Williamson County, Texas to whom all requisite notice may be delivered and on whom service of process may be had in matters arising out of this suretyship.

IN WITNESS WHERE OF, the above bounden parties have executed this instrument under their several seals this 27th day of August 2021 the name and corporate seal of each corporate party being hereto affixed, and these presents duly signed by its undersigned representative pursuant to the authority of its governing body.

ATTEST:

PRINCIPAL:

Liberty Civil Construction, LLC
Company Name

By: Stacy Smau
Signature

By: [Signature]
Signature

Stacy Smau
Typed/Printed Name

Michael Ehrhardt
Typed/Printed Name

(Signatures Continued on Next Page)

MAINTENANCE BOND
BOND NUMBER 2322903

Contract Admin
Title
2937 Hero Way
Address
Leander, TX 78641
City State Zip
(512) 986-7649
Phone Fax

ATTEST:

By: Drew Riddle
Signature

Typed/Printed Name
Drew Riddle
Title
Witness
Address 32335 US Highway 281 N., Suite 1201
Bulverde, TX 78163
City State Zip
210-697-2230
Phone Fax

President
Title
2937 Hero Way
Address
Leander, TX 78641
City State Zip
(512) 986-7649
Phone Fax

SURETY:
By: Betty J. Reeh
Signature

Typed/Printed Name
Betty J. Reeh
Title
Attorney-in-Fact
Address 1200 Main Street, Suite 800
Kansas City, MO 64105
City State Zip
(816) 235-3700
Phone Fax

The Resident Agent of the Surety in Williamson County, Texas, for delivery of notice and service of the process is:

NAME: Acruisure, LLC dba IBTX - Bryan Moore
STREET ADDRESS: 32335 US Highway 281 N., Suite 1201
CITY, STATE, ZIP: Bulverde, TX 78163

Note: If Resident Agent is not a corporation, give a person's name.

Note: Bonding Company should attach a State of Texas Claim Notice Endorsement, which states "in accordance with Section 2253.021(f) of the Texas Government Code and Section 53.202(6) of the Texas Property Code any notice of claim to the named surety under this bond should be sent to (full name, address, phone number, fax of the bonding company).

Note: Date on Page 1 of Maintenance Bond must be the same date that City Counsel awarded Contract. Date on Page 2 of Maintenance Bond must be after date of Contract.

END OF DOCUMENT

SWISS RE CORPORATE SOLUTIONS

**NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY**

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Kansas City, Missouri, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Kansas City, Missouri, each does hereby make, constitute and appoint:

GARY W. WHEATLEY, BETTY J. REEH, CLARK D. FRESHER, BRYAN K. MOORE

ANDREW ADDISON, ELIZABETH ORTIZ, ANA TOMES, AND PATRICK COYLE

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

FIFTY MILLION (\$50,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

'RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached.



By [Signature]
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company



By [Signature]
Michael A. Ito, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 23rd day of February, 2021.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook ss:

On this 23rd day of February, 2021, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and Michael A. Ito, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature]
M. Kenny, Notary Public

I, Jeffrey Goldberg, the duly elected Senior Vice President and Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 27th day of August, 2021.

[Signature]
Jeffrey Goldberg, Senior Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company

IMPORTANT NOTICE

In order to obtain information or make a complaint:

You may contact **Jeffrey Goldberg, Vice President - Claims**, at **1-800-338-0753**.

You may call **Washington International Insurance Company and/or North American Specialty Insurance Company's** toll-free number for information or to make a complaint at:

1-800-338-0753

You may also write to **Washington International Insurance Company and/or North American Specialty Insurance Company** at the following address:

**1450 American Lane, Suite 1100
Schaumburg, IL 60173**

You may contact the **Texas Department of Insurance** to obtain information on companies, coverages, rights or complaints at:

1- 800-252-3439

You may write the **Texas Department of Insurance**:

**P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us**

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should first contact the **Washington International Insurance Company and/or North American Specialty Insurance Company**. If the dispute is not resolved, you may contact the **Texas Department of Insurance**.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter un queja:

Puede comunicarse con **Jeffrey Goldberg, Vice President - Claims**, al **1-800-338-0753**.

Usted puede llamar al numero de telefono gratis de **Washington International Insurance Company and/or North American Specialty Insurance Company's** para informacion o para someter una queja al:

1-800-338-0753

Usted tambien puede escribir a **Washington International Insurance Company and/or North American Specialty Insurance Company** al:

**1450 American Lane, Suite 1100
Schaumburg, IL 60173**

Puede escribir al **Departamento de Seguros de Texas** para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1- 800-252-3439

Puede escribir al **Departamento de Seguros de Texas**:

**P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us**

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el **Washington International Insurance Company and/or North American Specialty Insurance Company** primero. Si no se resuelve la disputa, puede entonces comunicarse con el **Departamento de Seguros de Texas**.

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

PROJECT CONSTRUCTION SUMMARY

PROJECT NAME: Mustang Creek CR118 Phase 2

FINAL ACCEPTANCE DATE: _____

INSPECTOR: Richard Rodriguez

CONTRACTOR: Liberty Civil Construction, LLC

Maintained By:	
COH	Other
Boxes checked by COH	

CONSTRUCTION COSTS

STREET IMPROVEMENT COST: \$568,130.40

SIDEWALK IMPROVEMENT COST: \$104,593.40

SIDEWALK RAMP IMPROVEMENT COST: N/A

BRIDGE IMPROVEMENT COST: N/A

POND(S) COST N/A

DRAINAGE IMPROVEMENT COST: \$352,244.69

WATER IMPROVEMENT COST: N/A (Jonah SUD)

WASTEWATER IMPROVEMENT COST: N/A

EROSION CONTROLS / RESTORATION COST: \$26,429.51

TOTAL IMPROVEMENT COST: \$1,051,398.00

PREPARED BY (DESIGN ENGINEER): Dustin Goss, P.E. Pape-Dawson Engineers

CHECKED BY (CID SUPERVISOR): _____

CONSTRUCTION SUMMARY FOR STREETS & SIDEWALKS

STREET PAVING							
STREET NAME	Address from	Address to	Pavement Design (Thickness) Asphalt / Base	Pavement Width (FT) (foc-foc)	L (FT)	PRIVATE	ETJ
CR 118			6" / 21"	35.5	1622.53	___	___
Pine Island Bayou Drive			2.5" / 17"	44	9	___	___
Attoyac Bayou Drive			2" / 9"	30	9	___	___

SIDEWALKS / SIDEWALK RAMPS						
STREET NAME	Address from	Address to	W (FT)	L (FT)	SIDES ₁	CURB RAMP ₂
CR 118			5	1622	2	0

1 – Designates location of existing sidewalk (E, W, S, N, SE, SW, NE, NW of designated street)

2 – Number of Ramps

CONSTRUCTION SUMMARY FOR BRIDGES

BRIDGES / BRIDGE CLASS CULVERTS / DRAINAGE CULVERTS ACROSS ROW								
STREET NAME AND ADDRESS OR LOCATION	FEATURE CROSSED ¹	TYPE ²	DESCRIPTION ³	DECK		COST	PRIVATE	ETJ
				W (FT) ⁴	L (FT) ⁵			

1 – Feature Crossed: Creek name if major creek or branch, or roadway name if overpass.

2 – Type: B – Bridge, C - Culvert, P – Pipe. All crossings 20' and wider including multiple box culverts totaling 20' or wider shall be classified as a B – Bridge. Culverts are precast or cast-in-place box culverts. Pipes are smaller drainage pipe crossings with or without headwalls.

3 – Description: i.e. 2 spans (Bridge), 2 – 5 X 7' (Culverts), 2 – 24" RCP (Pipes).

4 – Deck Width: Use "footprint" of culvert/pipes for width on buried culvert/pipes; include full "out to out" dimension including sidewalks/railings for width of standard bridges.

5 – Deck Length: Measured along the centerline of the roadway

CONSTRUCTION SUMMARY FOR PONDS

PONDS						
POND TYPE ¹	LOCATION (ADDRESS OR LOT / BLOCK #)	SIZE (SY) ²	DRAINAGE AREA (ACRES)	PRIVATE ³	ETJ	COST

- 1 – BD = Bio-Detention
D = Detention Only
DSF = Detention / Sedimentation / Filtration
F = Filtration Only
S = Sedimentation Only
SF = Sedimentation / Filtration
SFI = Sedimentation / Filtration / Infiltration
SI = Sedimentation / Irrigation
WP = Wet Pond

2 – Approximate boundary area

3 – Provide copy of recorded agreement for privately maintained ponds

CONSTRUCTION SUMMARY FOR DRAINAGE

STORM DRAIN			MANHOLES			INLETS		
SIZE (IN)	MATERIAL TYPE	L (FT)	QTY	SIZE (Dia – FT)	MATERIAL TYPE	QTY	SIZE (L – FT)	TYPE ₁
18	RCP	125				2	10'	Curb
24	RCP	480				2	4'X4'	Area
30	RCP	249						
36	RCP	344						
54	RCP	182						

JUNCTION BOXES			OUTFALL STRUCTURES		
QTY	SIZE (FT x FT x FT)	MATERIAL TYPE ₂	QTY	SIZE ₃	DESCRIPTION ₄
1	4'x4'	Precast	1	2X54"	Headwall
			1	2X54", 1X30", 1X24"	TxDOT CH-PW-0 Headwall
			1	3X36"	Headwall
			1	3X36"	Sloping Headwall w/ Dissipaters

- 1) Grate, Area, Curb, Recessed Curb, Combination, Slotted Drain
- 2) Cast-in-Place, Precast
- 3) Pipe size / Culvert Size
- 4) Headwall, Wing Walls, Gabions

CHANNEL			
LENGTH (FT)	BOTTOM WIDTH (FT)	SIDE SLOPE (FT/FT)	LINING MATERIAL TYPE
1391	3	Vary	3' Trickle Channel, Grass
93	3	Vary	6" Rock Rip-Rap, Grass

CONSTRUCTION SUMMARY FOR WATER

VALVES INSTALLED			PIPE			FIRE HYDRANTS		
SIZE	DESCRIPTION	NO.	SIZE	TYPE	LENGTH	SIZE	TYPE	NO.
AIR RELEASE								
SIZE	TYPE	NO.						
			SERVICES INSTALLED					
			NO.	TYPE				

REMARKS: JONAH SUD

[illegible]

CONSTRUCTION SUMMARY FOR WASTEWATER

PIPE			MANHOLES					
SIZE	TYPE	LENGTH	DEPTH	MAKE	STA. NO.	B.C.	EYE	STREET
				Capital Concrete		No	No	
				Capital Concrete		No	No	
				Capital Concrete		No	No	
				Capital Concrete		No	No	
				Capital Concrete		No	No	
				Capital Concrete		No	No	
				Capital Concrete		No	No	
				Capital Concrete		No	No	
SERVICES INSTALLED								
NO.	TYPE – S / D		TYPE OF MANHOLE COATING: Spray Wall					
	SINGLE							
	DOUBLE							

August 24, 2021

Aurora Castaneda
Pape Dawson

Re: Mustang Creek CR 118

Dear Aurora:

This report presents the findings of the on-site inspection for the Mustang Creek CR 118 Project for compliance with the Texas Accessibility Standards. This report is limited to inspecting the elements for compliance with the applicable technical standards and not scoping. An inspection of the site was conducted on August 23, 2021 which included the review of pedestrian sidewalks, curb ramps and associated crosswalks of the subdivision in Hutto, Texas.

All of the pedestrian elements were found to be in compliance with the Texas Accessibility Standards. The scope of work is limited to the inspection of the elements and excludes project registration with TDLR and a formal plan review of the design documents.

Feel free to contact me at (512) 410-7059 or at arturo@alturalp.com with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Arturo Pinero'.

Arturo Pinero, RAS #1551

RESOLUTION NO. R-2021-154

A RESOLUTION ACCEPTING THE INFRASTRUCTURE IMPROVEMENTS FOR THE SUBDIVISION KNOWN AS MUSTANG CREEK CR 118 ARTERIAL PHASE 2; IN THE CITY OF HUTTO, WILLIAMSON COUNTY, TEXAS.

WHEREAS, the infrastructure improvements for the Mustang creek CR 118 Arterial Phase 2 have been constructed and are ready for acceptance, and;

WHEREAS, a final inspection was conducted by the City's Construction and Public Works staff of all roads, drainage, and sidewalks improvements, and;

WHEREAS, all items have been constructed according to engineering plans and City codes and standards, and;

WHEREAS, Liberty Civil Construction, LLC, submitted a warranty bond to cover the material and workmanship for two years,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF

HUTTO, TEXAS, hereby accepts the infrastructure improvements for Mustang Creek CR 118 Arterial Phase 2

The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

CONSIDERED and RESOLVED by the City Council of the City of Hutto on this the **7th** day of **October, 2021**.

THE CITY OF HUTTO, TEXAS

Mike Snyder, Mayor

ATTESTED:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: Planning and Zoning Commission
Subject: Consideration and possible action on Ordinance No. O-2021-059 the proposed Unified Development Code (2020 Edition, as amended), Chapter 4 Section 10.410 Signs, to add and clarify language for temporary signage. (Second Reading)(Ashley Lumpkin)
Meeting: Thursday, October 7, 2021
Department: Development Services
Staff Contact: Ashley Lumpkin

BACKGROUND INFORMATION:

The proposed amendment is in response to a City Council request to modify the existing temporary sign ordinance.

SUMMARY OF REQUEST:

This item was first discussed at the July 2021 Planning and Zoning Commission. At that meeting, the Commission postponed the item to provide staff time to determine the timing of temporary signage in surrounding communities. The result of the conversation is the proposal for temporary signage as shown in the redlined ordinance attached to this item.

The existing sign ordinance has content-based review criteria that is no longer allowed by law, including the restrictive but not fully defined temporary sign ordinance regulations. Banners and banner allowances are being simplified so the rules are clear and concise, allowing for banners on any non-residential lot for a maximum of two weeks, four times in a calendar year, with a mandatory two-week break between banners. The proposal also allows banners tied to a new certificate of occupancy for up to 45 days and that will not count against a tenant as one of the four times allowed otherwise. Further to this, the Planning and Zoning Commission voted to exempt city events and ISD events from the banner timeframe, although the ISD has been removed from the exceptions as directed, in order to treat all outside-of-the-city entities fairly and equally.

A city event will be defined as "City Event means any City-planned festival, celebration, function, or gathering within the City limits".

Pflugerville permits banners for 30 days up to six times within any 12-month consecutive time frame.
Round Rock permits banners for 30 days up to three times within any consecutive 12-month period with a provision to allow new occupancy banners up to 60 days from the opening with removal upon a permanent sign installation.
Taylor permits banners for up to 90 days within a calendar year.

STAFF REVIEW:

Staff recommends approval of the amendment.

FINANCIAL IMPACT:

No financial impacts at this time.

AGENDA ITEM REPORT



POLICY IMPLICATIONS:

No policy impacts with this proposal.

ATTACHMENTS:

1. ORDINANCE - SIGN AMENDMENT - RM 7.1.2021

ORDINANCE NO. O-2021-059

AN ORDINANCE OF THE CITY OF HUTTO, TEXAS AMENDING THE CODE OF ORDINANCES (2020 EDITION, AS AMENDED), CHAPTER 4 SECTION 10.409, SIGNS; 10.410.3.2, RESIDENTIAL USES; 10.410.3.4, COMMERCIAL, RETAIL, AND INDUSTRIAL USES; AND 10.410.4.3, GENERAL SIGN STANDARDS; EFFECTIVE DATE AND EXPIRATION, REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS, AND ESTABLISHING ANEFFECTIVE DATE

WHEREAS, an amendment has been presented to the City Council of the City of Hutto, Texas to amend the Code of Ordinances (2020 Edition), Chapter 16, Article 16.02 Unified Development Code (UDC), incorporating amendments into Chapter 2, Section 10.203 and 10.204, and;

WHEREAS, the Planning and Zoning Commission recommended approval of the proposed amendment on the 8th day of September, 2021, and;

WHEREAS, on the 16th day of September, 2021, after proper notification, the City Council held a public hearing on the proposed amendment, and;

WHEREAS, the City Council determines that the amendment provided for herein promotes the health, safety, morals and protects and preserves the general welfare of the community, and;

WHEREAS, each and every requirement set forth in Chapter 211, Sub-Chapter A., Texas Local Government Code concerning public notices, hearings, and other procedural matters has been fully complied with, Now therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION I.

1.

That the Code of Ordinances (2020 Edition), Chapter 16, Article 16.02 Hutto Unified Development Code (UDC), Chapter 4, Section 10.409, 10.410.3.2, 10.410.3.4, and 10.410.4.3 is hereby amended to include the changes described in **Exhibit "A"** attached hereto and incorporated herein.

SECTION II. Publication Clause

The City Secretary of the City of Hutto is hereby authorized and directed to publish the caption of this ordinance in the manner and for the length of time prescribed by law.

SECTION III. Severability Clause

The provisions of this ordinance are severable, and if any sentence, section, or other parts of this ordinance should be found to be invalid, such invalidity shall not affect the remaining provisions, and the remaining provisions shall continue in full force and effect.

SECTION IV. Repealing Clause

All ordinances and resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict.

SECTION V. Open Meeting Clause

The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject hereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION VI. Effective Date

This ordinance shall take effect and be in force from and after its passage.

READ and APPROVED on first reading on this the 8th day of September, 2021 at a meeting of the Hutto, Texas City Council; there being a quorum present.

READ, PASSED and ADOPTED on second reading of ordinance this 7th day of October, 2021 at a meeting of the Hutto, Texas City Council; there being a quorum present.

THE CITY OF HUTTO, TEXAS

Mike Snyder, Mayor

Attest:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Ordinance No. O-2021-060 approving the proposed annexation of the Lidell-Walker Tracts, 263.008 acres, more or less, of land, and to establish the base zoning for the property as SF-1 (Single-Family Residential). (Second Reading)(Ashley Lumpkin).
Meeting: Thursday, October 7, 2021
Department: Development Services
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. LidellWalker Annex Ord
2. R325515(14.504ac)EagleCrest-Survey
3. R020368-R365975-R334065-R365971(65.281ac)Guerrero-Survey
4. R020375(106.91ac)Lidell-Survey
5. R020380(76.317ac)Walker-Survey
6. Lidell_Walker(SiteMap)

ORDINANCE NO. O-2021-060

AN ORDINANCE ANNEXING CERTAIN HEREINAFTER DESCRIBED ADJACENT AND CONTIGUOUS TERRITORY TO THE CITY OF HUTTO, TEXAS, TO WIT: 263.008 ACRES, MORE OR LESS, OF LAND, DESCRIBED IN EXHIBIT “A”, ALL OF SAID PROPERTY BEING SITUATED IN WILLIAMSON COUNTY, TEXAS, AND ALL ADJACENT ROADWAYS BEING FOR ANNEXATION; EXTENDING THE BOUNDARY LIMITS OF HUTTO SO AS TO INCLUDE SAID PROPERTY WITHIN HUTTO’S CITY LIMITS; FINDING THAT ALL NECESSARY AND REQUIRED LEGAL CONDITIONS HAVE BEEN SATISFIED; PROVIDING THAT SUCH PROPERTY SHALL BECOME A PART OF THE CITY OF HUTTO AND THAT THE OWNERS AND INHABITANTS THEREOF SHALL BE ENTITLED TO THE RIGHTS AND PRIVILEGES OF OTHER CITIZENS AND BE BOUND BY THE ACTS, ORDINANCES, RESOLUTIONS AND REGULATIONS OF THE CITY NOW IN EFFECT AND THOSE WHICH ARE HEREINAFTER ADOPTED; PROVIDING FOR A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE; PROVIDING FOR A SAVINGS CLAUSE AND REPEALING CONFLICTING ORDINANCES OR RESOLUTIONS.

WHEREAS, the City of Hutto, Texas (the “City”) is a duly constituted home-rule municipality and, as such, is authorized to annex territory subject to the laws of the State of Texas and subject to its Charter, and;

WHEREAS, pursuant to Section 43.028 of the Texas Local Government Code, the owners of the tracts of land containing 263.008 acres, more or less, of land, being out of the John Dykes Survey, Abstract No. 186 and Canutillo Colony Ditch Company Survey, Abstract No. 693 in Williamson County, Texas, and being more particularly described in **Exhibit “A”** attached hereto and made part hereof by reference for all purposes, have petitioned the City Council in writing to annex the Property, and;

WHEREAS, the procedures prescribed by the Charter of the City of Hutto and the applicable laws of the State of Texas have been duly followed with respect to the Property, and;

WHEREAS, such Property is (a) one-half mile or less in width; (b) contiguous to the City; and (c) vacant and without residents or on which fewer than three (3) qualified voters reside, and;

WHEREAS, after considering the public testimony received at each hearing, the City Council of the City of Hutto determines that annexation of the Property is proper in all respects and that such action is in the best interests of the community and its citizens, and;

WHEREAS, and every requirement set forth in Chapter 211, Sub-Chapter A., Texas Local Government Code, concerning public notices, hearings, and other procedural matters has been fully complied with, and;

WHEREAS, the City Council of the City of Hutto determines that the Property for annexation which is more fully described in **Exhibit “A”** should become annexed.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION I.

That all of the above recitations are found to be true and correct and are incorporated into the body of this ordinance.

SECTION II.

That the Property described in the attached **Exhibit "A"**, together with adjacent roadways, be and is hereby annexed and brought within the corporate city limits of the City of Hutto, Texas, and same is hereby made an integral part hereof; and that the boundary limits of the City of Hutto be the same are hereby extended to include the above described territory within the city limits of the City of Hutto, and the same shall hereinafter be included within the territorial limits of the City of Hutto, Texas and designated as SF-1 Village (Single Family Residential - Village) Zoning District.

SECTION III.

That the owners and present and future inhabitants of the area herein annexed be entitled to all rights and privileges of other citizens and property owners of the City of Hutto, and hereby bound by all acts, ordinances, resolutions and regulations of the City, and all other legal actions now in full force and effect and all those which may be hereafter adopted.

SECTION IV.

That the appropriate city official of the City of Hutto is hereby directed and authorized to perform or cause to be performed all acts necessary to correct the official maps and boundaries of the City of Hutto, heretofore adopted and amended, so as to include the aforementioned territory hereby annexed, be and are hereby amended as part of the City of Hutto, Texas, as required by law.

SECTION V.

That the City Secretary is hereby directed and authorized to file a certified copy of this ordinance in the Office of the County Clerk of Williamson County, Texas.

SECTION VI.

If any section, subsection, sentence, phrase, or word of this ordinance be found to be illegal, invalid or unconstitutional or if any portion of said Property is incapable of being annexed by the City, for any reason whatsoever, the adjudication shall not affect any other section, sentence, phrase, word, paragraph or provision of this ordinance or the application of any other section, sentence, phrase or provision of any other ordinance of the City. The City Council declares that it would have adopted the valid portions and applications of this ordinance and would have annexed the valid Property without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION VIII.

A. All ordinances, parts of ordinances, or resolutions in conflict herewith are hereby expressly repealed.

B. The invalidity of any section or provision of this ordinance shall not invalidate other sections or provisions thereof.

C. That City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject matter thereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION IX.

This ordinance shall take effect and be in force from and after its passage.

READ and **APPROVED** on first reading on this the **16th** day of **September, 2021** at a meeting of the Hutto, Texas City Council; there being a quorum present.

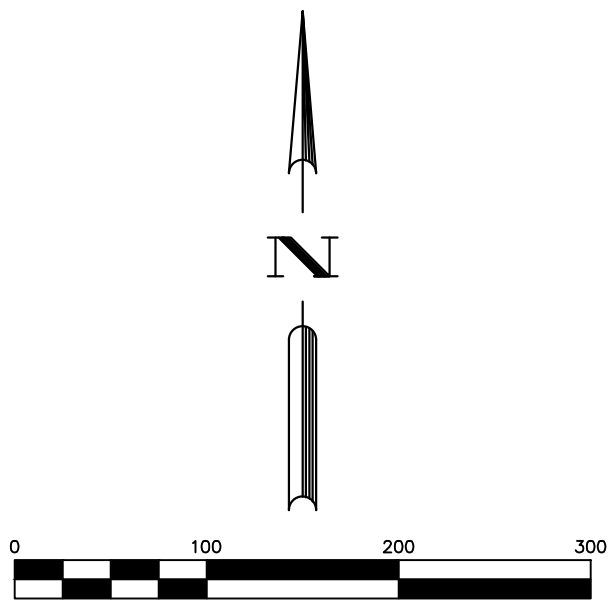
READ, PASSED and **ADOPTED** on first reading of ordinance this **7th** day of **October, 2021** at a meeting of the Hutto, Texas City Council; there being a quorum present.

CITY OF HUTTO, TEXAS

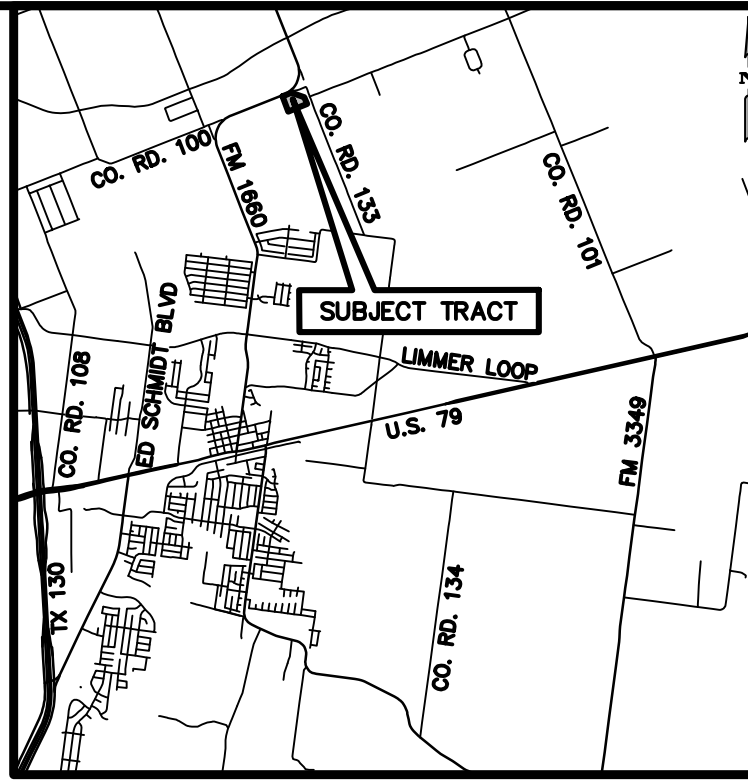
Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary



LEGEND	
B.W.F.	BARBED WIRE FENCE
D.R.W.C.	DEED RECORDS OF WILLIAMSON COUNTY
E.M.P.	ELECTRIC METER POLE
F.P.	FENCE POST
H.W.F.	HOG WIRE FENCE
M.H.	MANHOLE
O.P.R.W.C.	OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY
PED.	PEDESTAL
P.F.	PIN FLAG
P.P.	POWER POLE
PVC	POLYVINYL CHLORIDE PIPE
RCP	REINFORCED CONCRETE PIPE
R.O.W.	RIGHT-OF-WAY
TEL.	TELEPHONE
TRANS.	TRANSFORMER
U.C.M.	UNDERGROUND CABLE MARKER
W.F.	WATER FAUCET
W.M.	WATER METER
W.V.	WATER VALVE
V.P.	VERTICAL PIPE
()	RECORD INFO., DOC. NO. 2021007714
[]	RECORD INFO., VOL. 484, PG. 331
{ }	RECORD INFO., DOC. NO. 2012039498
[]	RECORD INFO., DOC. NO. 2016121073
[]	SCHEDULE B ITEM
●	FOUND 1/2" IRON ROD (UNLESS NOTED)
○	FOUND AXLE
△	FOUND 2" IRON PIPE
○	CALCULATED POINT
—	EDGE OF ASPHALT
—	OVERHEAD TELEPHONE
—	OVERHEAD ELECTRIC
—	WIRE FENCE



VICINITY MAP
NOT TO SCALE

LEGAL DESCRIPTION

FIELD NOTES FOR A 14.504 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 14.502 ACRE TRACT OF LAND AS CONVEYED TO EAGLE CREST INVESTMENT, LLC BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021007714 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 14.504 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the southerly right-of-way line of F.M. 1660 (variable width right-of-way) on the east line of the remaining portion of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, at the northwest corner of said Eagle Crest Investment 14.502-acre tract, for the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the southerly right-of-way line of said F.M. 1660 and the northerly line of said Eagle Crest Investment 14.502-acre tract, N 68°21'24" E a distance of 458.18 feet to a 1/2-inch iron rod found at the west corner of a called 4.64 acre tract of land described as Tract 1 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at the northeast corner of said Eagle Crest Investment, LLC tract, for the north corner of the herein described tract;

THENCE, departing the southerly right-of-way line of said F.M. 1660 with the west line of said Salisbury 4.64-acre tract and the east line of said Eagle Crest Investment 14.502-acre tract, S 70°18'11" E a distance of 648.99 feet to a 1/2-inch iron rod found at the southwest corner of said Salisbury 4.64-acre tract, at the northwest corner of a called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by said Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at an easterly corner of said Eagle Crest Investment 14.502-acre tract, for an easterly corner of the herein described tract;

THENCE, with the west line of said Salisbury 1.86-acre tract and the east line of said Eagle Crest Investment 14.502-acre tract, S 23°07'16" E a distance of 346.30 feet to a 1/2-inch iron rod found on the northerly line of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, at the southeast corner of said Eagle Crest Investment 14.502-acre tract, for the southeast corner of the herein described tract, from which a 2-inch iron pipe found on the westerly right-of-way line of County Road 133 (variable width right-of-way) for the southeast corner of said Salisbury 1.86-acre tract bears N 68°20'40" E a distance of 226.35 feet;

THENCE, with the northerly line of said Walker 105.75-acre tract and the southerly line of said Eagle Crest Investment 14.502-acre tract, S 68°22'06" W a distance of 493.20 feet to a 1-inch iron rod found at the northwest corner of said Walker 105.75-acre tract and the northeast corner of a called 106.91 acre tract of land as conveyed to Jon Mark Lidell, Lynn Russell Lidell and Michael C. Lidell by Special Warranty Deed recorded in Document Number 2002015476 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the northerly line of said Lidell 106.91-acre tract and the southerly line of said Eagle Crest Investment 14.502-acre tract, S 68°14'19" W a distance of 466.23 feet to an axle found at the southeast corner the aforementioned Kruger remainder tract and at the southwest corner of said Eagle Crest Investment 14.502-acre tract, for the southwest corner of the herein described tract, from which a 1-inch iron rod found at the northwest corner of said Lidell 106.91-acre tract bears S 68°25'37" W a distance of 294.31 feet;

THENCE, with the easterly line of said Kruger remainder tract and the westerly line of said Eagle Crest Investment 14.502-acre tract, N 21°16'12" W a distance of 775.74 feet to the POINT OF BEGINNING and containing 14.504 acres of land, more or less.

GENERAL NOTES

1. BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83. COMBINED SCALE FACTOR = 0.99988116.
2. THE PROPERTY LIES IN UNSHADED ZONE "X" (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN) AS DELINEATED ON THE FLOOD INSURANCE RATE MAPS FOR WILLIAMSON COUNTY, TEXAS, MAP NUMBER 48491C0510F, REVISED DECEMBER 20, 2019.
3. THIS SURVEY WAS MADE IN RELIANCE UPON THAT CERTAIN COMMITMENT FOR TITLE INSURANCE ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY AND COUNTERSIGNED BY CAPSTONE TITLE UNDER FILE NO. 20210532, DATED EFFECTIVE MARCH 05, 2021 AND ISSUED ON MARCH 17, 2021.
4. NO EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS WAS OBSERVED AT TIME OF SURVEY.

RESTRICTIVE COVENANT AND EASEMENT NOTES

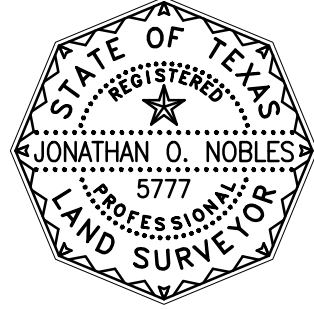
- 10D. EASEMENT GRANTED TO STATE OF TEXAS AS DESCRIBED IN VOLUME 476, PAGE 574 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, MAY AFFECT THE SUBJECT TRACT BUT LOCATION CANNOT BE DETERMINED FROM INFORMATION CURRENTLY AVAILABLE.
- 10E. RIGHT OF WAY EASEMENT GRANTED TO JONAH WATER SPECIAL UTILITY DISTRICT AS DESCRIBED IN DOCUMENT NUMBER 2000043879 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. DOES NOT AFFECT THE SUBJECT TRACT.
- 10F. EASEMENT AND RIGHT OF WAY GRANTED TO TXU ELECTRIC AS DESCRIBED IN DOCUMENT NUMBER 2000078318 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. DOES AFFECT THE SUBJECT TRACT, AS SHOWN HEREON.
- 10G. EASEMENT AND RIGHT OF WAY GRANTED TO TXU ELECTRIC AS DESCRIBED IN DOCUMENT NUMBER 2000078319 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. DOES NOT AFFECT THE SUBJECT TRACT.
- 10H. TERMS, CONDITIONS AND STIPULATIONS IN THE PUBLIC UTILITY AND ACCESS EASEMENT AGREEMENT AS RECORDED IN DOCUMENT NUMBER 2006090270 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. DOES NOT AFFECT THE SUBJECT TRACT.

To WayMaker Ventures, LLC, Old Republic National Title Insurance Company and Capstone Title:

This is to certify that this map or plot and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1-4, 7(a), 9 and 16 of Table A thereof. The field work was completed on February 18, 2020.

Date of Plat or Map: April 20, 2021

Jonathan O. Nobles
JONATHAN O. NOBLES RPLS NO. 5777
BGE, INC.
101 WEST LOUIS HENNA BLVD., SUITE 400
AUSTIN, TEXAS 78728
TELEPHONE: (512) 879-0400



BGE, Inc.
101 West Louis Henna Blvd, Suite 400, Austin, TX 78728
Tel: 512-879-0400 • www.bgeinc.com
TBPELS Licensed Surveying Firm No. 10106502

ALTA/NSPS LAND TITLE SURVEY OF
14.504 ACRES OUT OF THE
JOHN DYKES SURVEY,
ABSTRACT NO. 186, WILLIAMSON COUNTY
COUNTY ROAD 132
HUTTO, TEXAS

PARTY CHIEF: M.G.	ISSUE DATE: 04/20/2021	SHEET 1
TECHNICIAN: S.B.	SCALE: 1"=100'	
R.P.L.S.: J.N.	JOB NUMBER: 8626-00	
FIELD BOOK NAME: 70		OF 1
BASE FILE: G:\TXC\Projects\WayMaker\8626-00-Lidell_Walker_Prelim\SV\01_Colts\8626-00_BASE-SURF.dwg		

G:\TXC\Projects\WayMaker\8626-00-Lidell_Walker_Prelim\SV\01_Colts\8626-00-Lidell_Walker_Prelim.dwg 4/20/2021 4:23 PM abge

GENERAL NOTES

1. BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83. COMBINED SCALE FACTOR = 0.99988116.
2. THE PROPERTY LIES IN UNSHADED ZONE "X" (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN) AS DELINEATED ON THE FLOOD INSURANCE RATE MAPS FOR WILLIAMSON COUNTY, TEXAS, MAP NUMBER 480401050F, REVISED DECEMBER 20, 2019.
3. THIS SURVEY WAS MADE IN RELIANCE UPON THAT CERTAIN COMMITMENT FOR TITLE INSURANCE ISSUED BY FIDELITY NATIONAL TITLE INSURANCE COMPANY AND MAPS FOR WILLIAMSON COUNTY, TEXAS, MAP NUMBER 480401050F, COMPANED EFFECTIVE FEBRUARY 01, 2021 AND ISSUED ON FEBRUARY 10, 2021.
4. NO EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS WAS OBSERVED AT TIME OF SURVEY.

100 EASEMENT AS RECORDED IN VOLUME 563, PAGE 734 OF THE DEED RECORDS OF
EASEMENT COUNTY, TEXAS, DOES AFFECT THE SUBJECT TRACT BUT ITS LOCATION
105 EASEMENT AS RECORDED IN VOLUME 867, PAGE 90 OF THE DEED RECORDS OF
EASEMENT COUNTY, TEXAS, DOES NOT AFFECT THE SUBJECT TRACT.

110 TERMS, CONDITIONS AND SITUATIONS IN THAT CERTAIN RESOLUTION NO.
19-08-2017-01 AS RECORDED IN DOCUMENT NUMBER 2019048167 OF THE OFFICIAL
PUBLIC RECORDS OF WILLAMSON COUNTY, TEXAS, CERTAIN CONDITIONS AND
115 SITUATIONS DO AFFECT THE SUBJECT TRACT. (NOT PLOTTABLE)

120 TERMS, CONDITIONS AND SITUATIONS IN THAT CERTAIN RESOLUTION NO.
R-19-08-2017-01 AS RECORDED IN DOCUMENT NUMBER 2019048167 OF THE OFFICIAL
PUBLIC RECORDS OF WILLAMSON COUNTY, TEXAS, CERTAIN CONDITIONS AND
125 SITUATIONS DO AFFECT THE SUBJECT TRACT. (NOT PLOTTABLE)

130 TERMS, CONDITIONS AND SITUATIONS IN THAT CERTAIN AGREEMENT AS RECORDED
IN VOLUME 1248, PAGE 320 OF THE OFFICIAL RECORDS OF WILLAMSON
COUNTY, TEXAS, CERTAIN CONDITIONS AND SITUATIONS DO AFFECT THE SUBJECT
135 TRACT. (NOT PLOTTABLE)

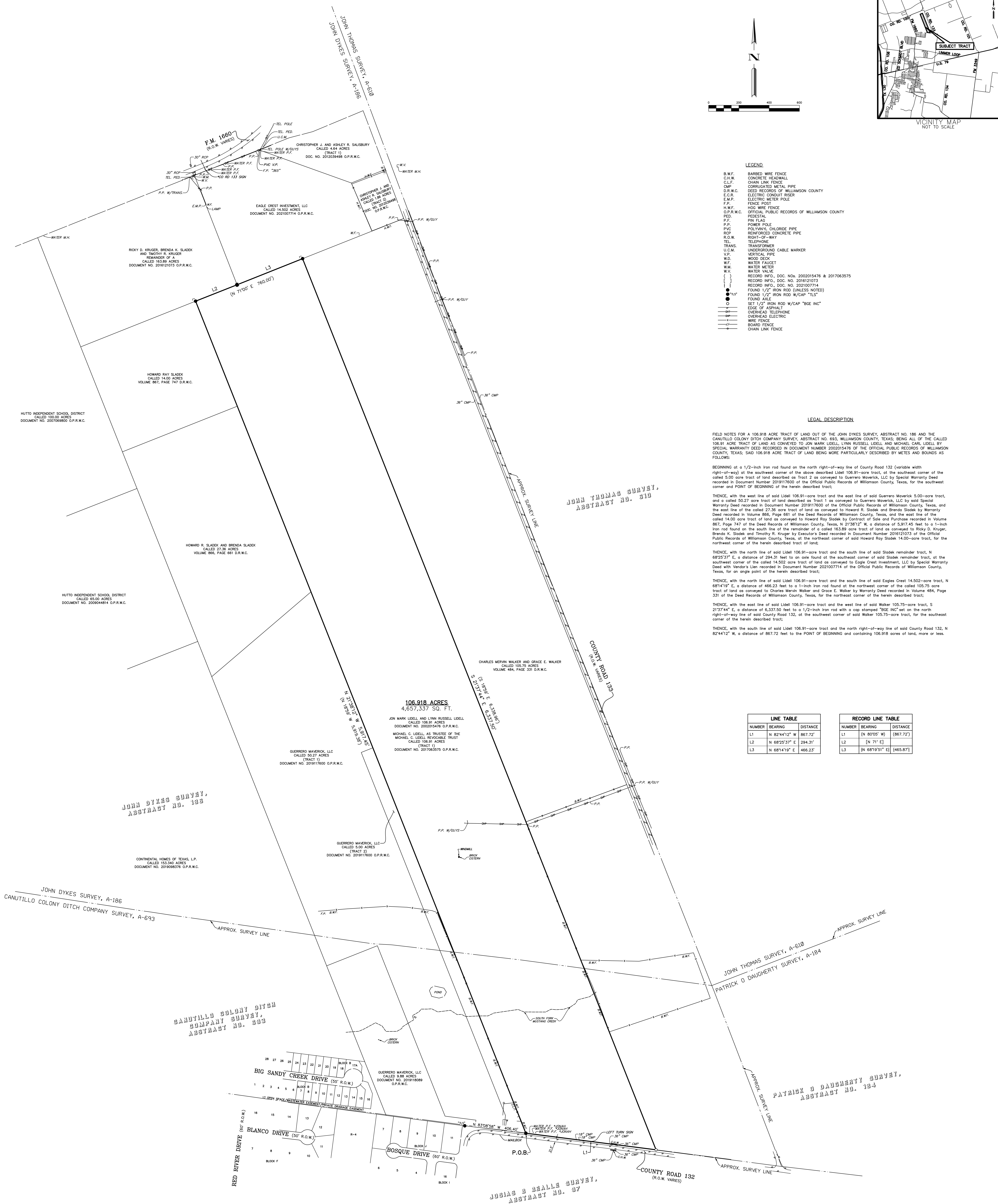
140 STATEMENT OF OWNERSHIP CONCERNING MANUFACTURED HOUSING AS RECORDED IN
DOCUMENT NUMBER 2020099708 OF THE OFFICIAL PUBLIC RECORDS OF WILLAMSON
COUNTY, TEXAS, DOES NOT AFFECT THE SUBJECT TRACT.

B.F. BOARD FENCE
B.D.C. BUILDING
B.W.F. BURIED WIRE FENCE
C.H.W. CORRUGATED HEADWALL
C.H.U. CHAIN LINK FENCE
C.C. CORRUGATED METAL PIPE
C.L.P. CLEAN OUT
C.C. CONCRETE
C.D.C. CONCRETE OF WILLIAMSON COUNTY
E.C.R. ELECTRIC CONDUIT RIG
E.M.P. ELECTRIC METER POLE
F.P. FISH HOOD FENCE
H.W.T. HOOD WIRE FENCE
H.M. HAND MAINT
N.E.S. NOT TO SCALE
O.P.R.W.C. OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY
P.B. PINK
P.P. POWER POLE
P.V.C. POLYVINYL CHLORIDE PIPE
R.F.P. REINFORCED CONCRETE
R.F.P. REFLECTOR SIGN
R.O.W. RIGHT-OF-WAY
S.L. SEPTIC LID
TEL. TELEPHONE
T.F. TRANSFORMER
U.C. UNDERGROUND CABLE MARKER
V.P. VERTICAL PIPE
W.D. WOOD DECK
W.F. WATER FAUCET
W.R. WOOD RAIL
W.V. WATER VALVE
● RECORD INFO, DOC. NO. 201911869
● RECORD INFO, DOC. NO. 201911760
● RECORD INFO, VOLUME 300, PG. 269
● RECORD INFO, VOLUME 300, PG. 269
● FOUND 1/2" R/W IRON (UNLESS NOTED)
● FOUND 1/2" R/W "CAP" "PAPE DAWSON"
● FOUND 1/2" R/W IRON W/ "CAP" "TSL"
● FOUND 1/2" R/W IRON W/ "CAP" "TSL"
● FOUND 1/2" R/W IRON W/ "CAP" "ALL POINTS"
○ SET 1/2" R/W IRON W/ "CAP" "TSG INC"
○ FOUND 1/2" R/W IRON W/ "CAP" "TSG INC"
○ FOUND OF ASPHALT
○ OVERHEAD TELEPHONE
○ OVERHEAD FENCE
○ WIRE FENCE
○ BOARD FENCE
○ CHAIN LINK FENCE

LINE TABLE		
NUMBER	BEARING	DISTANCE
(L1)	(N 07°27'03" E)	(50.34')
[L1]	[N 07°27'03" E]	[50.34']

ALTA/NSPS LAND TITLE SURVEY OF
65.281 ACRES OUT OF THE
JOHN DYKES SURVEY, A-186 & THE
CANUTILLO COLONY DITCH CO. SURVEY, A-693
815 & 825 COUNTY ROAD 132
HUTTO, TEXAS

PARTY CHIEF: M.G.	ISSUE DATE: 04/08/2021	SHEET 1
TECHNICIAN: S.B.	SCALE: 1"=100'	
R.P.L.S.: J.N.	JOB NUMBER: 8628-00	
FIELD BOOK NAME: 70		
BASE FILE: G:\TxC\Projects\WyoMakers\8628-00-Lidell_Walker_Prelim\5\01_Civil\8628-00_BA\5-SUBJ.dwg		OF <u>1</u>

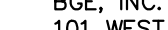


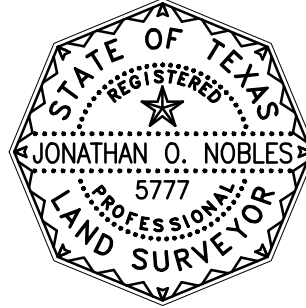
1. BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83. COMBINED SCALE FACTOR = 9.9998816.
2. THE PROPERTY LIES IN UNSHADED ZONE "X" (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN) AS DELINEATED ON THE FLOOD INSURANCE RATE MAPS FOR WILLIAMSON COUNTY, TEXAS, MAP NUMBER 48481C0010F, REVISED 08/09/2010.
3. THIS SURVEY WAS MADE IN RELIANCE UPON THAT CERTAIN COMMITMENT FOR TITLE INSURANCE ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY AND COUNTERSIGNED BY CAPSTONE TITLE UNDER FILE NO. 20220204, DATED EFFECTIVE 08/09/2010.
4. NO EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS WAS OBSERVED AT TIME OF SURVEY.

10E. TERMS, CONDITIONS AND STIPULATIONS IN THE RESOLUTION NO. R-19-03-21-8HHI AS RECORDED IN DOCUMENT NUMBER 2019043493 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, TERMS, CONDITIONS AND STIPULATIONS DO AFFECT THE SUBJECT TRACT. (NOT PLOTTABLE)

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1-4, 7(a), 9 and 16 of Table A thereof. The field work was completed on February 18, 2020.

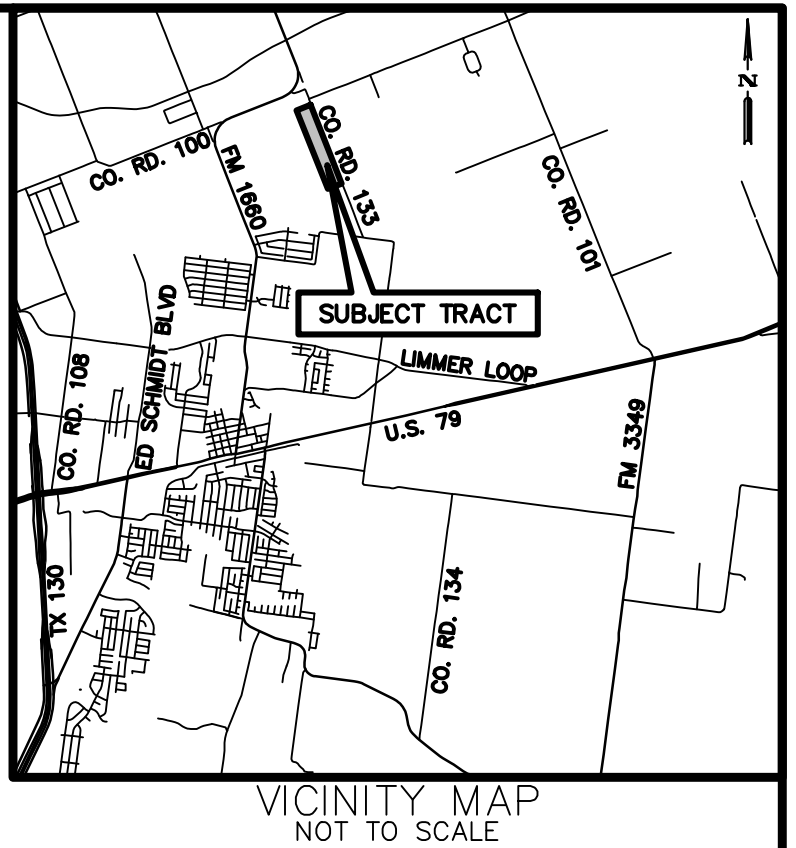
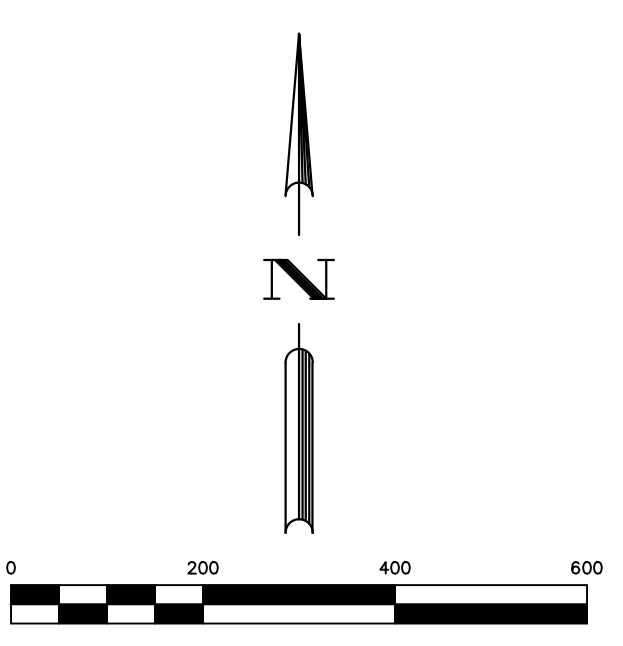
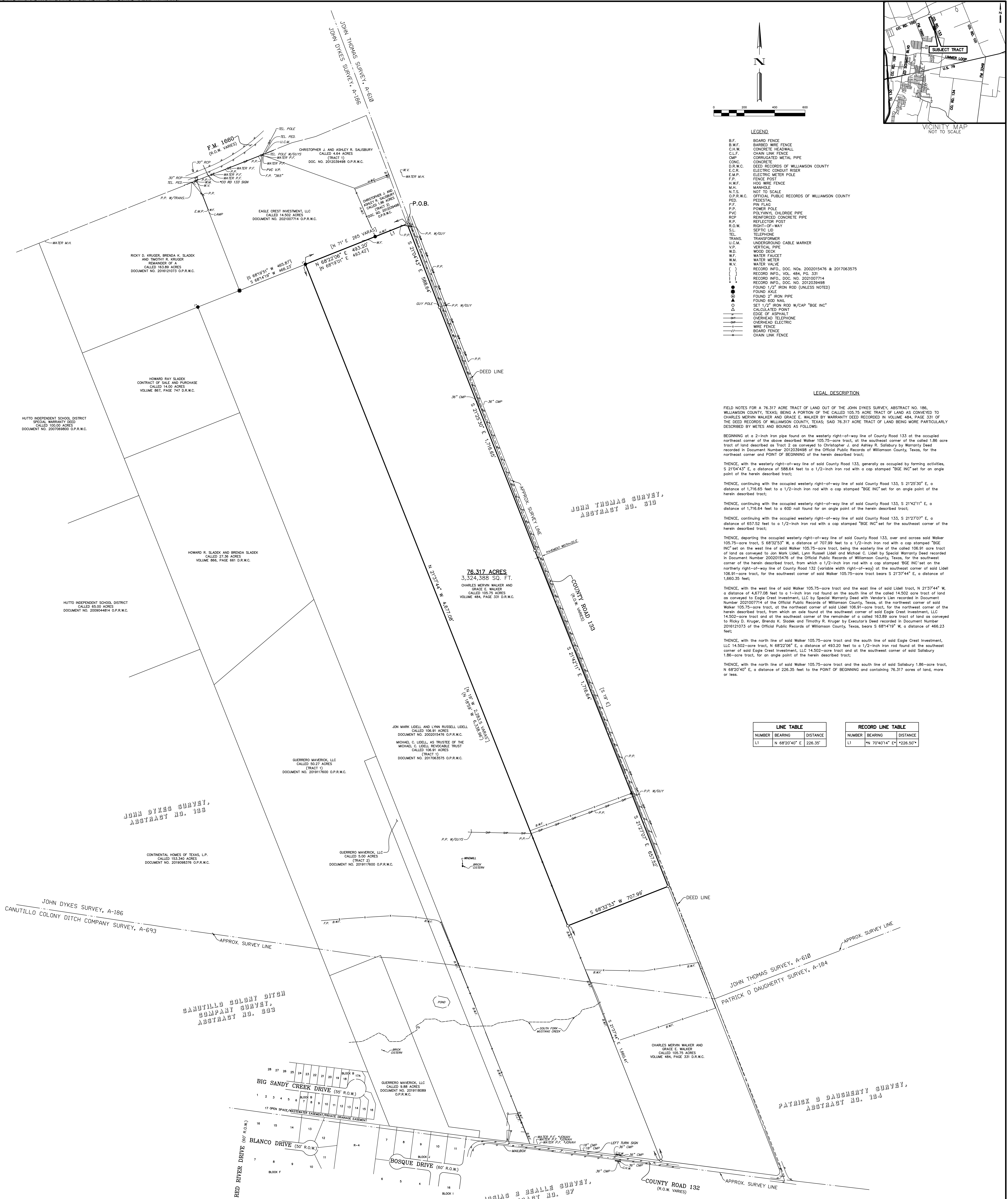
Date of Plat or Map: April 8, 2021


JONATHAN O. NOBLES RPLS NO. 5777
BGE, INC.
101 WEST LOUIS HENNA BLVD., SUITE 400
AUSTIN, TEXAS 78728
TELEPHONE: (512) 879-0400



BGE
BGE, Inc.
101 West Louis Henna Blvd, Suite 400, Austin, TX 78728
Tel: 512-879-0400 • www.bgeinc.com
TBPES Licensed Surveying Firm No. 10106502

ALTA/NSPS LAND TITLE SURVEY OF
106.918 ACRES OUT OF THE
JOHN DYKES SURVEY, A-186 & THE
CANUTILLO COLONY DITCH CO. SURVEY, A-693
COUNTY ROAD 132
HUTTO, TEXAS



- LEGEND**
- B.F. BARBED WIRE FENCE
 - C.H.W. CONCRETE HEADWALL
 - C.L.F. CHAIN LINK FENCE
 - C.M.P. CORRUGATED METAL PIPE
 - C.M.C. CONCRETE
 - D.R.W.C. DEED RECORDS OF WILLIAMSON COUNTY
 - E.C.R. ELECTRIC CONDUIT RISER
 - E.M.P. ELECTRIC METER POLE
 - F.P. FENCE POST
 - H.W.F. HOOD WIRE FENCE
 - M.H. MANHOLE
 - N.T.S. NOT TO SCALE
 - O.P.R.W.C. OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY
 - P.D. PEDESTAL
 - P.F. POWER POLE
 - P.V. POLYVINYL CHLORIDE PIPE
 - R.P. REINFORCED CONCRETE PIPE
 - R.P. REFLECTOR POST
 - R.O.W. RIGHT-OF-WAY
 - S.L. SEPTIC LID
 - T.E. TELEPHONE
 - T.R. TRANSFORMER
 - U.C.M. UNDERGROUND CABLE MARKER
 - V.P. VERTICAL PIPE
 - W.D. WOOD DECK
 - W.F. WATER FAUCET
 - W.M. WATER METER
 - W.V. WATER VALVE
 - RECORD INFO. DOC. NO. 2020015476 & 2017063575
 - RECORD INFO. VOL. 484, PG. 331
 - RECORD INFO. DOC. NO. 2021007714
 - RECORD INFO. DOC. NO. 2012039488
 - FOUND 1/2" IRON ROD (UNLESS NOTED)
 - FOUND 2" IRON PIPE
 - FOUND 600 GAL
 - SET 1/2" IRON ROD W/CAP "BGE INC"
 - CALCULATED POINT
 - EDGE OF ASPHALT
 - OVERHEAD TELEPHONE
 - OVERHEAD ELECTRIC
 - WIRE FENCE
 - BOARD FENCE
 - CHAIN LINK FENCE

LEGAL DESCRIPTION

FIELD NOTES FOR A 76.317 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF THE CALLED 105.75 ACRE TRACT OF LAND AS CONVEYED TO CHARLES MERVIN WALKER AND GRACE E. WALKER BY WARRANTY DEED RECORDED IN VOLUME 484, PAGE 331 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID 76.317 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 2-inch iron pipe found on the westerly right-of-way line of said County Road 133 at the occupied northeast corner of the above described Walker 105.75-acre tract, at the southeast corner of the called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. and Ashley R. Salisbury by Warranty Deed recorded in Document Number 2012039488 of the Official Public Records of Williamson County, Texas, for the northeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the westerly right-of-way line of said County Road 133, generally as occupied by farming activities, S 21°04'43" E, a distance of 588.64 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°25'30" E, a distance of 1,716.65 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°42'11" E, a distance of 1,716.64 feet to a 600 gal found for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°27'07" E, a distance of 657.52 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for the southeast corner of the herein described tract;

THENCE, departing the occupied westerly right-of-way line of said County Road 133, over and across said Walker 105.75-acre tract, S 68°32'53" W, a distance of 707.89 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west line of said Walker 105.75-acre tract, being the easterly line of the called 106.91 acre tract of land as conveyed to Jon Mark Liddell, Lynn Russell Liddell and Michael C. Liddell by Special Warranty Deed recorded in Document Number 2020015476 of the Official Public Records of Williamson County, Texas, for the northeast corner of the herein described tract, from which a 1/2-inch iron rod with a cap stamped "BGE INC" set on the northerly right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of said Liddell 106.91-acre tract, for the southwest corner of said Walker 105.75-acre tract bears S 21°37'44" E, a distance of 1,660.35 feet;

THENCE, with the west line of said Walker 105.75-acre tract and the east line of said Liddell tract, N 21°37'44" W, a distance of 4,877.08 feet to a 1-inch iron rod found on the south line of the called 14,502-acre tract of land as conveyed to Eagle Crest Investment, LLC by Special Warranty Deed with Vendor's Lien recorded in Document Number 2021007714 of the Official Public Records of Williamson County, Texas, at the northeast corner of said Walker 105.75-acre tract, at the northeast corner of said Liddell 106.91-acre tract, for the northeast corner of the herein described tract, from which an oak found at the southwest corner of said Eagle Crest Investment, LLC 14,502-acre tract and at the southeast corner of the remainder of a called 143.88-acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executors Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, bears S 68°14'19" W, a distance of 466.23 feet;

THENCE, with the north line of said Walker 105.75-acre tract and the south line of said Eagle Crest Investment, LLC 14,502-acre tract, N 68°22'08" E, a distance of 493.20 feet to a 1/2-inch iron rod found at the southeast corner of said Eagle Crest Investment, LLC 14,502-acre tract and at the southwest corner of said Salisbury 1.86-acre tract, for an angle point of the herein described tract;

THENCE, with the north line of said Walker 105.75-acre tract and the south line of said Salisbury 1.86-acre tract, N 68°20'40" E, a distance of 226.35 feet to the POINT OF BEGINNING and containing 76.317 acres of land, more or less.

LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	N 68°20'40" E	226.35'

RECORD LINE TABLE		
NUMBER	BEARING	DISTANCE
L1	N 70°40'14" E	226.50'

- GENERAL NOTES**
- BEARING ORIENTATION IS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4203, NAD83. COMBINED SCALE FACTOR = 0.99988116.
 - THE PROPERTY LIES IN UNSHADED ZONE "X" (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN) AS DESIGNATED ON THE FLOOD INSURANCE RATE MAPS FOR WILLIAMSON COUNTY, TEXAS, MAP NUMBER 48491C0010F, REVISED DECEMBER 20, 2019.
 - THIS SURVEY WAS MADE IN RELIANCE UPON THAT CERTAIN COMMITMENT FOR TITLE INSURANCE ISSUED BY OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY AND COUNTERSIGNED BY CAPSTONE TITLE UNDER FILE NO. 202022005, DATED EFFECTIVE JANUARY 21, 2021 AND ISSUED ON FEBRUARY 01, 2021.
 - NO EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION, OR BUILDING ADDITIONS WAS OBSERVED AT TIME OF SURVEY.

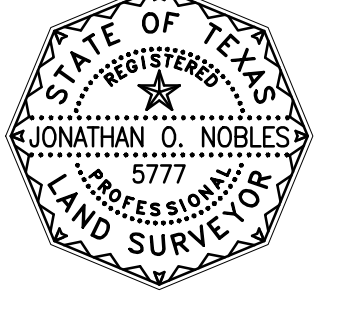
- RESTRICTIVE COVENANT AND EASEMENT SURVEY**
- RIGHT OF WAY EASEMENT GRANTED TO JONAH WATER SPECIAL UTILITY DISTRICT AS DESCRIBED IN DOCUMENT NUMBER 2020144555 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, DOES AFFECT THE SUBJECT TRACT BUT CANNOT LOCATION CANNOT BE DETERMINED FROM INFORMATION CURRENTLY AVAILABLE.
 - TERMS, CONDITIONS AND STIPULATIONS IN THE RESOLUTION NO. R-19-03-21-81 AS RECORDED IN DOCUMENT NUMBER 2020144555 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, TERMS, CONDITIONS AND STIPULATIONS DO AFFECT THE SUBJECT TRACT. (NOT PLOTTABLE)

To Waymaker Ventures, LLC, Old Republic National Title Insurance Company, Capstone Title:

This is to certify that this map or plot and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1-4, 7(a), 9 and 16 of Table A thereof. The field work was completed on February 18, 2020.

Date of Plot or Map: April 10, 2021

JONATHAN O. NOBLES RPLS NO. 5777
BGE, INC.
101 WEST LOUIS HENNA BLVD., SUITE 400
AUSTIN, TEXAS 78728
TELEPHONE: (512) 879-0400

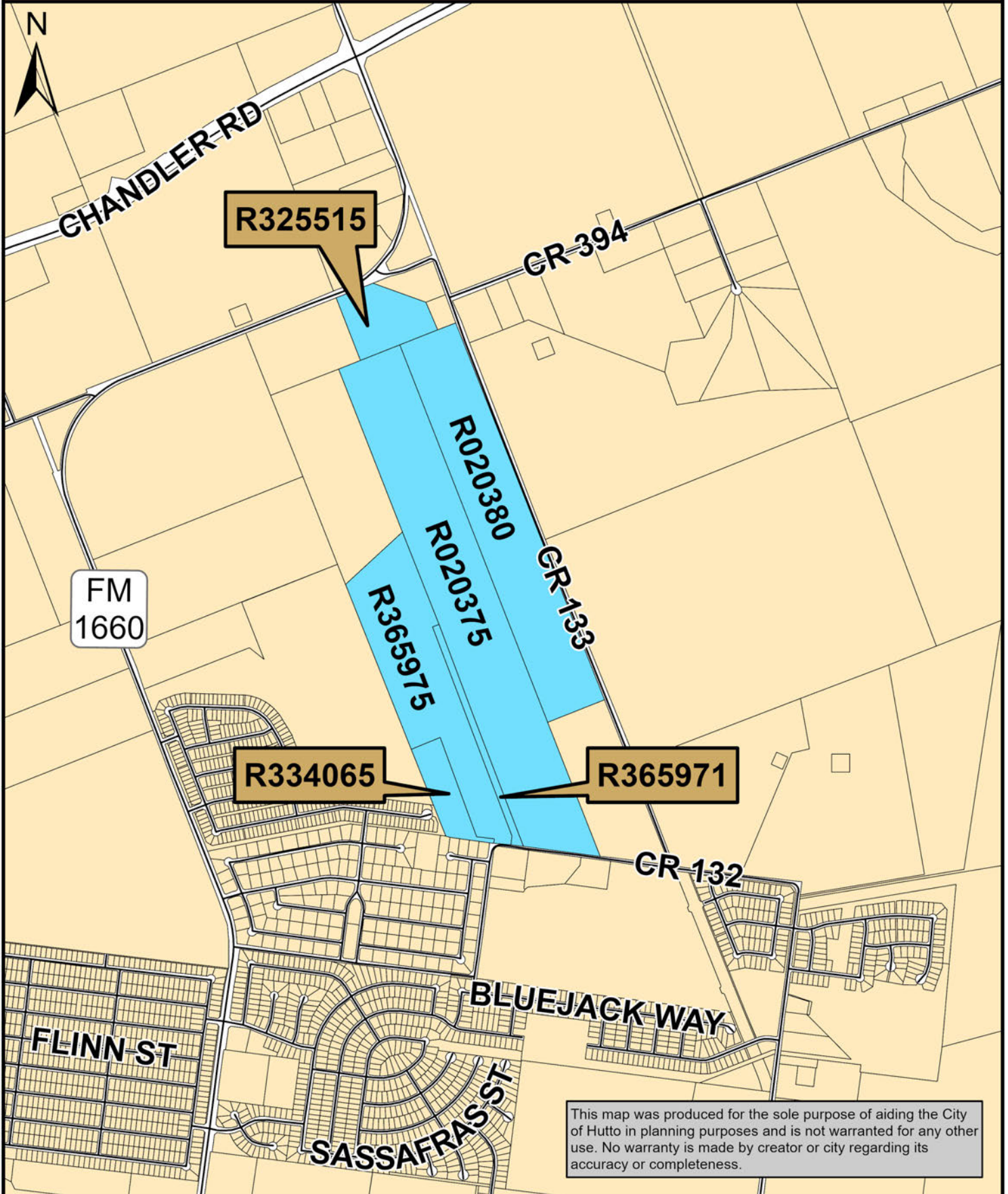


BGE, Inc.
101 West Louis Henna Blvd, Suite 400, Austin, TX 78728
Tel: 512-879-0400 • www.bgeinc.com
TSP/ELS Licensed Surveying Firm No. 10106502

ALTA/NSPS LAND TITLE SURVEY OF
76.317 ACRES OUT OF THE
JOHN DYKES SURVEY,
ABSTRACT 186, WILLIAMSON COUNTY
COUNTY ROAD 133
HUTTO, TEXAS

PARTY CHIEF:	M.G.	ISSUE DATE:	04/10/2021	SHEET	1
TECHNICIAN:	S.B.	SCALE:	1"=200'		
R.P.L.S.:	J.M.	JOB NUMBER:	8626-00		
FIELD BOOK NAME:	70				
BASE FILE:	\\VPS\Projects\Waymaker\BGE-101\Water_Firm\2021-03-21-81-WALKER.dwg				

Lidell Walker Annexation



AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-156 authorizing the City Manager to execute a Settlement and Release Agreement with AmaTerra Environmental, Inc. (Dorothy Palumbo)
Meeting: Thursday, October 7, 2021
Department: Legal
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. 3194_001
2. R-2021- Resolution Approving AmaTerra Settlement

SETTLEMENT AND RELEASE AGREEMENT

The parties to this Settlement Agreement and Release are as follows:

“Plaintiff” is AMATERRA ENVIRONMENTAL, INC. located in Travis County, Texas, including its successors in interest, agents, officials, employees and assigns.

“Defendant” is, CITY OF HUTTO, TEXAS, a home-rule municipality located Williamson County, Texas, including its successors in interest, agents, officials, employees and assigns.

“Parties” are the Plaintiff and Defendant referred to jointly.

RECITALS

WHEREAS, PLAINTIFF alleges breach of contract against DEFENDANT in connection with DEFENDANT’S failure to pay for services related to a Phase I Environmental Site Assessment of an approximately 5.5-acre property identified by the Williamson County Appraisal District as Property ID No. R331409 on Limmer Loop between Mager Lane and County Road 132, in Hutto, Williamson County, Texas. PLAINTIFF sought to recover Three Thousand Five Hundred Dollars (\$3,500.00) for the services rendered described above;

WHEREAS, the PARTIES, rather than litigate the question of liability and damages, and without admitting any wrongdoing by the Parties, desire to resolve this dispute at a minimum of costs, to avoid potential protracted litigation, and

WHEREAS, the PARTIES desire to enter into this Settlement and Release Agreement in full settlement and discharge of all claims and counterclaims (if any) which have, or might be made, by reason of the matters described above.

NOW, THEREFORE, the PLAINTIFF and DEFENDANT agree as follows:

1.0 Release and Discharge

- A. Each PARTY is hereby released and forever discharged from any and all past, present or future claims, counterclaims, demands, obligations, actions, causes of action, rights, damages, costs, losses of services, expenses and compensation which each PARTY now has, or which may hereafter accrue or otherwise be acquired, on account of, or may in any way grow out of the scope of this matter, as described in above, including without limitation, any and all known or unknown claims alleged by the PARTIES.
- B. This Release and discharge shall specifically apply to DEFENDANT, its past, present and future agents, servants, representatives, employees, subsidiaries, affiliates, successors in interest and assigns.

- C. This release on the part of PLAINTIFF shall be a fully binding and complete settlement by PLAINTIFF, including its heirs, assigns, and successors.
- D. PLAINTIFF further agrees that it accepts payment of the sum of money shown below and other good and valuable consideration specified herein as a complete compromise of matters described above.

2.0 Terms

- A. DEFENDANT will pay the sum of Three Thousand Five Hundred Dollars (\$3,500.00) on or before October 31, 2021, to be paid to PLAINTIFF as payment in full in consideration of PLAINTIFF'S claims.
- B. Upon receipt of full payment of Three Thousand Five Hundred Dollars (\$3,500.00), and in consideration of the mutual release set forth above, all claims described above, shall be dismissed with prejudice.

3.0 Acknowledgment of Settlement Terms & Conditions

- A. In entering into this Settlement and Release Agreement, PLAINTIFFS and DEFENDANTS represent that the terms of this Settlement and Release Agreement are fully understood and voluntarily accepted by PLAINTIFFS and DEFENDANTS.
- B. PLAINTIFFS and DEFENDANTS represent that they have consulted with or been given the opportunity to consult with their attorneys before executing this Settlement and Release Agreement.

4.0 Warranty of Capacity to Execute Agreement

- A. The PARTIES represent, warrant, and contract that no other person, attorney, law firm or entity has, or has had, any interest in the claims, demands, obligations, or causes of action referred to in this Settlement and Release Agreement, except as otherwise set forth herein or that if any such interest exists, it will be fully satisfied with this settlement agreement; that Defendant and City Manager Warren Hutmacher on behalf of THE CITY OF HUTTO, have the sole right and exclusive authority to execute this Settlement and Release Agreement; and that the PARTIES have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in this Settlement and Release Agreement.

5.0 Governing Law

- A. This Settlement and Release Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. Venue shall be Williamson County, Texas.

6.0 Additional Documents

- A. The PARTIES agree to cooperate fully and execute any and all supplementary documents and to take all additional action which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement and Release Agreement.

7.0 Effectiveness

- A. This Settlement and Release Agreement shall become effective immediately following execution by the PARTIES and completion of all terms set forth in Section 2.0 herein.

Accepted and Agreed:

CITY OF HUTTO, TEXAS

AMATERRA ENVIRONMENTAL, INC

By: _____

By: Jill Madden

Warren Hutmacher, City Manager

Jill Madden, President

THE STATE OF TEXAS §

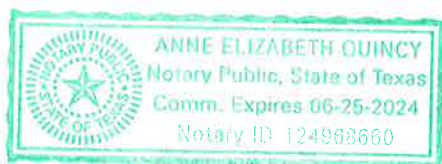
§

COUNTY OF WILLIAMSON §

§

BEFORE ME, the undersigned Notary Public, on this the 29 day of September ~~October~~ 2021, personally appeared Jill Madden, who being by me duly sworn on his oath depose and said that he has read the above and foregoing Settlement and Release Agreement and that every statement contained therein is within his personal knowledge and true and correct.

Date: September 29, 2021



Anne Elizabeth Quincy
Notary Public, State of Texas

RESOLUTION NO. R-2021-156

A RESOLUTION OF THE CITY OF HUTTO, TEXAS, APPROVING A SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE CITY OF HUTTO AND AMATERRA ENVIRONMENTAL, INC.; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to approve the Settlement and Release Agreement between the City of Hutto and AmaTerra Environmental, Inc., and authorize the City Manager to execute the Agreement (the “Agreement”) attached as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS, THAT:

SECTION 1: The findings set forth in the recitals of this Resolution are hereby found to be true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2: The Hutto City Council hereby approves and authorizes the City Manager to execute the Settlement and Release Agreement, attached as Exhibit “A”, a copy of same being attached hereto and incorporated herein for all purposes.

SECTION 3: The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

RESOLVED this 7th day of October, 2021.

Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action regarding possible appointments, re-appointments, and/or removals to City Boards, Commissions, Task Forces, Economic Development Corporations, Local Government Corporations, and Tax Increment Reinvestment Zone Boards, City Council Liaisons, Area Government appointments, and Advisory Committees.
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Boards Commissions List 9-29-21

BOARDS AND COMMISSIONS MASTER LIST as of 9/29/21					
			Term Ends		
Council Member Place 1		Robin Sutton	May-23		
Council Member Place 2		Dan Thornton	May-24		
Council Member Place 3		Mandi Villarreal Salvo	May-22		
Council Member Place 4		Peter Gordon	May-23		
Council Member Place 5		Krystal Kinsey	May-24		
Council Member Place 6		Tanner Rose	May-22		
Mayor		Mike Snyder	May-22		
Planning & Zoning Commission					
Meets: 1st Tuesday @ 7:00 p.m. of each month in City Council Chambers					
2 year terms per Charter					
Staff Liasion: Ashley Lumpkin					
Council Liasion: Peter Gordon					
			Appointed	Term Ends	
Place 1	Rick	Hudson	Chair	6/18/20	6/30/22
Place 2	Randal	Clark	Commissioner	6/18/20	6/30/22
Place 3	Brian	Lee	Commissioner	6/10/21	6/30/22
Place 4	Kurt	Schwerdtfeger	Commissioner	7/1/21	6/30/23
Place 5	Jerica	Lawyer	Commissioner	7/2/20	6/30/22
Place 6	David	Meyer	Commissioner	7/15/21	6/30/22
Place 7	Susanna	Boyer	Commissioner	6/3/21	6/30/22
After June 30, 2021, the Commissioners for Place 6 and Place 7 (Mayor) shall be appointed to a one-year term, and the Commissioner for Place 4 shall be appointed to a two-year term. After June 30, 2022, the Commissioner for Place 1 shall be appointed to a one-year term, the Commissioners for Place 2 and Place 5 shall be appointed to two-year terms, and the Commissioners for Place 3, Place 6, and Place 7 (Mayor) shall be appointed to three-year terms.					
Parks Advisory Board					
Meets: 2nd Wednesday @ 7:00 p.m. of each month in City Council Chambers					
3 year terms					
Staff Liasion: Tony Host					
Council Liasion:					
			Appointed	Term Ends	
Place 1	Katie	Weiss	Vice Chair	7/15/21	6/20/24
Place 2	Vacant		Member	1/23/20	6/30/24
Place 3	David	Meyer	Member	9/17/20	6/30/22
Place 4	Deborah	McPherson	Member	8/19/21	6/30/23
Place 5	Sharon	Dyer	Member	6/17/21	6/30/24
Place 6	Rose	McMillin	Member	6/20/19	6/30/22
Place 7	Perry	Savard	Chair	6/20/19	6/30/22

Library Advisory Board					
Meets: Quarterly @ 6:00 p.m. in City Council Chambers					
3 year terms					
Staff Liasion: Kristi Robich					
Council Liasion: Tanner Rose					
				Appointed	Term Ends
Place 1	Vacant		Member		6/30/23
Place 2	Nelida	Ortiz	Member	7/15/21	6/30/24
Place 3	Tara	Chappell	Vice Chair	7/3/19	6/30/22
Place 4	Scott	Rose	Member	9/17/20	6/30/23
Place 5	Havala	Merit	Member	6/17/21	6/30/24
Place 6	David	Westbrook	Member	11/7/19	6/30/22
Place 7	Brian	Thompson	Member	2/27/20	6/30/22
Zoning Board of Adjustment					
Meets: 4th Weds @ 7:00 p.m. of each month in City Council Chambers					
2 year terms per LGC Sect. 211.008(b)					
Staff Liasion: Ashley Lumpkin					
Council Liasion:					
				Appointed	Term Ends
Place 1	John	Marines	Member	6/3/21	6/30/22
Place 2	Brian	Lee	Member	6/7/21	6/30/24
Place 3	Robert	Balcer	Member	8/19/21	6/30/22
Place 4	Vacant		Member	5/20/21	6/30/23
Place 5	Ray	Alba	Member	6/17/21	6/30/23
Place 6	Maureen	Rooker	Member	6/20/19	6/30/22
Place 7	Randal	Clark	Member	9/19/19	6/30/22
Historic Preservation Commission					
Meets: 4th Tuesday @ 6:30 p.m. of each month in City Council Chambers					
3 year terms					
Staff Liasion:					
Council Liasion: Robin Sutton					
				Appointed	Term Ends
Place 1	DeAnne	Worley	Commissioner	7/3/19	6/30/22
Place 2	Jon	Stephenson	Commissioner	5/20/21	6/30/24
Place 3	Curtis	Orton	Commissioner	9/20/18	6/30/22
Place 4	Robert	Lykins	Commissioner	5/20/21	6/30/23
Place 5	Kathy	Hoover	Commissioner	9/16/21	6/30/24
Place 6	Travis	Allen	Commissioner	6/20/19	6/30/22
Place 7	Vacant		Commissioner		

Building and Standards Commission					
Meets: As Needed in City Council Chambers (at least once a year)					
2 year terms per LGC Sect. 54.033					
Staff Liasion: Ashley Lumpkin					
Council Liasion: None					
				Appointed	Term Ends
*Place 1	Vacant		Commissioner	1/3/19	6/30/21
Place 2	Vacant		Commissioner	9/20/18	6/30/21
Pending Registration	Place 3	Kendrick Whittington	Commissioner	8/2/18	6/30/22
Place 4	Kurt	Schwerdtfeger	Commissioner	7/1/21	6/30/23
Place 5	Vacant		Commissioner	9/20/18	6/30/21
Place 6	Maureen	Rooker	Commissioner	6/20/19	6/30/22
Place 7	Richard	Hudson	Commissioner	6/20/19	6/30/22
* Filled unexpired term					
Ethics Review Commission					
Meets: As needed in City Council Chambers (at least once a year)					
3 year terms					
Staff Liasion: City Secretary					
Council Liasion: None					
				Appointed	Term Ends
* Place 1	Jane	Wrinkle	Member	2/4/21	6/30/23
** Place 2	Lori	Brown-Duncan	Vice Chair	9/20/18	6/30/21
Place 3	Bill	Kohl	Member	7/11/19	6/30/22
Place 4	Christina	Garza	Member	12/17/20	6/30/23
Place 5	Abel	Landin	Member	6/17/21	6/30/24
Place 6	April	Willis	Member	8/15/19	6/30/22
Place 7	Kelly	Lewis	Member	8/19/21	6/30/22
Economic Development Corporation					
Meets: 1st Monday at 6:30 p.m. of each month in City Council Chambers					
Staff Liasion: Stacy Schmitt					
Council Liasion:					
				Appointed	Term Ends
Place 1	Cheney	Gamboa	Member	8/19/21	6/30/23
Place 2	Mike	Arismendez	Chair	6/3/21	6/30/23
Place 3	Shawn	Lucas	Member	6/10/21	6/30/23
Place 4	Don	Carlson	Vice Chair	7/1/21	6/30/23
Place 5	Randal	Clark	Member	6/17/21	6/30/23
Place 6	Victor	Henry	Member	9/16/21	6/30/23
Place 7	Mike	Snyder	Member	7/1/21	6/30/23

Communications/Technology Task Force					
Meets once a month.					
1 year term- appts in Feb.					
Council Liasion: Peter Gordon					
				Appointed	Term Ends
Place 1	Jane	Wrinkle	Member	2/4/21	2/1/22
Place 2	Vacant				2/1/22
Place 3	Vacant		Member		2/1/22
Place 4	Andrew	Ingrassia	Member	6/10/21	2/1/22
Place 5	Vacant				
Place 6	Jerica	Lawyer	Member	7/15/21	2/1/22
Place 7	Dana	Wilcott	Member	7/15/21	2/1/22
ADA/Electronic and Information Resource Task Force					
Meets once a month					
1 year term-Appts in Feb					
Council Liasion: Dan Thornton					
				Appointed	Term Ends
Place 1	Jane	Wrinkle	Member	2/4/21	2/4/22
Place 2	Laurie	Stockman	Member	2/25/21	2/4/22
Place 3	Vacant		Member		
Place 4	Vacant		Member		2/6/22
Place 5	Vacant		Member		
Place 6	Vacant		Member		
Place 7	Vacant		Member		
Diversity and Inclusion Commission					
Meets monthly					
3 yr terms					
Council Liasion:				Appointed	Term Ends
Place 1	Ana	Gonzales	Member	11/19/21	6/30/24
Place 2	Tara	Spoons	Member	9/17/20	6/30/23
Place 3	Vacant		Member		6/30/24
Place 4	Brian	Thompson	Member	8/27/20	6/30/23
Place 5	Vacant		Member		6/30/23
Place 6	Vacant		Member		6/30/24
Place 7	Marliese	Prieto	Member	8/5/21	6/30/24
Tax Increment Reinvestment Zone (TIRZ) #1					
3 appts from City					
2 appts from County *+					
2 yr terms				Appointed	Term Ends
	Russ	Boles	Member	2/14/20	2/14/22
*+	Scott	Heselmeyer	Member	3/2/21	3/2/23
	VACANT		Chair		2/1/22
	Rick Hudson		Member	2/10/20	2/10/22
	Mandi Villarreal Salvo		Member	4/1/21	2/1/22
Emergency Preparedness Task Force					
Meets					
3 year terms					
Council Liasion: Mike Snyder				Appointed	Term Ends
Place 1	Vacant		Member		6/30/23
Place 2	Matthew	Selby	Member	7/15/21	6/30/23
Place 3	Donna	Jones	Member	6/17/21	6/30/23
Place 4	Thomas	Quoma	Member	6/3/21	6/30/24
Place 5	Stevie	Jones	Member	6/17/21	6/30/24
Place 6	Vacant		Member		6/30/24
Place 7	Vacant		Member		6/30/24

AGENDA ITEM REPORT



To: City Council
Subject: Quarterly Update regarding On-Demand Engineering. (Ashley Lumpkin)
Meeting: Thursday, October 7, 2021
Department: Development Services
Staff Contact: Ashley Lumpkin

BACKGROUND INFORMATION:

The quarterly update is presented in response to City Council's request for quarterly updates on the on-demand engineering contracts.

SUMMARY OF REQUEST:

The City of Hutto executed several Master Service Agreements (MSA) with six different firms in July 2021. Individual task orders have since been executed with each firm to provide review and staff augmentation on an as-needed basis. Currently, Kimley Horn has provided one invoice for a TIA review under the existing task order and that was paid out at \$1,835. The Purchase Order for the FY20-21 was set to \$3,000 knowing the fiscal year was nearly complete. There will be other invoices upcoming. However, as the work product was not received in FY20-21, those costs will be shown in FY21-22 and reflected in new purchase orders.

Garver has also provided staff augmentation under the existing MSA and that has been paid out in the amount of \$18,522.00 for staff augmentation.

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

None

AGENDA ITEM REPORT



To: City Council
Subject: Presentation of Phase 1 Water Project Update. (Wade Benton)
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

None

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on a request from the Diversity & Inclusion Commission for potential funding for the Treats on East event.
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

None

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on executing a professional services agreement with DCS Engineering, LLC to update the Water and Wastewater Impact Fee Study. (Ashley Lumpkin)
Meeting: Thursday, October 7, 2021
Department: Development Services
Staff Contact:

BACKGROUND INFORMATION:

The City of Hutto executed an Agreement for Professional Services in June 2020 to update the Waste and Wastewater Impact Fee study, which had not been updated since 2013. This contract will serve to update the impact fee study to reflect projects later identified as required to be a part of the study in order to potentially utilize impact fee funds as a mechanism for reimbursement. This is a reduced scope of the original agreement and the work completed.

Currently, those projects are:

- RSI Development
- Lydell Walker Development
- Meritage Development
- Wallin Development
- Southeast Loop Interceptor, Lift Station, and Forcemain
- 16" HOT transmission line relocation on CR 404

The proposed agreement is attached to this item.

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

The \$40,880 will be funded from the existing budget.

POLICY IMPLICATIONS:

ATTACHMENTS:

1. DCS Impact Fee Contract

**PROFESSIONAL SERVICES
SUPPLEMENTAL AGREEMENT # 1
FOR
WATER AND WASTEWATER IMPACT FEE STUDY**

**STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §**

This Supplemental Agreement No. 1 to a contract for Professional Services is made by and between the City of Hutto, Texas ("City") and DCS ENGINEERING, LLC ("Consultant"). City and Consultant may be referred to herein singularly as "Party" or collectively as the "Parties."

WHEREAS, the City and Consultant executed an Agreement for Professional Services ("Agreement") on the 18 day of June, 2020 for the Water and Wastewater Impact Fee Study("Project") in the amount of \$79,340.00 ; and

WHEREAS, the City and Consultant desire to enter into a Supplemental Agreement # 1 for Professional Services for the Project to add \$40,880.00, on the 7th day of October, 2021 for the Scope and Services and Compensation to the Agreement; and

NOW, THEREFORE, premises considered, the City and the Consultant agree that said Agreement is amended as follows:

1.

Article III. Scope of Services and Appendix A, shall be amended as set forth in the attached addendum to Appendix A.

Article IV. Compensation to Consultant and Appendix B (Fee Schedule), shall be amended by adding \$40,880.00 to the amount payable under the Agreement for a total of \$120,220.00, as shown by the attached Addendum to Appendix B (Fee Schedule).

2.

Except as amended hereby and as previously amended as indicated above, the terms of the Agreement shall remain unchanged and in full force and effect.

EXECUTED and **AGREED** to as of the dates indicated below.

CITY OF HUTTO

DCS ENGINEERING, LLC

_____	
(Signature)	(Signature)
Printed Name: _____	Printed Name: <u>Darren Stroems/LLC</u>
Title: _____	Title: <u>Principal</u>
Date: _____	Date: <u>9/29/21</u>

APPROVED AS TO FORM:

Attorney for City of Hutto

City of Hutto

Water and Wastewater Impact Fee Study

Appendix A – Scope of Services

In accordance with the Professional Services Agreement for the Water and Wastewater Impact Fee Study between City and Engineer ("Agreement"), City and Engineer agree as follows:

The following adjustments are needed for scope of work additions to update the Water and Wastewater Impact Fees. The changes will adjust the lump sum engineering fee in DCS's Professional Services Agreement for the Water and Wastewater Impact Fee Study contract executed on June 18, 2020.

ADDITIONS:

1. Specific Project Data

A. Description

DCS Engineering, LLC (DCS) understands that the City of Hutto (City) is seeking to update the existing water and wastewater impact fees, consistent with the requirements of Chapter 395 of the Texas Local Government Codes to reflect development agreements recently approved by the City Council which include reimbursement to the Developer for infrastructure that is providing new capacity for future connections. The City seeks to do this by updating study areas, updating an existing conditions analysis, determining the growth in water and wastewater flows for the 10-year planning period, reviewing and updating the water and wastewater impact fee capital improvements program, updating the service unit equivalency table and calculating the maximum fee per service-unit for the water and wastewater systems. The study will be coordinated through a Capital Improvements Advisory Committee (appointed by the City) and culminate with adoption through a public hearing process.

2. Services of Engineer

- A. Project Kick-Off Meeting: DCS will meet with the City to review scope, project team, schedule of the project, and discuss the data request memorandum.
- B. Data Collection: DCS will compile information from the City including recently completed water and wastewater system improvements/studies, existing impact fee study, and information on service unit equivalents.
- C. Prepare Land Use Assumptions for Impact Fees: DCS will utilize the land use assumptions developed for the water and wastewater master plans to develop 10-year land use assumptions for the impact fee study.
- D. Identify Existing Projects Eligible for Impact Fee Cost Recovery: DCS will review recently completed water and wastewater improvements/studies and determine which projects are eligible for future cost recovery from growth.
- E. Conduct Water and Wastewater Impact Fee Capacity Analysis for Existing Projects: DCS will utilize the water and wastewater models to analyze recently completed projects for remaining capacity for impact fee cost recovery for 10-year projected growth.
- F. Develop Water and Wastewater Impact Fee CIP: DCS will develop an impact fee CIP based on the improvements recommended as part of the water and wastewater master plans for the service areas. Impact fee eligible improvements are intended to serve growth within the next 10 years. Maps will be prepared showing the proposed water and wastewater capital improvement plan projects included in the impact fee calculation.
- G. Progress Meeting: Water and Wastewater Impact Fee CIP: DCS will meet with the City to review the Impact Fee CIP maps including existing projects eligible for impact fee recovery.
- H. Conduct Water and Wastewater Impact Fee Capacity Analysis for Proposed Projects: DCS will utilize the water and wastewater models to analyze proposed water and wastewater improvements for eligible capacity for impact fee cost recovery for 10-year projected growth.
- I. Calculate Project Costs Eligible for Impact Fee Cost Recovery: DCS will utilize the capacity analysis and capital project costs to calculate the percentage of project cost eligible for impact fee cost recovery.
- J. Develop Service Unit Equivalents (SUEs) for Water and Wastewater Systems: DCS will utilize equivalent capacity of water meters to establish the service unit equivalents (SUEs) required in Chapter 395 of the Local Government Code for both existing and 10-year growth conditions for each service area.
- K. Calculate Maximum Allowable Impact Fees: DCS will develop maximum allowable

impact fees by service area using the 50% credit method based on the existing and proposed capital improvement costs to support 10-year growth based on projected increase in SUEs.

- L. Develop Draft Impact Fee Report: DCS will prepare a Draft Water and Wastewater Impact Fee Report showing land use assumptions, water and wastewater impact fee eligible capital improvement costs, and maximum allowable water and wastewater impact fees. An electronic PDF copy and three (3) hard copies of the draft report will be delivered to City.
- M. Progress Meeting: Draft Report: DCS will meet with City to discuss Draft Report and solicit comments.
- N. Finalize Impact Fee Report: DCS will prepare a final Water and Wastewater Impact Fee Report and deliver an electronic PDF copy and ten (10) hard copies to the City.
- O. Capital Improvements Advisory Committee Presentations: DCS will conduct up to two presentations to the Capital Improvements Advisory Committee and/or the City Council. Topics may include impact fee program overview, summary of land use assumptions and capital improvements plan, or impact fee analysis and results. DCS will prepare presentation materials and exhibits for the Capital Improvements Advisory Committee presentations.
- P. Stakeholder Meeting: DCS will attend one stakeholder meeting to present the impact fee process and findings. DCS will prepare presentation materials and exhibits for the stakeholder presentation.
- Q. City Council Meetings: DCS will attend two Public Hearing to present and address questions about the land use assumptions, capital improvements plan, and impact fee calculations. DCS will prepare presentation materials and exhibits for the council presentations.

3. **SubConsultants:**

- A. Financial Analysis – NewGen Strategies & Solutions (NewGen)

4. **Other Modifications to Agreement:**

None

TIME OF PERFORMANCE:

Services are expected to be rendered by Professional and commence on the date this Supplemental Agreement is executed, or within a reasonable time thereafter. Services are to be completed as outlined below.

The timeline is based on receiving the notice to proceed by October 8, 2021. A draft report will be provided to the City by January 6, 2022 and a final report date by February 7, 2022. The services for the Impact Fee Study and draft report (3 months), client review and DCS response to comments in final report (1 month), and City Council approval will be performed over a total of 4 months.

Appendix B – Fee Schedule

The below tasks in DCS's fee table are hereby added to the agreement per the above changes and will be reflected on the first invoice after approval of the Supplemental Agreement by the City.

Task	Description	Lump Sum Fee
250	Kick off Meeting and Data Acquisition	\$1,540.00
255	Water Impact Fee Study	\$9,250.00
260	Wastewater Impact Fee Study	\$9,440.00
265	Draft Report and Coordination Meetings	\$6,485.00
270	Capital Improvements Advisory Committee Presentations	\$1,600.00
275	Final Draft and City Council Approval	\$2,565.00
805	Financial Analysis (NewGen)	\$10,000.00
	Total Lump Sum Fee =	\$40,880.00

AGENDA ITEM REPORT



To: City Council
Subject: Discussion regarding drainage ditches within the city. (Wade Benton)
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

None

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action regarding amending the personnel policy.(Mayor Snyder)
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Employee Handbook - Sept. 1 2016_Revision 2.15.19



City of Hutto Employee Policies & Procedures Handbook

Adopted by the City Council on September 1, 2016

City of Hutto
Employee Policies & Procedures Handbook

TABLE OF CONTENTS

Objectives	1
Accident Reporting	2
Accidents Involving City Equipment or Vehicles	3
Administrative Leave	4
Amendment of Policies	5
Americans with Disabilities Act	6
Application of Policies	7
Attendance and Work Hours	8
At-Will Employment	10
Cell Phone Use in the Workplace	11
City Property/Equipment Use	12
Classification and Compensation Administration	15
Compensatory Time	21
Complaint Resolution	23
Confidentiality of Medical Information	24
Conflict of Interest	25
Core Values	26
Dress, Appearance and Uniforms	27
Drug and Alcohol Policy for DOT Employees	32
Drug and Alcohol Use Policy	40

Education Reimbursement Program	46
Electronic Communications and Systems Access Use	48
Employee Assistance Program (EAP)	51
Employee Conduct and Work Rules/Disciplinary Action	52
Employee Safety	57
Employee Volunteer Paid Leave Policy	60
Employment Status	62
Equal Employment Opportunity	64
Exit Interviews	65
Extended Leave of Absence.....	66
Family and Medical Leave Act.....	68
Fitness for Duty and Health/Medical Examinations	80
Fraud Prevention.....	81
Funeral/Bereavement Leave	82
Gifts.....	83
Group Health Continuation Coverage	84
Holidays	85
Inclement Weather/Emergency Closing	87
Injury Leave (On the Job)	88
Insurance	89
Jury Duty.....	90
Light Duty Assignments	91
Longevity Pay	92

Management Authority	93
Media Policy Statement	94
Military Leave.....	95
Nepotism	97
On-Call & Call Back Compensation (Non-Exempt Employees)	100
Outside and Self-Employment.....	102
Overtime and Time Management	103
Payroll	105
Political Activity	107
Private Telephone	108
Promotions	109
Recruitment and Selection	110
Residency Requirement	112
Retirement.....	113
Searches	114
Separations.....	115
Sexual and Other Unlawful Harassment.....	117
Sick Leave.....	120
Smoking	125
Social Security: Participation and Non-Participation	126
Solicitation	127
Texas Municipal Retirement System (TMRS)	128
Travel	129

Vacation Leave	133
Valid Driver's License	135
Volunteers	136
Weapons Control	137

CITY OF HUTTO EMPLOYEE POLICIES & PROCEDURES HANDBOOK

This Employee Policies & Procedures Handbook is a general guide, and **the provisions of this Handbook do not alter the at-will employment relationship or constitute an employment agreement, a contract, or a guarantee of continued employment.** The City of Hutto reserves the right to change the provisions of this Handbook at any time and without prior notice. The provisions contained in this policy manual are applicable to all employees. Any promise which conflicts with the provisions in this policy manual are effective only if in writing and signed by the Mayor or City Manager.

The objectives of the Employee Policies & Procedures Handbook are as follows:

- To promote good and uniform personnel practices and administration in the management of the City's human resources.
- To develop a program of recruitment, advancement and tenure that will make municipal employment attractive as a career and encourage each employee to render such employee's best services to the citizens of the City.
- To provide equitable and adequate compensation based upon individual merit and the relative duties and responsibilities of positions in the service of the City.
- To promote high morale by the consistent administration of these policies and through consideration of the rights and interests of all employees.
- To provide that tenure of employees covered by these policies shall be subject to good behavior, satisfactory performance, necessity for the position, and availability of funds.

All City employees are required to comply with the Employee Policies and Procedures Handbook. Failure to comply may result in disciplinary action up to and including termination.

ACCIDENT REPORTING

All accidents and injuries, however slight or seemingly inconsequential, **must be reported as soon as possible but no later than 24 hours after the accident or injury** to the employee's immediate supervisor and to the Human Resources Division. Failure to report any accident or injury within 24 hours of its occurrence may lead to disciplinary action, up to and including termination of employment. Such reports are necessary so that the City can remain in compliance with applicable laws and begin workers' compensation benefit procedures where appropriate.

Employees who violate safety standards, who cause or exacerbate hazardous or dangerous situations, or who fail to report or, where appropriate, correct such situations, will be subject to immediate disciplinary action, up to and including termination of employment.

See the section entitled Employee Safety for further guidance.

ACCIDENTS INVOLVING CITY EQUIPMENT OR VEHICLES

Any employee involved in an accident while operating City equipment or vehicles shall report the accident immediately to his/her supervisor and to the proper law enforcement agency. The employee must immediately complete an accident report, no matter how minor the damage is to the vehicle or equipment and submit to his/her supervisor and to the Human Resources Division. The sections entitled Drug and Alcohol Policy for DOT Employees and Drug and Alcohol Use Policy may require alcohol and drug testing following an accident.

Drivers must obey all traffic rules and regulations prescribed by law and use every reasonable safety measure to prevent accidents. No one under the age of 17 may operate a City vehicle. Wearing of seat belts is mandatory.

Any traffic fines imposed upon a City employee while operating a City vehicle will be the personal responsibility of the employee and not the City. Any employee involved in any type of accident involving City equipment may be disciplined if, upon investigation, it is determined that the employee was negligent or through carelessness or recklessness contributed to the cause of the accident.

See the section entitled Employee Safety for further guidance.

ADMINISTRATIVE LEAVE

The City may grant administrative leave with pay to an employee, as a matter of discretion by the City Manager or Assistant City Manager following a recommendation by the employee's Department Head, when no other paid leave category is available or applicable and leave without pay would not be appropriate. The City Manager may also authorize administrative leave without pay. This policy should be read in conjunction with the City's Unpaid Leave and Separations Policies.

Administrative leave granted to an employee will be put in writing and forwarded to the Human Resource Division for proper payroll processing and placement in the employee's personnel file.

AMENDMENT OF POLICIES

Amendments to the Employee Policies & Procedures Handbook must be approved by ordinance. The City Council makes all personnel policies while the City Manager is responsible for the implementation of the policies.

AMERICANS WITH DISABILITIES ACT

To ensure compliance with the Americans with Disabilities Act and Americans with Disabilities Act as Amended (ADAAA), the City offers equal employment opportunity to qualified individuals and strictly prohibits discrimination against qualified individuals on the basis of disability. Any employee seeking a reasonable accommodation for a disability that affects the employee's ability to perform the essential functions of the position shall make either a verbal or written request. Any verbal request for a reasonable accommodation must be followed by a written application on a form provided by the Human Resources Division.

The City will provide a reasonable accommodation to the known physical or mental impairments of an otherwise qualified individual with a disability if such reasonable accommodation will enable the individual to perform the essential functions of the position at issue. The City will not deny employment opportunities on the basis of the need to provide reasonable accommodation to the individual's physical or mental impairments, unless it would cause an undue hardship to the City, or constitute a threat to the safety of the disabled person or other persons.

Employees who have a complaint involving potential violations of the Americans with Disabilities Act or ADAAA, including but not limited to harassment, discrimination, or failure to provide a reasonable accommodation, must immediately report such complaint as outlined in the City's Sexual and Other Unlawful Harassment Policy which is contained in the Employee Policies & Procedures Handbook.

APPLICATION OF POLICIES

The Employee Policies & Procedures Handbook shall apply consistently and uniformly to all City employees, provided that the provisions may be varied in the case of an employee with a written employment agreement approved by the City Council. All employees must become familiar with and abide by these policies. The City reserves the right to revise or rescind any policy at any time. The City also reserves the right to make final decisions as to the interpretation and intent of all information contained in the Employee Policies & Procedures Handbook.

The City Council reserves the rights to interpret, change, suspend, or cancel, without notice, all or any part of these policies, procedures or benefits discussed herein.

ATTENDANCE AND WORK HOURS

A. Regular Work Hours – Non-exempt employees of the City normally work 40 hours in a seven-day work week. Exempt employees may be required to work in excess of 40 hours in certain weeks and are required to work a minimum of 80 hours in a two week pay period. The work week begins at 12:00 a.m. on Monday and ends at 11:59 p.m. the following Sunday. The regular workday normally begins at 8:00 a.m. and ends at 5:00 p.m. although employees in some departments may have different work hours. (For example, most non-exempt police officers work a 12-hour shift.) In times of disaster or emergency, work hours shall be determined by the City Manager.

B. Adjustment to Work Hours - In order to assure the continuity of City services, it may be necessary for Department Directors to establish other operating hours for their departments. Work hours and work shifts must be arranged to provide continuous service to the public. Employees are expected to cooperate when asked to work overtime or a different schedule. Acceptance of work with the City includes the employee's acknowledgement that changing shifts or work schedules may be required and includes that he/she will be available to do such work. If an employee works a schedule that is different than the standard eight-hour work day (excluding police officers in the Patrol Division who work shifts), that schedule must be submitted in writing to the Department Director for consideration. Upon Department Director consideration, the request is forwarded to the City Manager for approval on a case-by-case basis focusing on providing enhanced service to the customers. A copy of the approved schedule must be forwarded to the Human Resources Division to be placed in the employee's personnel file.

C. Meal Periods - Full-time employees (excluding most non-exempt police officers) are normally provided a one-hour unpaid meal break near the middle of the work day. Meal periods may be staggered by the Department Director in order to minimize departmental interruption. Supervisors will provide employees with the starting and ending times for their specific meal periods. Employees will be relieved from work responsibilities during unpaid meal breaks. Employees may not extend meal breaks beyond their assigned period.

D. Breaks - Employees who work a minimum of eight hours per day may, depending on individual departmental work schedules and at the discretion of their supervisor, take up to two fifteen minute paid breaks each day, one during the first part of the work day and the other during the latter part of the work day. Part-time employees who work a minimum of four hours per day may, depending on individual departmental work schedules and at the discretion of their supervisor, take one fifteen minute paid break each day.

E. Attendance

1. Attendance Records - Employees are expected to be at their workstations and ready to work at their scheduled start time. All employees are required to record the actual number of hours worked each day. All hours worked must be recorded. Absences from work as well as times that the employee arrives late to work or leaves early must be reflected on their timesheet. Supervisors are responsible for reviewing employee timesheets and approving them as being accurate.

2. Attendance and Punctuality - To maintain a safe and productive work environment, the City expects employees to be reliable and punctual in reporting to work. Absenteeism and tardiness are disruptive and place a burden on the City and on coworkers. Either may lead to disciplinary action, up to and including termination of employment. In the rare instance when an employee cannot avoid being late to work or is unable to work as scheduled, the employee must notify his/her supervisor (or designee) as soon as possible in advance of the anticipated tardiness or absence in accordance with Departmental procedures. The employee must disclose to his/her supervisor the reason for the absence or tardiness and the date and time of his/her anticipated arrival. For absences of a day or more the employee must notify his/her supervisor (or designee) on each day of his/her absence unless the supervisor expressly waives this requirement. The requirement of the employee to notify his/her supervisor (or designee) may only be waived in a situation deemed to be a medical emergency or in a situation where the employee is physically unable to give such notification. The supervisor is required to submit documentation of such a waiver to the Human Resources Division to be included in the employee's personnel file.

In most instances, an employee who fails to properly notify his/her supervisor in advance of an absence or tardy will be subject to disciplinary action up to and including termination of employment. An employee who fails to notify the City of an absence of five days or more will have voluntarily resigned his/her employment.

F. Absent From Work in excess of 180 Days – Any employee who is absent from work on a leave of absence for a period of 180 calendar days, regardless of the reason, and is unable to return to work after 180 calendar days within a 12-month period will be terminated. See the Extended Leave of Absence Policy. This policy will be administered consistently with the City's obligations under the Americans with Disabilities Act and USERRA.

Also see the section entitled Separations, paragraph (C) (2).

AT-WILL EMPLOYMENT

Employment with the City is for no fixed or definite term. All employment by the City has been and continues to be at-will, except for those positions that may have a written contract approved by the City Council. That means that both the employee and/or the City have the right to terminate employment at any time, with or without notice, and with or without cause. **This Employee Policies & Procedures Handbook does not constitute a contract of employment. Nothing in this handbook is intended to alter the continuing at-will status of employment with the City.**

Although adherence to these policies is considered a condition of continued employment, nothing in these policies alters an employee's status and shall not constitute nor be deemed a contract or promise of employment. Employees remain free to resign their employment at any time for any or no reason, without notice, and the City retains the right to terminate any employee at any time, for any or no reason.

CELL PHONE USE IN THE WORKPLACE

The City recognizes that many employees have cell phones that they bring to work. Cell phones may belong to the employee or be provided for the employee's use by the City. The use of cell phones, including those with a camera, at work must not interfere with job duties or performance. Employees must not allow cell phone use to become disruptive or interfere with their own or a coworker's ability to do their jobs. Employees who use cell phones to violate City policy, including the City's Sexual and Other Unlawful Harassment Policy, will be subject to disciplinary action, up to and including termination.

Minimal personal use of a City-issued cell phone is allowed under this policy as long as such use is not excessive and does not impede job performance or the performance of City business. International long-distance phone calls are not allowed.

Use of personal cell phones while operating City vehicles or equipment is prohibited.

CITY PROPERTY/EQUIPMENT USE

The City attempts to provide employees with adequate tools, equipment, vehicles and facilities for the City job being performed, and the City requires all employees to observe safe work practices and lawful, careful and courteous operation of vehicles and equipment. Any City-provided safety equipment must be used at all times.

From time to time, the City may issue various pieces of equipment or other property to employees, e.g., credit cards, keys, tools, security passes, manuals, written materials, telephone cards, uniforms, mobile telephones, computers, and computer-related equipment. Employees are responsible for items formally issued to them by the City, as well as for items otherwise in their possession or control or used by them in the performance of their duties. At the time of issuance, employees may be required to sign certain forms or other documentation evidencing their receipt of property and/or equipment and authorizing a payroll deduction for the cost of lost, damaged, or unreturned items. In addition to payroll deductions, the City may take any other action it deems appropriate or necessary to recover and/or protect its property.

Employees must notify their supervisor immediately if any vehicle, equipment, machine, tool, etc. appears to be damaged or defective, or is in need of maintenance or repair. The appropriate supervisor can answer questions about an employee's responsibility for maintenance and care of equipment used on the job. The improper, careless, negligent, destructive, or unsafe use or operation of equipment will likely result in disciplinary action, up to and including termination of employment.

A. Personal Use Prohibited - City property, materials, supplies, tools, equipment or vehicles may not be used for personal business.

B. Tobacco Use Prohibited - The use of all tobacco products (including smokeless) is prohibited while operating and/or being a passenger in City owned vehicles and/or equipment.

C. Vehicle Allowance - An employee may be given a monthly allowance for consistently using such employee's own vehicle for City business if the use is deemed necessary by the City Manager. The amount of the allowance shall be determined by the City Manager.

D. Take Home Vehicles - A City vehicle may be assigned to a position or employee when it is more economical than payment of a car allowance or mileage reimbursement. To be eligible for assignment of a take-home vehicle, an employee must be subject to emergency call back during off duty hours to locations other than the employee's normal work station. No personal use of a take-home vehicle is permitted except to commute to and from home or work. A City vehicle is not to be used for personal business such as going to the bank, grocery store, etc. without prior written approval of the Department Director. No passengers may be transported in take-home vehicles except as required by official duties. No alcoholic beverages are allowed in City vehicles. As indicated in the Drug & Alcohol Use Policy, Police Department employees may be required to be in possession of alcohol and/or drugs in carrying out their job duties. Such employees will be exempted from certain portions of this policy under certain limited conditions. Additional guidelines may be established by Police Department operating procedures.

If approved by the City Manager, use of a City owned vehicle may be authorized and exempt from this policy if included in the offer of employment letter.

The City's vehicles are classified as either "exempt" or "non-exempt" as prescribed by law. Employees to whom a "non-exempt" vehicle is assigned for take-home will likely incur a federal income tax liability for the fringe benefit of commuting to and from work. Most pickups, vans and automobiles are classified as "non-exempt" vehicles. Police vehicles used by employees on call 24-hours are normally exempt from the fringe benefit tax liability.

E. Use of City Vehicles - City-owned or leased vehicles may only be used for official City business. City owned or leased vehicles may only be driven by authorized City employees. If an employee drives his/her own, or a City-owned, rented or leased vehicle on the job or while carrying out City-related business, the employee must comply with the following:

1. Drivers must have a valid State of Texas driver's license appropriate for the vehicle operated, must maintain a satisfactory driving record, and must inform their supervisor of any change in status.
2. Always observe all posted laws and speed limits and comply with all motor vehicle laws and regulations.
3. Always wear seat belts when the vehicle is in operation.
4. No passengers other than City employees or others on City business may ride in a City vehicle unless otherwise approved in advance by the Department Director.
5. All maintenance and use records for City vehicles must be completed as directed by the employee's supervisor.
6. Report any broken, missing, or worn parts, tires, etc., or any needed maintenance of City vehicles to the appropriate supervisor immediately.
7. All drivers must be eligible for coverage under the City's insurance policy.
8. Drivers covered by Department of Transportation regulations must comply with them at all times.
9. At no time may an employee under the influence of alcohol or illegal drugs drive a City vehicle or a personal vehicle while conducting City business.
10. Employees involved in an accident while operating a City vehicle, or while operating a personal vehicle on City business, must immediately notify the proper law enforcement agency (if applicable) and the appropriate Supervisor, Department Director, and/or City Manager. Accident reports, along with any law enforcement report, must be filed by the employee with the Department Director and the Human Resources Division.

11. Employees whose job duties require driving either a City vehicle or a personal vehicle as a job function must maintain the driver's license required for performance of the employee's duties and must maintain a satisfactory driving record. If an employee has three moving violations within a two-year period or is convicted of, pleads guilty or nolo contendere to, or accepts deferred adjudication for a DWI or DUI offense at any time, this will be considered a failure to maintain a satisfactory driving record. Failure to maintain a required driver's license or failure to maintain a satisfactory driving record will result in discipline up to and including termination of employment.

12. The City may, at any time, check the driving record of a City employee who drives as part of his/her job duties to determine that he/she maintains the necessary qualifications as a City driver. Employees agree that they will cooperate in giving the City whatever authorization is required for this purpose.

The above is not a complete and exhaustive list of vehicle use policies. Violations of any of the specific items listed, as well as the improper, careless, negligent, destructive, or unsafe use or operation of a vehicle, may result in disciplinary action, up to and including termination of employment. Please see paragraph G under Employee Conduct and Work Rules/Disciplinary Action requiring employees to immediately notify their supervisor regarding violations of law.

F. Personal Property - All employees shall be solely responsible for their personal property at all times.

CLASSIFICATION & COMPENSATION ADMINISTRATION

A. Purpose

These procedures for classification and compensation administration have been prepared for the City of Hutto in order to organize and encourage fair and orderly decision making for personnel matters.

Specific objectives of the classification and compensation plan are to:

1. Properly determine the duties, responsibilities, and necessary qualifications for each position with the City.
2. Assist employees and job applicants in understanding each job and the relationships between and among jobs.
3. Place positions into pay groups with other positions that should be similarly compensated.
4. Provide an organized system of pay groups and ranges to be used to (1) assure equity across departmental lines, and (2) reward employees for performance through pay for performance; and
5. Establish procedures for administering and updating the plan.

B. Definitions

For the purpose of classification and compensation administration, definitions are as follows:

1. A *position* is an organizational slot consisting of a group of duties or responsibilities requiring the full-time or part-time employment of one person.
2. A *job description* is a written description of the duties, responsibilities, reporting relationships and requirements for the position.
3. A *classification plan* is a system used to group positions according to duties and responsibilities; education, knowledge, skills, ability and experience. The objectives are to (1) recruit and retain employees, and (2) provide salary administration guidelines.
4. A *reclassification of a position* is a reassignment of a position to a different (lower, higher, or equivalent) pay group or job title, based on an evaluation of the current duties and responsibilities of the position. Such changes are made necessary by the reorganization of a department, the assignment of new duties to certain positions, or changes of work responsibilities or market data.
5. A *compensation plan* is a system that assigns dollar values to each position, groups positions into pay groups, arrays pay groups on a pay schedule showing salary and

wage ranges for each group, and sets forth procedures for administering the pay schedule.

6. A *general government employee* is any employee of the City, excluding the City Manager and sworn police employees. For purposes of this policy, the Chief of Police is classified as a general government employee.
7. A *sworn-police employee* is any certified peace officer. For purposes of this policy, the Chief of Police is not classified as a sworn-police employee.

C. Types of Positions

1. ***Classified Position:*** A classified position is an authorized and budgeted full-time position that is assigned to a pay group of the city's compensation plan.
2. ***Unclassified (Special) Position:*** An unclassified position is an authorized and budgeted position for which the pay is set by individual determination. Unclassified positions for the city are (1) positions funded from non-city funds, (2) position(s) for which the terms and conditions of employment are set out in a contract, and (3) hourly, part-time, or seasonal positions which should not be placed in a regular classified position.

D. Classification and Compensation Administration

1. ***Availability of Funds:*** All of the following procedures are subject to each department having funds available within its budget. If funds are not available, a budget amendment or transfer is required to be approved by the City Council.
2. ***Hiring:*** New employees are typically hired between the entry and mid-point or step 4, depending on department, in the appropriate pay group without specific written approval from the City Manager. The City Manager's approval to hire above the mid-point or step 4 will be conditioned upon the following:
 - a. The prospective employee's qualifications and/or level of experience requirements posted for the position or the labor market value has been determined to be higher than mid-point or step 4 of the pay group;
 - b. Hiring above the mid-point or step 4 will not disrupt current internal salary relationships;
 - c. Funds are available in the City's and the department's personnel budget to finance the higher pay rate for the remainder of the fiscal year; and
 - d. The action is in the best interest of the City.

The department director must submit justification based on the above criteria to the Director of Human Resources who, after careful review, submits a recommendation to the City Manager.

3. ***Hiring at a Lower Pay Group:*** A new employee, or existing employee being considered for promotion, whose qualifications or experience do not meet the requirements of the position, may be placed at the pay group below the position. An employee will be advanced to the proper pay group after proper qualifications and/or experience are obtained. Typically, an employee is not held in a lower pay group for more than six months.
4. ***Performance-Based Increases – All General Government Employees:*** A performance-based increase is advancement to a higher salary within the range of the pay group and is granted to recognize performance in the position. A performance-based increase cannot increase an employee's salary beyond the maximum of the range of the pay group of the position. In the event that an employee is at the maximum of the range, a lump sum payment will be made in lieu of a salary increase. The lump sum payment will be equal to the annual amount (excluding overtime) of the salary increase that the employee would have received had they not been at the maximum of their range. Performance-based increases are not used to recognize increased duties and responsibilities (a promotion) and should be granted without regard to cost-of-living factors. Performance-based increases recognize performance and thus will be granted in conjunction with the employee's annual performance evaluation. In order to receive an annual performance evaluation, employees must have at least six months of service. The evaluation period is based on performance during the fiscal year. Increases will be effective the first pay period of the calendar year. Performance-based increases are made only if funds are budgeted for and approved by the City Council. Employees will not receive catch-up increases to compensate for any year(s) in which funds for performance-based increases are not approved in the budget.
5. ***Performance-Based Increases – Sworn-Police Employees (Reference General Order 4.1, Sections VI and VII):*** A performance-based increase is advancement to the next step of the pay group and is granted to recognize performance in the position. If an employee is currently at the top step of the pay group for their position, the employee will not be eligible for an increase. The employee will remain frozen at the top step of the pay group unless an adjustment is made to the step plan based on a cost of living or market adjustment or if the employee promotes to a new pay group. Performance-based increases recognize performance and thus will be granted in conjunction with the employee's annual performance evaluation. In order to receive

an annual performance evaluation, employees must have at least six months of service. The evaluation period is based on performance during the fiscal year. Movement to the next step will take effect the first pay period of the calendar year, only if the employee has completed one full year of service by the end of the evaluation period. Performance-based increases are made only if funds are budgeted for and approved by the City Council. Employees will not receive catch-up increases (movement past more than one step) to compensate for any year(s) in which funds for performance-based increases are not approved in the budget.

6. **Promotion:** A promotion is a change in the duty assignment of an employee from their current position to another position in a higher pay group. A promotion recognizes advancement to a higher position requiring higher qualifications and involving greater responsibility. A typical promotional increase is five percent or movement to the entry of the new pay group, whichever is higher. In the event that a non-exempt employee transfers to exempt status (no longer eligible for overtime), the employee will receive a twelve percent increase or move to the entry of the new pay group, whichever is higher. (For exceptions involving marginally qualified current employees, see prior section on “Hiring at a Lower Pay Group”).

For police positions, a promotional increase will be movement to the entry step of the new pay group.

7. **Demotion:** A demotion is a change in duty assignment of an employee from their current position to another position in a lower pay group. Demotions may be made for the purpose of voluntary assumption of a less responsible position as a result of a reclassification of the employee’s position or as a disciplinary measure due to unsatisfactory performance in a higher position. An employee who is demoted normally will have his or her pay reduced to a rate at least five percent below the rate received before demotion. Demotions are made on the recommendation of the employee’s department director with the concurrence of the Director of Human Resources and the City Manager.
8. **Lateral Transfer:** A lateral transfer is the movement of an employee between positions in the same pay group within the City workforce. Lateral transfers may be made within the same department or between departments. Lateral transfers may be requested by the employee or by the department head to whose department the employee will be transferred and must be approved by the Director of Human Resources and the City Manager. An employee who makes a lateral transfer will retain the same effective employment date and all accrued vacation and sick leave.

9. ***Reclassification of Positions:*** A reclassification is a reassignment of a position to a lower, higher, or different pay group or job title based on current duties and responsibilities of the position. An employee whose position is reclassified upward does not automatically receive a pay increase unless an increase occurs to place the employee at the entry of the pay range. Reclassifications are recommended by the Human Resource Department and approved and implemented by the City Manager within budget limitations.
10. ***Revised Job Descriptions:*** A revised job description is one which includes additions to, deletions from, or amendments to current duties and responsibilities, but does not change the job so substantially as to require a reclassification or creation of a new job title and job description. (See the section on “Development of a Job Description” for the process to be followed to create a new job description).
11. ***Cost-of-Living Adjustment to Pay Schedules:*** The City of Hutto has a pay schedule with open ranges (an entry, mid-point, and maximum) for general government employees and step pay schedules for sworn-police employees.

Overall increases or decreases to the pay schedule are authorized only upon approval by the City Council. When a cost-of-living increase has been approved in the budget, every number on each pay schedule is adjusted by the percentage increase authorized. Cost-of-living adjustments will be based on the (1) percentage change of the Consumer Price Index (CPI) and the Employee Cost Index (ECI) and (2) market data from benchmark cities.

E. Maintenance of the Compensation Plan

On an annual basis, the Director of Human Resources will review the classification and compensations plans and may recommend changes.

The review and, where appropriate, recommendations will include:

- Reclassification of positions to lower, higher, or different pay groups based on changes in the duties and responsibilities of the position or if changes in the market render the original placement of a position obsolete;
- Percentage changes in the entire pay schedule, to adjust pay rates to be comparable with other organizations in the market or to recognize changes in the cost of living; and

- The continuing validity of the procedures for classification and pay administration.

Any major departmental reorganizations or changes affecting jobs within a department should be addressed during the preparation of the department's annual budget. Changes will become effective at the beginning of the next fiscal year.

F. Development of a Job Description

It will become necessary to develop new job descriptions when:

- A new position is created;
- A current position is divided into two positions, or two positions are combined into one; or
- A job description no longer accurately reflects the actual duties and responsibilities of a position.

To develop a job description, a present employee and his or her supervisor should describe the new job by completing a Job Data Collection Form (JDCF). In the event that a new position has been created and there is no incumbent in the position, the supervisor should complete the JDCF. The information from the JDCF should be used by the Director of Human Resources to write the new job description using the current job description format. The new description then should be reviewed by the appropriate department director. Any new positions created should be included in the annual budget process.

COMPENSATORY TIME

The City Manager may, on a case-by-case basis, grant compensatory time to employees in lieu of overtime payment for irregular or occasional overtime work that is not part of an employee's regularly scheduled workweek.

Employees and their supervisors shall strive to flex an employee's work schedule to minimize hours worked in a work week in excess of 40 hours (see "Flex-time Work Schedule").

A. Non-Exempt Employees are entitled to compensatory time in accordance with Section 207 of the Fair Labor Standards Act of 1938. Employees, at the City Manager's discretion, may grant compensatory time at a rate not less than one and one-half hours for each hour of employment for which overtime compensation would have been earned.

B. Accrual Rates - Compensatory time will be earned at a rate of one and one-half hours for each hour of employment for which overtime compensation would have been required.

- 1) The employee may accrue no more than 80 hours of compensatory time for hours worked.
- 2) The City Manager may grant additional compensatory time not addressed in this policy at his discretion.

C. Use of Compensatory Time - An employee who has accrued compensatory time and requests use of the time shall be permitted to use the time off within a "reasonable period" of time after making the request if it does not unduly disrupt departmental operations and has prior supervisory approval.

A supervisor may require an employee to use accrued compensatory time. In addition, the City may pay out accrued compensatory time at any time.

D. Expiration and Pay for Compensatory Time

- 1) **Expiration** - Compensatory time shall expire **on September 30th of each year.** Employees shall be permitted by the employee's supervisor to use such time within a reasonable period after making the request so long as the compensatory time does not unduly disrupt the operations of the city. Any unused compensatory time will be paid out to the employee on September 30th of each year.

The City Manager, on a case-by-case basis, may grant an extension or one-time payment of unused compensatory time if an employee is prevented from using earned time.

- 2) **Pay Out** - Employees who leave employment with the city shall be paid for any unused compensatory time at a rate of compensation not less than:

- a) The average regular rate received by such employee during the last 3 years of the employee's employment, or the final regular rate received by such employee, whichever is higher.
- b) Compensatory time will be reviewed at the time of a promotion. When being promoted to an exempt position, the compensatory bank will be paid-out at the employee's rate of pay prior to the promotion.

COMPLAINT RESOLUTION

This Complaint Resolution Procedure is available to an employee who is the subject of a disciplinary action involving a suspension of one day (or one shift) or more or a demotion or to an employee who is complaining about an alleged improper interpretation and/or application of City or departmental policies, procedures, or practices. The City encourages all employees to attempt to resolve complaints informally through discussions with the employee's immediate supervisor.

If an employee is unable to resolve a complaint subject to this policy with his or her immediate supervisor, the employee may submit a written complaint to the employee's Department Director. A written complaint to a Department Director must be made within 30 days of the event or action complained of.

If an employee's complaint is not resolved to his or her satisfaction within 10 days of filing a written complaint with the Department Director, the employee may present his/her written complaint to the Human Resources Division, who will forward the written complaint to the City Manager.

The decision of the City Manager may be conveyed to the employee orally or in writing and is final.

CONFIDENTIALITY OF MEDICAL INFORMATION

Federal law requires that the City maintain all employee medical information in separate, confidential files. Therefore, in addition to personnel files, the City maintains a separate medical file for each employee. The Human Resources Division maintains these confidential medical files.

Examples of information that may be provided to the City by an employee's health care provider, and maintained in the confidential medical file, include:

- a note to justify an absence;
- a note to request a leave;
- a note to verify the employee's ability to return to work;
- medical records to support a claim for sick pay or disability benefits;
- insurance records; and
- workers' compensation records.

It is important that employees understand that the records are confidential but that the confidentiality may be waived when the employee provides medical information to his/her supervisor or the Human Resources Division. When an employee provides information to his/her supervisor, the supervisor is expected to share the information only on an "as needed" basis to other members of management.

In addition to protecting their own confidential medical information, employees must also respect the privacy and confidentiality of their coworkers' medical information. Employees are expected to use discretion and judgment when dealing with such information and are to refrain from passing along information, gossip, rumors or anything else that may constitute an invasion of a coworker's privacy or breach of confidence.

CONFLICT OF INTEREST

No employee of the City may:

- Have any financial or other interest, directly or indirectly, in any proposed or existing contract, purchase, work, sale or service to, for, with or by the City;
- Use City employment, authority, or influence in any manner for his/her personal betterment, financial or otherwise;
- Have any financial interest, directly or indirectly, in the sale to the City of any land, materials, supplies or services;
- Have discussions or participate in decisions of any City agency, board, commission or instrumentality if the employee has any personal economic interest or is employed, directly or indirectly, by the person or entity that is the subject of the discussion or decision;
- Accept other employment or engage in outside activities incompatible with the performance of duties and responsibilities as a City employee or that might impair independent judgment in the performance of duties to the City. For additional information regarding outside employment, refer to the Outside Employment section of this Handbook; or
- Accept remuneration or provide services for compensation, directly or indirectly, to a person or organization requesting an approval, investigation, or determination from the City.

An employee may not knowingly participate in a decision of any matter involving a business entity or real property with which he/she has substantial interest, if the decision on the matter will have a special economic effect on the business entity or real property which is distinguishable from the general public. A “substantial interest in a business entity” is defined as an employee owning 10% or more of the voting stocks or shares of the business entity, the employee owns either 10% or more or \$15,000 or more of the fair market value of the business entity or the funds received by the employee exceeds 10% of the employee's gross income for the previous year. A “substantial interest in real property” is defined as an employee owning \$2,500 or more in real property and/or if a person related to the employee in the first degree has a substantial interest.

Violations of this policy may result in disciplinary action up to and including termination of employment. Employees should direct questions regarding the prohibitions imposed by this policy to your Department Director, the Human Resources Division, or the City Manager's office.

For additional guidance regarding ethics, see Section 13.03 of the Home Rule Charter.

CORE VALUES

The City of Hutto, Texas embraces these core values:

Adaptable

Creative

Integrity

Service

Team Player

DRESS, APPEARANCE AND UNIFORMS

Employees must, at all times, dress appropriately and professionally and present a clean and neat appearance while at work and while representing the City or conducting City business. The City allows business casual dress in the work place year-round, in accordance with this policy. This policy applies to all employees except those who are required to wear uniforms. Department Directors are strongly encouraged to allow their employees to participate in business casual dress, as practical. Department Directors and supervisors are responsible for enforcing this policy in their respective departments in order to maintain acceptable dress and appearance.

Professional business attire or a required uniform is to be worn when there is a need to present a more formal professional appearance for meetings or special events. Clean and presentable attire that is typical for the job function (i.e. suits or dresses for the City Manager's Office, polo with city logo and slacks for Parks & Recreation) are proper attire for personnel scheduled for City Council meetings, receptions, etc., unless otherwise directed by the City Manager for the occasion.

Employees must remember that they are professional 100 % of the time and are dressing for business, not for pleasure. All clothing must be clean, neatly pressed and in good repair and appropriate to the work setting. Attire must always reflect a professional business attitude and presence. Provocative, suggestive articles or other inappropriate dress are not allowed in the workplace. When there is a question on whether or not an item of clothing is prohibited, please err in favor of being conservative and assume that it is not acceptable attire.

The City Manager may designate a specific day in which casual attire may be worn. However, it is at the City Manager's discretion and the attire worn on "casual days" should still reflect an appropriate professional appearance. Department Directors may occasionally allow employees to wear casual attire if a specific work assignment dictates that casual attire is appropriate and to ensure the safety of an employee.

A. Standards for Business Casual Work Attire

- Jeans, T-shirts and athletic shoes are not acceptable during normal work hours unless a special day is declared by City management or as specifically approved by the appropriate Department Director as work assignment dictates.
- Sweatshirts, sweat pants and hoodies of any type are not acceptable unless a special casual wear or festive occasion is declared by City management.
- Shorts shall not be worn unless they are part of a City Department's approved uniform and worn with a shirt that identifies them as an employee of a particular City Department or Division or approved by the Department Director as special circumstances warrant.

- Women: Camisoles or t-tops are required to be worn with low cut blouses/tops. Clothing with thin or spaghetti straps or tank tops need to be worn with an acceptable jacket. Skirts and dresses shall be worn no shorter than 2 inches above the top of the knee. Ankle length and Capri dress slacks are appropriate. Dress shoes or dress sandals are appropriate. No more than 3 earrings in each ear may be worn, provided the earrings are not unprofessional in appearance.
- Men: Knit shirts with collar, banded collar shirts, short sleeve or long sleeve dress shirts without a tie are acceptable. All shirts are to be tucked in unless specifically designed to be worn outside trousers. Dress shoes, boots or loafers are acceptable footwear. No more than 3 earrings in each ear may be worn, provided the earrings are not unprofessional in appearance. Men are not to wear earrings at Council presentations or formal city events.

B. Examples of Inappropriate Attire

The following are always inappropriate for the work place:

- Provocative or revealing attire including low cut, bare backs, midriffs, body-hugging, see-through garments, or excessively loose or tight fabrics;
- Bare shoulders and tube tops;
- Stirrup pants, spandex pants, casual cargo pants, leggings, form fitting or tight slacks/trousers;
- Clothing with unclear or obscene messages or that endorses alcohol, tobacco products, drugs, pornography, or offensive material of any kind;
- Unpressed, soiled, ripped and tattered clothing;
- Visible tattoos which could be deemed offensive;
- Nose rings, eyebrow rings, tongue studs, lip piercings, gauge piercings, or similar type facial jewelry.

C. Jewelry - All jewelry worn by employees must be appropriate so it does not detract from a professional appearance or conflict with department uniform guidelines.

D. Hair and Facial Hair – Hair styles and hair colors must be appropriate to the employee's position and extremes of any type are unacceptable. For example, green hair, Mohawk style haircuts, and severely spiked hair are not allowed. The length of hair must not pose a safety hazard for employees working around machinery and moving objects. Hair, including facial hair, must be clean and neatly groomed at all times.

E. Perfume and Cologne – While at work, employees should minimize the use of scented aftershaves, colognes, perfumes, and lotions as these products may impact the health of chemically-sensitive customers and other employees.

F. Personal Hygiene – It is necessary that all employees maintain a clean, presentable appearance. Personal hygiene includes a regular bath/shower, use of deodorant, and appropriate oral hygiene.

G. Uniforms – The City supplies many Police, Parks and Recreation, and Public Works personnel with appropriate uniforms. Employees in jobs that require a uniform will be told how and where the uniforms can be obtained. The City will provide replacement uniforms as necessary. Uniforms must be clean and neat. City-owned or authorized uniforms may not be used outside of work, for personal use or by any third party. City uniforms may be used by City employees in connection with outside employment only with the Department Director's prior written authorization.

Employees who are provided with uniforms are required to wear their uniforms when on duty and keep them in good, clean and serviceable condition. No part of the uniform shall be worn by itself. An employee must wear the entire uniform when on duty. No part of the uniform shall be worn when off duty, except to and from work, unless in connection with outside employment with the Department Director's authorization.

When an employee terminates, uniforms and any other City equipment which the employee possesses must be returned in good condition before final pay will be authorized. The cost of lost or damaged City property and unreturned uniforms will be deducted from the employee's final pay check.

H. Employee Purchasing of City Logo Clothing – Employees who work primarily in offices are not eligible to receive uniforms. However, employees are permitted to purchase City logo apparel at their own expense and at the City's contract price with selected vendors.

I. Exceptions – Employees having a conflict with any aspect of this policy, based on cultural or religious traditions or medical reasons, may request an exemption. The employee must place the request in writing to his/her Department Director. The Department Director and the Human Resources Division shall review the request and determine whether an exception will be granted.

J. Enforcement – Employees and supervisors are responsible for ensuring compliance with the City's dress code standards. In all cases, the City will make the determination as to acceptable dress, appearance and grooming. Employees should direct questions about

appropriate appearance or dress to your supervisor, Department Director or the Human Resources Division.

Department Directors shall specify requirements for uniforms and other work attire. Departments may impose special dress and grooming requirements necessary for employee safety, including use of appropriate personal protective equipment, shoes and clothing.

Supervisors are responsible for ensuring that employees know, understand and adhere to this policy as well as any department specific dress policy. Managers and supervisors shall counsel employees' whose dress, personal hygiene or grooming is inappropriate.

Each employee is expected to adhere to the clothing, uniform and personal appearance guidelines set forth in this policy. Each employee must use good judgment and common sense in selecting clothing that fits with the function of his/her position, while also promoting a professional image. In order to avoid bringing discredit to the City, employees shall exercise caution in their conduct when wearing uniforms or other apparel bearing the name or logo of the City of Hutto.

Employees in violation of this policy may be sent home. Under such circumstances, non-exempt employees will not be paid for work time missed, and exempt employees will be required to make up the work time missed. Employees whose grooming or personal appearance violates this policy may be disciplined, up to and including termination of employment.

The Department Director, with approval of the City Manager's office, may make departmental exceptions to this policy when deemed necessary for business reasons or implement a more restrictive dress and appearance policy.

Dress Guidelines

	<u>Men</u>	<u>Women</u>
Appropriate	• Knit shirts with collar and banded collars • Short sleeve or long sleeve dress shirts • Dress shoes, boots and loafers	• Camisoles or t-tops worn with low cut blouses/tops • Thin or spaghetti straps and tanks tops worn with jacket • Skirts and dresses no shorter than 2 inches above top of knee • Ankle length and Capri dress slacks
Inappropriate	• Provocative or revealing attire • Excessively loose or tight fabrics • Bare shoulders • Clothing with unclear or obscene messages or that endorses alcohol, tobacco products, drugs, pornography, or offensive material of any kind. • Stirrup pants, spandex pants, casual cargo pants and leggings • Form fitting or tight slacks/trousers • Visible tattoos which could be deemed offensive. • Unpressed, soiled, ripped and tattered clothing.	

*Listing of inappropriate apparel is not intended to be exhaustive and all-inclusive and is provided to establish a guideline for what is acceptable in the work place.

DRUG AND ALCOHOL POLICY FOR DOT EMPLOYEES

A. Employees/Applicants Subject To Testing – City employees who drive a commercial motor vehicle (CMV) requiring a Commercial Driver's License (CDL) as part of their job duties are subject to alcohol and drug testing as required by the U.S. Department of Transportation (DOT) and the Federal Motor Carrier Safety Administration and as outlined in this policy. The employee's supervisor or the Human Resources Division will advise the employee if he or she is subject to DOT testing and the terms of this policy. Employees who are not required by DOT to hold a CDL are not subject to this policy. Applicants for employment for a position requiring a CDL are also subject to testing under this policy.

Employees covered by this policy are also required to comply with the City's Drug and Alcohol Use Policy. In other words, this DOT Drug and Alcohol Policy is in addition to, not in lieu of, the provisions of the City's general Drug and Alcohol Use Policy. DOT tests will be completely separate from non-DOT tests in all respects. DOT tests take priority and will be conducted and completed before a non-DOT test is begun. All drug and alcohol testing performed under this DOT Policy will comply with applicable DOT procedures. If this policy conflicts with DOT regulations in any way, the DOT regulations will govern.

An employee subject to the provisions of this policy may be a person employed by the City, a contractor engaged by the City or an employee of such contractor. When applicable, refer to Attachment A for a listing of City positions currently subject to the testing provisions of this policy. The list of job titles on Attachment A may change as job responsibilities change or as new jobs are added to the City's work force. Employees required by DOT to hold a CDL, due to the type of equipment they operate, are subject to this policy whether or not this list is immediately updated to include their job titles. Employees who hold these jobs are required to carry their CDLs when they are at work or are operating City equipment.

B. Prohibited Alcohol Use

1. On-duty and Pre-duty Use – Reporting for, or remaining on, duty requiring the performance of safety-sensitive functions is prohibited under the following conditions:

- While having a breath alcohol concentration of 0.04 or more as indicated via breath test;
- While using alcohol; or
- Within 4 hours after using alcohol.

2. Use Following An Accident – An employee required to take a post-accident alcohol test pursuant to this policy is prohibited from using alcohol for 8 hours following the accident, or until undergoing a post-accident alcohol test, whichever occurs first.

C. Prohibited Drug Use – Illicit use of drugs by safety sensitive drivers is prohibited both on and off duty. An employee may not report for duty or remain on duty when he/she uses any controlled substances, except when the use is pursuant to the instructions of a licensed medical practitioner who has advised the employee that the substance will not adversely affect his/her

ability to safely operate a CMV. An employee may not report for duty, remain on duty or perform a safety sensitive function if the employee tests positive for controlled substances or has adulterated or substituted a test specimen.

D. Required Alcohol and Drug Tests – DOT requires the following testing for covered drivers: pre-employment, post-accident, random, reasonable suspicion, return-to-duty and follow-up testing. Before conducting any required DOT testing, the City will notify the driver that the alcohol or drug test is required by DOT regulations.

1. Pre-employment Testing – Drug and alcohol tests will be conducted after a conditional offer of employment is made, but before actually performing safety-sensitive functions for the first time. These tests are also required when employees are promoted, demoted or transferred into a safety sensitive driver position.

2. Post-accident Testing – Drug and alcohol tests will be conducted after accidents in which the driver's performance could have contributed to the accident (as determined by a citation for a moving traffic violation) and for all fatal accidents even if the driver is not cited for a moving traffic violation. Post-accident testing must be conducted as soon as practicable on all surviving drivers following an occurrence involving a CMV operating on a public road in commerce, as follows:

- When the employee is issued a moving traffic violation citation and one or more of the vehicles involved is disabled and must be towed from the scene;
- When the employee is issued a moving traffic violation citation and any person involved in the accident is injured to the extent that he/she requires and receives immediate medical treatment away from the scene of the accident; or
- In an accident involving a fatality, testing will be performed on anyone who was performing safety sensitive functions with respect to the vehicle.

An employee subject to post-accident testing must remain readily available for such testing or will be deemed by the City to have refused to test. Nothing in this policy shall be construed to require the delay of necessary medical attention for injured people following an accident or to prohibit an employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary medical care.

In post-accident situations, the City may substitute a blood or breath alcohol test for a urine drug test, so long as the test is performed by state or local law enforcement officials using procedures required by their jurisdictions, provided such test results are received directly from the local jurisdiction or the driver. A positive post-accident test administered by law enforcement will result in the same action as a positive post-accident test performed at the City's behest.

a. Post-Accident Alcohol Testing – If alcohol testing cannot be administered within 2 hours of one of the above listed occurrences, a written statement explaining why the alcohol test was not promptly administered must be provided to the Human Resources Division by the

appropriate supervisor. If alcohol testing cannot be administered within 8 hours after the occurrence, the City will cease attempts to administer an alcohol test and document the reasons the alcohol test was not administered. This report must be promptly forwarded to the Human Resources Division.

b. Post Accident Drug Testing – A driver will be drug tested as soon as practicable but not later than 32 hours after one of the above listed occurrences. If the driver is not drug tested within 32 hours, the appropriate supervisor must prepare a report documenting the reason why and promptly forward the report to the Human Resources Division.

3. Reasonable Suspicion Testing – Reasonable suspicion drug and alcohol testing is conducted when a trained supervisor has reason to believe that an employee is in violation of this policy. The reasonable suspicion must be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the employee; the observations may also include indications of the chronic and withdrawal effects of controlled substances. The supervisor must consult with the Department Director (or designee) and affirm the basis of his/her suspicion. If the Department Director concurs, he/she may order the employee to undergo testing only after consultation with the Human Resources Division. A written report of the reasonable suspicion observations must be prepared by the supervisor(s) who made the observation within 24 hours of the observed behavior or before the results of tests are released, whichever is earlier. This report must be promptly forwarded to the Human Resources Division.

a. Reasonable Suspicion Alcohol Testing – Reasonable suspicion alcohol testing is permitted only if the reasonable suspicion observation is made during, just before, or just after, the period of the work day the employee is required to be in compliance with this policy. An employee may be directed to undergo reasonable suspicion testing only while the employee is performing, just before he/she is to perform, or just after he/she stopped performing, safety sensitive functions. If alcohol testing cannot be administered within 2 hours after the reasonable suspicion observation, a written statement that explains why the alcohol test was not promptly administered must be given to the Human Resources Division. If alcohol testing cannot be administered within 8 hours after the observation, the City will cease attempts to administer an alcohol test and the appropriate supervisor must immediately document the reasons that the alcohol test was not administered; this report must be promptly forwarded to the Human Resources Division. Notwithstanding the absence of a reasonable suspicion alcohol test under this policy, an employee may not report for duty or remain on duty requiring the performance of safety sensitive functions while the employee is under the influence of or impaired by alcohol, as shown by the behavioral, speech and performance indicators of alcohol misuse. In such instances, the employee will not be permitted to perform or continue to perform safety sensitive functions until:

- An alcohol test measures the employee's alcohol concentration at less than 0.02; or
- 24 hours have elapsed since the reasonable suspicion observation was made.

b. Reasonable Suspicion Drug Testing – A driver will be drug tested as soon as practicable but not later than 32 hours after the reasonable suspicion observation. If the driver is

not drug tested within 32 hours, the appropriate supervisor must prepare a report documenting the reason why and promptly forward the report to the Human Resources Division.

4. Random Testing – Drivers are selected for random, unannounced drug and alcohol testing using a scientifically valid method, such as a random number table or a computer-based random number generator that is matched with the employee's Social Security number, payroll identification number, or other comparable identifying numbers. Each driver subject to this policy will have an equal chance of being tested each time random selections are made. The number of drivers randomly selected will be in accordance with applicable DOT regulations. Each driver randomly selected for testing will be tested during the selection period. Dates and times for random testing are unannounced and spread reasonably throughout the calendar year. Each driver selected for random testing must proceed to the test site immediately after notification; if, however, the driver is performing a safety-sensitive function, other than driving a CMV, at the time of notification, the City will instead ensure that the driver ceases to perform the safety-sensitive function and proceeds to the testing site as soon as possible. A driver will be randomly tested for alcohol just before, during, or just after performing, safety sensitive functions; random testing for drugs does not have to be conducted in immediate time proximity to performing safety sensitive functions.

E. Return-to-duty and Follow-up Testing – Return-to-duty tests are conducted when a driver who has violated DOT's prohibited drug and alcohol standards returns to performing safety sensitive duties. Follow-up tests are unannounced, and at least 6 tests must be conducted in the first 12 months after a driver returns to duty; follow-up tests may be extended for up to 60 months following a driver's return to duty. Drug tests must be negative and alcohol tests must demonstrate a breath alcohol level of less than 0.02. The driver will pay all costs associated with return-to-duty testing. When applicable, the City will follow all applicable DOT regulations in requiring return-to-duty and follow-up testing. The City is not, however, required to hire an applicant or continue the employment of a driver who has violated DOT drug and alcohol regulations or this policy and it is the policy of the City not to do so. Thus, return-to-duty and follow-up tests are generally applicable only for those seeking assistance as set out below and, based on individual circumstances, for those who may have had an alcohol concentration of 0.02 or greater, but less than 0.04.

F. Refusal to Test – An employee who refuses to be tested in any of the above circumstances, who obstructs the testing process, or who tampers/alters a specimen, will not be permitted to perform or continue to perform safety sensitive functions and will likely be terminated. An applicant who does one of these prohibited acts will not be hired. Except in the case of pre-employment testing, a refusal to test includes the failure to appear for testing within a reasonable time, as well as failure to remain at the testing site until the testing process is complete. Failure to test also includes the failure to provide the required sample with no adequate medical explanation, and the failure to cooperate with any part of the testing process (e.g., refusing to empty pockets when asked to do so, behaving in a confrontational way that disrupts the collection process, or failure to undergo a medical exam or evaluation as directed by the physician medical review officer (MRO) as part of the verification process).

G. Additional Information About Alcohol Testing.

1. Consequences of a Positive Alcohol Test – An employee who is tested and has an alcohol concentration of 0.04 or greater will be removed from safety sensitive functions and will be terminated. An employee who is tested and has an alcohol concentration of .02 to .039 will not be permitted to perform safety sensitive functions for a minimum of 24 hours and will be disciplined, up to and including termination. If the employee is not terminated, then he/she will receive a mandatory referral to a substance abuse professional. Any non-compliance with the treatment recommendations of the substance abuse professional will result in disciplinary action, up to and including termination. (The employee will be placed on administrative leave without pay during the treatment period. That employee may use accrued sick leave during the treatment period.)

2. Alcohol Testing Procedures – A trained breath alcohol technician will conduct alcohol tests. If the alcohol concentration is 0.02 or greater, a second confirmation test will be conducted in accordance with DOT regulations, the results of which will determine any actions taken. Any result of less than 0.02 alcohol concentration is considered a “negative” test. The second, confirmation test results determine if the employee is in violation of this policy. Testing procedures that ensure accuracy, reliability and confidentiality of test results will be followed pursuant to DOT regulations.

H. Additional Information About Drug Testing.

1. Drug Testing Procedures – Drug testing is conducted by analyzing a driver’s urine specimen at a lab certified by the U.S. Department of Health and Human Services. The driver provides a specimen in a location that affords privacy and the “collector” seals and labels the specimen, completes a chain of custody document, and prepares the specimen and accompanying paperwork for shipment to a drug-testing lab. “Split” urine specimens provide drivers with an opportunity for a second test, if needed. If the driver challenges the validity of the test, then he/she has 72 hours to request that the split specimen be sent for testing to another certified lab approved by the City’s Human Resources Division. The second test will be at the driver’s own expense.

2. Drugs Tested For – DOT requires testing for the following drugs:

- Marijuana (THC)
- Cocaine
- Amphetamines
- Opiates
- Phencyclidine (PCP)

A screening test is performed first. If it is positive for one or more of these drugs, then a confirmation test is performed. Whenever the terms “drug,” “drugs” or “controlled substances” are used in this policy, they refer to the substances listed above. The City will not test for any other substances under this policy. The City may, however, test for other controlled substances pursuant to its general Drug and Alcohol Use Policy.

3. Review of Drug Test Results – All drug test results are reviewed and interpreted by a physician medical review officer (MRO) before they are reported to the City. If the lab reports a positive result to the MRO, the MRO will contact the driver (either in person or by phone) and will conduct an interview to determine if there is an alternative medical explanation for the drug(s) found in the driver's urine specimen. If the driver provides appropriate documentation and the MRO determines that it is a legitimate medical use of the prohibited drug(s), the drug test result is reported as a negative to the City.

4. Consequences of a Positive Drug Test – A driver will be removed from safety sensitive duties and placed on administrative leave if he/she tests positive for drugs. The removal cannot take place until the MRO has interviewed the driver and determined that the positive test resulted from the unauthorized use of a controlled substance. A confirmed positive drug result will result in termination of employment.

5. Confidentiality – Test results may be released only to the driver, designated City officials, a substance abuse professional, laboratory officials or a medical review officer. Records will also be made available to a subsequent employer or other identified person upon the driver's specific written request. Test results will not be released to others except as required by law or expressly authorized in the applicable DOT regulations (e.g., the decision maker in a lawsuit, appeal or administrative proceeding initiated by or on behalf of the driver and arising from a positive DOT drug or alcohol test or refusal to test; this includes workers' compensation and unemployment proceedings.) All test results will be kept in a confidential file by the Human Resources Division. Management and supervisory personnel who are authorized to have access to alcohol and drug testing results must maintain complete confidentiality regarding this information. City employees who make a reasonable suspicion observation or who witness an accident must also maintain confidentiality. Breach of confidentiality relating to test results, or any other related matters, will likely result in disciplinary action, up to and including termination of employment.

I. Information From Prior Employers – For new hires, promoted and transferred employee-drivers seeking to perform safety sensitive functions for the first time, the City is required, with the driver's written consent, to obtain information from previous employers regarding alcohol test results of 0.04 or greater, verified positive drug test results, refusals to test (including verified adulterated or substituted drug test results), and any other violation of DOT drug and alcohol testing regulations within the two years prior to the date of the driver's application, promotion or transfer. Affected individuals must sign a Breath Alcohol and Drug Testing Results Request. The City will obtain and review the information before allowing the person to perform safety sensitive functions. If the City receives any such information about an applicant-driver, the applicant will not be hired; if such information is received about an employee seeking promotion or transfer, the employee will not be promoted or transferred to the driver position and may also receive disciplinary action, up to and including termination of employment. The City will maintain a written, confidential record of the information it obtains and/or the good faith efforts it made to obtain the information. This information will be retained for a minimum of 3 years. The City will also ask the person if he/she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to

which the driver applied for, but did not obtain, safety sensitive transportation work covered by a DOT agency drug and alcohol testing rules during the past 2 years. If the person admits to such conduct, the person will not be allowed to perform safety sensitive functions for the City. If the driver refuses to provide the City with the required written consent, the driver will not be permitted to perform safety sensitive functions and will likely be disciplined (up to and including termination of employment) if employed, or not hired if applying for employment.

J. Record Retention – The City will maintain and retain records under this policy as mandated by DOT regulations. See 49 C.F.R. §382.401, Retention of Records.

K. Notification to Applicants/Employees of Positive Test Results – The City will notify applicants of the results of a pre-employment drug test if the applicant requests such results within 60 calendar days of being notified of the disposition of the employment application. The City will notify an employee of the results of random, reasonable suspicion and post-accident drug tests if the test results are verified positive, and also which controlled substance(s) verified positive. The City will also make reasonable efforts to contact and request each driver who tested positive to contact and discuss the results of their drug test with a MRO who has been unable to contact the driver. The City will immediately notify the MRO that the driver has been notified to contact the MRO within 72 hours.

L. Employee Admission of Drug/Alcohol Use – An employee who admits to alcohol misuse or drug use must do so in accordance with the City's general Drug and Alcohol Use Policy; provided, however, the employee may not self-identify in order to avoid the testing requirements of this DOT policy. Further, the employee must make the admission prior to performing a safety sensitive function, i.e., prior to reporting for duty. The employee may not perform a safety sensitive function until the City is satisfied that the employee has been evaluated and has successfully completed educational or treatment requirements in accordance with the City's general Drug and Alcohol Use Policy. A drug and alcohol abuse evaluation expert, i.e., an EAP professional, a substance abuse professional or a qualified drug and alcohol counselor, will determine successful completion. Prior to the employee performing safety sensitive functions, the employee must undergo a return to duty alcohol test with a result of less than 0.02 and/or a return to duty drug test with a negative test result.

M. Safety Sensitive Functions – For purposes of this policy, safety sensitive function or duty means from the time a driver begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work. Safety sensitive functions/duties include:

- All time at a City, facility, or other property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the City;
- All time inspecting equipment as required by applicable DOT regulations or otherwise inspecting, servicing, or conditioning any CMV at any time;
- All time spent at the driving controls of a CMV in operation;
- All time, other than driving time, in or upon any CMV;

- All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and
- All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

N. Transportation to Testing Site – With the exception of pre-employment testing, employees will be driven to the testing facility by a supervisor. The supervisor will remain with the employee during the testing process. The City will make arrangements to have the employee transported back to the City or home, as appropriate, after the testing is complete.

O. Questions – Anyone with questions regarding this policy should contact the Human Resources Division.

DRUG AND ALCOHOL USE POLICY

It is the desire of the City to provide a drug-free, healthful and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory and safe manner.

A. Prohibition Against Alcohol and Illegal and Unauthorized Drugs – While on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment, no employee may use, possess, distribute, sell, or be under the influence of alcohol (except under the limited circumstances described below), inhalants, illegal drugs, including drugs which are legally obtainable but which were not legally obtained, and prescribed or over-the-counter drugs which are not being used as prescribed or as intended by the manufacturer.

B. Prohibition Against Illegal and Unauthorized Drug-Related Paraphernalia – This policy also prohibits the use, possession, distribution and sale of drug-related paraphernalia while on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment. Drug-related paraphernalia includes material and/or equipment designed for use in testing, packaging, storing, injecting, ingesting, inhaling or otherwise introducing illegal or unauthorized drugs into the body.

C. Permissive Use of Prescribed and Over-The-Counter Drugs – The legal use of prescribed and over-the-counter drugs is permitted while on City premises, while on duty, while conducting City-related business or other activities off premises, while driving a City-owned or leased vehicle, or while operating or using other City-owned or leased property or equipment only if it does not impair an employee's normal mental and physical abilities to perform the essential functions of the job (or operate the vehicle, property or other equipment) effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion, or feeling shaky.

D. Permissive Use of Alcohol - The use of alcohol by a City employee during a business lunch is prohibited even though the person with whom the employee is having lunch may be consuming alcohol. At no time may an employee under the influence of alcohol drive a City-owned or leased vehicle or operate or use other City-owned or leased property or equipment. Further, an employee on duty or conducting City business, including City-related business entertainment, may not drive his or her own personal vehicle while under the influence of alcohol. No employee in his or her work-related capacity should ever be impaired due to the introduction of an alcoholic beverage into the body. Absent specific approval by the City Manager, City employees may not bring alcoholic beverages on City premises, including parking lots adjacent to City work areas, and may not store or transport alcohol in a City-owned or leased vehicle.

E. Police Department Employees - Police Department employees may be required to be in possession of alcohol and/or drugs in carrying out their job duties. Such employees will be exempted from certain portions of this policy under certain limited conditions. Additional guidelines may be established by Police Department operating procedures.

F. Mandatory Disclosure by Employees - Employees taking prescription medication and/or over-the-counter medication must report such use to either their Department Director or to the Human Resources Division if there is a reasonable likelihood the medication will impair the employee's ability to perform the essential functions of his or her job (or operate a vehicle, property or other equipment, if applicable) effectively and in a safe manner that does not endanger the employee, citizens or other individuals in the workplace. Examples of impairment include, but are not limited to, drowsiness, dizziness, confusion, or feeling shaky.

G. On-Call Employees - Employees scheduled to be on call are expected to be fit for duty upon reporting to work. Any employee scheduled to be on call, which is called out, is governed by this policy. Sometimes, an employee who is not scheduled to be on call may nevertheless be called out. If this or any other situation occurs where the employee called out is under the influence of drugs and/or alcohol, such that reporting to work would result in a violation of this policy, the employee must so advise the appropriate supervisor on duty. The employee will not be required to report to work.

H. Mandatory Reporting of Convictions - Employees must notify their immediate Supervisor and the Human Resources Division, in writing, of any criminal drug conviction, driving while intoxicated (DWI), driving under the influence (DUI), vehicle homicide (including a plea of nolo contendere) or deferred adjudication for a violation occurring off duty and/or in the workplace no later than five calendar days after the conviction.

I. Off-Duty Conduct - The City may take disciplinary action, up to and including termination of employment, if an employee's off-duty use of or involvement with drugs or alcohol is damaging to the City's reputation or business, is inconsistent with the employee's job duties, or when such off-duty use or involvement adversely affects the employee's job performance.

J. Rehabilitation/Treatment.

1. It is the City's desire to assist employees who voluntarily request assistance with their alcohol or drug dependency. For City support and assistance, however, an employee must acknowledge his or her problem and seek and accept counseling and/or rehabilitation before it impairs his or her job performance and/or jeopardizes his/her employment.

2. Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take a leave of absence to participate in a rehabilitation or treatment program. (An employee may not enroll in a rehabilitation or treatment program in lieu of disciplinary action.) The leave of absence may be granted in the City's sole discretion. Factors considered by the City in deciding whether to grant leave include: the length of the employee's employment with the City; the employee's prior

work and disciplinary history; the employee's agreement to abstain from the use of the problem substance and follow all other requirements of the rehabilitation/treatment program; the reputation of the program and the likelihood of a successful outcome; the employee's compliance with City policies, rules, and prohibitions relating to conduct in the workplace; and the resulting hardship on the City due to the employee's absence. Unless otherwise required by law, it is the City's policy to grant such a leave of absence only once during the course of an employee's employment with the City. **Note:** Under certain conditions, treatment for substance abuse may be covered under the City's Family Medical Leave Act Policy.

3. The cost of any rehabilitation or treatment may be covered under the City's group health insurance policy. In any case where rehabilitation or treatment is not covered by the City's group health insurance policy, the employee is responsible for all costs associated with any rehabilitation or treatment program. Should an employee need assistance in determining coverage of rehabilitation or treatment, he/she may seek assistance from the City's Human Resource's Division.

4. During time off for a City-approved rehabilitation or treatment program, the employee must use any available vacation leave, sick leave, compensatory time off, or other accrued paid leave time. If the employee has no paid time off available, the time away from work will be unpaid. Where applicable, any time off for rehabilitation or treatment under this policy will also be designated as leave under the City's Family and Medical Leave Act policy.

5. If the employee successfully completes his or her prescribed rehabilitation or treatment, the City will make reasonable efforts to return the employee to his or her prior position or one of similar pay and status. However, employment with the City following a City-approved leave for rehabilitation or treatment is conditioned on the following:

- Initial negative test for drugs and/or alcohol before returning to work;
- A written release to return to work from the City-approved rehabilitation or treatment facility/program;
- Periodic and timely confirmation of the employee's on going cooperation and successful participation in any follow-up or ongoing counseling, testing, or other treatment required in connection with the City-approved rehabilitation or treatment program, if applicable. In addition to any testing required in connection with the employee's ongoing treatment or follow-up to treatment, all employees who participate in rehabilitation or treatment under this section will also be required to submit to periodic and/or random testing by the City during the two years following the employee's return to work following treatment;
- The employee must sign a formal written agreement to abide by the above conditions, as well as any other conditions deemed appropriate by the Human Resources Division. The employee must meet with the Human Resources Division to discuss the terms of his or her continued employment and sign a formal agreement before returning to work.

6. This policy will be administered in accordance with the City's Family Medical Leave Act policy when applicable.

K. Policy Violations - Violations of this policy will generally lead to disciplinary action, up to and including immediate termination of employment and/or required participation in a substance abuse rehabilitation or treatment program. The Police Department may have stricter disciplinary rules regarding violation of this policy. Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor or the Human Resources Division to receive assistance or referrals to appropriate resources in the community.

L. Testing

1. Types of Tests. Testing may include one or more of the following: urinalysis, hair testing, portable breath test, intoxilyzer, or other generally-accepted testing procedure.

2. Testing of Applicants. All applicants to whom a conditional offer of employment has been made for a safety sensitive position will be required to submit to testing for alcohol and illegal and unauthorized drugs. A positive test result, refusal to test, or attempts to alter or tamper with a sample or any other part of the test, will render the applicant ineligible for consideration of employment or future employment with the City.

3. Testing of Employees.

a. ALL employees will be tested for alcohol and/or illegal and unauthorized drugs after a workplace injury or accident or "near miss," or in connection with any required treatment or rehabilitation. An employee who is injured by an "external process" during the course of his/her official duties is exempt from mandatory drug and alcohol testing unless a supervisor has reasonable suspicion to believe that the use of drugs or alcohol by the employee contributed to the accident. "External process" means insect bites or stings, animal bites or scratches, and falling objects which the employee had no contact with prior to the injury. An on-duty police officer who is injured in the course of subduing a suspect is also exempt from mandatory drug and alcohol testing unless a supervisor has reasonable suspicion to believe that the officer has used drugs or alcohol.

b. Police Department employees are also subject to any applicable departmental rules and regulations regarding illegal and unauthorized drug and alcohol testing.

c. For purposes of this policy, reasonable suspicion is a belief based on facts and circumstances (e.g., observation of alcohol or drug use, apparent physical state of impairment, incoherent mental state, changes in personal behavior that are otherwise unexplainable, deteriorating work performance that is not attributable to other factors, a work-related accident or injury, evidence of possession of substances or objects which appear to be illegal or unauthorized drugs or drug paraphernalia) sufficient to lead a supervisor to suspect that the employee is under the influence of illegal or unauthorized drugs or alcohol. Supervisors who refer an employee for

reasonable suspicion testing must document the specific facts and circumstances that support reasonable suspicion testing (e.g., the who, what, when, where of the employee's behavior and other symptoms, statements from other employees or third parties, and other evidence supporting the reasonable suspicion testing).

d. For purposes of this policy, alcohol and drug testing is required when an employee is involved in an accident while on duty if the accident results in bodily injury or property damage of any type. An employee will not be considered to be "involved" in an accident if the employee is not present during the accident. Also, if an employee is involved in a "near miss" that gives rise to a concern regarding the employee's sobriety or ability to exercise good judgment or control of a vehicle or equipment because of the influence of drugs or alcohol, testing is required.

e. Tests will be paid for by the City. To the extent possible, testing will normally be done during the employee's normal work time.

f. Any employee who refuses to be tested, or who attempts to alter or tamper with a sample or any other part of the testing process, will be subject to disciplinary action up to and including termination.

g. A positive test result is a violation of the City's Drug and Alcohol Use Policy and may result in disciplinary action up to and including termination of employment. Any employee who is terminated for violation of the City's Drug and Alcohol Use Policy is ineligible for future employment with the City.

h. The City has additional obligations when testing for controlled substances and alcohol for those employees regulated by the U.S. Department of Transportation. Please see the City's Drug and Alcohol Policy for DOT Employees for additional information.

M. Testing Procedures.

1. All testing must normally be authorized in advance by both the employee's Department Director and the Human Resources Division. If the Department Director is unavailable within a reasonable period of time, the Human Resources Division may, in his or her sole discretion, authorize the testing of an employee. If the Human Resources Division is unavailable within a reasonable period of time, the Department Director may, in his or her sole discretion, authorize the testing of an employee. For reasonable suspicion testing, testing may not be authorized without the supervisor's documentation of the articulable factors which led him or her to suspect that the employee is under the influence of illegal or unauthorized drugs or alcohol. Testing should be arranged as soon as possible after the supervisor's documentation of facts and circumstances.

2. If an employee's conduct resulted in a work place accident, injury or "near miss," or reasonable suspicion exists to believe that the employee has violated the City's Drug and Alcohol Use Policy, the employee will be provided with transportation to the testing facility. A supervisor or other designated City representative may be required to stay with the employee

during the testing process. The City may, in its discretion, reassign the employee or put him or her on administrative leave until the test results are received. The City will make arrangements to have the employee transported home after the testing.

3. All substance abuse testing will be performed by an approved laboratory or healthcare provider chosen by the City. All positive test results will be subject to confirmation testing.

4. Test results will be maintained in a confidential file separate and apart from the employee's personnel file. Any medical-related information will be confidential and accessible only by the Human Resources Division; supervisors and managers on a need to know basis, including those who have a need to know about necessary restrictions on the work or duties of an employee and any necessary accommodation; first aid and safety personnel when appropriate; government officials; insurance companies as may be necessary to provide health or life insurance to employees; by court order or as otherwise legally mandated; and as necessary to protect the interests of the City.

EDUCATION REIMBURSEMENT PROGRAM

It is a policy of the City to encourage employee development through formal education in order for an employee to maintain and improve job-related skills or prepare for advancement within the City. Therefore, the City shall reimburse the cost of tuition, mandatory fees and required books for courses which an employee takes through a school or institution that is approved by the Texas Education Agency (TEA) or other nationally recognized board of accreditation, and as provided in this policy.

A. Procedure/Rule - This policy applies to a regular, full-time employee with at least twelve consecutive months of service with the City. An employee is required to submit a City of Hutto Education Reimbursement Program form prior to enrollment for classes.

1. A course which is eligible for reimbursement shall, in the opinion of the Department Head, increase an employee's competence in his/her present job, prepare him/her for advancement in the City or culminate in a certificate or degree.

2. The maximum benefit for reimbursement per applicant shall be equal to the cost of tuition, mandatory fees and required books not to exceed \$2,500 per fiscal year (10/1-9/30).

3. This program is subject to available funding on a fiscal year basis, as determined by the annual budget process.

4. The City shall not pay the cost of tuition and mandatory fees which are paid by other sources, such as scholarships, grants, veterans programs, U.S. Military Reserves, aid programs or other subsidies.

5. Whenever possible, classes should be scheduled during non-working hours. If a course is available only during working hours, supervisors are encouraged to allow flexible scheduling of work to allow completion of the employee's normally scheduled work hours per week. Final approval on flexible scheduling will be at the discretion of the Department Head.

6. While educational assistance is expected to enhance an employee's performance and professional abilities, the City cannot guarantee that participation in formal education will entitle the employee to automatic advancement, a different job assignment or a pay increase.

7. Employees will not be paid for time attending class, and such time will not be considered hours worked for purposes of calculating overtime.

B. Reimbursement Process - An employee shall submit a written request for education reimbursement to his/her immediate supervisor, who shall request approval from the Department Director. Upon approval of the Department Director, the supervisor shall then forward the request to the Human Resources Division for review and approval. Enrollment in a class does not guarantee reimbursement if it has not been approved by the Department Director and Human Resources.

1. The program reimburses the cost of tuition, mandatory fees and required books only and does not include the costs for supplies, travel or late fees.

2. An employee must receive a grade of "C" or better to be reimbursed.

3. The employee shall obtain and submit to the Human Resources Department receipts for tuition, mandatory fees and required books along with the employee's official school grade report for reimbursement.

4. The program does not apply to training or courses that are required by the City. It also does not cover professional licensing and professional development seminars. Any course, training, licensing or certification required by the City shall be covered by the training funds within each department.

5. Upon completion of a course in which an employee receives reimbursement, an employee must provide at a minimum, one year of service to the City. If an employee discontinues employment for any reason prior to providing one year of service, the employee is required to reimburse the City for those funds.

6. The City Manager or designee retains ultimate discretion to approve requests for reimbursement.

C. Mandatory Training/Education -- Whenever an employee is required by the City to attend training, education courses, seminars, or conferences, time spent in attending such activities will be considered to be work hours for which the employee is paid his or her regular compensation or overtime, if applicable. Also, reasonable expenses incurred in connection with attending such activities will be reimbursed pursuant to the City's expense reimbursement policies.

ELECTRONIC COMMUNICATIONS AND SYSTEMS ACCESS USE

The City provides access to a computer network, Internet service, email, telephones, pagers, digital cameras, voice mail and fax communication systems for use by City employees in the performance of their job duties. These communication devices are referred to collectively in this policy as “electronic communications systems” or “systems.” These electronic communications systems are designed to support and enhance the communication, research and information capabilities of City employees and to encourage work-related communication and sharing of informational resources within the City. This policy governs user behavior pertaining to access and usage of the City’s electronic communications systems. This policy applies to all City employees, contractors, volunteers and other affiliates who use the City’s electronic communications systems. The City’s electronic communications systems access must be used in a professional, responsible, efficient, ethical and legal manner.

A. Internet and Email Access - Users desiring Internet and/or email access must obtain written permission from their Department Director and provide it to the IT Division. Users must acknowledge an understanding of this policy and its guidelines as a condition of receiving an Internet and/or email access account. Failure to adhere to this policy and its guidelines may result in suspending or revoking the offender’s privilege of access and/or other disciplinary action under City policies, up to and including termination of employment.

B. Acceptable Use - Acceptable uses of the City’s electronic communication systems are limited to those activities that support reference, research, internal/external communication and conducting City business in line with the user’s job responsibilities. Network users are encouraged to develop uses which meet their individual needs and which take advantage of the City’s internal network function. The City prohibits connection to sites or forwarding of information that contain materials that may be offensive to others including, but not limited to, sites or information containing sexually explicit material.

Users must understand that use of any City-provided, publicly accessible computer network such as the Internet and email is a privilege. Minimal personal use of the Internet or email and other electronic communications systems, whether it be from city owned or personally owned devices, is allowed under this policy as long as such use is not excessive and does not impede job performance or the performance of City business. The City is not responsible for personal communications sent on its electronic communications systems.

C. Unacceptable Uses of Electronic Communications Systems include:

- Using profanity, obscenity or other language which may be offensive or harassing to other coworkers or third parties.
- Accessing, displaying, downloading or distributing sexually explicit material (excluding an official police criminal investigation authorized by the Chief of Police).
- Accessing, displaying, downloading or distributing profane, obscene, harassing, offensive or unprofessional messages or content.

- Posting unfavorable comments related to work or business that would reflect negatively upon the City.
- Copying or downloading any commercial software is strictly prohibited.
- Using the systems for financial gain or for any commercial activity unrelated to City business.
- Using the systems in such a manner as to create a security breach of the City network.
- Looking or applying for work or business opportunities other than for internal City postings.
- Accessing any site, or creating or forwarding messages with derogatory, inflammatory, or otherwise unwelcome remarks or content regarding race, religion, color, sex, national origin, age, disability, physical attributes or sexual preferences.
- Transmitting or sharing information regarding a coworker's health status without his/her permission.
- Expressing opinions or personal views that could be misconstrued as being those of the City.
- Expressing opinions or personal views regarding management of the City or other political views.
- Using the electronic communication systems for any illegal purpose or in any way that violates City policy or is contrary to the City's best interest.

D. Filtering - The City uses software to filter inappropriate Internet sites. The City will review this filtering on a periodic basis and may modify prohibited sites without notification to City employees, contractors, volunteers or other affiliates. The City Manager (or designee) may grant exceptions and exemptions to Internet and instant messaging filtering only after a review of the requested information has been conducted and a determination that the City's current filtering practice impedes the requestor's ability to perform his/her job duties.

E. Responsibility - The person in whose name a City-provided Internet, email or other electronic communications system account is issued is responsible at all times for its proper use, regardless of the user's location. Exchanges that occur in the course of conducting City business on the City's electronic communications systems will be considered a communication of the City and held to the same standards as formal letters.

F. No Right of Privacy/Monitoring. Users of City electronic communications systems may not assume they are provided any degree of anonymity and employees have no right to

privacy with regard to such systems. Personal passwords are not an assurance of confidentiality. The Internet itself is not secure. To ensure proper use of its electronic communications systems, the City will monitor their use. Management staff has the ability and will, with or without advance notice, monitor and view usage, including but not limited to: employee email, voice mail and instant messages, information and material transmitted, received or stored using City systems and user Internet access and usage patterns to assure that the City's Internet resources are devoted to maintaining the highest levels of productivity, as well as proper use and compliance with this policy.

G. Restrictions – No software can be downloaded into the City's terminal services servers unless authorized by the appropriate City representative (Assistant City Manager, and/or City Manager) and approved by the City's IT service provider as to compliance with any copyright restrictions, annual licensing and maintenance agreements and compatibility to the City's operating systems. Under no circumstances will the City allow any software or other material relating to music, entertainment software or games to be downloaded.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The City's Employee Assistance Program (EAP) is available to provide assistance to employees who may be experiencing personal or family problems with alcohol or drug abuse, financial burdens, marital or other family problems. All employees who feel they may have an alcohol or drug problem are encouraged to utilize the program's resources before the problem adversely affects their job performance or employment status. Participation in this program is typically voluntary and confidential. However, a supervisor may make a mandatory referral when some aspect of an employee's personal life negatively affects his or her performance on the job.

EMPLOYEE CONDUCT AND WORK RULES/DISCIPLINARY ACTION

All city employees are public servants and, as such, should conduct themselves professionally and courteously while on duty or when wearing any article of clothing or accessory that identifies them with the city. All employees must avoid the appearance of illegal or unethical conduct at all times.

Any conduct of an employee, whether or not that individual is on duty, that has the impact or potential impact of any of the following, may result in discipline up to and including termination of employment:

- Creating a conflict or discord in the workplace
- Interfering with the individual's own work or that of another employee
- Creating a harassing, demeaning, or hostile work environment at the city
- Harming the goodwill or reputation of the city with its citizens or with the community at large
- Disclosing confidential information of the city or of another when the information was obtained by virtue of employment with the city

Employee "conduct" includes verbal communications, internet or electronic communication of any kind, and physical behavior.

An employee who uses any form of social media or the internet to post the city's confidential information or to post unfavorable comments about city officials, supervisors, or co-workers when those comments constitute a form of discrimination or harassment or result in disruption of city business or harm to the city's reputation will be disciplined up to and including termination of employment. Such conduct is prohibited whether or not the posting is made by use of city equipment and whether or not the posting is made during work hours. This prohibition is not intended to prevent an employee from discussing the wages, hours, and working conditions of employment with co-workers.

A. Progressive Discipline – In certain instances, the City will use a progressive disciplinary system. **The City is not obligated to use all of the progressive disciplinary steps available to it, and may begin the disciplinary process at any level, up to and including immediate discharge, depending upon the severity of the conduct, the employee's work performance and prior disciplinary history, the employee's length of service, and any mitigating circumstances.** Depending on the circumstances of each individual case, disciplinary action may consist of one or more of the following:

- oral warning
- letter of counseling
- written reprimand
- probation
- suspension (without pay)
- demotion
- termination

B. Documentation – All forms of discipline must be documented and will be placed in the employee's personnel file. In the event a Supervisor or Department Director recommends an employee be discharged, the Supervisor or Department Director shall forward a copy of the dismissal documentation to the Human Resources Division and the City Manager for review. The City Manager will make the final decision regarding the termination of an employee. No employee who was involuntarily discharged is eligible for rehire unless the discharge was a result of a Reduction in Force or a reorganization resulting in elimination of the employee's job.

C. Supervisory Responsibility – All employees with the responsibility and authority to supervise and direct employees under their control shall administer policies and procedures within their scope of authority; document their subordinates' job performance, conduct, and behavior as appropriate; properly conduct evaluations of subordinates in a timely manner; discipline their subordinates as required under their departmental and/or City policies and procedures as well as address performance appeals submitted to them as provided by policy in a professional manner, in an attempt to resolve such issues at the lowest possible supervisory level.

D. Review by Human Resources Division – Any proposed disciplinary action in excess of an oral warning must be reviewed by the Human Resources Division prior to being given to the employee.

E. Appeal Rights – Where a disciplinary action involves a suspension of 1 day (or 1 shift) or more or a demotion, the employee may follow the City's Complaint Resolution Procedure. For additional information, see the Complaint Resolution Policy section of this Handbook. However, positions classified as director level and above are employed at the will and pleasure of the City Manager and have no right of appeal for any type of disciplinary action.

F. Prohibited Activities. Disciplinary action will be imposed for violations of City or departmental policies and procedures, codes of conduct, rules and regulations, either written or verbal. In addition, acts which are not specifically addressed in policies and procedures, codes of conduct, and rules and regulations, yet may adversely affect the City or put the health and safety of fellow employees, citizens or other third parties, at risk, may also result in disciplinary action. It is impossible to list all the forms of behavior that are considered unacceptable in the workplace. The following are some examples of conduct that will likely result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or use of City property or other property not belonging to the employee.
- Falsification of timekeeping or other records, including employment application.
- Working under the influence of alcohol or illegal drugs.
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty or while operating City-owned equipment except in the performance of official police duties.

- Violation of City's policy regarding sexual or other unlawful harassment.
- Interfering with work schedules or another employee's ability to work.
- Misuse of City telephones, computers, mail systems, etc.
- Excessive or unscheduled absenteeism, tardiness in reporting for work or returning from lunch and breaks or absence without notice and/or approval.
- Breaks in excess of the allotted time allowed.
- Violation of smoking policy.
- Violation of safety or health rules and failure to immediately report an on-the-job injury/accident.
- Profanity, abusive language, or racial slurs.
- Unauthorized disclosure of confidential information.
- Violation of any provision of the City Charter.
- Violation of City or departmental policies, codes of conduct, rules and procedures.
- Coercion, intimidation, or threats against citizens, supervisors, co-workers, City officials, or others.
- Making or publishing false, vicious, or malicious statements about the City, or a City employee or citizen, or others.
- Unsatisfactory performance or conduct.
- Inefficiency, incompetence or neglect of duty.
- Fighting, provoking or instigating a fight, or threatening violence.
- Disruptive activity in the workplace.
- Engaging in a work stoppage.
- Conduct which results in waste or damage of a coworker's, City, or citizen-owned property.
- Insubordination or other disrespectful or unprofessional conduct.
- Discourteous treatment of the public.

- Possession of weapons on City time, City premises, or while on City business except for licensed peace officers required to carry a weapon as part of their job duties.
- Violation of local, state or federal law.
- Conviction of a felony, including reasonable belief employee has committed a crime under Texas Penal Code or Class A or B misdemeanor, or repeated conviction of Class C misdemeanor charges.
- Failure to timely return to work upon conclusion of authorized leave or disciplinary suspension.
- Outside employment that conflicts with, or potentially conflicts with, City interests.
- Acceptance of payment of any kind for activities related to City employment.
- Failure or refusal to follow lawful orders.
- Sleeping on the job.
- Dishonesty, including misrepresentation during the hiring process.
- An accumulation of minor infractions.

G. Felonies and Misdemeanors – Employees must immediately notify their Supervisor and/or Department Director if they are arrested, charged, indicted, convicted, receive deferred adjudication, or plead nolo contendere to any misdemeanor or felony. Whenever the criminal charge relates to the employee's duties for the City, the City will conduct its own investigation and take appropriate action.

An employee arrested, charged, or indicted for a felony or misdemeanor involving a crime of moral turpitude, or accused by information of official misconduct or other serious criminal violation will be placed on administrative leave (without pay) until the charge, indictment or information is dismissed or fully adjudicated without trial, and, if tried, until the trial and appeal (if any) are completed and all related administrative matters are concluded. In the event the matter is dismissed or the employee is adjudged not guilty of the charge, the employee will be entitled to receive back pay from the date of commencement of administrative leave without pay through the date the matter becomes final by dismissal or final, non-appealable, judgment up to a maximum of twelve months pay. An employee on administrative leave may, in the City's sole discretion, be reinstated to the position held before being placed on administrative leave (if the position is open at the time), if the indictment or information is dismissed, the employee is acquitted, or the conviction is reversed on appeal. Notwithstanding the foregoing, if the City, based upon its own investigation of the matter, determines that the employee should no longer be employed by the City, the employee may be discharged regardless of the pendency of criminal proceedings. In such event, no back pay will be paid even if the criminal charge is dismissed or

the employee is ultimately determined to be innocent of the criminal charge. At the discretion of the City Manager, an employee will not be required to take administrative leave under this section if the criminal offense is a misdemeanor unrelated to and not impacting the employee's position with and duties for the City.

H. Disciplinary Conference – A disciplinary conference will be scheduled at the time of the imposition of a disciplinary suspension of 1 day (or 1 shift) or more, demotion, or termination. The Department Director, the affected employee, the Human Resources Division and anyone else deemed necessary by the Department Director typically attend the disciplinary conference. During the conference, the affected employee will be given an opportunity to present an explanation of the conduct leading up to the proposed disciplinary action. Employees may, in the City's sole discretion, be placed on administrative leave without pay prior to, during, or after the disciplinary conference. The employee will be notified of the City's determination following the conference.

I. Administrative Leave – During an investigation into alleged offenses or violations of City policies, the City may, in its sole discretion, place the employee on administrative leave without pay.

EMPLOYEE SAFETY

The City is interested in your safety and well-being. Accordingly, the City has developed safety rules and regulations. Each and every employee is required to obey safety rules and to exercise caution in all work activities. From time to time you will be updated and reviewed on safety procedures in an effort to increase your awareness of the importance of safety on the job. You can do much to prevent accidents and injuries by obeying the safety rules of your job, by remaining alert, and by THINKING SAFETY at all times. If you see something that you believe is an unsafe act or an unsafe condition, you should immediately report it to your supervisor or to management at once.

A. General Guidelines - The following safety rules apply at all times and some specific job descriptions may contain additional operational safety guidelines. Each employee must be familiar with such rules and apply them at all times. It is the policy of the City of Hutto to investigate all work-related accidents or incidents that result in or could potentially have resulted in injury or property damage. As nearly all accidents and incidents have their own unique characteristics, only general rules and procedures can be outlined here.

- Use prescribed protective equipment such as eye protection, hearing protection, hard hats, safety shoes, gloves, shields, etc. when those items are appropriate to the task being performed.
- Walk, do not run. Wipe spills and pick up fallen objects and debris. Keep floor surfaces clear of hazards and other obstacles, electric cords, etc. For your comfort and safety, wear shoes with non-slip soles, in good condition and with enclosed toes. Do not wear sandals, sneakers, moccasins or tennis shoes on any job site where feet could be injured.
- To avoid back injuries, use correct lifting methods. Get someone to help you with heavy (or difficult to handle) items.
- Be aware of sharp tools. Use safety devises where provided, and do not alter or remove them in any way. Report hazards to management immediately.
- Material Safety Data Sheets (MSDS Sheets) - You will be shown the location of the City's Material Safety Data Sheets. MSDS sheets provide valuable information about various chemicals and other agents that you may encounter in your work. They will explain possible reactions to exposure, and steps you should take if it occurs. Review this information from time to time.
- Fire - Be alert for causes and report smoke, heat or unusual odors immediately. Alert other people in the area to the possibility of danger in order to evacuate, if necessary. Try to verify the location and call the Fire Department or 911. Use proper portable extinguishers for small fires.
- Do not put fingers, hands, feet or clothing in moving machinery.

- Do not carry items in a manner that obscures your vision.
- Do not block access to fire extinguishers.
- Do not touch open or loose electrical circuits.
- Report unusual vibrations, smells, or noises coming from equipment.
- Do not wear rings or jewelry while operating machinery.
- Do not perform maintenance or repairs on running equipment.
- Do not remove or alter warning tags or safety devices.
- Never leave nails or spikes protruding from planks or boards.
- Perform routine maintenance at all scheduled intervals.
- Do not use compressed air for cleaning clothing or floors.

B. Responsibilities - Employees must immediately report to their supervisor any on-the-job injury or illness they sustain, or suspect they have sustained, no matter how minor. They must also report any incidents that had the potential for injury to employees or third parties and any instances where property damage occurred.

Supervision shall first respond to the immediate medical needs of any injured persons. Then, they should begin reporting and investigate activities as described in this policy.

Witnesses to the event that resulted in the accident or incident will provide statements about what they observed. The witnesses may also be asked to participate in the initial and/or final investigations.

C. Procedures

1. Initial Notification – Employees are responsible for reporting all injuries, illnesses or incidents as described earlier in this policy. Failure to report any injury or incident may be cause for disciplinary action. In the event of a serious or disabling injury, fellow employees must assume this reporting responsibility.

2. Initial Treatment – Any injury shall be treated by the supervisor or other available personnel in accordance with their individual abilities and the injury severity. Treatment should be provided by any qualified physician who participates in the City's worker's compensation network, the Political Subdivision Worker's Compensation Alliance. A list of participating physicians may be accessed online at <http://www.pswca.org/directory/>. Medical treatment is mandatory for any of the following:

- Severe chest pains
- Traumatic injuries
- Loss of consciousness or severe dizziness
- Seizures
- Difficulty breathing
- Severe animal bite
- Injury requiring sutures or tetanus shot

The first responders to any incident scene will be responsible for securing the area to prevent further damage or injury and also protecting the integrity of the incident scene until an investigation can be initiated.

Any incident involving possible exposure to blood borne pathogens, communicable diseases or any other contagious substances shall be handled by a qualified medical professional. Any incident involving an employees' possible exposure to blood borne pathogens, communicable diseases or any other contagious substances, that employee is required to seek immediate medical assistance and report the situation as soon as practical or within 48 hours to their immediate supervisor and the Human Resources Division.

Injured employees are to be transported for medical treatment either by ambulance or another person depending on the severity of the injury. Injured employees should never be allowed to transport themselves for initial medical treatment, but they may transport themselves for follow-up visits if the injury does not impair their driving abilities.

3. Initial Report – An initial report will be completed for all accidents and incidents. The immediate supervisor of the employee will complete the initial investigation and report as soon as possible after the occurrence. The initial report will be turned in to Human Resources Division with a copy to the Department Director. The Human Resources Division is responsible for receiving and reviewing the initial reports of injury or property damage and forwarding them to the appropriate insurance representatives in a timely manner.

EMPLOYEE VOLUNTEER PAID LEAVE POLICY

The City of Hutto recognizes its responsibility to engage in and strengthen the Hutto community. This policy is designed to support community service and volunteerism as an integral part of our core values and motto to *passionately serve* the Hutto community.

- A. Purpose:** The purpose of the City of Hutto Employee Volunteer Policy is to encourage city employees to participate in community service related activities or through a city-sponsored event.
- B. Effective Date:** This policy will apply to any volunteer time that was completed in conjunction with a community event or organization located in the city of Hutto, starting February 1, 2015 at which time the City Manager, acting on authority to grant paid leave, instituted this policy.
- C. Terms of Participation:** Employees may volunteer independently or as a division/team. Participation is open to all full-time City of Hutto employees. Employees must be in good standing, regularly fulfilling the requirements of his/her job at the expected performance level. Volunteer time must be an activity unrelated to the employee's job duties. Any employee who is compensated by outside agencies/organizations for work performed that is not required by their City of Hutto job duties (although the work may be similar) may substitute volunteer time in lieu of compensation from the outside agency/organization, provided that written approval is obtained in advance by the employee's supervisor and documentation is provided by the outside agency/organization showing that the work was not paid.

Employees volunteering on an individual basis must coordinate plans of participation with his/her supervisor. When requesting time off, an employee must submit a brief description of the volunteer activity in writing to his/her supervisor for approval (*Employee Volunteer Request Form*). Participation hours must be recorded on employee time sheet.

Employees volunteering with a division/team must determine a worthy cause or with a service group in the community and requires approval by supervisor(s) before volunteer activity commences.

The City of Hutto will grant four (4) hours of paid leave per fiscal year to qualifying employees for the purpose of participating in volunteer activities within the Hutto community. Whenever possible, employees should flex their time. Volunteer paid leave hours will not be counted as hours worked for purposes of determining overtime.

D. Procedures:

- a. Employees must schedule and have advanced approval with his/her supervisor before volunteer activities commence. Supervisors have the discretion to deny approval depending on the staffing needs of the department.
- b. Employees must submit *Employee Volunteer Request Form* to supervisor before volunteer activities commence.
- c. Employees will reflect the appropriate payroll code on their timesheet.
- d. Employees are encouraged to volunteer above and beyond the four (4) hours of paid volunteer leave time. This additional unpaid time should be recorded in the appropriate payroll code.
- e. Employees should wear the *City of Hutto Volunteer Shirt* when completing volunteer activities, unless specific uniform attire is required.

E. Compliance: Any employee found to have falsely requested time off for volunteering activities or who acts in an inappropriate way while carrying out volunteering activities may be subject to disciplinary action, up to and including termination.

F. Disclaimer: Nothing in this policy should be construed as an endorsement by the City of Hutto of any charitable volunteer activity. The City of Hutto shall not be responsible for the outcome of the activity or any injury or damage that occurs to any party as a result of the volunteer activity. Volunteer activity is not within the course and scope of an employee's duties for the City of Hutto, and injuries resulting from, arising out of, or exacerbated by any volunteer activity will not be an on-the-job injury for purposes of the City's workers' compensation benefits.

G. Examples of appropriate volunteer activities (not limited to this list):

- a. Donating your time at the Hutto Food Pantry
- b. Donating your time with the Weekend Lunchbox Program
- c. Cleaning up a city owned park, ROW, or Adopt-A-Spot location
- d. Volunteering at a city-sponsored special event, i.e., "The Big Event"
- e. Forming/participating with a team for a local charity event, i.e., "Relay for Life"
- f. Volunteering through the United Way Day of Caring
- g. HISD Mentoring Program
- h. Story Time at the Library

EMPLOYMENT STATUS

The City classifies City employees for the purpose of employment status and benefit eligibility as follows:

A. Regular full-time - An employee in a budgeted position with an officially scheduled work week of 30 hours or more each work week (except for certain Police shift personnel who have different work cycles). Generally, regular full-time employees are eligible for the City's full benefits package, subject to the terms, conditions, and waiting periods of each benefit program. Regular full-time employees are required to participate in the Texas Municipal Retirement System (TMRS)

B. Regular part-time - An employee in a budgeted position with an officially scheduled work week of less than 30 hours who has successfully completed 6 months of active service with the City. Regular part-time employees receive all legally mandated benefits (such as workers' compensation insurance coverage), but are not eligible for other City sponsored employment benefits. Regular part-time employees who are regularly scheduled to work 1,000 hours or more per year are required to participate in the Texas Municipal Retirement System (TMRS).

C. Temporary/Seasonal - An employee who is employed for only a specific time period, for a special assignment, or as an interim replacement. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary and seasonal employees retain that status unless and until notified of a change in writing by the Human Resources Division. Temporary and seasonal employees receive all legally mandated benefits (such as workers' compensation insurance coverage), but are not eligible for the City's other employment benefits. Temporary employees who are placed with the City but who are actually employed by a temporary staffing agency must look to the temporary staffing agency to determine what benefits they are provided. Such employees are not eligible for benefits from the City and are not eligible for participation in TMRS.

D. Appointed - An employee who is appointed by the City Manager to perform work on an "as needed" hourly basis.

E. Reserve Personnel - The City of Hutto may engage in hiring reserve personnel for specific positions that require identifiable staffing requirements to maintain service levels. Reserve personnel are employees of the City of Hutto and, as such, are subject to all of the same recruitment, hiring and personnel policies as all other City employees including, without limitation, criminal background checks and drug screenings. The services of Reserve Personnel are performed on an "as-needed" basis as determined by the Department Director.

F. Volunteers - Volunteers are not employed by the City in any capacity. Volunteers elect to donate their time and services as a volunteer for the City without any expectation of compensation. Volunteers are generally not paid and are generally not entitled to any benefits.

G. FLSA Designation - In addition to being in one of the above categories, each employee is also designated as either exempt or non-exempt from federal and state wage and hour laws. Employees are informed of their status as exempt or non-exempt at the time of their initial employment, or subsequently if their classification changes for any reason. An employee's exempt or non-exempt classification may be changed only upon written notification by the Human Resources Division.

EQUAL EMPLOYMENT OPPORTUNITY

The City is an equal opportunity employer. Discrimination against any person in recruitment, examination, selection, appointment, rate of pay, promotion and transfer, retention, daily working conditions, testing and training, awards, compensation and benefits, disciplinary measures or any other aspect of employment or personnel management because of age, race, religion, sex, color, national origin, citizenship, disability, veteran's status, genetic information, or other unlawful basis, is prohibited.

EXIT INTERVIEWS

The City usually provides separating employees with an exit interview prior to their last day of work. The purpose of the exit interview is to finalize all compensation due, return City equipment, provide explanation of any continuing benefits, review employment history, discuss the reason(s) for the separation, and solicit constructive feedback to improve the City. The Human Resources Division shall complete an Exit Interview Form. Exit interviews are conducted confidentially by the Human Resources Division. Information discussed during the exit interview may be shared with the City Manager's office and acted upon as deemed appropriate by the City. The Department Director (or designee) is responsible for promptly notifying the Human Resources Division of all separations, arranging for the exit interview and providing documentation of receipt of all departmental and/or City property from the exiting employee.

Final payment of compensation may be withheld pending return of City property, completion of necessary paperwork, and other requirements of separation.

EXTENDED LEAVE OF ABSENCE

In extraordinary circumstances, the City may grant employees an extended leave of absence (LOA). All requests for LOA must be authorized by the City Manager. The employee may seek extensions of leave, up to a maximum of 180 calendar days away from work. A LOA may not exceed 180 calendar days in a single 12-month period that begins on the first day of the LOA. A return to work for a period of 90 calendar days or less will not result in the commencement of a new 12-month period. This policy will be administered consistently with the City's obligations under all applicable state and federal laws including, without limitation, the Americans with Disabilities Act and Uniformed Services Employment and Reemployment Act . A LOA will not be authorized unless there is a reasonable expectation that the employee will return to employment with the City at the end of the approved leave period.

A. Use of All Other Available Leave – All accrued leave, approved sick leave pool withdrawals, compensatory time, and FMLA leave (if applicable) must be exhausted and runs concurrently with an authorized LOA. The 180 calendar day maximum absence includes all paid and unpaid days of leave.

B. Criteria - Factors considered by the City in granting a LOA include the reason for the leave; departmental work requirements; the employee's length of service, work performance and disciplinary history.

C. Reasons for LOA - A LOA may be considered in the following circumstances:

1. Recovery from extended illness, injury or temporary disability.
2. Extended care for immediate family members.
3. Educational purposes when successful completion will contribute to the work of the City.
4. Public service assignment.
5. Personnel exchange programs which emphasize intergovernmental relations.

D. Documentation - Requests for LOA must be made in writing to the employee's Department Director as far in advance as possible prior to the requested leave date. Requests for an extension of leave must also be in writing and submitted to the Department Director, who will forward the request to the City Manager's office and the Human Resources Division. The need for a medical LOA must be supported by documentation acceptable to the City, including but not limited to a doctor's explanation of why the employee cannot perform his/her duties, when he/she is expected to return to work, and periodic updates regarding the employee's ability or inability to return to work. The Department Director and/or City Manager may require that the employee on leave periodically contact a designated supervisor to report on his/her condition or status. Before returning to work from a medical LOA, the employee may be required to submit a letter from his or her doctor stating that the employee is able to resume his or her normal job duties. The City may also impose additional return to work requirements as set out in the City's Health/Fitness policy.

E. Other Employment During Leave - Under no circumstances may an employee on an authorized LOA work another job, whether for pay, as a volunteer or as self-employment, unless expressly authorized in writing by the Department Director and the Human Resources Division.

F. Reinstatement - Employees returning from a LOA will be reinstated to their same position if the position is available. If the employee's previous position is not available, the City will use its best efforts to place the employee in a position of similar pay and status. If the same job or one of similar pay and status is not available, reinstatement may, at the City's discretion, be deferred until a position is available. If reinstatement to an employee's previous position is required by law, the City will comply with the law. An employee who fails to return to work at the conclusion of an approved LOA will be considered to have voluntarily resigned his or her employment with the City.

G. Benefits/Premium Payments - All LOA's are unpaid except for any period in which accrued, paid leave or approved sick leave pool withdrawals are used during the LOA. Vacation, sick leave, holiday pay, and other benefits do not accrue during the unpaid portion of a LOA. Any benefit continuation during a LOA must be approved in advance by the Human Resources Division and the City Manager.

Any insurance premiums, or partial premiums, normally paid on behalf of the employee by the City will not be paid by the City beginning the first day of the month following the starting date of an unpaid LOA. For purposes of this policy, an employee receiving short-term disability or long-term disability benefits will not be counted as being on an unpaid LOA. Employees who have group health or any other kind of insurance through the City continue to be responsible for paying their portion of the premiums while on a LOA. An employee's failure to pay either his or her or the City's portion of insurance premiums during a LOA may result in cancellation of coverage.

H. Revocation - The City Manager may revoke an authorized LOA at any time. Failure to return to work after the expiration of an authorized LOA or failure to provide required medical status reports, physician's statements, or to contact the City per the required schedule, will likely result in revocation of the LOA and/or disciplinary action up to and including dismissal.

FAMILY AND MEDICAL LEAVE ACT

The City provides leave to eligible employees in accordance with the Family and Medical Leave Act (FMLA). Under the FMLA, eligible employees may take up to 12 weeks of unpaid leave each calendar year for specified family and medical reasons. Eligible employees may take up to 26 weeks of leave to care for a covered servicemember with a serious injury or illness during a single 12-month period which begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date.

All governmental entities are covered by FMLA, regardless of the number of employees. However, an employee is eligible to take FMLA leave only if employed by an employer that has 50 or more employees within a 75 mile radius. The City of Hutto employed 50 employees on **March 20, 2006** so as of this date, City of Hutto employees may take FMLA leave if they meet all eligibility requirements as set out herein.

A. FMLA Leave Runs Concurrently With Other Types of Leave - If an employee has any available accrued sick leave, it must be used concurrently with any available FMLA leave, provided the employee's absence is covered by the City's sick leave policy. Accrued sick leave taken for the purposes of FMLA for the employee or employee's immediate family will follow the guidelines set out in the sick leave policy. If the absence is not covered by the City's Sick Leave Policy or if an employee exhausts accrued sick leave, an employee on FMLA leave will be required to exhaust any accrued vacation leave concurrently with the FMLA leave. Disability leave also runs concurrently with FMLA leave, but if the employee is receiving short or long term disability benefits while on leave, the employee will not be required to exhaust accrued sick and/or vacation leave at the same time. FMLA leave will also run concurrently with any time off from work covered by workers' compensation when the on-the-job injury qualifies as FMLA leave. Whenever an employee is substituting paid leave for FMLA leave, the employee must comply with the City's existing notice and procedural requirement for the type of paid leave being used. Employees are not allowed to work from home or to perform work for any other employer while on FMLA leave. Any employee on FMLA leave will have access to their City email and computer accounts disabled. Access will be restored after the employee returns to work at the conclusion of FMLA leave.

B. Employee Eligibility - To be eligible for FMLA leave, an employee must have worked for the City:

- For at least 12 months, and
- For at least 1,250 hours during the 12 months preceding the start of the leave.

An employee's 12 months of service with the City need not be consecutive months. However, the City will not recognize employment that preceded a 7-year break in service except in limited circumstances required by the FMLA.

The protections afforded by the Uniformed Services Employment and Reemployment Rights Act (USERRA) extend to all military members (covered active duty and reserve), and all periods of

absence from work due to or necessitated by USERRA covered service is counted in determining an employee's eligibility for FMLA leave.

C. Leave Entitlement - Eligible employees may take FMLA leave for one or more of the following reasons:

- for the birth or placement of a child for adoption or foster care;
- to care for the employee's spouse, son, daughter, or parent with a serious health condition;
- when the employee is unable to perform the functions of his/her position because of his/her own serious health condition;
- because of any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a military member on covered active duty (or has been notified of an impending call or order to covered active duty). Covered active duty requires deployment to a foreign county; or
- to care for a covered servicemember with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the servicemember.

To determine eligibility for leave for most qualifying events, the 12-month period used by the City is the calendar year starting in January. Leave to care for a covered servicemember with a serious injury or illness is determined by a 12-month period that begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date.

D. Employee's Notice Requirements - In order for the City to accommodate an employee's workload during his/her absence, an employee seeking to take FMLA leave must provide both his/her Department Director and the Human Resources Division with at least 30 days advance notice when the leave is foreseeable for an expected birth, placement for adoption or foster care, planned medical treatment for a serious health condition of the employee or of a family member of the employee, or the planned medical treatment for a serious injury or illness of a covered servicemember. If 30 days notice is not practicable (for example, because of a medical emergency), then notice must be given as soon as practicable. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, notice should be provided the same day or the next business day. If requested to do so, the employee must provide an explanation of why 30 days notice of foreseeable leave could not be given. If the leave is not foreseeable, an employee is expected to provide both his/her Department Director and the Human Resources Division with as much advance notice as possible. In the event of medical leave for planned medical treatment for the employee or for the employee's spouse, child or parent, the employee is required to make a reasonable effort to schedule the treatment so as not to disrupt unduly the City's operations.

Absent unusual circumstances, employees must comply with the City's normal notice and procedural requirements for requesting leave. In requesting leave, the employee must provide sufficient information for the City to reasonably determine whether the FMLA applies to the leave request.

All supervisors must immediately notify both their Department Director and the Human Resources Division if they have reason to believe an employee's absence is due to an FMLA-covered reason. (**Note:** Under the FMLA, an employee requesting paid or unpaid leave for an absence covered by the FMLA is not required to expressly mention FMLA. If the employee states a reason that qualifies for FMLA leave, the employee will likely have met the FMLA's notice requirements.)

E. Medical Certification and Other Required Documentation - An employee must provide the City with a medical certification supporting the need for FMLA leave due to a serious health condition affecting the employee or the employee's spouse, son, daughter, or parent or due to a qualifying exigency or to care for a covered servicemember with a serious injury or illness. The medical certification form must be filled out in all material respects and must be complete and sufficient to allow the City to make a determination of the need for leave. In addition, the certification must set forth the beginning and expected ending dates of the leave. In the case of intermittent leave, the certification must also provide the dates and duration of the treatments necessitating the intermittent leave. In some cases, the City may require a second or third medical certification (at the City's expense) and periodic recertification of the serious health condition. Forms are available from the Human Resources Division.

An employee must also provide periodic reports during FMLA leave as to his/her status and intent to return to work, and will be required to submit a "fitness-for-duty" certification before the employee can return to work when the absence was due to the employee's own serious health condition. A fitness for duty certification must certify that the employee is able to resume work and must specifically address the employee's ability to perform the essential functions of the employee's job. A list of the essential functions of the employee's job will be provided by the City. Restoration to employment may be delayed until the required fitness-for-duty certification is submitted. If an employee fails to provide any required certification within 15 days, the City may deny leave until the certification is provided. If an employee elects to take FMLA leave in order to care for a family member, the employee may be required to provide reasonable documentation confirming a family relationship.

When leave is taken to care for a covered servicemember with a serious injury or illness, a special medical certification form must be completed by the servicemember's health care provider. The City will provide the appropriate form. A servicemember's health care provider may be a United States Department of Defense ("DOD") health care provider, a United States Department of Veterans Affairs ("VA") health care provider, a DOD TRICARE network authorized private health care provider, a DOD non-network TRICARE authorized private health care provider, or a health care provider not affiliated with the DOD, VA, or TRICARE. Second and third opinions regarding a covered servicemember's serious injury or illness and recertifications may be required for certifications that are completed by health care providers who are not affiliated with DOD, VA, or TRICARE. An employee may be required to provide confirmation of covered family relationship to the seriously injured or ill servicemember. Invitational travel orders (ITOs) or Invitational Travel Authorizations (ITAs) will be accepted in lieu of medical certification.

F. Intermittent Leave - An eligible employee may take FMLA leave on an intermittent or reduced schedule basis only in those situations required by the FMLA or otherwise approved by the Department Director. When intermittent leave is needed, the employee must try to schedule the leave so as not to unduly disrupt the Department's operations. The City may temporarily transfer the employee to an alternative position (with equivalent pay and benefits) in order to better accommodate an employee's intermittent or reduced leave schedule.

Employees may not be required to take more FMLA leave than necessary to address the circumstances that cause the need for FMLA leave. FMLA leave, as with all other types of paid leave, may be taken in quarter-hour increments.

G. Leave for a Qualifying Exigency – When the need for leave because of a qualifying exigency arises out of the covered active duty or call to covered active duty status of a military member, the employee requesting leave must provide a copy of the military member's covered active duty orders or other documentation issued by the military which indicates that the military member is on covered active duty or a contingency operation, and the dates of the military member's covered active duty service. An employee requesting leave for a qualified exigency will be required to provide a certification on DOL Form WH-384 which will be provided by the City. This certification must be complete and sufficient to enable the City to determine the need for leave.

A "qualifying exigency" includes:

- **Short-notice deployment.** To address any issue that arises from the fact that a military member is notified of an impending call or order to covered active duty in support of a contingency operation seven or less calendar days prior to the date of deployment. Leave taken for this purpose can be used for a period of seven calendar days beginning on the date a military member is notified of an impending call or order to covered active duty in support of a contingency operation;
- **Military events and related activities.** To attend any official ceremony, program, or event sponsored by the military that is related to the covered active duty or call to covered active duty status of a military member and to attend family support or assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross that are related to the covered active duty or call to covered active duty status of a military member;
- **Childcare and school activities.** To arrange for alternative childcare, provide childcare, enroll in or transfer child(ren) to a new school or day care facility, or to attend meetings with school or daycare staff as authorized by the FMLA;
- **Parental care:** Eligible employees may take leave to care for a military member's parent who is incapable of self-care when the care is necessitated by the member's covered active duty. Such care may include arranging for alternative care, providing care on an immediate need basis, admitting or transferring the parent to a care facility, or attending meetings with staff at a care facility;

- **Financial and legal arrangements.** To make or update financial or legal arrangements to address the military member's absence while on covered active duty or call to covered active duty status;
- **Counseling.** To attend counseling provided by someone other than a health care provider for oneself, for the military member, or for the biological, adopted, or foster child, a stepchild, or a legal ward of the military member, or a child for whom the military member stands in loco parentis, who is either under 18 or 18 or older and incapable of self-care because of a mental or physical disability at the time that FMLA leave is to commence, provided that the need for counseling arises from the covered active duty or call to covered active duty status of a military member;
- **Rest and recuperation.** To spend time with a covered military member who is on short-term, temporary, rest and recuperation leave during the period of deployment. Eligible employees may take up to 15 calendar days of leave for each instance of rest and recuperation. A copy of the military member's Rest and Recuperation leave orders, or other documentation issued by the military setting forth the dates of the military member's leave is required certification for a qualifying exigency;
- **Post-deployment activities.** To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of 90 days following the termination of the military member's covered active duty status; and to address issues that arise from the death of a military member while on covered active duty status;
- **Additional activities.** To address other events which arise out of the military member's covered active duty or call to covered active duty status provided that the City and employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

A "military member" is the employee's spouse, son, daughter, or parent on covered active duty or call to covered active duty status.

H. Leave to Care for a Servicemember with a Serious Injury or Illness –An eligible employee is entitled to 26 workweeks of leave to care for a covered servicemember with a serious injury or illness during a single 12-month period which begins on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date. If an eligible employee does not take all 26 workweeks during the 12-month period, the remaining part of the 26 weeks is forfeited. An eligible employee is entitled to a combined total of 26 workweeks of leave for any FMLA-qualifying reason during the "single 12-month period" described in this section provided that the employee is entitled to no more than 12 weeks of leave for one or more of the following qualifying events: because of the birth of a son or daughter of the employee and in order to care for such son or daughter; because of the placement of a son or daughter with the employee for adoption or foster care; in order to care for the spouse, son, daughter, or parent with a serious health condition; because of the employee's own serious health condition; or because of a qualifying exigency.

A husband and wife who are both employed by the City and who are both eligible for FMLA leave are limited to a combined total of 26 workweeks of leave during the “single 12-month period” described in this section if the leave is taken for birth of the employee’s son or daughter or to care for the child after birth, for placement of a son or daughter with the employee for adoption or foster care or to care for the child after placement, to care for the employee’s parent with a serious health condition, or to care for a covered servicemember with a serious injury or illness.

The “serious injury or illness” of a covered servicemember is an injury or illness incurred in the line of duty on covered active duty that may render the servicemember medically unfit to perform the duties of his or her office, grade, rank or rating. This also includes injuries or illnesses that existed before the beginning of the member’s active duty and were aggravated by service in the line of duty on active duty in the Armed Forces.

A “serious injury or illness” for a covered veteran (see definition in subsequent paragraph) means an injury or illness that was incurred or aggravated by the member in the line of duty on active duty in the Armed Forces and manifested itself before or after the member became a veteran, and is:

- A continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember’s office, grade, rank, or rating; OR
- A physical or mental condition for which the covered veteran has received a Veterans Affairs Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; OR
- A physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would do so absent treatment; OR
- An injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

A “covered servicemember” is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient therapy, or is otherwise on the temporary disability retired list, for a serious injury or illness. “Covered servicemember” also includes covered veterans who are undergoing medical treatment, recuperation, or therapy for a serious injury or illness. A “covered veteran” is an individual who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran. The City may require the employee giving notice of the need for leave to provide reasonable documentation or statement of family relationship.

I. Benefits During FMLA Leave - During any period of FMLA leave, the City will continue to pay its portion, if any, of any group health insurance coverage for the employee on the same terms as if the employee had continued to work. Where applicable, the employee must timely pay his or her share of health insurance premiums while on FMLA leave. The City may recover premiums it paid to maintain health coverage for an employee who fails to return to work from FMLA leave, unless the employee is unable to return due to a serious health condition or something else beyond the employee's control. Medical certification is required under such circumstances.

The employee's use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave, and seniority will not be affected. However, benefit accruals, such as vacation and sick leave, will be suspended during any unpaid leave.

J. TMRS - Employee contributions to TMRS may be made on a voluntary basis through a special arrangement with the City while an employee is in a leave without pay status. It is the employee's responsibility to initiate such an arrangement by timely contacting the City's Human Resources Division and completing the necessary paperwork.

K. Job Restoration After FMLA Leave - Upon return from FMLA leave, an employee will be restored to his/ her original job or to an equivalent job with equivalent pay, benefits, and other terms and conditions.

L. Leave Due To Birth/Adoption - FMLA leave for birth or placement for adoption or foster care must conclude within 12 months of the birth or placement. In addition, if an employee and the employee's spouse are both employed by the City, both are jointly entitled to a combined total of 12 work weeks of family leave for the birth or placement of a child for adoption or foster care, or to care for a parent (but not a parent-in-law) who has a serious health condition.

M. FLSA Considerations. Salaried executive, administrative, professional and other employees of the City who meet the Fair Labor Standards Act (FLSA) criteria for exemption from overtime do not lose their FLSA-exempt status by using any unpaid FMLA leave.

N. Other Employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, or workers' compensation leave engage in outside employment as defined in the Outside Employment Policy.

O. Other Provisions. The FMLA does not affect any federal or state law prohibiting discrimination. This policy is intended to explain benefits available to eligible employees under the FMLA. It is not intended to create any rights to leave beyond those created by the FMLA. If additional information is needed on the FMLA, please contact the Human Resources Division. When an employee gives notice of the need for FMLA leave, the employee will be given additional information as to his or her rights and responsibilities under the FMLA. Employees on FMLA leave are required to check-in to the Human Resources Division on a weekly basis to

keep the City informed of an employee's situation unless the employee is medically unable to call-in.

P. Definition of Serious Health Condition. For purposes of this policy, incapacity refers to the inability to work, attend school or perform other regular daily activities due to a serious health condition, treatment therefore, or recovery therefrom. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves:

1. Inpatient care, which is an overnight stay in a hospital, hospice, or residential medical-care facility and includes any period of incapacity or any subsequent treatment in connection with such inpatient care; or

2. Continuing treatment by a health care provider, which includes any one or more of the following:

(A) Incapacity and treatment, which is a period of incapacity of **more than three consecutive, full calendar days** and any subsequent treatment or period of incapacity relating to the same condition that also involves:

(i). Treatment two or more times, within 30 days of the first day of incapacity, unless extenuating circumstances exist, by a health care provider, by a nurse under direct supervision of a health care provider, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, a health care provider; or

(ii). Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider. A regimen of continuing treatment includes, for example, a course of prescription medication (e.g., an antibiotic) or therapy requiring special equipment to resolve or alleviate the health condition (e.g., oxygen); Or

For purposes of this section, "treatment by a health care provider" means an in-person visit to a health care provider, the first of which treatment visit must take place within seven (7) days of incapacity.

(B) Any period of incapacity due to pregnancy or for prenatal care. For example, an employee who is pregnant may be unable to report to work because of severe morning sickness.

(C) Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:

(i) Requires periodic visits (at least twice per year) for treatment by a health care provider, or by a nurse under direct supervision of a health care provider;

(ii) Continues over an extended period of time (including recurring episodes of a single underlying condition); and

(iii) May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.).

(D) A period of incapacity which is **permanent or long-term due to a condition for which treatment may not be effective**. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.

(E) Any period of absence to receive **multiple treatments** (including any period of recovery there from) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive full calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), kidney disease (dialysis).

(F) Substance abuse may be a serious health condition if the conditions of this section are met. However, FMLA leave may only be taken for treatment for substance abuse by a health care provider or by a provider of health care services on referral by a health care provider. On the other hand, absence because of the employee's use of the substance, rather than for treatment, does not qualify for FMLA leave.

(G) Absences attributable to incapacity for pregnancy or prenatal care are for chronic conditions even though the employee or the covered family member does not receive treatment from a health care provider during the absence, and even if the absence does not last more than three consecutive, full calendar days. For example, an employee with asthma may be unable to report for work due to the onset of an asthma attack or because the employee's health care provider has advised the employee to stay home when the pollen count exceeds a certain level. An employee who is pregnant may not be able to report to work because of severe morning sickness.

Q. Examples of Situations that are NOT Serious Health Conditions.

1. Conditions for which cosmetic treatments are administered (such as most treatments for acne or plastic surgery) are not "serious health conditions" unless inpatient hospital care is required or unless complications develop.
2. Ordinarily, unless complications arise, the common cold, the flu, ear aches, upset stomach, minor ulcers, headaches other than migraine, routine dental or orthodontia problems, periodontal disease, etc., are examples of conditions that do not meet the definition of a serious health condition and do not qualify for FMLA leave.
3. A regimen of continuing treatment that includes the taking of over-the-counter medications such as aspirin, antihistamines, or salves; or bed-rest, drinking fluids,

exercise, and other similar activities that can be initiated without a visit to a health care provider, is not, by itself, sufficient to constitute a regimen of continuing treatment for purposes of FMLA leave.

4. "Treatment" does not include routine physical examinations, eye examinations, or dental examinations.
5. Restorative dental or plastic surgery after an injury or removal of a cancerous growth would be considered a serious health condition if all other conditions of this policy are met.

R. Notice -- In addition to this policy, please read the following notice of Employee Rights and Responsibilities Under the Family and Medical leave Act:

EMPLOYEE RIGHTS AND RESPONSIBILITIES
UNDER THE FAMILY AND MEDICAL LEAVE ACT
THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

Leave Entitlements

Eligible employees who work for a covered employer can take up to 12 weeks of unpaid, job-protected leave in a 12-month period for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within 1 year of the child's birth or placement);
- To care for the employee's spouse, child, or parent who has a qualifying serious health condition;
- For the employee's own qualifying serious health condition that makes the employee unable to perform the employee's job;
- For qualifying exigencies related to the foreign deployment of a military member who is the employee's spouse, child, or parent.

An eligible employee who is a covered servicemember's spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave in a single 12-month period to care for the servicemember with a serious injury or illness.

An employee does not need to use leave in one block. When it is medically necessary or otherwise permitted, employees may take leave intermittently or on a reduced schedule.

Employees may choose, or an employer may require, use of accrued paid leave while taking FMLA leave. If an employee substitutes accrued paid leave for FMLA leave, the employee must comply with the employer's normal paid leave policies.

Benefits and Protections

While employees are on FMLA leave, employers must continue health insurance coverage as if the employees were not on leave.

Upon return from FMLA leave, most employees must be restored to the same job or one nearly identical to it with equivalent pay, benefits, and other employment terms and conditions.

An employer may not interfere with an individual's FMLA rights or retaliate against someone for using or trying to use FMLA leave, opposing any practice made unlawful by the FMLA, or being involved in any proceeding under or related to the FMLA.

Eligibility Requirements

An employee who works for a covered employer must meet three criteria in order to be eligible for FMLA leave. The employee must:

- Have worked for the employer for at least 12 months;
- Have at least 1,250 hours of service in the last 12 months before taking leave;* and
- Work at a location where the employer has at least 50 employees within 75 miles of the employee's worksite.

***Special "hours of service" requirements apply to airline flight crew employees.**

Requesting Leave

Generally, employees must give 30-days' advance notice of the need for FMLA leave. If it is not possible to give 30-days' notice, an employee must notify the employer as soon as possible and, generally, follow the employer's usual procedures.

Employees do not have to share a medical diagnosis, but must provide enough information to the employer so it can determine if the leave qualifies for FMLA protection. Sufficient information could include informing an employer that the employee is or will be unable to perform his or her job functions, that a family member cannot perform daily activities, or that hospitalization or continuing medical treatment is necessary. Employees must inform the employer if the need for leave is for a reason for which FMLA leave was previously taken or certified.

Employers can require a certification or periodic recertification supporting the need for leave. If the employer determines that the certification is incomplete, it must provide a written notice indicating what additional information is required.

Employer Responsibilities

Once an employer becomes aware that an employee's need for leave is for a reason that may qualify under the FMLA, the employer must notify the employee if he or she is eligible for FMLA leave and, if eligible, must also provide a notice of rights and responsibilities under the FMLA. If the employee is not eligible, the employer must provide a reason for ineligibility.

Employers must notify its employees if leave will be designated as FMLA leave, and if so, how much leave will be designated as FMLA leave.

Enforcement

Employees may file a complaint with the U.S. Department of Labor, Wage and Hour Division, or may bring a private lawsuit against an employer.

The FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

For additional information or to file a complaint: 1-866-4-USWAGE (1-866-487-9243) TTY: 1-877-889-5627

www.dol.gov/whd

U.S. Department of Labor | Wage and Hour Division

FITNESS FOR DUTY AND HEALTH/MEDICAL EXAMINATIONS

The City endeavors to provide a safe work environment for all employees. It is the responsibility of each employee to maintain the standards of physical and mental health fitness required for performing the essential functions of his or her position, either with or without reasonable accommodation.

A. Serious Health Condition/Disabilities - The City recognizes that employees with a potentially life-threatening and/or infectious illness or physical and/or mental disabilities may wish to continue to engage in as many of their normal pursuits as their condition allows, including their employment. As long as these employees are able to perform the essential functions of their job, with or without a reasonable accommodation, without creating an undue hardship, and medical evidence indicates that their condition is not a direct threat to themselves or others, the City will treat them consistently with other employees.

B. Medical Exams for Current Employees - The Human Resources Division may require a current employee to undergo a medical and/or psychological examination to determine fitness for continued employment; as may be necessary in order for the City to provide a reasonable accommodation; following an injury or accident; and as otherwise permitted in accordance with the Americans with Disabilities Act.

C. Time Off From Work - Time away from work under this policy will normally be coded to paid administrative leave but may be retroactively changed to sick leave, Family Medical Leave Act leave, and/or other leave as circumstances warrant.

D. Return to Work/Fitness for Duty – Whenever an employee has been away from work for more than five (5) consecutive days due to a physical or mental condition, the employee is required to provide the Human Resources Division with a doctor's statement that he or she is fit to return to duty without restrictions or listing any restrictions. Before returning to work following a medical and/or psychological examination under this policy, the employee must coordinate his/her return through the Human Resources Division.

FRAUD PREVENTION

It is the intention of the City of Hutto to establish standards and requirement for employees with respect to fraud prevention and detection, and to respond to allegations of fraud in connection with City programs, functions or activities. City management and all City employees share responsibilities to maintain a fair, honest and ethical business environment for employees, suppliers, citizens and persons that have a business relationship with the City. This cooperative effort is intended to eliminate fraud from the City's business operations.

This policy applies to any fraud, or suspected fraud, involving employees, supervisors, managers, elected officials, consultants, vendors, contractors, any outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the City.

All employees are expected to maintain a high level of personal and professional conduct on the job. As a public service organization and stewards of public funds, the City holds its employees to a high standard of ethical conduct relating to the use of City resources. All employees shall avoid fraud and are expected to report possible fraudulent activity or any internal/external practices that may allow for or facilitate fraudulent activity. Reports can be made to the City's Finance Director, City Manager, or the employee's supervisor or Division Director ("City Officer").

Supervisors and managers have a greater responsibility to uphold this policy. They are expected to initiate appropriate preventative measures, implement the necessary controls and initiate investigations by promptly reporting allegations to the City's Finance Director or City Manager. In addition, they are responsible for determining and enforcing disciplinary action with the assistance of Human Resources.

Employees should be aware of the City's "zero tolerance" policy regarding fraud. This includes the individual committing fraud or those with knowledge of a fraudulent act who does not act in accordance with this policy.

An employee shall immediately report concerns of possible fraud to his or her supervisor for appropriate action. Immediately shall mean as soon as the employee has the means to make a report but no longer than 24 hours after the employee becomes aware of the suspected fraud.

A City employee who is contacted by citizens with evidence or written allegations of fraud shall immediately report it to a City Officer.

Department Directors or supervisors will immediately report allegations or concerns of fraud to the Finance Director or City Manager prior to taking any action to investigate the allegations or to discipline an employee.

FUNERAL/BEREAVEMENT LEAVE

The City provides regular full-time employees paid time off, up to a maximum of 3 work days per calendar year in the event of a death(s) in the family, for the purpose of attending the funeral. For the purpose of authorizing funeral/bereavement leave “family” is defined as current spouse, child, parent, brother, sister or grandparents by blood or marriage. An employee may be required to provide proof of death/funeral/family relationship in support of bereavement leave.

The Department Director may, under special circumstances and on a case by case basis, grant bereavement leave for other than immediate family members.

Bereavement leave pay is paid at the employee’s base rate at the time of absence. It does not include overtime or any special forms of compensation. Paid time off for bereavement leave is not counted as hours worked for purposes of determining overtime. Employees who are on approved funeral/bereavement leave will continue to accrue vacation and sick leave.

Employees who wish to take bereavement leave must notify their supervisor immediately.

Employees who require leave beyond the 3 work days per calendar year of funeral/bereavement leave must use either accrued sick or vacation time and acquire approval of the Department Director.

GIFTS

The City strives to treat employees, citizens and individuals conducting business with the City in a fair and equitable manner. An employee (and his/her relatives and significant others) may not accept an honorarium or receive any income or other material gain from anyone outside the City for services provided by the employee because of the employee's position or official duties with the City.

Individual City employees are prohibited from soliciting for personal gain, accepting or agreeing to accept any gift, gratuity, favor, benefit or anything else of value from any person, organization, or other entity who has done business, is doing business, or seeks to do business, with the City. However, an employee who accepts the following types of gifts will not be in violation of the prohibition on accepting any gift or thing of value:

- an award publicly presented in recognition of public service
- an occasional meal where public business is discussed
- tee-shirts, caps and other similar promotional material
- any gift which conferred on account of a personal, professional, or business relationship independent of the employee's status as a city employee

Routine food coupons, frequent flier awards, discounts and other promotional items awarded to employees while carrying out City business may be accepted by employees and will not be considered a violation of this policy due to the administrative difficulty and cost involved in recapturing the discount or award for the City. If the item is non-routine, or of more than minimal value, the employee must check with his or her supervisor to see if the item should be returned, or in the alternative, turned over to the City.

Employees may not give their supervisor or anyone else in City management any gift or other item of more than a minimal value. If offered, supervisors may not accept such gifts or other items. Giving and accepting cards, food items (such as cakes and cookies) or token gifts for birthdays, Bosses' Day, holiday celebrations, bereavement or similar events is not a violation of this policy.

The City takes this policy very seriously and violations may result in disciplinary action up to and including termination of employment. Any questions regarding the prohibitions imposed by this policy generally, or in connection with a specific situation, should be directed to the Human Resources Division.

GROUP HEALTH CONTINUATION COVERAGE

COBRA is a federal law that requires most employers who sponsor group health plans to offer employees and their families the opportunity to temporarily extend their group coverage at group rates in certain instances where coverage under the employer's group health plan would otherwise terminate. The employee is responsible for paying for the cost of any such continuation coverage, plus a small administration fee that will not exceed 2% of premium.

Under COBRA, employees may elect COBRA continuation coverage for up to 18 months after termination of employment (unless the employee is terminated due to gross misconduct), or if an employee's hours are reduced to such an extent that the employee no longer qualifies for participation in the group health plan. Under other circumstances, COBRA coverage is available for up to 36 months following a qualifying event. Employees must notify the City within 60 days of the occurrence of the employee's legal separation or divorce and of a covered dependent ceasing to qualify as a dependent under the medical plan.

Detailed COBRA notices are given to employees when an employee becomes eligible for participation in the City's group health plan and again when a qualifying event occurs. For more complete information on COBRA and your health plan, you should contact the Human Resources Division.

HOLIDAYS

The City provides paid holidays to regular part-time and regular full-time employees. Every other employee is extended the official holiday, but without pay. The following official holidays will be observed:

New Year's Day	January 1
Martin Luther King Day	Third Monday in January
Presidents Day	Third Monday in February
Good Friday	Friday before Easter
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Thanksgiving Friday	Fourth Friday in November
Christmas Eve Day	December 24
Christmas Day	December 25

Holidays - A holiday is a period of 8 hours, paid at the employee's regular rate in the case of a regular full-time employee. For a regular part-time employee, a holiday is a period of 4 hours, paid at the employee's regular rate.

Scheduling of Holiday - Holidays occurring on Saturday normally will be observed on the preceding Friday and holidays occurring on Sunday will normally be observed on the following Monday.

Eligibility for Holiday Pay - Regular full-time employees are eligible for holiday pay.

Regular Part-time Employees - Regular part-time employees who work 20 hours or more per week are eligible to receive holiday pay in the amount of 4 hours.

Temporary and Seasonal Employees - Temporary and seasonal employees will be paid their regular hourly rates for a holiday only if required to work on a holiday. No holiday pay is authorized for seasonal or temporary employees who do not work on a holiday.

Employees required to work on a Holiday – Regular full-time non-exempt employees required to work on a holiday will be paid 8 hours for the holiday at their regular rate of pay in addition to the hours worked.

Sworn Personnel and Banking Holidays – Non-exempt, sworn personnel in the Police Department may opt either for holiday pay or for the time equivalent to the holiday to be added to their accrued holiday bank. Any sworn personnel who work on a City holiday and take vacation leave in the same pay period will have their vacation leave offset by the number of hours worked on the holiday. Banked holiday time shall expire **on September 30th of each year**. Employees shall be permitted by the employee's supervisor to use such time within a

reasonable period after making the request, provided the banked holiday time does not unduly disrupt the operations of the city. Any unused banked holiday time will be paid out to the employee on September 30th of each year.

Employees Scheduled “Off Duty” on a Holiday - When a holiday and an employee’s regularly scheduled day off occur on the same day, regular full-time employees will be paid 8 hours for the holiday at their regular rate of pay and regular part-time employees will be paid 4 hours at their regular rate of pay.

Ineligibility for Holiday Pay - Employees on unpaid leave are not eligible for holiday pay. Likewise, non-exempt employees who are absent without authorized leave on the day immediately preceding or following a scheduled holiday will not be paid for the holiday.

Holiday Occurring During Vacation Leave - A holiday that falls within an employee’s vacation period will be counted as holiday in lieu of a day of vacation.

Separating Employees - Except in extraordinary situations, separating employees will not be allowed to use a holiday as their final day of employment. Exceptions must be scheduled and authorized in advance by the Department Director.

Paid Leave Status - An employee on a paid leave status will normally be paid holiday pay in lieu of the leave status pay they would ordinarily receive at the time of the holiday.

Other Religious Holidays - To be supportive and respectful of diversity in the workplace, employees may request to substitute a designated holiday and opt to observe alternate holidays for religious purposes.

Holiday Pay During Workers’ Compensation Leave - An employee on worker’s compensation leave will not receive holiday pay. However, an employee on injury leave will receive holiday pay.

INCLEMENT WEATHER/EMERGENCY CLOSING

Except for extraordinary circumstances, City offices **DO NOT CLOSE**. All City employees, whether exempt or non-exempt, are expected to make a sincere effort to report to work during inclement weather conditions or other emergency situations.

If an employee determines that the weather conditions constitute a danger to life and/or property, the employee must notify his/her immediate supervisor and/or Department Director and make arrangements to report to work if weather conditions improve. Any leave taken due to inclement weather can be flexed or charged to vacation. Regular full-time and part-time non-exempt employees who are unable to flex their time and who have no accrued vacation time available will not be paid for the time missed.

The Department Director/immediate supervisor is responsible for seeing that City services are staffed while City offices are open for business during inclement weather or emergency conditions. Any City service that cannot be provided during inclement weather or other emergency conditions must be immediately reported to the City Manager's Office.

When weather or other conditions are such that the City Manager declares certain City offices/departments officially closed, all affected personnel, i.e., those non-essential employees who were scheduled to work during the time of closure, will be granted "paid administrative leave" for the time the office/department is closed. Essential personnel must report to work even when other City departments are officially closed due to weather or other type of extraordinary circumstances. Essential personnel required to be on the job regardless of adverse weather or other conditions are designated by the Department Director and/or the City Manager. Essential personnel who fail to report to work may be subject to disciplinary action up to and including termination of employment. The City Manager may authorize emergency pay at the rate of one and one-half times the employee's regular rate of pay for non-exempt essential personnel.

INJURY LEAVE (ON THE JOB)

An employee injured in the line of duty shall receive workers' compensation or injury leave benefits under the terms and conditions prescribed in the applicable programs and as required by law.

A. Procedures - Injury leave will run concurrently with FMLA leave (see the section entitled Family and Medical Leave). An employee must report any job-related injury, however minor, to his/her supervisor as soon as possible, but no later than 24 hours (see the section entitled Accident Reporting). Time lost because of a substantiated and documented work related injury sustained during the course of employment shall not be charged against the employee's sick leave. During such absence, sick leave and vacation shall continue to accumulate.

The Human Resources Department shall contact the employee's physician to determine whether the injury will allow an employee to perform modified work or other duties.

B. Programs

1. Workers' Compensation - Workers' Compensation Law provides that an employee who suffers a disability that results in lost duty days due to an injury while in the course of their employment is entitled to "Income Benefits." These income benefits are calculated at a rate of at least 70% of the employee's weekly income prior to the injury. The worker must be disabled by the injury for at least seven (7) days to be eligible for income benefits.

2. City Injury Leave Benefit - This benefit provides employees injured on the job the added security of receiving no reduction or interruption in salary for 13 weeks. Injury leave granted to an employee will be put in writing and forwarded to the Human Resource Division for proper payroll processing and placement in the employee's confidential medical file. Injury leave benefits will begin from the time an employee begins to lose time due to an on-the-job injury and will continue for 91 calendar days (13 weeks). Injury leave benefits will stop when an employee has received a full medical release from their doctor. An employee on injury leave will continue to collect full salary payment from the City. An employee on injury leave may be required to undergo regular examinations by a physician of the City's choice. The employee may be assigned to light duty. **An employee on injury leave is required to turn over to the city all checks paid to him/her for income benefits from Workers' Compensation.** The City will monitor payments made to the employee by the workers' compensation insurance carrier to insure that all disbursed salary related checks have been turned over to the City.

Any failure by the employee to turn over the checks paid to him/her for workers' compensation income benefits while receiving the City injury leave benefit will result in the City withholding any injury leave pay due the employee and the employee will, by such action, forfeit any and all further injury leave pay or benefits.

INSURANCE

It is the goal of the City to provide full-time employees with a comprehensive benefits package that may include, medical, dental, disability and life insurance for each full-time employee. The Human Resources Division will evaluate the benefits being provided on an annual basis as part of the budget process and make recommendations to the City Manager. This insurance is effective so long as the employee remains on the full-time payroll.

Insurance coverage for an employee's eligible dependents will be made available at the employee's expense.

The City also carries a workers' compensation insurance policy. In cases of job related injuries, provisions and benefits available under workers' compensation are activated.

The City shall offer its retirees, age 64 and under, who were participating in the City's health plan at the time of their retirement, the option to purchase continued health benefits coverage at a retiree calculated rate. Currently, retirees are allowed to participate in the City's health care plan at the same premium rates as active employees. If this benefit is revised to require that active employee and retiree insurance premiums be separately determined, the retiree premiums could increase significantly and the City will require that retirees pay for their insurance at the higher rate.

Retirees, age 65 and older, will not be eligible to continue the City's health plan.

The City reserves the right to alter, reduce, or eliminate any benefit at any time.

JURY DUTY

The City provides paid administrative leave to regular full-time employees required to serve on jury duty or requested to testify as a witness by the City in a City-related civil, criminal, legislative, or administrative proceeding. Court appearances for testimony, investigation, and court preparation as a result of official duties as a City employee (e.g., police, inspections, animal control, etc.) are compensated as actual hours worked and are not classified as paid administrative leave.

In all other cases, employees are required to schedule vacation; otherwise a non-exempt employee's time off will be considered a leave without pay.

The employee must provide documentation of the requirement for jury duty, subpoena compliance, etc., with his/her leave request. Employees must submit supporting documentation to their supervisor as soon as possible so that arrangements can be made to accommodate the absence.

Employees on jury duty leave should keep up with their job responsibilities if possible. An employee who is on jury duty typically must report for City duty for the remainder of the day upon completion of court or jury service or request approval for use of other available paid time off. Any payment for jury duty received by the employee may be retained by the employee.

Jury duty leave is paid at the employee's base rate at the time of leave and does not include overtime or any other special forms of compensation. Jury duty leave will not be counted as hours worked for purposes of calculating overtime.

LIGHT DUTY ASSIGNMENTS

The City may make light duty assignments available to ill or injured employees who are unable to perform their regular job duties. The decision to offer an employee a light duty assignment is made in the City's sole discretion. A light duty assignment may be in the employee's own or another department in the City. Factors considered by the City in making its decision include, but are not limited to: the nature of the employee's illness or injury; the medical release provided in support of light duty; the risk that a light duty assignment may result in aggravation of the employee's injury or illness; the type of light duty work available; the length of the employee's employment with the City; the employee's performance and disciplinary history; and whether the illness or injury occurred on or off duty. In making light duty assignments, the City will normally give priority to employees whose injury or illness is work-related.

Employees who are released for and given a light duty assignment may not perform work duties in violation of their medical release. An employee who violates the terms of his/her medical release while on a light duty assignment may lose the light duty assignment and, in addition, may be disciplined up to and including termination of employment.

Light duty will not extend beyond sixty (60) calendar days from the date of injury without an evaluation by the employee's treating physician and a recommendation from the Department Director and Human Resources Division to the City Manager. Only the City Manager may approve an extension of a light duty assignment. Employees still unable to return to regular duty within sixty (60) calendar days from the date of injury must re-qualify for limited duty through evaluation by their treating physician or revert to workers' compensation indemnity payment, accumulated sick leave, Family Medical Leave Act (FMLA) or vacation benefits, if available.

An employee who is released for and offered light duty by the City, but who elects not to accept such an assignment, will be ineligible for paid sick leave benefits under the City's Sick Leave Policy and salary continuation benefits under workers' compensation, but may still be entitled to unpaid leave under the City's FMLA policy.

During a light duty assignment, employees will typically work an 8-hour workday, Monday through Friday. This means those 24-hour shift employees, as well as other employees who work a non-traditional schedule, will usually be temporarily reassigned to an 8-hour workday, Monday through Friday, for the duration of their light duty assignment. An employee's salary during any light duty assignment shall be at the same rate as the salary received prior to the injury. An employee on light duty assignment may not work on-call or overtime.

All light duty requests and assignments will be reviewed by and coordinated through the Human Resources Division. The Human Resources Division will work with the employee's department in making its decision whether light duty work will be offered. Before returning to regular job duties following a light duty assignment, the employee must coordinate his/her return through the Human Resources Division.

LONGEVITY PAY

The City provides regular full-time employees longevity pay. Longevity pay begins after a regular, full-time employee has completed one year of service. Longevity will be computed by multiplying the number of months of service completed on December 31st of each year, times the monthly longevity rate accrued. The monthly longevity rate is determined by the schedule below.

Years of Service	Rate per Month
0-4	\$5
5-9	\$7
10+	\$9

Longevity pay will be paid annually during the first quarter of the City's fiscal year on a date to be determined by the Finance Department. Longevity pay is not an accrued benefit payable upon termination of employment. The person must be an employee of the City at the time the annual longevity payment is made in order to receive the payment.

MANAGEMENT AUTHORITY

General and final authority for personnel administration rests with the City Manager with the exception of matters reserved to the City Council by State law or the City Charter.

A. Management Authority - The City may modify, revoke, suspend, interpret, terminate, or change any or all of its policies and procedures, in whole or in part, at any time. **The issuance of these policies and procedures does not constitute a contract between the City and its employees for any duration of employment. There is no specified length of employment, and either the City or the employee can terminate the employment relationship at any time, for any reason.** Policy administration rests with City management and City management reserves sole authority to administer City operations.

B. Departmental Policy and Procedural Requirements - Individual City departments may develop policies and procedures that are consistent with City policies and procedures. Department policies and procedures that are operational and that do not relate to those in this handbook, or other approved operational manuals, do not need to be reviewed and approved by the Human Resources Division. All others, however, are subject to approval by the City Manager. Department Directors are responsible for obtaining the necessary review and approval prior to issuing such departmental policies and procedures. Departmental policies and procedures will not become effective unless they have been reviewed and approved in accordance with this policy.

C. Miscellaneous - Policies and procedures apply to all employees of the City, both on and off duty where applicable, unless otherwise indicated, restricted by proper authority, or prohibited by State and/or Federal law.

Only the City Manager has the authority to enter into an employment agreement, promise, or commitment contrary to these policies and procedures, and all such agreements, promises, and/or commitments entered into by the City Manager must be contained in an express written employment contract signed by both the City Manager and the affected employee.

Any statement in a policy and/or procedure found to be illegal, incorrect, and/or inapplicable will not affect the validity and intent of the remaining content of such policy or procedure. Titles utilized do not govern, limit, modify, or affect the scope of meaning or intent of any provision.

Any conflicts, questions, or ambiguities in City or departmental policies and procedures will be decided by the City Manager.

The City Manager may delegate rights and powers granted under these policies and procedures to management level staff or to others as deemed appropriate in the City Manager's sole discretion.

MEDIA POLICY STATEMENT

From time to time, as an employee of the City of Hutto, you may receive inquiries from the media (e.g., newspapers, television stations, radio stations, magazines, or other periodicals). To ensure that the City of Hutto maintains the appropriate public image and that communications to the media are accurate and in line with applicable City policy, if you are contacted by the media, you should refer the individual making the inquiry to the City Manager. In some cases, the City Manager may give specific authorization to a particular employee to respond to the media. Unless such authorization is specifically given by the City Manager, no employee other than the City Manager may give statements to any representative of the media. The City Manager has authorized those positions that are considered Department Directors and above to provide information to the media in their area of expertise and advise the City Manager of the communication that transpired.

MILITARY LEAVE

The City complies with all state and federal laws relating to employees in reserve or active military service and does not discriminate against employees who serve in the military. Temporary employees who have brief or non-recurrent positions with the City and who have no reasonable expectation that their employment with the City will continue indefinitely or for a significant period of time are generally ineligible for extended paid military leave in excess of 15 days, reemployment rights, or any other military leave benefits under this policy.

This policy covers employees who serve in the uniformed services in a voluntary or involuntary basis, including active duty, active duty for training, initial active duty for training, inactive duty training, and full-time National Guard duty.

A. Notice to City of Need for Leave - Employees must provide as much advance written or verbal notice to the City as possible for all military duty (unless giving notice is impossible, unreasonable, or precluded by military necessity). Absent unusual circumstances, such notice must be given to the City no later than 24 hours after the employee receives the military orders. To be eligible for paid military leave, employees must submit the official documents setting forth the purpose of the leave and, if known, its duration, to the Department Director and the Human Resources Division as far in advance of the leave as possible.

B. Paid Leave & Benefits for Training and Duty

1. Full Pay For Up to 15 Days - Employees will be paid for military absences of up to a maximum of 15 work days per federal fiscal year. This leave may be used when an employee is engaged in National Guard or U.S. armed forces reserve training or duty ordered or approved by proper military authority. The paid leave days may be consecutive or scattered throughout the year.

2. Other Paid Leave - Employees who have exhausted all available paid military leave may, at their option, use any other available paid leave time (i.e., vacation leave, holiday leave and compensatory time) to cover their absence from work.

3. Unpaid Leave - After an employee has exhausted all available paid military leave (including any other paid leave time that the employee chooses to use to cover a military absence), the employee will be placed on leave without pay.

4. Benefits - The City will continue to provide employees on paid military leave with most City benefits.

a. Medical and Dental. While an employee is on paid military leave (or any military leave of less than 31 days), the City will continue to pay its portion of the monthly premium for group health benefits. When military leave is unpaid, the employee may elect to continue group health coverage for up to 24 months following separation of employment or until his/her reemployment rights expire, whichever event occurs first, for him/her and eligible dependents. Employees must pay 102% of the applicable premium to cover the cost

of elective continuation coverage under the City's group health plan.

Upon an employee's return to employment following military service, the City will provide health insurance coverage immediately, even if a waiting period is normally required for new or returning employees. In addition, a returning employee will not be subjected to exclusions from coverage unless the exclusions apply to injuries or conditions that were incurred as a result of military service.

b. Other Benefits. While on *paid* military leave, employees continue to accrue vacation, sick leave and other benefits provided to other employees on paid leave. The City will also continue to pay the premium for any City-provided life insurance while the employee is on *paid* military leave. While on unpaid military leave, employees are generally ineligible for most City-provided benefits. Benefits, such as vacation and sick leave, do not accrue while an employee is on unpaid leave, including unpaid military leave. While on unpaid military leave, benefit accruals will be suspended and will resume upon the employee's return to active employment. Once an employee returns to work following an unpaid leave, he/she will be treated as though he/she was continuously employed for purposes of determining benefits based on length of service, such as vacation accrual and longevity pay.

c. TMRS. Typically, an employee's period of uniformed service is deemed to constitute service for purposes of vesting and benefit accrual. Thus, employees earn service credit for time spent on active duty military leave. Service time is credited when an employee returns to work. To qualify for service credit, an employee must: return to work for the City within 90 days after discharge; receive an honorable discharge; and timely complete the necessary application. In order to receive monetary credit, an employee has the lesser of 5 years or 3 times the length of the military service to make up any TMRS contributions that were missed while on military leave.

D. Returning from Leave

1. Reemployment Rights - Employees who complete their military service will be re-employed in accordance with federal law.

2. Deadline to Notify City of Intent to Return to Work - The deadline for an employee to return to work and/or notify the City that he/she intends to return to work following military leave is ninety (90) days from the date of discharge. This deadline may be extended for 2 years or more when an employee suffers service-related injuries that prevents him/her from applying for reemployment or when circumstances beyond the employee's control make reporting within the time limits impossible or unreasonable.

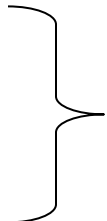
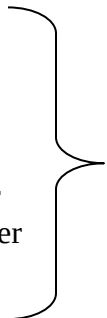
3. Required Documentation - To qualify to return to work, an employee returning from leave must provide documentation of the length and character of his/her military service. Also, evidence of discharge or release under honorable conditions must be submitted to the City if the military leave lasted more than 31 calendar days.

NEPOTISM

In order to prevent conflicts of interest, to avoid accusations and perceptions of biased conduct, and to maintain the confidentiality of restricted information, it is the policy of the City that:

A. Applicants

- An applicant related to the City Manager by blood or marriage within the first or second degree according to common law shall not be employed by the City.
- An applicant related by blood or marriage within the first or second degree according to common law to any member of the City Council shall not be employed by the City.
- Under no circumstances will an applicant be employed in a department in which he or she may directly or indirectly supervise or be supervised by a member of his or her immediate family. Immediate family includes spouse, parents, children, brother or sister.

First Degree:	Mother Father Sister Brother Son Daughter		(or) in-law
Second Degree:	Uncle Aunt Nephew Niece Grandfather Grandmother Granddaughter Grandson 1 st Cousin		(or) in-law

B. Promotion - In the event of a proposed promotion, any employed family member of a person considered for promotion must agree to immediately tender his/her written, conditional resignation before the candidate will be formally considered for the proposed promotion if said promotion would create a violation of the Nepotism policy. If the candidate is selected for and chooses to accept the promotion, the conditional resignation becomes final. Normally, once final, any such resignation will not become effective until ninety (90) days after the promotion takes effect.

C. Reorganization - In the event of a reorganization, or any other situation (other than a promotion) giving rise to a relationship prohibited by this section of the policy, the lower ranking employee will be required to immediately resign his/her employment. If both employees are of

an equal rank, one of them will be required to immediately resign his/her employment. Normally, any such resignation will not be effective until ninety (90) days after the engagement, reorganization, etc., occurs.

D. Other Restrictions - The following restrictions apply on the employment of any relative, including those defined as family members under this policy:

- No employee in the relationship will supervise, review or process the work of the other;
- The employees' relationship must not create a conflict between employees/ City interests; and
- There must be no interdependence or relationship between the jobs of the individuals concerned which could be potentially detrimental to the interests of the City.

Relatives will not normally be permitted to work in the same department with each other without prior written authorization from the City Manager (or designee). In addition, written authorization must also be obtained from the City Manager (or designee) to employ any relative of a current City employee.

E. Marriage of Current Employees - In the event of a marriage between two City employees, a promotion, reorganization, or any other situation giving rise to a relationship prohibited by this policy, one or both of the affected employees must immediately seek a transfer to another available position within the City for which he or she is qualified and that meets the requirements of this policy. If a suitable transfer cannot be made within ninety (90) days of the event giving rise to a relationship prohibited by this policy, one or both of the affected employees will be required to resign from employment.

F. Grandfather Clause - The City is aware that, as of the effective date of this policy, there are City employees that are related, by blood or by marriage, to other City employees. These employees will be "grandfathered" under this policy, meaning they will be permitted to continue their employment with the City as long as the requirements set out in subsection B of this policy are met. Please be informed that the grandfather provision is for family relationships as they exist as of the revision date of this policy. Any future changes to the family relationship and/or the employment status of the affected employee(s) will be governed by the requirements of this policy.

G. Periodic Review - Periodically, the City Manager (or designee) will review the job descriptions and interrelationship between the affected jobs and determine whether they meet the requirements set out in this policy. If one or more of these requirements are not met, one or both of the affected employees must immediately seek a transfer to another available position within the City for which he or she is qualified. If a suitable transfer cannot be made within ninety (90) days, one or both of the affected employees will be required to resign from employment.

H. Application of Policy - This policy applies to all full-time, part-time and temporary seasonal employees of the City.

ON-CALL & CALL BACK COMPENSATION (Non-exempt Employees)

The City provides for after-hour service needs by allowing some departmental operations to designate certain non-exempt employees to be on-call. Employees designated to be on-call are expected to respond to departmental after-hour service needs as required by procedures established by their Department.

For a non-exempt employee to be designated as officially on-call:

- The employee must wear a digital pager and/or cell phone for City communication purposes.
- The employee must respond within the established response time for their Department.
- The employee must be designated as on-call personnel on a schedule approved by their Department Director.

A. Return to work provisions - After regularly scheduled working hours, on-call employees are free to pursue personal activities but must respond to a call back (via paging, telephone, or radio) within designated guidelines set by their Department. Employees designated as on-call must be fit, both mentally and physically, to accomplish on-call services needed within the time frame required.

B. Compensation - On-call status is not considered time worked, however a daily stipend of \$25.00 per day shall be paid to those employees designated as on-call employees. For holidays observed by the City, a daily stipend of \$40.00 per day shall be paid to those employees designated as on-call employees. Should the holiday fall on a weekend day, the designated on-call employee shall receive a \$40.00 a day stipend for the actual holiday as well as the day observed by the city.

On-call employees called back to the workplace will be paid at their regular rate of pay for actual hours worked. Time worked immediately after regularly scheduled working hours at the request or approval of the supervisor will not be considered call-back and is paid at the employee's regular rate of pay until overtime requirements are met. Continuing work on a call-back that extends beyond the one hour minimum and into a day off does not entitle the employee to additional premium pay. Travel time to and from a call-back is compensable under this policy if the call-back is due to situation that requires immediate attention and is unscheduled. Travel time to and from the work site performing regularly scheduled rounds is not compensable. On-call procedures will be conducted in accordance with departmental policy and such policy must be approved by the City Manager. On-call employees who do not return to the workplace but who handle a workplace issue by phone will be paid for actual time spent on the phone. In all cases, employees must report their actual hours worked on their time sheets. Employees exempt from overtime are not eligible for compensation under the provisions of this policy. The City will pay overtime as required by the Fair Labor Standards Act or other City policies regulating overtime.

C. Departmental Policies - Each Department has its own internal procedures for handling on-call services. Departments may establish guidelines for varying levels of response to call-back situations depending upon the nature and importance of the services to be completed.

OUTSIDE AND SELF-EMPLOYMENT

City employees may engage in outside or self-employment provided they receive prior written approval from the City Manager (or designee) on the City's Outside and Self-Employment Form. Department Directors must also receive written approval from the City Manager prior to engaging in outside or self-employment.

Employees may not accept outside or self-employment that conflicts with the effective performance of the employee while on duty with the City, or conflict in any way with the best interests of the City. Other outside activities, such as volunteer activities, that might similarly distract from an employee's ability to perform his or her job with the City are also prohibited.

An employee will not be covered by the City's workers' compensation insurance while working for another employer or while self-employed unless the employee is required to perform official City employment activities while engaged in such outside or self-employment.

Approval for outside or self-employment as set out in this policy does not authorize an employee on FMLA leave, sick leave, disability leave, workers' compensation leave, or an approved leave of absence, whether paid or unpaid, to engage in any outside or self-employment. Under no circumstances may an employee on FMLA leave, sick leave, disability leave, workers' compensation leave, or an approved leave of absence, whether paid or unpaid, engage in outside or self-employment.

For purposes of this policy, outside or self-employment includes a job, activity or enterprise (including self-employment) which constitutes a form of employment or business outside the responsibilities of employment with the City. This policy is not intended to cover volunteer work with a non-profit organization such as United Way, Girl Scouts, American Heart Association, faith based activities or similar activities where compensation is neither expected nor paid in the ordinary course of operations.

OVERTIME AND TIME MANAGEMENT

Overtime compensation is paid to all non-exempt employees in accordance with federal and state wage and hour requirements. Exempt employees are not paid overtime compensation.

A. Non-Exempt Employees - When the City's operating requirements or other needs cannot be met during regular working hours, non-exempt employees may be scheduled to work overtime, at the request of their supervisor. When possible, advance notification of mandatory overtime assignments will be provided. Overtime assignments will be distributed as equitably as practical to all non-exempt employees qualified to perform the required work. Refusal or other failure to work mandatory overtime may result in disciplinary action up to and including termination of employment. Overtime work is otherwise subject to the same attendance policies as straight time work.

Non-exempt employees may not access city emails on a personal mobile phone. Supervisors are prohibited from sending work-related emails to a non-exempt employee's personal email account (Gmail, Yahoo, etc...).

All non-exempt employees must receive their supervisor's and Department Director's prior authorization before performing any overtime work. This means employees may not begin work prior to their scheduled work day, and may not continue working beyond the end of their scheduled workday, without prior authorization from the appropriate supervisor. Similarly, employees may not work through their lunch break without prior authorization from the appropriate supervisor. On the employee's time sheet, the appropriate supervisor must also approve any overtime before the time sheet is submitted for processing and payment. Non-exempt employees shall not remain on the work premises without authorization unless they are on duty or are scheduled to begin work within a short period of time. Non-exempt employees who work overtime without receiving proper authorization will likely be subject to disciplinary action, up to and including possible termination of employment.

Generally, overtime pay for non-exempt employees is at the rate of time and one half the "regular rate of pay for hours actually worked in excess of 40 in the City's work week. The work week begins at 12:00 a.m. on Monday and ends at 11:59 p.m. the following Sunday. The "regular rate" is defined as the hourly equivalent of all straight time compensation received by an employee for work including all pay incentives, such as longevity, assignment pay, certification, etc. The FLSA formula is that an employee's regular rate is the total "straight time" compensation received by the employee "for work," divided by the number of hours that money is intended to compensate. Police officers are paid overtime based on the work cycle adopted by their Department under Chapter 142 of the Texas Local Government Code.

Paid vacation and paid holiday leave are not included as hours worked for purposes of determining eligibility for overtime pay. Time off on account of sick leave, jury duty leave, witness duty leave, bereavement leave, or any other leave of absence is not considered time worked for purposes of performing overtime calculations.

C. Flex-time Work Schedule - In situations where overtime payment is not feasible due to budgetary constraints, the Department Director or supervisor must consider flexing the employee's work schedule in an effort to minimize the need for overtime compensation. Flexing must be completed within the same workweek or work cycle that the overtime was worked and must be accurately reflected on the affected employee's time record.

D. Exempt Employees - Exempt employees are those who are not covered by the overtime requirements of the FLSA. Accordingly, exempt employees are not entitled to overtime compensation for work performed beyond 40 hours in a workweek. Exempt employees are expected to work at least forty (40) hours in each work week. In addition, exempt employees are expected to put in the hours necessary to complete their assignments with an acceptable level of quality in a timely manner. Exempt employees may be required to work in excess of 40 hours in certain weeks and are required to work a minimum of 80 hours in a two week pay period.

"Docking" an exempt employee's pay for a partial day's absence will be permitted only as authorized by law and approved by the Human Resources Division. Absent accrued paid leave time, an exempt employee need not be paid for any workweek in which he or she performs no work. For reasons of public accountability, the City will reduce an exempt employee's pay or place an exempt employee on leave without pay for absences for personal reasons or because of illness or injury of less than one work day when vacation leave or sick leave is not used by the employee either because the employee did not request to use paid leave, has exhausted paid leave, or chooses not to use paid leave.

It is the policy of the City not to make improper deductions from an exempt employee's pay. Any exempt employee who believes he/she has been, or likely will be, subject to an improper pay deduction, must immediately notify the Human Resources Division. The City will promptly reimburse an exempt employee for any improper deduction(s) and will make a good faith commitment to comply in the future.

E. Nursing Mothers —The City supports the practice of expressing breast milk and will make reasonable accommodations for the needs of employees who express milk. The City will provide reasonable break time for an employee to express milk for her nursing child each time the employee needs to express milk. A place shielded from view and free from intrusion will be provided for this purpose. Breaks for nursing mothers will be compensated time but will not be considered to be "hours worked" for purposes of calculating overtime. An employee will not be discriminated against because she has asserted her right to express milk.

PAYROLL

A. Payroll Deductions - The following deductions are authorized for payroll deductions:

- Social Security and Medicare contributions;
- Federal income tax withholding;
- Contributions to the Texas Municipal Retirement System;
- Contributions to the United Way;
- Contributions to the established deferred compensation (457) plan;
- Contributions to the established defined contribution 401(a) plan;
- Presently authorized medical insurance premiums;
- Presently authorized “other insurance” premiums;
- Hutto Police Officer Association (HPOA) membership dues;
- Wage garnishments

No other payroll deduction privileges are authorized at this time and no future payroll deduction privilege will be granted without the approval of the City Manager, except as otherwise provided by law.

B. Payroll Errors - Errors regarding payroll, including vacation and sick usage, must be reported to Finance in writing within 60 days after pay day. Corrections will be made effective the next regular pay date following report of error(s). If the error is not reported to Finance within the 60-day period, no correction will be made. The Finance Department reserves the right to make any necessary correction to payroll at any time to ensure accurate accounting records.

C. Direct Deposit Required - Employees are required to complete a direct deposit form in the financial software system so that payroll can be credited to the employee’s bank account to facilitate an efficient and accurate payroll process. Seasonal employees may be required to complete and turn in to Human Resources or the Finance Department a paper direct deposit

form. Any changes to an employee's direct deposit will be processed the next payroll after Finance has received the updated form.

POLITICAL ACTIVITY

City employees will not be appointed or retained on the basis of their political support or activities. City employees are encouraged to vote and to exercise other prerogatives of citizenship consistent with state and federal law and these policies. City employees may not:

- During the time that the employee is on duty or making a public appearance in his/her capacity as a City employee, publicly endorse or campaign in any manner for any person seeking a City public office except that this policy does not prohibit a city employee from placing a yard sign on private property or from placing a bumper sticker on a private vehicle.
- Use his/her position or office to coerce political support from employees or citizens.
- Use his/her official authority or influence to interfere with or affect the result of a campaign issue, an election or nomination for public office.
- Use working hours or City property to be in any way concerned with soliciting or receiving any subscription, contribution or political service to circulate petitions or campaign literature on behalf of an election issue or candidate for public office in any jurisdiction.
- Contribute money, labor, time or other valuable thing to any person for City election purposes.
- Hold an appointive or elective office of public trust where service would constitute a direct conflict of interest with City employment, *e.g.* City of Hutto City Council and Williamson County Commissioner. Upon becoming a candidate or otherwise deciding to seek or assume such an office, an employee must immediately resign or will be dismissed upon failure to do so. Appointive or elective office may be held by an employee provided that: 1) it is a non-paid position; 2) the time required for the office held is not unreasonable; 3) the position held would not create a negative impact on the employee's job performance; and 4) City Manager approval is obtained.
- Use the City's internal mail system to distribute political advertising.

PRIVATE TELEPHONE

All supervisory personnel and service personnel must have a telephone number at which they can be reached during off-hours. No reimbursement shall be made to the employee for use of such employee's private telephone.

PROMOTIONS

Positions to be filled shall be filled with City employees currently on the payroll when possible. This shall not prohibit the City Manager or other supervisory personnel from filling positions with persons not employed by the City.

Promotions shall be made upon the recommendation of the Department Directors with the approval of the City Manager.

Promotions shall be based on qualifications, proven performance, merit, and the ability to perform the duties and responsibilities of the position.

A promotion should not be deemed completed until a period of six months shall have elapsed. Should a promoted employee not successfully complete the six-month period, the employee is eligible to return to the previous position held, if available. If no position is available for which the employee is qualified, the employee will be terminated.

RECRUITMENT AND SELECTION

The City hires employees based solely on their knowledge, skills and abilities, experience, and other qualifications as they relate to the duties and responsibilities of a position without regard to race, national origin, religion, color, sex, age, citizenship, political affiliation, disability, or any other characteristic protected by law. City residents shall be given preference for employment, if all other considerations are equal. It is the desire and intent of management to provide promotional opportunities for employees of the City by offering assistance to interested employees in developing career plans and making applicable training and educational opportunities available.

A. Recruitment Requirements - The recruitment process is initiated by a Department Director or direct supervisor submitting a request of staffing to the Human Resources Division. Job vacancies will normally be posted internally for the benefit of any qualified employee. External recruitment may also be conducted during an internal posting.

After making a decision to hire, the hiring department must submit the appropriate paperwork to the Human Resources Division. Offers for City employment will be communicated by the Human Resources Division upon receipt of the hiring recommendation and all related paperwork.

The recruitment method for vacant director level positions may be determined by the City Manager on a case by case basis.

The Police Department uses a separate recruitment process for police officers.

B. Applications – Anyone (including individuals who have been previously employed by the City and are eligible for rehire) seeking employment with the City must complete and submit an official City application for the position desired. City employees seeking another position must also complete an official City application. Resumes will not be accepted in lieu of the official application and applications will only be accepted for posted vacancies. All information set forth on an application is subject to verification. Applications will normally be considered active until the vacancy is filled. Applications for employment will be received and reviewed by the Human Resources Division.

C. Hiring Process - Applicants for employment shall be required to participate in an interview and may be required to submit to a post-offer physical examination, drug and alcohol examination (safety sensitive positions only), and may be required to submit to a pre-employment investigation.

D. Disqualification - Applicants will be disqualified from consideration for one or more of the following:

- Failure to meet the minimum qualifications necessary for performance of the duties for the position;

- If they previously worked for the City and were terminated, or resigned in lieu of termination, due to unsatisfactory performance or conduct and/or violation of a City policy or procedure;
- If their employment will result in a violation of the City's Nepotism Policy;
- Failure to meet minimum age requirement for the position;
- False statements or material omissions on the application form or during the application process;
- Failing any of the City's background and employment requirements including, but not limited to, drug testing;
- The applicant commits or attempts to commit a fraudulent act at any stage of the selection process;
- The applicant is not legally permitted to work in the United States;
- The applicant is unable to perform the essential functions of the job applied for with or without a reasonable accommodation; or
- Any other reason deemed to be in the best interests of the City.

RESIDENCY REQUIREMENT

There is no absolute residence requirement for City employment. However, pursuant to Section 150.021 of the Texas Local Government Code, Ordinance No. O-11-12-15-VI9 was adopted on December 15, 2011 requiring the City Manager of Hutto, Texas to reside within the Hutto city limits or its extraterritorial jurisdiction while serving as City Manager.

Employees who are likely to be called to work in cases of civil emergency may be required to reside within reasonable response commuting ranges of their places of work. For these purposes, the City Council has established that for employees hired after May 15, 2006, a reasonable response time to a civil emergency is 30 minutes.

RETIREMENT

The City participates in the Texas Municipal Retirement System, which provides retirement benefits to eligible employees. A deduction of seven percent from the employee's gross salary is made and supplemented by the City on a two-to-one matching basis. Participation by every full-time regular employee and regular part-time employees who are regularly scheduled to work 1,000 hours or more per year is a condition of employment.

The City Council reserves the right to amend the retirement plan at anytime, as it deems necessary. All amendments and additions to such system enacted by the City Council are continued in full force and effect, and are incorporated herein by reference and are on file in the office of the City Secretary.

The City participates in the Federal Social Security and Medicare Programs which provide benefits upon retirement. A deduction from the employee's salary is matched by the City for this benefit. Effective January 24, 2014, participation by every new employee is a condition of employment.

SEARCHES

The City may conduct unannounced searches or inspections of the work site, including but not limited to City property used by employees such as lockers, file cabinets, desks, and offices, computer and electronic files, whether secured, unsecured or secured by a lock provided by the employee. The City may also conduct reasonable searches or inspections of the employee's personal property located on City premises, including vehicles parked on City parking lots.

NOTE: The City's authority to conduct unannounced searches is not limited to situations involving reasonable suspicion of possession and/or use of drugs/alcohol.

All searches must be authorized and conducted under the direction of the Human Resources Division. Employees who refuse to cooperate with a search may be subject to disciplinary action up to and including termination.

SEPARATIONS

The City designates all employee separations as one of the following types:

A. Resignation - An employee who intends to resign is requested to notify his/her supervisor and/or the Human Resources Division in writing at least 2 weeks prior to the last day of work. Employees who fail to give a two-week notice are typically not eligible for rehire. The supervisor is responsible for immediately notifying the Human Resources Division.

B. Retirement - An employee who intends to retire must notify his/her immediate supervisor, Department Director and the Human Resources Division in writing, 30 days prior to the date of retirement. This 30 day requirement is necessary to ensure that the required paperwork is timely submitted to Texas Municipal Retirement System (TMRS). The City shall offer employees retiring with the City the option to purchase continued health benefits coverage, as outlined in Texas Local Government Code §§ 175.001 et seq., as amended.

C. Dismissal/Termination – City employees are at-will employees. Employment may be terminated by the employee or by the City for any reason or for no reason. At its discretion, the City may terminate an employee's employment as a result of unsatisfactory performance or conduct and/or violation of City policies or procedures. City employees who are terminated or who resign in lieu of termination due to unsatisfactory performance or conduct and /or violation of City policies or procedures, are not eligible for rehire without approval of the City Manager.

Dismissal may also occur for the following:

1. Job Abandonment - If an employee fails to properly notify the City of his/her absence from work or if an employee is absent without authorization and/or notification for three or more consecutive days, the City will consider the employee to have abandoned his/her employment, and he/she will be terminated.

2. Long-Term Absence - Any employee who is unable to return to full time work after an absence of 180 calendar days in 12-month period will be terminated from employment with the City. Brief appearances at work during an overall absence of 180 calendar days will not prevent the City from terminating an employee if determined to be in the City's best interest. Likewise, any employee who reports to work but is unable to perform the duties of his or her actual position after a period of 180 calendar days will be terminated. The City may elect to end the employee's employment before the expiration of 180 calendar days if it is unlikely that the employee will be able to return to full-time active duty at the end of 180 calendar days or if the employee advises the City that he or she will be unable to return to full-time active duty at the end of 180 calendar days. An employee who has a paid leave balance remaining at the end of 180 calendar days will be terminated and paid for accrued leave balances. This policy will be administered consistently with the City's obligations under the Americans with Disabilities Act.

3. Reductions-in-Force/Reorganization - An employee may be separated from City service when it is deemed necessary by reason of shortage of funds or work, the abolition of the position, or other material change in the duties of the organization, or for other reasons which are outside the employee's control and which do not reflect discredit upon the service of the employee.

D. Death - If a City employee dies, his/her estate will be paid all earned pay and payable benefits.

SEXUAL AND OTHER UNLAWFUL HARASSMENT

The City is an equal opportunity employer. Employment discrimination on the basis of race, religion, color, sex, national origin, age, disability, marital status, veteran status, citizenship, genetic information, or any other characteristic protected by law, is prohibited. All City employees are entitled to a workplace free of unlawful discrimination or harassment by management, supervisors, co-workers, citizens, and vendors. City employees are also prohibited from harassing citizens, vendors, and all other third parties.

A. Sexual Harassment - One form of unlawful discrimination is sexual harassment. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, or
2. Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or
3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Conduct prohibited by this policy includes, but is not limited to sexual advances; requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess, sexual preference, or sexual deficiencies; leering, whistling, or touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal, or visual conduct of a sexual nature.

B. Other Prohibited Harassment - In addition to the City's prohibition against sexual harassment, discrimination or harassment on the basis of any other legally protected characteristic is also strictly prohibited. This means that verbal or physical conduct that singles out, denigrates, or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, veteran status, citizenship, or any other characteristic protected by law is also prohibited. Prohibited conduct includes, but is not limited to, epithets, slurs and negative stereotyping; threatening, intimidating, or hostile conduct; denigrating jokes and comments; and writings or pictures, that single out, denigrate, or show hostility or aversion toward someone on the basis of a protected characteristic. Conduct, comments, or innuendoes that may be perceived by others as offensive are wholly inappropriate and are strictly prohibited. This policy also prohibits sending, showing, sharing, or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including but not limited to via facsimile, e-mail, and/or the Internet. Discrimination or harassment of any nature, when based on race, religion, color, sex, national origin, age or disability, will not be tolerated. This policy applies to City employees, citizens, vendors, and other visitors to the workplace.

In furtherance of this policy, the City prohibits supervisors and managers from dating any subordinate. Such relationships can be disruptive to the work environment, create a conflict or the appearance of a conflict of interest, and lead to charges of favoritism, discrimination, and claims of direct or indirect sexual harassment. While the City has no desire to interfere with the private lives of its employees, where their conduct impacts upon the work environment in a negative manner, such as noted above, the City reserves the right to take whatever action is appropriate, in its discretion, to protect the City's interests.

C. Mandatory Reporting - The City requires that employees report all perceived incidents of discrimination or harassment, regardless of the offender's identity or position. Any employee who observes or otherwise learns of possible discrimination or harassment in the workplace or who feels that he or she has been subjected to conduct prohibited by this policy must report it immediately to:

- **his or her Department Director;**
- **the Human Resources Division;**
- **the Assistant City Manager; or**
- **the City Manager.**

Any supervisor, manager, or Department Director who becomes aware of possible conduct prohibited by this policy must immediately advise his/her Department Director and the Human Resources Division.

Under this policy, an employee may report to and/or contact the Human Resources Division directly without regard to the employee's normal chain of command. Any employee who observes or otherwise learns of possible discrimination or harassment in the workplace or who feels that he or she has been subjected to conduct prohibited by this policy must report it immediately and may leave voice messages or transmit e-mails to the Human Resources Division at any time regarding the harassment.

In addition, the City encourages employees who believe they are being subjected to conduct prohibited by this policy and who feel comfortable doing so, to promptly advise the offender that his or her behavior is unwelcome and request that it be discontinued. Often this action will resolve the problem.

D. Investigation - All reports of prohibited conduct will be investigated promptly by management in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with the investigation.

E. Retaliation Prohibited - Retaliation against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited. Acts of retaliation must be reported immediately as set out above.

F. Responsive Action - Misconduct constituting discrimination or harassment or retaliation will be dealt with appropriately. Discipline, up to and including dismissal, will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were fabricated or exaggerated.

SICK LEAVE

Sick leave is paid time away from work due to an employee's bona fide illness or injury that prevents him/her from working, for visits to the doctor or dentist, or to care for certain family members who are ill or injured. Employees who are unable to work due to illness or injury or other situations covered by this policy must immediately notify the appropriate supervisor in accordance with the procedures adopted by their Department.

A. Eligibility - All full-time employees begin accruing paid sick leave on the date of hire. Part-time, temporary and seasonal employees do not accrue sick leave. An employee who is released for and offered light duty by the City, but who elects not to accept such assignment, will not be eligible for paid sick leave benefits unless otherwise required by law.

B. Accrual Rate - Sick leave for employees shall be computed on the basis of 96 hours annually which is 3.69 hours per pay period. Sick leave accrues only during pay periods in which the employee works or is otherwise on an approved paid leave status for 80 hours.

C. Maximum Accrual. The maximum sick leave time which may be accumulated by any employee shall be 1,040 hours.

D. Authorized Use of Sick Leave.

1. For the employee - Accrued sick leave may be used for absences due to the employee's bona fide personal illness, accident, or injury that prevents him/her from working, or birth of a child (if the employee physically gave birth; otherwise use of sick leave for child birth falls under the section below).

2. For the employee's immediate family - Sick leave may also be used for absences when the employee is needed to care for a member of his or her immediate family who is ill or injured. For purposes of this policy, "immediate family" is defined as the employee's parent, current spouse, and children/stepchildren. In the event of a life-threatening illness or injury of the employee's family member who does not meet the definition of "immediate family," the Department Director (and in the case of Department Directors, the City Manager) may allow the employee to use accrued sick leave. Sick leave may also be used by employees for their own and /or their immediate family's scheduled doctor and dentist appointments.

E. Unauthorized Use of Sick Leave - Sick leave may not be used after vacation leave and/or compensatory time has been exhausted when the leave taken does not qualify as sick leave. In such circumstance, the employee is required to take unpaid leave.

F. Minimum Increments - Sick leave must be taken in minimum increments of one hour. If less than one hour is required, the time should be made up within the same work week instead of using sick leave.

G . Failure to Report Absence/Abuse of Sick Leave – Supervisors are required to monitor the use of sick leave. It is anticipated that employees using paid City sick time for their own

illness/injury or that of a family member will use their sick leave time to recuperate or care for their family member. Trips to the doctor or hospital stays/visits, which take the employee away from the home, are acceptable, but other personal pursuits during paid sick leave will be considered an abuse of this policy. Abuse of sick leave, including use of sick leave for anything other than an illness, injury, or doctor/dentist appointment as provided for in this policy, may result in immediate disciplinary action, up to and including termination of employment, and may also render the employee ineligible for paid sick leave benefits. Similarly, employees who fail to timely report an absence or tardiness due to illness, injury, or doctor/dentist appointment may be disqualified from using sick leave for their absence. Requesting to use sick leave when the requested time off is not actually needed for a bona fide personal illness, accident, injury, or medical or dental appointment is an abuse of sick leave.

H. Other Employment During Sick Leave - Employees on sick leave, whether paid or unpaid, may not work a second job, including self-employment or participate in volunteer work, during the period of leave, even if they have written authorization from the City Manager to work a second job. See Outside Employment Policy for additional guidance.

I. Use of Other Leave - If approved by the Department Director (and in the case of Department Directors, by the City Manager), employees may use accrued vacation leave or leave of absence without pay if an employee has no accrued sick leave time. Official holidays observed by the City while an employee is on approved paid sick leave will be treated as a paid holiday, rather than a day of sick leave, if the employee is eligible for the paid holiday. Under certain circumstances and with the approval of the Department Director/supervisor, the employee may flex his/her work schedule to attend to medical or dental appointments. This is acceptable provided that work time is accurately recorded on the time sheet. For non-exempt employees, flexing the work schedule must be accounted for within the same work week. For exempt employees, flexing the work schedule must be accounted for within the same work cycle or pay period. Under no circumstances (1) can flexing the work schedule extend beyond the affected work week for non-exempt employees or pay period for exempt employees and (2) the total of a non-exempt employee's sick leave time plus hours worked cannot exceed forty (40) hours within the same work week

J. Documentation - An employee must present satisfactory proof of illness/injury that prevents him/her from working whenever the employee uses sick leave for 3 or more consecutive work days, and at any other time if requested by the City. An employee may also be required to present satisfactory proof of family relationship and/or satisfactory proof of a family member's illness, injury, and/or doctor/dentist appointment if the employee wishes to use accrued sick leave to care for a family member. If the employee fails to present such proof in a timely manner, use of sick leave will be disallowed and no other paid leave may be used for the absence. Whenever an employee has been away from work for more than five (5) days due to a physical or mental condition, the employee is required to provide the Human Resources Division with a doctor's statement that he or she is fit to return to duty without restrictions or listing any restrictions. Abuse of sick leave may result in discipline up to and including termination of employment.

K . Family and Medical Leave Act Leave - Any absence that qualifies for both Family and Medical Leave Act leave and sick leave will follow the guidelines set out in this policy and will typically be counted as both and run concurrently.

L. Payment For Unused Sick Leave - No employee shall be entitled to payment in lieu of using sick leave time.

M. Disability and Accumulated Sick Leave – The City of Hutto does not provide paid disability leave but makes disability insurance benefits available to its employees. The City of Hutto prohibits an employee from receiving both sick leave and disability benefits simultaneously. Payment of disability benefits is done in accordance with the terms of the disability policy. It will be at the employee's discretion whether or not to utilize accumulated sick leave or receive disability funds in the amount of 60% of their salary if the employee is eligible for disability benefits.

N. Sick Leave Pool -- The City of Hutto Sick Leave Pool provides a benefit to eligible employees who have exhausted accrued vacation and sick leave by virtue of a Catastrophic Injury or Illness of their own or that of an Immediate Family Member. The Sick Leave Pool will be administered by the Human Resources Department of the City.

1. Eligibility for Participation in the Sick Leave Pool.

A. All full-time regular employees who have been employed by the City for six months or longer are eligible to participate in the Sick Leave Pool. Only employees contributing at least eight (8) hours during the Open Enrollment period (as defined below) are eligible to make withdrawals from the Sick Leave Pool.

B. Employees who are out on leave due to a work-related injury and who are receiving workers' compensation benefits and those who are on disability leave for any reason and receiving disability benefits may not withdraw leave from the Sick Leave Pool if the combination of sick leave and benefits (workers' compensation or disability) exceeds the employee's pre-injury or pre-illness compensation.

2. Contributions to the Sick Leave Pool.

A. Contributions to the Sick Leave Pool may be made only during the Open Enrollment Period(s).

B. Eligible employees desiring to donate time to the Sick Leave Pool must complete a Sick Leave Pool Donation form, which will be provided by Human Resources. The Open Enrollment Periods will be held during the first two weeks of February and August each year.

C. All donations to the Sick Leave Pool must be in increments of eight (8) hours and may not exceed forty (40) hours per fixed 12 month period. Example, if an employee donates forty (40) hours in February, the employee would not be eligible to make another donation until February of the following year. An employee must have a balance of at least forty (40) hours of sick leave after donating to the Sick Leave Pool.

D. After a Sick Leave Pool Donation form is received by Human Resources, the number of hours donated will be credited to the Sick Leave Pool and deducted from the accrued sick leave of the employee making the contribution.

E. When an employee is retiring from the City or voluntarily terminating his or her employment with the City, the employee may contribute up to ten hours of accrued sick leave to the Sick Leave Pool.

F. Contributions to the Sick Leave Pool may not be earmarked for the benefit of a particular employee.

3. Withdrawals from the Sick Leave Pool.

A. An employee may obtain leave from the Sick Leave Pool if the employee or an employee's Immediate Family Member has experienced a Catastrophic Injury or Illness resulting in the exhaustion of all of the employee's accrued vacation and sick leave.

B. An employee requesting leave from the Sick Leave Pool must complete a Sick Leave Pool Withdrawal Request form, which may be obtained from Human Resources. If an employee is unable to complete a Sick Leave Pool Withdrawal Request form due to the employee's own catastrophic injury or illness, the employee's Department Director may submit the request form to Human Resources on behalf of the employee. In the event the employee has not previously provided the City with a Medical Certification supporting the Catastrophic Injury or Illness underlying the need for the leave, such a Medical Certification must be submitted with the Withdrawal Form. All medical information obtained pursuant to this Policy will be maintained as confidential information by the City to the extent allowed by law.

C. A determination that an employee or an employee's Immediate Family Member has a Catastrophic Injury or Illness under the Sick Leave Policy does not mean that the employee or the employee's Immediate Family Member has a "serious health condition" under the FMLA or a "disability" under the ADA. The Human Resources Division will make the decision regarding approval or denial of a request by any employee to make withdrawals from the Sick Leave Pool. If an employee's request to make withdrawals from the Sick Leave Pool is denied by Human Resources, the employee may make an appeal to the City Manager. The appeal must be made in writing to the City Manager within five (5) business days after the denial decision is made by Human Resources. The City Manager will have up to five (5) business days to approve or deny the employee's appeal. The City Manager's decision is final and will be communicated in writing to the employee and Human Resources.

D. An employee is limited to one withdrawal request per fixed 12 month period and may not withdraw an amount of sick leave that exceeds the lesser of sixty (60) work days or one-third (1/3) of the total amount of time in the Sick Leave Pool or until the employee is eligible for Long Term Disability benefits. Per the Long Term Disability policy, a 90 calendar day elimination period must first pass before benefits become effective. Example, if an employee makes a withdrawal request from the Sick Leave Pool in February, the employee would not be eligible to make another withdrawal until February of the following year (eligibility for participation in the Sick Leave Pool will apply).

E. Employees who have contributed leave to the Sick Leave Pool may not withdraw donated time unless they become eligible to withdraw leave from the Sick Leave Pool pursuant to this Policy and are approved to withdraw time.

F. Employees do not accrue any form of paid leave while using leave from the Sick Leave Pool. An employee who is out on leave from the Sick Leave Pool will be treated in all other respects as an employee who is out on regular sick leave.

G. Requests for withdrawal of leave time from the Sick Leave Pool should be submitted as soon as the need for such leave is realized by the employee. Requests for withdrawal of leave are handled by Human Resources on a first come, first serve basis with all decisions being made within ten (10) working days of receipt of the written request.

H. If an employee returns to work in a full duty capacity without having used all of the leave time obtained from the Sick Leave Pool, all unused leave time must be returned to the Sick Leave Pool. However, if an employee returns to work on a reduced schedule or with limitations, the employee may continue to make already approved withdrawals from the Sick Leave Pool for tests, treatment, therapy, or illness so long as the withdrawals are for the same medical reason for which access to the Sick Leave pool was granted. The City may require a doctor's statement to verify the reason for the need for leave.

I. The estate of a deceased employee is not entitled to payment for unused time withdrawn by the employee from the Sick Leave Pool.

J. Leave time to which the employee is entitled (ADA and FMLA) is not extended by the availability of paid leave from the Sick Leave Pool.

4. Definitions.

A. "Catastrophic Injury or Illness" is a serious health condition that affects the employee or the employee's Immediate Family Member which is unanticipated, non-job related, not self-inflicted, requires the services of a licensed medical doctor for a prolonged period of time, and forces the employee to exhaust all accrued leave. A catastrophic Injury or Illness must be an illness or accident that requires confinement in a hospital for at least one full 24-hour period. Cancer will be considered to be a Catastrophic Injury or Illness even if no hospital confinement is required. The uncomplicated delivery of a child at the conclusion of a pregnancy, unforeseeable medical care rendered as a result of something other than injury or disease, and elective surgery are not considered to be a Catastrophic Injury or Illness.

B. "Immediate Family Member" means parent, child, or spouse of the employee and includes step-parents and step-children as well as foster children certified by the Texas Department of Child Protective and Regulatory Services.

SMOKING

The City of Hutto prohibits its employees from smoking and using any and all smokeless tobacco products while in City-owned buildings, facilities, or vehicles. Smoking and use of any and all smokeless tobacco products is authorized in an area at least fifteen (15) feet away from an entrance to a City building.

The City of Hutto acknowledges the serious documented health hazards from exposure to environmental tobacco smoke; therefore, it will be the policy of the City of Hutto to provide a smoke free environment for every employee and visitor.

SOCIAL SECURITY: PARTICIPATION AND NON-PARTICIPATION

Any employee who is actively employed by the City of Hutto as of January 23, 2014 and participates in the Texas Municipal Retirement System as of January 23, 2014 will vote in an individual choice referendum election on April 23, 2014 to determine if they will continue to participate in Social Security or if they will opt out of Social Security participation. The individual choice referendum shall be conducted in accordance with the provisions set forth by the State of Texas' State Social Security Administrator. Any employees hired on or after January 24, 2014 must participate in Social Security.

Employees who vote in the individual choice referendum election on April 23, 2014 must choose one of the following options:

1. Continue to participate in Social Security:

- Employee's wages will be deducted for defined contribution rate to Social Security. The City of Hutto will continue to make defined contribution to Social Security on behalf of employee at a one-to-one matching rate.
- Employees choosing this option will not have the option to discontinue Social Security contributions in the future.

2. Opt out of Social Security and participate in a 401(a) Defined Contribution Plan:

- In lieu of contributions to Social Security, employee's wages will be deducted and deposited in a 401(a) defined contribution plan. The deposit to the defined contribution plan will be equal to the amount that would have been paid to Social Security. The City of Hutto, in lieu of contributions to Social Security on behalf of employees, will make deposit to employee's 401(a) defined contribution plan at a one-to-one matching rate.
- This will be a one-time opportunity for employees. If an employee chooses to stop contributions to a defined contribution plan, they may not begin contributing to Social Security.

3. Opt out of Social Security and have normal deductions added to employee wages:

- Employee's wages will not be deducted for Social Security contributions. Employees who elect this option will not receive an associated employer benefit.

Employees who vote in the individual choice referendum election on April 23, 2014 are required to stay with the option they elect while employed at the City of Hutto.

SOLICITATION

Solicitation of funds or anything of value for any purpose whatsoever shall not be permitted of or by City employees on the job except with the express approval of the City Manager. No employee may be required to make any contribution nor may an employee be penalized in any way concerning his or her employment according to his or her response to a solicitation.

No employee shall personally accept or solicit property, service, or other thing of value in excess of \$50 from a person, business entity or other organization regulated by, contracting with, or having any other business relationship with the City department of which the employee is a member. No employee shall personally accept or solicit cash or a negotiable instrument regardless of the amount.

Please refer to the Gifts Policy for further limitations on gifts to City employees.

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Currently, the City of Hutto provides retirement benefits to its employees through the Texas Municipal Retirement System (TMRS). The Employee contributes 7% of gross compensation and the City matches the employees contribution on a 2 to 1 ratio with the City's contribution being calculated using a variety of factors such as length of service, age, etc. Employees are vested when they earn five years of service which means they are eligible to receive the City's contribution upon retirement. All regular full-time and regular part-time employees who are regularly scheduled to work 1,000 hours or more per year are required to participate in the Texas Municipal Retirement System.



City of Hutto
Employee Policies & Procedures Handbook
Travel Policy Revision, p. I29-I32

Effective February 15, 2019

TRAVEL

The City shall pay actual necessary transportation and living expenses for an employee or City official traveling on City business. It is the City's policy to pay for, or reimburse, all **reasonable and necessary** expenses incurred by an employee when the employee travels on City-related business in accordance with this policy. Travel reimbursement and per diem will be made in accordance with the current travel and relocation policy of the United States General Services Administration (GSA).

A. Transportation - The most efficient and economical mode of travel must be used. Air travel arrangements are to be made by each department. Air travel must be booked at the most discounted fare basis whenever possible. When authorized, an employee using a personal vehicle on City business shall be paid an amount per mile, equivalent to the current rate paid by the State to its employees, or shall be paid the equivalent of a coach airline fare, whichever results in the lower cost to the City. Reimbursement for mileage will be determined based on the distance from the employee's home or office, whichever is closer to the travel destination. Employees shall submit a map demonstrating travel distance in order to receive reimbursement for mileage.

In instances of approved private vehicle use, reimbursement will also be made for mileage tolls and parking fees. Receipts are required for toll and parking fees, as well as for taxi cabs, limos, and other modes of transportation. The City will pay for rental vehicles upon written approval of the City Manager (or designee).

When employees travel on the same dates with the same itinerary, they must coordinate travel. When four or fewer employees travel on the same itinerary, only one may be reimbursed for mileage. When more than four employees travel on the same itinerary, only one out of every four may be reimbursed for mileage, unless authorized in writing by the City Manager.

B. Travel Approval and Cash Advances – All travel and cash advances must be approved in advance by the employee's Department Director (or designee), unless otherwise stated in this policy. Requests for travel advances should be submitted in writing to the Finance Department at least 10 calendar days prior to departure.

C. Lodging - Lodging is allowed only for multi-day events where the travel status would exceed 12 hours.

Expenses for lodging are to be at the single room rate, unless an employee is approved in advance for double occupancy. Extra charges for room service will not be paid by the City. An itemized hotel receipt must be provided including an itemization for any room service charges to be paid/ reimbursed by the City.

D. Meal Allowance - Expenses for meals shall either be reimbursed at actual cost as supported by receipts or by per diem allowance. If an employee is requesting to be reimbursed for actual costs, a detailed receipt (a credit card receipt listing the total amount due is not considered a detailed receipt) must accompany the request for reimbursement. In lieu of

itemized receipts for meals, a base per diem allowance is authorized. Employees may reference www.gsa.gov/perdiem to determine per diem rates based on the area of travel. If your seminar or training event includes the provision for a meal, the appropriate deduction will be made from your per diem or allowable reimbursement.

Meals may be reimbursed using the actual expense method if meals are procured at a prearranged place where a meeting, conference or training session is held or if approved by the City Manager.

Meal and lodging per diem will only be paid to employees whose travel status exceeds 12 hours in a given day. Only $\frac{3}{4}$ of meal per diem will be paid on the first and last day of travel.

E. Non-Allowable Expenses - Expenses or charges for the following will normally not be reimbursed and must be paid for by the employee:

1. In-hotel pay television and movies;
2. Dry cleaning and laundry;
3. Health club and spas;
4. Expenses of a spouse or any person not on City business;
5. Alcoholic beverages;
6. Personal long distance telephone calls;
7. Excess baggage charge for personal belongings; and
8. Other items of a personal nature.

F. Request for Reimbursement and Return of Unexpended Funds - Upon return to the City, the employee may submit a reimbursement for parking and other authorized charges. A detailed receipt must accompany the request for reimbursement. Any receipts for charges applied to the city procurement card must be detailed and submitted to Finance.

Any advance funds received by an employee for travel purposes must be immediately reimbursed to the City if the trip is cancelled for any reason. The employee is also required to reimburse any allowance received for a meal which was provided by the seminar or training event. If a City P-Card is used to pay for meals, the employee shall reimburse any amount charged in excess of the allowable amount for that meal.

G. Travel to Training - The current mileage reimbursement will be paid to employees who must use their personal vehicles to travel to a training destination further than their designated work location or other City locations and/or facilities unless the employee receives a vehicle allowance. Reimbursement will be made only for the difference in miles from the normal work location to the further training location.

H. Expenses Not Covered in Policy - The City Manager's approval must be obtained prior to any expenditure of funds for items or changes which are not specifically addressed in the travel policy.

I. Compliance - Abuse of this policy, including falsifying expense reports or submitting false claims, will result in disciplinary action, up to and including termination of employment.

J. Vehicle Allowance – At the discretion of the City Manager, certain employees may be eligible to receive a monthly vehicle allowance in lieu of receiving actual mileage reimbursement. (Revised on and approved by City Manager on Feb. 15, 2019)

K. Mileage Reimbursement – An employee (excluding any employee who receives a vehicle allowance) may request mileage reimbursement when the employee uses their personal vehicle for City business that is related to the performance of their regular job duties.

- Mileage will only be reimbursed for the actual miles driven by the employee in their personal vehicle.
- Travel from home to work and from work to home is not eligible for reimbursement.
- Mileage will be reimbursed based upon the Business Standard Mileage Rates established by the I.R.S.
- Mileage reimbursement must be submitted to the Finance Department within 60 days after the first qualifying reimbursement event occurs. Any mileage reimbursement submitted to the Finance Department after 60 days will be denied.
- Employees should use a City vehicle when possible.

L. FLSA “Hours Worked”—For purposes of computing the total number of hours worked by an employee during a single work week:

- Time spent commuting to and from work are not “hours worked.”
- Any time spent traveling during the employee’s normal work day is “hours worked.”
- When an employee is requested to travel from his or her normal workplace during a single business day, all of the time spent in travel and work on that day is counted as “hours worked” except for the lunch hour (unless work is actually performed at that time) and time spent in commuting to and from the normal workplace if the employee is required to begin and/or end the day trip at the normal workplace.
- When an employee makes an overnight trip for the City, time spent traveling to and from the airport or other means of public transportation as well as time spent as a passenger in traveling on an airplane, train, boat, bus, or automobile will not count as “hours worked” unless the time spent is during the employee’s normal work day.
- If an overnight trip requires the employee to travel on a Saturday or Sunday, hours spent in travel during what would be the employee’s normal working hours will be considered “hours worked.” For example, if an employee normally works from 8:00 a.m. to 5:00 p.m. Monday through Friday and is required to travel during those hours on a Saturday or Sunday in order to go to or return from an

overnight trip for the City, travel time during those hours will be counted as “hours worked” on the Saturday or Sunday.

- If an employee requests to be able to drive a personal vehicle instead of taking public transportation when requested to travel away from home, the City will count as “hours worked” the same amount of time that would have been counted as “hours worked” if the employee had taken the public transportation.
- If an employee makes an overnight trip to a destination for which there is no public transportation available, time spent driving to and from the destination that is outside of the employee’s normal work day will be counted as “hours worked.” Time spent traveling as a **passenger** in a personal automobile is not counted as “hours worked” unless the hours are within the normal work day.

VACATION LEAVE

Regular full-time employees accrue vacation leave each pay period at a rate of 3.08 hours for each pay period worked which yields 80 hours or 10 work days annually.

After five years of employment, regular full-time employees shall earn 4.62 hours each pay period worked which yields 120 hours or 15 work days annually.

After ten years of employment, regular full-time employees shall earn 5.23 hours each pay period worked which yields 136 hours or 17 work days annually.

After fifteen years of employment, regular full-time employees shall earn 6.15 hours each pay period worked which yields 160 hours or 20 work days annually.

Employees may not “borrow” unearned vacation time; employees shall not receive payment of vacation in lieu of taking time off, except as provided below.

Regular part-time, temporary, and seasonal employees do not earn vacation leave. Official City-observed holidays occurring while an employee is on approved paid leave are considered paid holidays and do not affect vacation leave balances. Paid vacation leave is not considered hours worked for purposes of performing overtime calculations. Only scheduled working days taken off shall be counted as vacation days.

A. Use and Scheduling of Vacation Leave - Vacation leave is an earned benefit intended to provide employees with paid time away from the work environment to pursue activities that will promote the well being of the individual. Vacation leave may also be used for purposes of attending to personal business, extension of sick leave when sick leave is exhausted, inability to get to work because of inclement weather, or for other purposes, and may be taken in hourly increments. Employees must schedule their annual vacation leave in accordance with their Department’s guidelines governing vacation scheduling. Whenever possible, vacation time will be scheduled at the convenience of employees. However, Department Directors must be certain that vacations do not interfere with the normal functions and activities of department operations. Whenever possible, employees are encouraged to submit their preferred vacation schedule to the appropriate supervisor as far in advance as possible to relieve any scheduling problems that may develop. To ensure proper payment of vacation pay, employees must make sure they have an approved vacation request on file before leaving for vacation. No more than ten consecutive work days of vacation time may be taken off, unless the City Manager grants an exception. Non-exempt employees may not be paid over 40 hours including the vacation leave within the same work week

B. Maximum Accruals – For employees with fewer than 5 years of service to the City, the maximum number of vacation days that may be accumulated from one calendar year to the next is twenty days (160 hours). For employees with 5 or more but less than 10 years of service to the City, the maximum number of vacation days that may be accumulated from one calendar year to the next is twenty-five days (200 hours). For employees with 10 or more years of service to the City, the maximum number of vacation days that may be accumulated from one calendar year to

the next is thirty days (240 hours). All days in excess of maximum accumulation are lost on December 31st of each calendar year (except as otherwise provided for in this policy). Employees will not be paid for vacation in excess of the maximum accrual or for vacation that is “lost” on December 31st of each calendar year. If the needs of the City and/or Department preclude the taking of a scheduled vacation, the Department Director may defer an employee’s scheduled vacation leave. In such cases, the Department Director may seek approval from City Manager to pay an employee for “deferred” vacation (vacation that was unable to be taken by the employee due to an operational necessity of the City) but this is determined on a case by case basis and at the sole discretion of the City Manager.

C. Compensation for Vacation Leave - Vacation is paid at the employee’s base rate at the time of vacation. It does not include overtime or any special forms of compensation. Vacation time is paid only for hours the employee would ordinarily have worked. Employees will not be paid for any unused vacation, except upon separation of employment, or if an employee is precluded from taking a scheduled vacation due to City and/or department needs as set out above. Upon termination, retirement, or resignation an employee shall be paid for accrued vacation leave up to a maximum of 160 hours at the rate of pay the employee was receiving at the time of separation. Upon the death of an employee, the accrued vacation will be paid to the employee’s estate.

D. Definitions

1. **Compensable Hours** - The hours worked or taken in a pay period must equal 80 hours for full-time employees before vacation hours will be accrued. Employees who work less than 80 hours in a pay period will accrue vacation hours on a prorated basis.

2. **Vacation Day** – A “vacation day” is defined as an 8-hour period for employees who are regularly scheduled to work 8 hours per day, a 10-hour period for employees who are regularly scheduled to work 10 hours per day and a 12-hour period for employees who are regularly scheduled to work 12 hours per day. Employees are not required to take a full day of vacation; they may take vacation in one hour increments.

VALID DRIVER'S LICENSE

The City requires that every employee who operates a City owned [or leased] vehicle, or who drives a privately owned vehicle while carrying out job duties, must maintain a current valid Texas driver's license and an acceptable driving record as determined by the City.

Driving records will be checked prior to employment and periodically throughout the course of employment. Applicants and employees are required to provide the City with any authorizations necessary for the City to perform such a check. More than 3 moving traffic violations that result in final convictions in a 36 month period is considered excessive and will result in failure to hire in the case of prospective employees, and will likely result in disciplinary action, up to and including termination, of an active employee. The Police Department may have stricter standards imposed.

When a special classification of driver's license is required to operate City equipment, it is the employee's responsibility to maintain the required license.

VOLUNTEERS

All City volunteers are subject to this Employee Policies & Procedures Handbook except that volunteers are not entitled to any employee benefits including paid leave and may not utilize the Complaint Resolution process.

WEAPONS CONTROL

The City strives to provide a safe and secure working environment for its employees. This policy is designed to help prevent incidents of violence from occurring in the workplace and to provide for the appropriate response when and if such incidents do occur.

A. Zero Tolerance - Harassment, intimidation, threats, threatening behavior, violent behavior or acts of violence between employees or such action between an employee and another person that arises from or is in any manner connected to the employee's employment with the City, whether the conduct occurs on duty or off duty, is prohibited.

B. City's Response to Threats or Acts of Violence - The City will attempt to respond appropriately to any person who threatens use of force or violence or threatens an unlawful act, exhibits threatening behavior, or engages in violent acts. The City's response will normally be coordinated by the Human Resources Division, and where applicable, the City's Police Department or other appropriate law enforcement agency. The Human Resources Division will evaluate the severity of the situation and the need for additional resources (*e.g.*, law enforcement, Emergency Medical Services) to minimize risk and further violence, and will work with the appropriate Department Director(s) in an effort to ensure that appropriate administrative actions are taken. If such conduct occurs on City property, the offending person will typically be removed from the premises pending the outcome of an investigation. The City may also suspend and /or terminate the employment relationship, reassign job duties, mandate counseling with a psychologist or other mental health care provider of the City's choosing, initiate criminal prosecution of the person or persons involved, and/or other actions as determined by the City to be appropriate under the circumstances.

No existing City policy, practice, or procedure will be interpreted to prohibit decisions designed to prevent a threat from being carried out, a violent act from occurring or a life-threatening situation from developing.

C. Weapons Control - Unless specifically authorized by the City Manager, no employee, other than a City licensed peace officer, shall carry or possess a firearm or other weapon on City property. Employees licensed by State of Texas to carry a weapon may have a permitted weapon only on the City parking lot if it is locked in the employee's vehicle. Employees licensed to carry weapons must report to the Human Resources Division their identity and license plate numbers of all vehicles that employee may park in City parking lots. Employees are also prohibited from carrying a weapon while on duty or at any time while engaging in City-related business. Prohibited weapons include firearms, clubs, explosive devices, knives with blades exceeding 5 ½ inches, switchblades, etc. Employees do not have an expectation of privacy and the City retains the right to search for firearms or other weapons on City property.

D. Mandatory Reporting - Each City employee must immediately notify his/her supervisor, Department Director, the Human Resources Division and /or the Police Department of any act of violence or of any threat involving a City employee that the employee has witnessed, received, or has been told that another person has witnessed or received. Even without an actual threat, each City employee must also report any behavior that the employee regards as threatening or

violent when that behavior is job-related or might be carried out on City property, a City-controlled site or City job site, or when that behavior is in any manner connected to City employment or activity. Each employee is responsible for making this report regardless of the relationship between the individual who initiated the threat or threatening behavior and the person or persons threatened or the target of the threatening behavior. A supervisor who is made aware of such a threat or other conduct must immediately notify his/her Department Director and the Human Resources Division.

E. Protective Orders - Employees who apply for or obtain a protective or restraining order which lists City locations as being protected areas must immediately provide to the Human Resources Division and the City's Police Department a copy of the petition and declarations used to seek the order, a copy of any temporary protective or restraining order which is granted, and a copy of any protective or restraining order which is made permanent. City employees must immediately advise their Department Director and the Human Resources Division of any protective or restraining order issued against them.

F. Confidentiality - To the extent possible, while accomplishing the purposes of this policy, the City will respect the privacy of reporting employees and will treat information and reports confidentially. Such information will be released or distributed only to appropriate law enforcement personnel, City management, and others on a need-to-know basis and as may otherwise be required by law.

G. City Property - For purposes of this policy, City property includes but is not limited to owned or leased vehicles, buildings and facilities, entrances, exits, break areas, parking lots and surrounding areas, recreation centers, swimming pools, and parks.

H. Documentation - When appropriate, threats and incidents of violence will be documented. Documentation will be maintained by the Human Resources Division and/or the Police Department.

I. Policy Violations - Violations of this policy may lead to disciplinary action, up to and including termination of employment. Policy violations may also result in arrest and prosecution.

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Ordinance No. O-2021-062 amending the budget for the fiscal year of October 1, 2020, through September 30, 2021, in accordance with existing statutory requirements, appropriating and setting aside the necessary funds for additional expenditures. (First Reading) (Angie Rios)
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Budget amendment ordinance O-2021-062

ORDINANCE NO. O-2021-062

AN ORDINANCE OF THE CITY OF HUTTO, TEXAS, AMENDING THE BUDGET FOR THE FISCAL YEAR OF OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021, BY APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS FOR ADDITIONAL EXPENDITURES IN ACCORDANCE WITH EXISTING STATUTORY REQUIREMENTS; FINDING MUNICIPAL PURPOSES; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council for the City of Hutto adopted the City's Fiscal Year 2020-2021 Budget in September of 2020; and

WHEREAS, pursuant to Texas Local Government Code, Section 102.010, the City Council has determined that it is necessary to amend the City's FY 2020-2021 Budget, and that the budget amendment serves a municipal purpose.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF HUTTO, TEXAS, THAT:

SECTION 1. That the appropriations for the fiscal year beginning October 1, 2020, and ending September 30, 2021, for the support of the general government of the City of Hutto, Texas, be amended as shown in Exhibit A.

SECTION 2. That the amendment, as shown in words and figures in Exhibit "A", is hereby approved in all aspects and adopted as an amendment to the City budget for the fiscal year October 1, 2020 through September 30, 2021.

SECTION 3. The City Secretary of the City of Hutto is hereby authorized and directed to publish the caption of this Ordinance in the manner and for the length of time prescribed by law and the City Charter.

SECTION 4. A copy of the amended budget shall be placed in the office of the Williamson County Clerk as required by Tex. Loc. Gov't. Section 102.011.

SECTION 5. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this ordinance of any such invalid phrase, clause, sentence, paragraph or section. If a court of competent jurisdiction to be invalid shall adjudge any provision of this Ordinance, the invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 6. All ordinances or parts of ordinances and sections of the City Code of Ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 7. This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Tex. Loc. Gov't. Code and the City Charter.

SECTION 8. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter. 551, Tex. Gov't. Code

READ and APPROVED on the first reading this the 7th day of **October 2021**.

THE CITY OF HUTTO, TEXAS

Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary

EXHIBIT A
Budget Amendment
9/30/2021

General Services - Operating Fund (Fund 10)

Division	Original Budget	Proposed Budget Amendment	Revised Budget
City Attorney			
Attorney Services	500,000	(150,000)	350,000
Subtotal - City Attorney	500,000	(150,000)	350,000
Finance			
Bank & Finance Charges	103,128	150,000	253,128
Subtotal - Finance	103,128	150,000	253,128
To cover increased credit card fees from developers paying with credit cards			

Hutto Police Seizure Fund (Fund 25)

Division	Original Budget	Proposed Budget Amendment	Revised Budget
Police			
Technology Equipment & Supplies	-	2,963	2,963
Building Repair and Maintenance	-	6,364	6,364
Fund Balance	5,000	9,327	14,327
Subtotal - Police	5,000	18,654	23,654
To cover software purchase and new security door installation.			

EXHIBIT A
Budget Amendment
9/30/2021

Utility Services Operating Fund (Fund 50)

Division	Original Budget	Proposed Budget Amendment	Revised Budget
Revenue			
Interlocal Agreement	-	1,155,200	1,155,200
Subtotal - Revenue	-	1,155,200	1,155,200
Utility Billing			
Bank & Finance Charges	200,000	100,000	300,000
Subtotal - Utility Billing	200,000	100,000	300,000
Non-departmental			
Attorney Services	187,082	(100,000)	87,082
Wastewater Contract	-	1,150,000	1,150,000
Subtotal - Non-departmental	187,082	1,050,000	1,237,082
To cover increased credit card fees and a pass through reimbursement			

Solid Waste Fund (Fund 70)

Division	Original Budget	Proposed Budget Amendment	Revised Budget
Utility Billing			
Waste Management Services	1,650,000	141,500	1,791,500
Subtotal - Utility Billing	1,650,000	141,500	1,791,500
Non-departmental			
Transfer to Fund 50	141,500	(141,500)	-
Subtotal - Utility Billing	141,500	(141,500)	-
To cover increased waste management fees due to growth in customers			

AGENDA ITEM REPORT



To: City Council

Subject: Consideration and possible action on Ordinance No. O-2021-058 opening a public hearing on the levy of assessments on property within Durango Farms Public Improvement District and approving levying special assessments for, and apportioning the costs of, certain improvements to property in and for the Durango Farms Public Improvement District; fixing a charge and lien against all properties within the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in the district and the real and true owners thereof; approving a service and assessment plan; providing a severability clause; and providing an effective date. (First Reading) (Dorothy Palumbo)

Meeting: Thursday, October 7, 2021

Department: City Secretary

Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Hutto Assessment Ordinance.9.16.21. Final
2. 2021-9-30_HUT_Durango Farms_SAP

ORDINANCE NO. O-2021-058

AN ORDINANCE LEVYING SPECIAL ASSESSMENTS FOR, AND APPORTIONING THE COSTS OF, CERTAIN IMPROVEMENTS TO PROPERTY IN AND FOR THE DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT; FIXING A CHARGE AND LIEN AGAINST ALL PROPERTIES WITHIN THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN THE DISTRICT AND THE REAL AND TRUE OWNERS THEREOF; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Subchapter A of Chapter 372 of the Texas Local Government Code (the "Act") allows for the creation of public improvement districts; and

WHEREAS, a petition was submitted and filed with the City Secretary (the "*City Secretary*") of the City of Hutto, Texas (the "*City*") pursuant to the Act, requesting the creation of a public improvement district located within the corporate limits of the City to be known as Durango Farms Public Improvement District (the "*District*") to provide public improvements within the District to include the design, acquisition, and construction of public improvement projects authorized by Section 372.003(b) of the Act that are necessary for development of the District, which public improvements will include, but not be limited to, streets, roadway construction, water, wastewater, and drainage facilities and improvements, and other improvement projects; and

WHEREAS, the petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Williamson Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on August 6, 2021, after due notice, the City Council (the "*City Council*") of the City opened the public hearing in the manner required by law on the advisability of the improvement projects described in the petition as required by Section 372.009 of the Act and on August 6, 2020 the City Council made the findings required by Section 372.009(b) of the Act and, by Resolution No. R-2020-068 (the "*Creation Resolution*"), adopted by a majority of the members of the City Council, authorized the creation of the District in accordance with its finding as to the advisability of the improvement projects; and

WHEREAS, following the adoption of Creation Resolution, the City published notice of its authorization of the creation of the District on August 25, 2021 in the *Austin American Statesman*, a newspaper of general circulation in the City; and

WHEREAS, no written protests regarding 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 the date of publication of such notice; and

WHEREAS, pursuant to the Act, the proposed assessment roll for District (the "*Assessment Roll*") and service and assessment plan were filed with the City Secretary; and

WHEREAS, the statutory notice of a public hearing was published on August 29, 2021, to consider the levy of the proposed assessments (the "*Assessments*") on real property within the District was published in the *Taylor Press*, a newspaper of general circulation in the City and was mailed to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, after notice was provided as required by the Act, the City Council on September 16, 2021, opened and held a public hearing to consider the levy of the proposed Assessments on property within the District, at which any and all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Roll, and the proposed Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of the Actual Costs of the authorized improvements to be undertaken for the benefit of all property to be assessed within the District (the "*Authorized Improvements*"), the purposes of the Assessments, the special benefits of the Authorized Improvements, and the penalties and interest on annual installments and on delinquent annual installments of the Assessments; and

WHEREAS, the City Council finds and determines that the Assessment Roll and the Durango Farms Public Improvement District Service and Assessment Plan, in a form substantially similar to the attached Exhibit A, which final form shall be approved by the City Manager (the "*Service and Assessment Plan*"), and which is incorporated herein for all purposes, should be approved and that the Assessments should be levied as provided in this Ordinance, the Service and Assessment Plan and the Assessment Roll; and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the Actual Costs of the Authorized Improvements as described in the Service and Assessment Plan, the Assessment Roll, and the levy of the Assessments; and

WHEREAS, in connection with the levy of the Assessments, concurrently herewith, the owners (the "*Landowners*") of the privately-owned and taxable property located within the District will execute a landowner agreement, wherein the Landowners, among other things, approves and accepts this Ordinance and the Service and Assessment Plan, including the Assessment Roll, consents to and accepts the levy of the Assessments against their property located within the District and agrees to pay the Assessments; and

WHEREAS, the City Council closed the hearing on September 16, 2021, and, after considering all written and documentary evidence presented at the hearing, including all written

comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the Act; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

Section 1. All matters stated in the preamble of this Ordinance are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

Section 2. The Service and Assessment Plan, attached hereto as Exhibit A has been presented to and reviewed by the City Council and the City Council hereby approves the Service and Assessment Plan and adopts the Service and Assessment Plan as the service plan and assessment plan for the District. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Service and Assessment Plan. A copy of the Service and Assessment Plan shall be filed not later than the seventh day after the effective date of this Ordinance with the county clerk of each county in which all or part of the District is located.

Section 3. The Authorized Improvements described in the preamble hereof include the improvements that will benefit and serve all of the property within District (the "Authorized Improvements"). The Authorized Improvements benefit and serve all of the property within the District and are set forth in Section III of the Service and Assessment Plan.

Section 4. The City Council hereby finds and determines upon the evidence presented in reference to the property located within the District that: (i) the enhancement and value to accrue to the District and the real and true owner or owners thereof by virtue of construction of the Authorized Improvements will be equal to or in excess of the amount of the cost of the proposed Authorized Improvements; (ii) that the apportionment of the costs of the Authorized Improvements and the Assessments here and below made are just and equitable and produce substantial equality, considering the benefits received and the burdens imposed thereby, and result in imposing equal shares of the cost of the Authorized Improvements on property similarly benefitted, and are in accordance with the laws of the State of Texas; (iii) the property assessed is specially benefitted by means of the said Authorized Improvements in the District in relation to the costs of such improvements; (iv) all procedures that have taken place heretofore with reference to the Authorized Improvements and Assessments are in all respects regular, proper, and valid; and (v) all prerequisites to the fixing of the assessment liens against the properties within the District, and the personal liability of the real and true owner or owners thereof, whether correctly named herein or not, have been in all things regularly and duly performed in compliance with the Act and the proceedings of the City Council. The cost of said Authorized Improvements is hereby assessed and levied as a special assessment against such properties and the real and true owner or owners thereof in the amounts as described in Exhibit F of the Service and Assessment Plan attached hereto.

Section 5. There shall be and is hereby levied and assessed against the property within the District, and against the real and true owners thereof (whether such owners be correctly named or not), the sums of money as listed in Exhibit F of the Service and Assessment Plan attached hereto and made a part hereof shown for each of the respective parcels of property, and the assessed against the same, and the owners thereof.

Section 6. The sums assessed against property located within the District and the real and true owners or owner thereof, whether the owner or owners be named or correctly named, or the properties be correctly described therein or not, together with interest thereon at the rate per annum when required as set forth in the Service and Assessment Plan and with reasonable attorney's fees and all costs and expenses of collection, if incurred, are hereby declared to be and made a first and prior lien upon the respective parcels of property against which same are assessed from and after this date, and a personal liability and charge against the real and true owner or owners thereof, whether or not such owner or owners be correctly named herein, paramount and superior to all other liens, claims or titles except for lawful claims for state, county, school district, or municipality ad valorem taxes; and that the sum so assessed shall be payable to the City or its assigns in accordance with the Assessment Roll attached as Exhibit F to the Service and Assessment Plan.

Section 7. (a) The levy of the Assessments shall be effective on the date of adoption of this Ordinance levying assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(b) The apportionment of the costs of the Authorized Improvements to be assessed against the property within the District, shall be as set forth in the Service and Assessment Plan.

(c) Assessments and Annual Installments shall be collected, administered and may be reallocated, and the costs of improvements paid, as set forth in: (i) this Ordinance; (ii) the Service and Assessment Plan and (iii) any ordinance, resolution, bond indenture or agreement approved by the City Council.

(d) Each Assessment may be paid in a lump sum or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Assessment shall accrue and bear interest at the rate or rates specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be due and payable and shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) Assessments and the interest thereon shall be deposited as and when received by the City into a separate fund to be used to pay the costs incurred for the Authorized Improvements, including debt service on obligations issued to pay the costs of the Authorized Improvements, and the establishment of each such fund is hereby approved.

(h) The Annual Installments shall be reduced to equal the actual costs of repaying the related series of bonds 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.

Section 8. This Ordinance incorporates by reference all provisions and requirements of the Act.

Section 9. If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 10. This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained. PASSED, APPROVED AND ADOPTED on the ____ day of _____, 2021.

ATTEST:

Mike Snyder, Mayor

Holly Nagy, City Secretary

[SEAL]

ORDINANCE NO. O-2021-058 READ and APPROVED on first reading on the ____ day of _____, 2021, at a meeting of the City Council of the City of Hutto, Texas at which a quorum was present and for which due notice was given pursuant to Section 551.00, et. seq., of the Texas Government Code.

MOTION APPROVED pursuant to Hutto City Charter Article 3, Section 3.13 to dispense with second reading on the ____ day of _____, 2021, at a meeting of the City Council of the City of Hutto, Texas at which a quorum was present and for which due notice was given pursuant to Section 551.00, et. seq., of the Texas Government Code.

Exhibit A

DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT
SERVICE AND ASSESSMENT PLAN

(see attached)

Durango Farms Public Improvement District

SERVICE AND ASSESSMENT PLAN

SEPTEMBER 30, 2021



TABLE OF CONTENTS

Table of Contents	2
Introduction	4
Section I: Definitions	5
Section II: The District	11
Section III: Authorized Improvements	11
Section IV: Service Plan	14
Section V: Assessment Plan	14
Section VI: Terms of the Assessments	17
Section VII: Assessment Roll	22
Section VIII: Additional Provisions	22
List of Exhibits	24
Exhibit A – District, Section 1, and Section 2 Boundary Map	25
Exhibit B – Authorized Improvements	26
Exhibit C – Service Plan – Five Year Plan	27
Exhibit D – Service Plan – Sources and Uses	28
Exhibit E – Assessment Roll	29
Exhibit F – Annual Installments	33
Exhibit G – Maximum Assessment per Lot Type	34
Exhibit H – Map of Authorized Improvements	35
Exhibit I – Lot Type Classification Map by Phase	39
Exhibit J – Phase 1 Final Plat	40
Exhibit K – Notice of PID Assessment Termination	42
Exhibit L-1 Lot Type 1 Disclosure	45
Exhibit L-2 Lot Type 2 Disclosure	49
Exhibit L-3 Lot Type 3 Disclosure	53
Exhibit L-4 Section 2 Disclosure	57
Exhibit L-5 Lot 1, Block A Durango Farms Phase 1 Disclosure	61
Exhibit L-5 Lot 25, Block H Durango Farms Phase 1 Disclosure	65
Exhibit M – District Legal Description	69

Exhibit N – Section 1 Legal Description	74
Exhibit O - Section 1 Phase 2 Legal Description.....	77
Exhibit P - Section 2 Legal Description.....	78
Exhibit Q – Estimated Buildout Value and Original Assessment Allocation	80
Appendix A – Engineer’s Report	81

INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan, or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On August 6, 2020, the City passed and approved Resolution No. R-2020-068 authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. 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 105.114 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit M** and as depicted by the map on **Exhibit A**.

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**.

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 Assessment Roll is contained in **Exhibit E**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer of the District: (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) 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 the Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City, or the person or independent firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, 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 related to collecting the Annual Installments, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the administration of the District, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs

collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Annual Service Plan Update” means an update to this 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 that benefits from the Authorized Improvements and on which an Assessment is levied as shown on the Assessment Roll and which includes any and all Parcels within the District other than Non-Benefitted Property.

“Assessment” means an assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“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 the assessment roll for the Assessed Property within the District and included in this Service and Assessment Plan as **Exhibit E**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Authorized Improvements” mean improvements authorized by Section 372.003 of the PID Act, including Section 1 Improvements, Section 2 Improvements, Major Improvements, and District Formation and Bond Issuance Costs.

“City” means the City of Hutto, Texas.

“City Council” means the governing body of the City.

“County” means Williamson County, Texas.

“Delinquent Collection Costs” mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this SAP, including costs and expenses to foreclose liens.

“Developer” means MA Durango Farms, LLC, a Texas limited liability company.

“District” means the approximately 105.114 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit M** and as depicted by the map on **Exhibit A**.

“District Formation and Bond Issuance Costs” mean the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, first year’s Annual Collection Costs, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

“Estimated Buildout Value” means the estimated buildout value of an Assessed Property at the time Assessments are levied, 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.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended or supplemented from time to time, between the City and the Trustee setting forth terms and conditions related to the PID Bonds.

“Lot” means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or preliminary 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 and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as calculated by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a Lot designated as a 45’ residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type 2” means a Lot designated as a 50’ residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type 3” means a Lot designated as a 60’ residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type Multi-Family” means a Lot designated as a multi-family residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type Commercial” means a Lot designated as a commercial lot by the Owner, as shown on the map attached as **Exhibit I**.

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Section 1 and Section 2 based on Estimated Buildout Value, as shown on **Exhibit Q**. The Major Improvements are depicted on **Exhibit H**.

“Maximum Assessment” means the amount shown for each Lot Type on **Exhibit G**. The Maximum Assessment shall be reduced annually by the principal portion of the Annual Installment.

“Meritage” means Meritage Homes of Texas, LLC, an Arizona limited liability company.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from Authorized Improvements as determined by the City Council.

“Owner(s)” means the owners of the Assessed Parcels in the District at the time the Assessments are levied, being (1) the Developer, (2) Meritage, and (3) Vantage.

“Parcel(s)” means a property within the boundaries of the District, identified by either a tax map identification number assigned by the Williamson 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 Council.

“Phase 1 Plat” means the Durango Farms Phase 1 Final Plat, as shown on **Exhibit J**.

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

“PID Bonds” mean those certain “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District)”, and any other bonds issued in accordance with the PID Act, if applicable, that are secured by Assessments.

“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 Assessment are not to be considered a Prepayment, but rather are to be treated as a payment of the regularly scheduled Assessment.

“Prepayment Costs” mean interest, including Additional Interest, and Annual Collection Costs incurred up to the date of Prepayment.

“Section 1” means the approximately 94.593 acres within the District inside the corporate limits of the City and west of FM 1660, as described legally by metes and bounds on **Exhibit N** and as depicted by the map on **Exhibit A**.

“Section 1 Improvements” mean Authorized Improvements that only benefit Section 1, as depicted on **Exhibit H**.

“Section 1 Phase 1” means that portion of Section 1 platted by the Phase 1 Plat.

“Section 1 Phase 2” means the approximately 23.479 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit O**.

“Section 1 Projects” means the Section 1 Improvements, Section 1’s allocable share of the Major Improvements, and Section 1’s allocable share of District Formation and Bond Issuance Costs.

“Section 2” means the approximately 10.521 acres within the District inside the corporate limits of the City, and east of FM 1660, as described legally by metes and bounds on **Exhibit P** and as depicted by the map on **Exhibit A**.

“Section 2 Improvements” mean Authorized Improvements that only benefit Section 2, as depicted on **Exhibit H**.

“Section 2 Projects” means the Section 2 Improvements, Section 2’s allocable share of the Major Improvements, and Section 2’s allocable share of District Formation and Bond Issuance Costs.

“Service and Assessment Plan” means this Service and Assessment Plan as it may be modified, amended, supplemented, and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Trustee” means the trustee (or successor trustee) under an Indenture.

“Vantage” means Vantage at Hutto, LLC, a Texas limited liability company.

SECTION II: THE DISTRICT

The District includes approximately 105.114 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit M** and as depicted by the map on **Exhibit A**. Development of the District is anticipated to include 248 single-family homes, 388 multi-family units, and approximately 20,000 square feet of commercial space.

Section 1 includes approximately 94.593 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit N** and as depicted by the map on **Exhibit A**. Development of Section 1 is anticipated to include 248 single-family homes, 288 multi-family units, and approximately 20,000 square feet of commercial space. Section 1 is partially composed of Section 1 Phase 1, platted by the Phase 1 Plat, with the remainder of Section 1 in Section 1 Phase 2.

Section 2 includes approximately 10.521 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit P** and as depicted by the map on **Exhibit A**. Development of Section 2 is anticipated to include 100 multi-family units.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Developer and its engineer and review by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City once accepted unless specifically stated below. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit B**.

A. Section 1 Improvements

- *Streets*
Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation and embankment, erosion control, retaining walls, intersections, signage, lighting, and sleeving are included. The street improvements will provide street access to each Lot within Section 1.
- *Water*
Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion

control and all necessary appurtenances required to provide water service to all Lots within Section 1.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Section 1.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Section 1.

- *Erosion Control, Excavation, and Embankment*

Improvements including stabilized construction entrance, silt fencing, inlet protection, permanent erosion control by applying top soil and hydromulch in all disturbed areas, dry stack walls, clearing and grubbing of all right of ways and alleys and excavating all right of ways, alleys and wet utilities, onsite storage of materials and import and haul off of materials, as necessary.

- *Detention Pond*

Improvements including walls, outfall structures, access ramps, gates, signage and all necessary appurtenances required to create detention ponds within Section 1.

- *Soft Costs/Contingency*

Includes 15% soft costs (inclusive of 4% construction management fee), 5% contingency for bid improvements, and 10% contingency for non-bid improvements.

B. Section 2 Improvements

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Section 2.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion

control and all necessary appurtenances required to provide wastewater service to all Lots within Section 2.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Section 2.

- *Erosion Control, Excavation, and Embankment*

Improvements including stabilized construction entrance, silt fencing, inlet protection, permanent erosion control by applying top soil and hydromulch in all disturbed areas, dry stack walls, clearing and grubbing of all right of ways and alleys and excavating all right of ways, alleys and wet utilities, onsite storage of materials and import and haul off of materials, as necessary.

- *Soft Costs/Contingency*

Includes 15% soft costs (inclusive of 4% construction management fee), 5% contingency for bid improvements, and 10% contingency for non-bid improvements.

C. Major Improvements

- *FM 1660*

Improvements including permanently changing the existing 3 way traffic signal into a four way traffic signal and other general intersection improvements, including adding turn lanes and deceleration lanes accomplished by the widening of the pavement sections north and south of the existing intersection. The FM 1660 improvements will be owned and operated by TXDOT.

D. District Formation and Bond Issuance Costs

- *Debt Service Reserve Requirement*

Equals the amount required to fund a reserve under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds and includes a fee for underwriter's counsel.

- *Cost of Issuance*

Costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

- *District Formation*

Expenses directly associated with forming the District including 1st year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the projected costs and annual 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 C** summarizes the Service Plan for the District.

Exhibit D summarizes the sources and uses of funds required to construct certain Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act requires the City to apportion the Actual 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 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 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 Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that (a) 100% of the Section 1 Improvements be allocated to Section 1, based on the benefits received by such parcel, and (b) 90.73% of the Major Improvements and Bond Issuance and District Formation Costs be allocated to Section 1 based on Estimated Buildout Value as shown on **Exhibit Q**. The City Council has further determined that (a) 100% of the Section 2 Improvements be allocated to Section 2, based on the benefits received by such parcel, and (b) 9.27% of the Major Improvements and Bond Issuance and District Formation Costs be allocated to Section 2 based on Estimated Buildout Value as shown on **Exhibit Q**. The City Council has further determined that, within Section 1 and Section 2, the Assessments and the costs of the allocated Authorized Improvements shall be allocated based on Estimated Buildout Value as shown on **Exhibit Q**.

B. Assessments

Assessments will be levied on each Parcel or Lot according to the Assessment Roll, attached hereto as **Exhibit E**. The projected Annual Installments are shown on **Exhibit F**, subject to revisions made during any Annual Service Plan Update.

The Maximum Assessment for each Lot Type is shown on **Exhibit G**. In no case will the Assessment for any Lot Type exceed the Maximum Assessment.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- Section 1
 - The cost of the Section 1 Projects equals \$12,867,991 as shown on **Exhibit B**; and
 - The Assessed Property within Section 1 receives special benefit equal to or greater than the Section 1 Projects; and
 - The Assessed Property within Section 1 was allocated 100% of the Assessments levied for the Section 1 Projects, which equals \$12,388,817 as shown on **Exhibit Q**; and

- The special benefit ($\geq \$12,867,991$) received by the Assessed Property within Section 1 from the Section 1 Projects is greater than the amount of Assessments (\$12,388,817) levied on the Assessed Property within Section 1 for the Section 1 Projects, and that the special benefit received by each Lot or Parcel within Section 1 is greater than the amount of Assessment for such Lot or Parcel, as shown on the Assessment Roll in Exhibit E; and
- At the time the City Council approved the Assessment Ordinance, the Owners owned 100% of the Assessed property within Section 1. In a Landowner Agreement with the City, the Owners acknowledged that the Section 1 Projects confer a special benefit on the Assessed Property within Section 1 and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The 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 levying of the Assessments on Assessed property within Section 1.
- Section 2
 - The cost of the Section 2 Projects equals \$1,092,183 as shown on **Exhibit B**; and
 - The Assessed Property within Section 2 receives special benefit equal to or greater than the Section 2 Projects; and
 - The Assessed Property within Section 2 was allocated 100% of the Assessments levied for the Section 2 Projects, which equals \$1,092,183 as shown on **Exhibit Q**; and
 - The special benefit ($\geq \$1,092,183$) received by the Assessed Property within Section 2 from the Section 2 Projects is greater than the amount of Assessments (\$1,092,183) levied on the Assessed Property within Section 2 for the Section 2 Projects; and
 - At the time the City Council approved the Assessment Ordinance, the Developer owned 100% of the Assessed property within Section 2. In a Landowner Agreement with the City, the Developer acknowledged that the Section 2 Projects confer a special benefit on the Assessed property within Section 2 and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Developer 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 levying of the Assessments on Assessed property within Section 2.

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 based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and update to this Service and 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 the same Lot Type

D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

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 the next Annual Service Plan Update and 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.

The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on **Exhibit G** for the applicable Lot Type, and compliance may require a mandatory prepayment of Assessments pursuant to **Section VI.B**.

B. True-up of Assessments if Maximum Assessment Exceeded

If the subdivision of any Assessed Property by a final subdivision plat, approval of a site development plan, issuance of a building permit, or any other action that determines the number of units or square feet of commercial to be constructed causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the owner of Assessed Property requesting the subdivision, site development plan, building permit, or other action must prepay the portion of the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

C. Mandatory Prepayment of Assessments

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

D. Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments the Trustee shall apply amounts on deposit in the applicable account of the project fund relating to the PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any 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 pre-paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the

Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached as **Exhibit K**.

If an Assessment is pre-paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the Prepayment made.

F. Prepayment as a result of Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (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-Benefitted 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. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted 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), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F** shows the projected Annual Installments for the District. In no case will the Assessment for any Lot Type exceed the Maximum Assessment. 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 pro rata among Assessed Properties for which the Assessments remain unpaid in proportion to the amount of the Annual Installments for the Assessed Property. 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. Failure of an owner of Assessed Property to receive an invoice for an Annual Installment on the property tax bill or

otherwise shall not relieve the owner of Assessed Property of the obligation to pay the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of an Assessed Property claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the sole and exclusive remedy of the owner of Assessed Property shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and within 30 days after adjourning such meeting, 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 shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, or the applicable Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 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 Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after providing an opportunity for all interested parties to be heard at a public meeting of the City Council. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

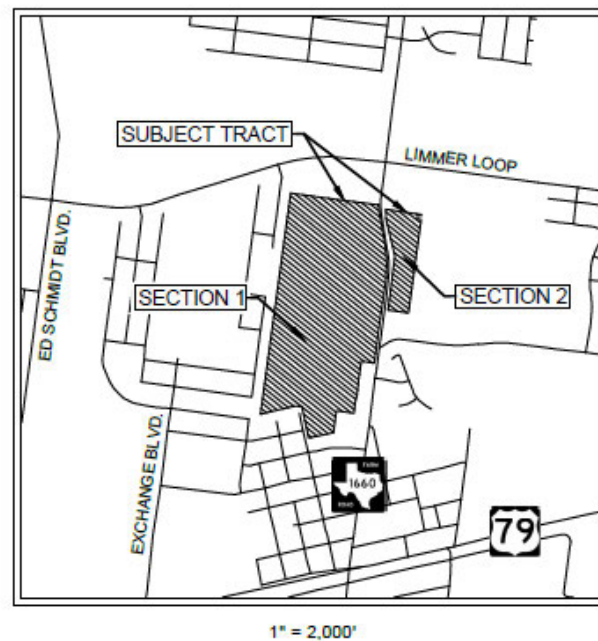
D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

Exhibit A	District, Section 1, and Section 2 Boundary Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan – Five Year Plan
Exhibit D	Service Plan – Sources and Uses
Exhibit E	Assessment Roll
Exhibit F	Annual Installments
Exhibit G	Maximum Assessment per Lot Type
Exhibit H	Map of Authorized Improvements
Exhibit I	Lot Type Classification Map by Phase
Exhibit J	Phase 1 Final Plat
Exhibit K	Notice of PID Assessment Termination
Exhibit L-1	Lot Type 1 Disclosure
Exhibit L-2	Lot Type 2 Disclosure
Exhibit L-3	Lot Type 3 Disclosure
Exhibit L-4	Section 2 Disclosure
Exhibit L-5	Lot 1, Block A Durango Farms Phase 1 Disclosure
Exhibit L-6	Lot 25, Block H Durango Farms Phase 1 Disclosure
Exhibit M	District Legal Description
Exhibit N	Section 1 Legal Description
Exhibit O	Section 1 Phase 2 Legal Description
Exhibit P	Section 2 Legal Description
Exhibit Q	Estimated Buildout Value and Original Assessment Allocation
 Appendix A	 Engineer's Report

EXHIBIT A – DISTRICT, SECTION 1, AND SECTION 2 BOUNDARY MAP



DURANGO FARMS
LOCATION MAP

EXHIBIT B – AUTHORIZED IMPROVEMENTS

Authorized Improvements	Total Costs [a]	Section 1		Section 2	
		%	Cost	%	Cost
<u>Section 1 Improvements</u>					
Internal Streets [b]	\$ 2,113,817	100.00%	\$ 2,113,817	0.00%	\$ -
Water	855,037	100.00%	855,037	0.00%	-
Wastewater	807,918	100.00%	807,918	0.00%	-
Drainage	2,152,282	100.00%	2,152,282	0.00%	-
Erosion Control, Excavation and Embankment	1,029,349	100.00%	1,029,349	0.00%	-
Detention Pond	467,775	100.00%	467,775	0.00%	-
Soft Costs	1,812,811	100.00%	1,812,811	0.00%	-
	<u>\$ 9,238,989</u>		<u>\$ 9,238,989</u>		<u>\$ -</u>
<u>Section 2 Improvements</u>					
Water	\$ 96,533	0.00%	\$ -	100.00%	\$ 96,533
Wastewater	900	0.00%	-	100.00%	900
Drainage	150,000	0.00%	-	100.00%	150,000
Erosion Control, Excavation and Embankment	367,910	0.00%	-	100.00%	367,910
Soft Costs	156,912	0.00%	-	100.00%	156,912
	<u>\$ 772,255</u>		<u>\$ -</u>		<u>\$ 772,255</u>
<u>Major Improvements</u>					
FM 1660 Improvements [c]	<u>\$ 1,924,202</u>	91.90%	<u>\$ 1,768,310</u>	8.10%	<u>\$ 155,892</u>
	\$ 1,924,202		\$ 1,768,310		\$ 155,892
<i>District Formation and Bond Issuance Costs [d]</i>					
Debt Service Reserve Fund	\$ 785,840	91.90%	\$ 722,174	8.10%	\$ 63,666
Underwriter's Discount	404,430	91.90%	371,664	8.10%	32,766
Cost of Issuance	794,459	91.90%	730,095	8.10%	64,364
First Year Annual Collection Costs	40,000	91.90%	36,759	8.10%	3,241
	<u>\$ 2,024,729</u>		<u>\$ 1,860,693</u>		<u>\$ 164,036</u>
Total	\$ 13,960,175		\$ 12,867,991		\$ 1,092,183

Footnotes:

[a] Costs and Allocation per August 2021 Engineer's Report.

[b] Includes sleeving, street lighting, and paving.

[c] Includes 20% contingency, PM, Engineering, Environmental, and Construction Management Fee. Allocation based on Estimated Buildout Value, as shown on Exhibit Q.

[d] Allocated pro rata based on outstanding assessment.

EXHIBIT C – SERVICE PLAN – FIVE YEAR PLAN

Durango Farms PID						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 283,000.00	\$ 167,000.00	\$ 175,000.00	\$ 182,000.00	\$ 191,000.00
Interest		\$ 476,890.00	\$ 593,910.00	\$ 586,395.00	\$ 578,520.00	\$ 570,330.00
	(1)	\$ 759,890.00	\$ 760,910.00	\$ 761,395.00	\$ 760,520.00	\$ 761,330.00
Annual Collection Costs	(2)	\$ 40,000.00	\$ 40,800.00	\$ 41,616.00	\$ 42,448.32	\$ 43,297.29
Additional Interest	(3)	\$ 67,405.00	\$ 65,990.00	\$ 65,155.00	\$ 64,280.00	\$ 63,370.00
Total Annual Installment	(4)=(1)+(2)+(3)	\$ 867,295.00	\$ 867,700.00	\$ 868,166.00	\$ 867,248.32	\$ 867,997.29

EXHIBIT D – SERVICE PLAN – SOURCES AND USES

	Section 1	Section 2
Sources of Funds		
PID Bond Par	\$ 12,388,817	\$ 1,092,183
Owner Contribution	479,175	-
Total Sources	\$ 12,867,991	\$ 1,092,183
Uses of Funds		
Section 1 Improvements	\$ 9,238,989	\$ -
Section 2 Improvements	-	772,255
Major Improvements	1,768,310	155,892
	\$ 11,007,299	\$ 928,147
<i>District Formation and Bond Issuance Costs</i>		
Debt Service Reserve Fund	\$ 722,174	\$ 63,666
Underwriter's Discount	371,664	32,766
Cost of Issuance	730,095	64,364
First Year Annual Collection Costs	36,759	3,241
	\$ 1,860,693	\$ 164,036
Total Uses	\$ 12,867,991	\$ 1,092,183

EXHIBIT E – ASSESSMENT ROLL

Property ID	Lot Type		Outstanding Assessment	Annual Installment due 1/31/22
R600646	Lot Type Multi-Family	[a]	\$ 1,092,183.40	\$ 70,265.20
R330638	Section 1 Phase 2	[b]	\$ 4,017,084.51	\$ 258,437.60
R020279	Section 1 Phase 2	[b]	\$ 110,760.35	\$ 7,125.72
R601935	Lot Type Commercial	[c]	\$ 361,052.36	\$ 23,228.17
R601936	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601937	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601938	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601939	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601940	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601941	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601942	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601943	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601944	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601945	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601946	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601947	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601948	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601949	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601950	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601951	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601952	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601953	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601954	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601955	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601956	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601957	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601958	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601959	Non-Benefitted		\$ -	\$ -
R601960	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601961	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601962	Non-Benefitted		\$ -	\$ -
R601963	Non-Benefitted		\$ -	\$ -
R601969	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601970	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601971	Non-Benefitted		\$ -	\$ -
R601972	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601973	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601974	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601975	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601976	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601977	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601978	Non-Benefitted		\$ -	\$ -
R601979	Non-Benefitted		\$ -	\$ -
R601980	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601981	Lot Type 3		\$ 39,706.01	\$ 2,554.47

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/22
R601982	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601983	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601984	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601985	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601986	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601987	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601988	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601989	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601990	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601991	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601992	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601993	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601994	Non-Benefitted	\$ -	\$ -
R601995	Non-Benefitted	\$ -	\$ -
R601996	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R601997	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R601998	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R601999	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602000	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602001	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602002	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602003	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602004	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602005	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602006	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602007	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602008	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602009	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602010	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602011	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602012	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602013	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602014	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602015	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602016	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602017	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602018	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602019	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602020	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602021	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602022	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602023	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602024	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602025	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602026	Lot Type 1	\$ 32,695.64	\$ 2,103.46

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/22
R602027	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602028	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602029	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602030	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602031	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602032	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602033	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602034	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602035	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602036	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602037	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602038	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602039	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602040	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602041	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602042	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602043	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602044	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602045	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602046	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602047	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602048	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602049	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602050	Non-Benefitted	\$ -	\$ -
R602051	Non-Benefitted	\$ -	\$ -
R602052	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602053	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602054	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602055	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602056	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602057	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602058	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602059	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602060	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602061	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602062	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602063	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602064	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602065	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602066	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602067	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602068	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602069	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602070	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602071	Lot Type 1	\$ 32,695.64	\$ 2,103.46

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/22
R602072	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602073	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602074	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602075	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602076	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602077	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602078	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602079	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602080	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602081	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602082	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602083	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602084	Non-Benefitted	\$ -	\$ -
R602085	Lot Type Multi-Family [d]	\$ 3,145,488.18	\$ 202,363.78
R602086	Non-Benefitted	\$ -	\$ -
R602087	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602088	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602089	Lot Type 1	\$ 32,695.64	\$ 2,103.46
Total		\$ 13,481,000.00	\$ 867,295.00

[a] Assumes 100 Multifamily units. If less than 100 units are constructed, a mandatory prepayment will be required.

[b] For billing purposes only, until a plat has been recorded within Section 1 Phase 2, the Annual Installment will be billed to each property ID within Section 1 Phase 2 based on the Williamson Central Appraisal District acreage.

[c] Assumes 20,000 square feet of commercial. If less than 20,000 square feet is constructed, a mandatory prepayment will be required.

[d] Assumes 288 Multifamily units. If less than 288 units are constructed, a mandatory prepayment will be required.

EXHIBIT F – ANNUAL INSTALLMENTS

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 283,000	\$ 476,890	\$ 67,405	\$ 40,000	\$ 867,295
1/31/2023	\$ 167,000	\$ 593,910	\$ 65,990	\$ 40,800	\$ 867,700
1/31/2024	\$ 175,000	\$ 586,395	\$ 65,155	\$ 41,616	\$ 868,166
1/31/2025	\$ 182,000	\$ 578,520	\$ 64,280	\$ 42,448	\$ 867,248
1/31/2026	\$ 191,000	\$ 570,330	\$ 63,370	\$ 43,297	\$ 867,997
1/31/2027	\$ 199,000	\$ 561,735	\$ 62,415	\$ 44,163	\$ 867,313
1/31/2028	\$ 208,000	\$ 552,780	\$ 61,420	\$ 45,046	\$ 867,246
1/31/2029	\$ 218,000	\$ 543,420	\$ 60,380	\$ 45,947	\$ 867,747
1/31/2030	\$ 228,000	\$ 533,610	\$ 59,290	\$ 46,866	\$ 867,766
1/31/2031	\$ 238,000	\$ 523,350	\$ 58,150	\$ 47,804	\$ 867,304
1/31/2032	\$ 249,000	\$ 512,640	\$ 56,960	\$ 48,760	\$ 867,360
1/31/2033	\$ 261,000	\$ 501,435	\$ 55,715	\$ 49,735	\$ 867,885
1/31/2034	\$ 273,000	\$ 489,690	\$ 54,410	\$ 50,730	\$ 867,830
1/31/2035	\$ 286,000	\$ 477,405	\$ 53,045	\$ 51,744	\$ 868,194
1/31/2036	\$ 299,000	\$ 464,535	\$ 51,615	\$ 52,779	\$ 867,929
1/31/2037	\$ 313,000	\$ 451,080	\$ 50,120	\$ 53,835	\$ 868,035
1/31/2038	\$ 327,000	\$ 436,995	\$ 48,555	\$ 54,911	\$ 867,461
1/31/2039	\$ 343,000	\$ 422,280	\$ 46,920	\$ 56,010	\$ 868,210
1/31/2040	\$ 358,000	\$ 406,845	\$ 45,205	\$ 57,130	\$ 867,180
1/31/2041	\$ 375,000	\$ 390,735	\$ 43,415	\$ 58,272	\$ 867,422
1/31/2042	\$ 393,000	\$ 373,860	\$ 41,540	\$ 59,438	\$ 867,838
1/31/2043	\$ 411,000	\$ 356,175	\$ 39,575	\$ 60,627	\$ 867,377
1/31/2044	\$ 431,000	\$ 337,680	\$ 37,520	\$ 61,839	\$ 868,039
1/31/2045	\$ 451,000	\$ 318,285	\$ 35,365	\$ 63,076	\$ 867,726
1/31/2046	\$ 472,000	\$ 297,990	\$ 33,110	\$ 64,337	\$ 867,437
1/31/2047	\$ 495,000	\$ 276,750	\$ 30,750	\$ 65,624	\$ 868,124
1/31/2048	\$ 518,000	\$ 254,475	\$ 28,275	\$ 66,937	\$ 867,687
1/31/2049	\$ 543,000	\$ 231,165	\$ 25,685	\$ 68,275	\$ 868,125
1/31/2050	\$ 568,000	\$ 206,730	\$ 22,970	\$ 69,641	\$ 867,341
1/31/2051	\$ 595,000	\$ 181,170	\$ 20,130	\$ 71,034	\$ 867,334
1/31/2052	\$ 624,000	\$ 154,395	\$ 17,155	\$ 72,454	\$ 868,004
1/31/2053	\$ 653,000	\$ 126,315	\$ 14,035	\$ 73,904	\$ 867,254
1/31/2054	\$ 685,000	\$ 96,930	\$ 10,770	\$ 75,382	\$ 868,082
1/31/2055	\$ 717,000	\$ 66,105	\$ 7,345	\$ 76,889	\$ 867,339
1/31/2056	\$ 752,000	\$ 33,840	\$ 3,760	\$ 78,427	\$ 868,027
Total	\$ 13,481,000	\$ 13,386,445	\$ 1,501,800	\$ 1,999,779	\$ 30,369,024

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 G – MAXIMUM ASSESSMENT PER LOT TYPE

Lot Type	Units	Total Assessment	Maximum Assessment
Lot Type 1	123	\$ 4,021,564	\$32,695.64 Per Lot
Lot Type 2	71	\$ 2,716,588	\$38,261.80 Per Lot
Lot Type 3	54	\$ 2,144,125	\$39,706.01 Per Lot
Multi-Family	388	\$ 4,237,672	\$10,921.83 Per Multi-Family Unit
Commercial	20,000	\$ 361,052	\$18.05 Per Building Square Foot
Total		\$ 13,481,000	

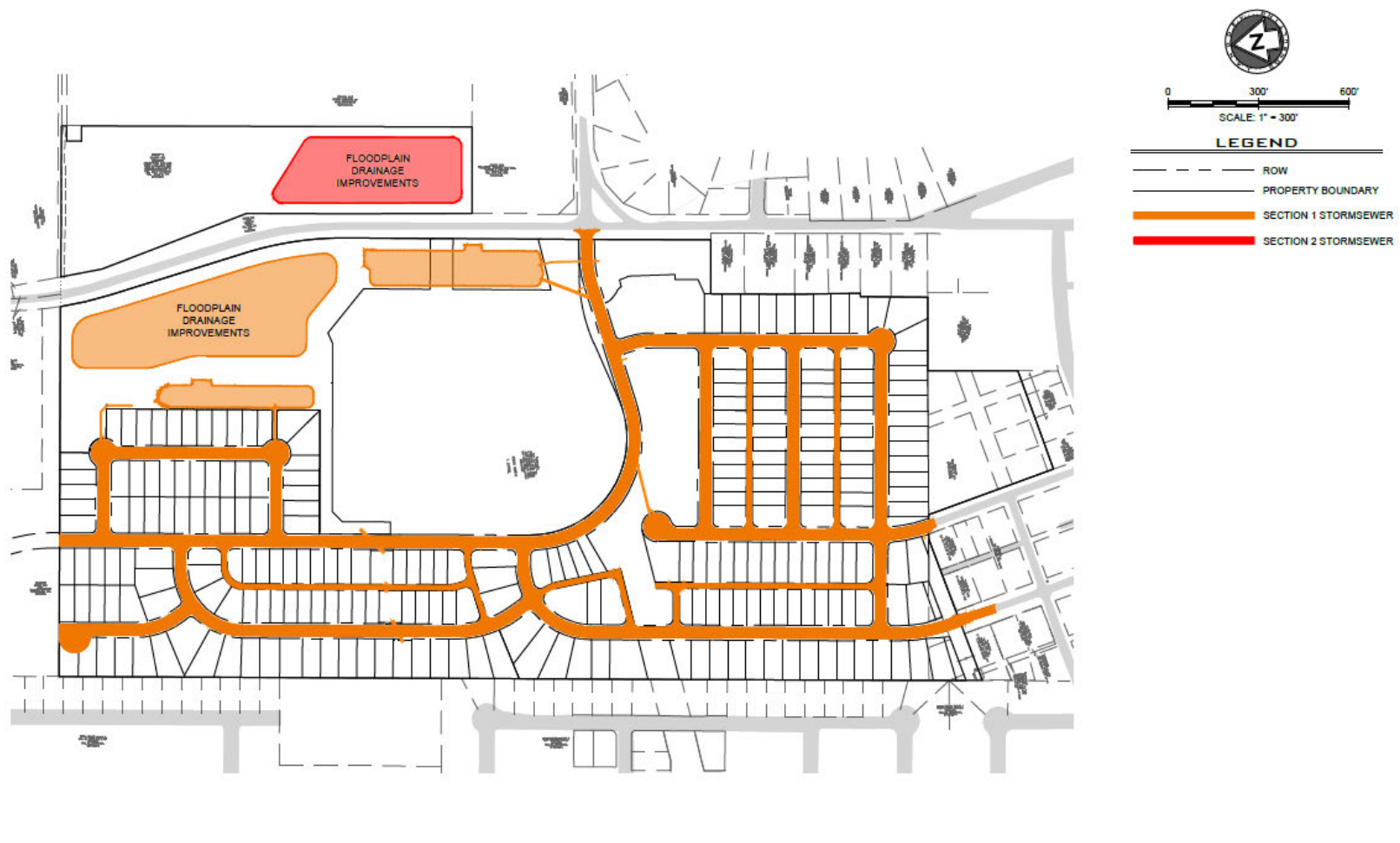
EXHIBIT H – MAP OF AUTHORIZED IMPROVEMENTS



WASTEWATER
WILLIAMSON COUNTY, HUTTO, TEXAS
8/12/2021



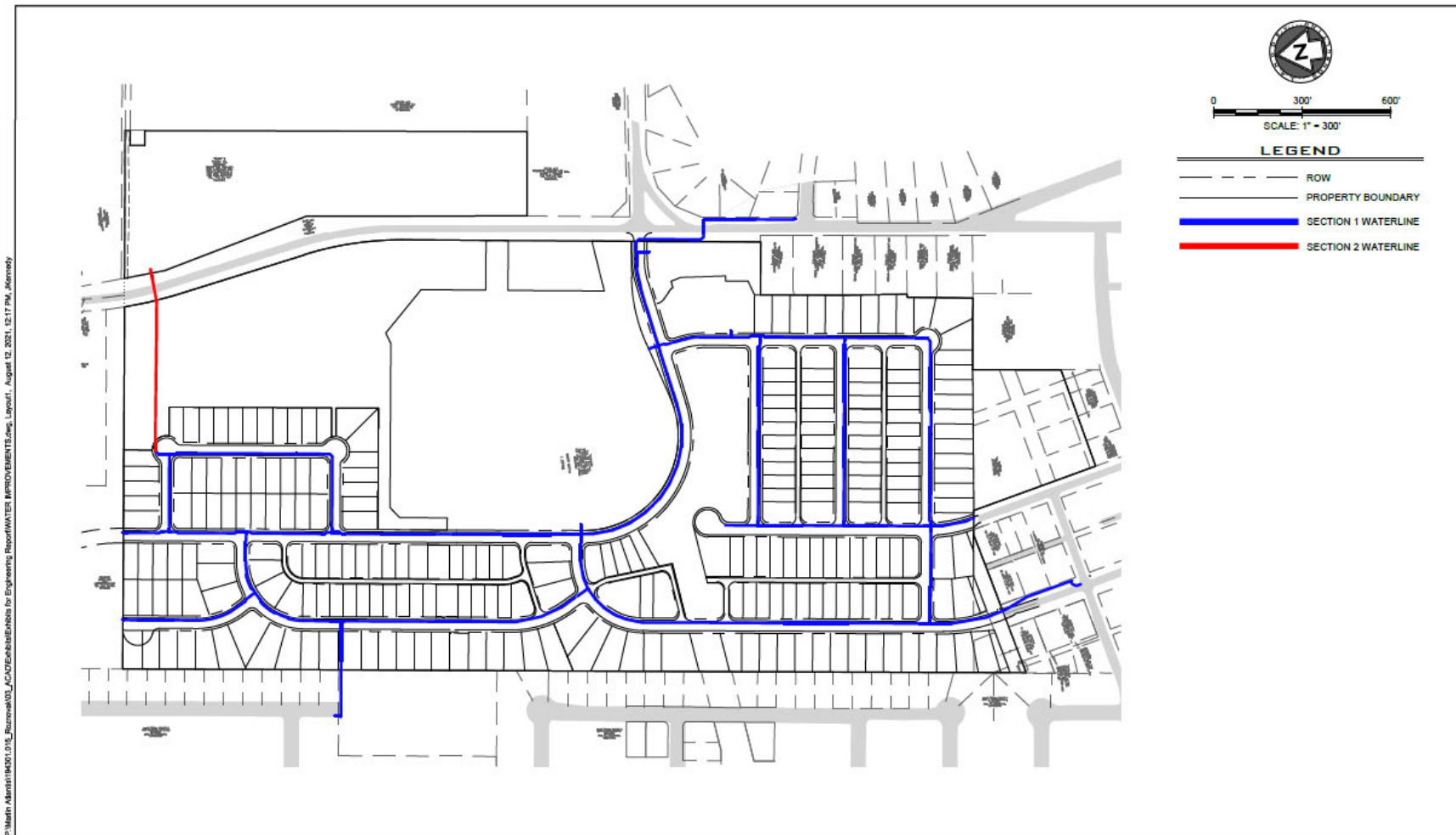
P:\Main Admin\194301.015_Retrowork\03_CADD\Exhibits\Exhibit for Engineering Report\DRAINAGE IMPROVEMENTS.dwg, Layout1, August 12, 2021, 12:13 PM, J.Kennedy



DURANGO FARMS

DRAINAGE
WILLIAMSON COUNTY, HUTTO, TEXAS
8/12/2021





DURANGO FARMS

POTABLE WATER
 WILLIAMSON COUNTY, HUTTO, TEXAS
 8/12/2021



EXHIBIT I – LOT TYPE CLASSIFICATION MAP BY PHASE

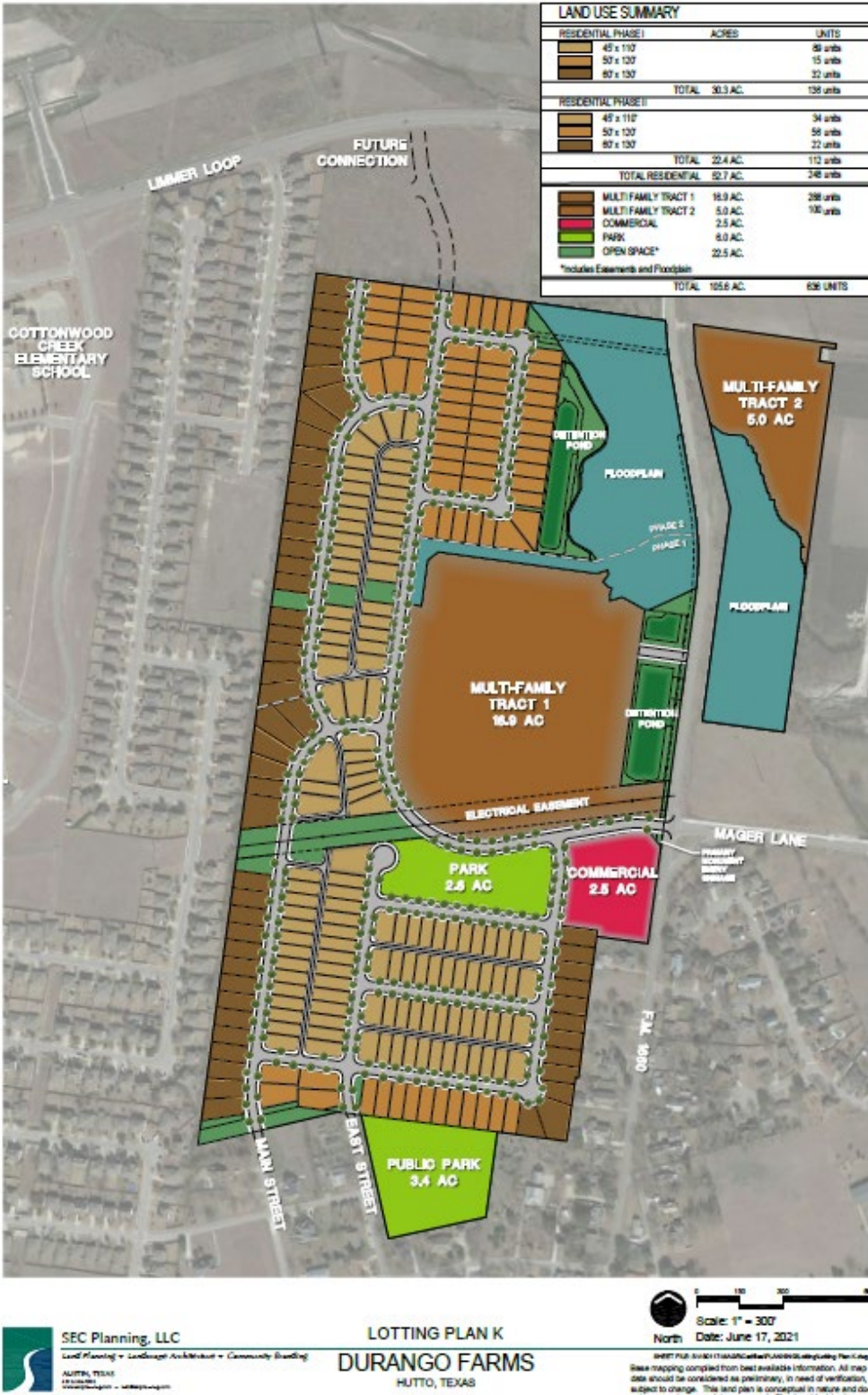


EXHIBIT J – PHASE 1 FINAL PLAT



WILLIAMSON COUNTY, TEXAS

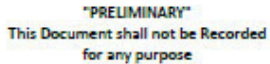


EXHIBIT K – NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9824 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]

Williamson County Clerk's Office
Honorable [County Clerk Name]
Williamson County Justice Center County Clerk
405 Martin Luther King St.
Georgetown, TX 78626

Re: City of Hutto Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Hutto 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 Hutto
Attn: [City Secretary]
500 W Live Oak Street
Hutto, TX 78634

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

Jon Snyder
P: (817)393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
500 W Live Oak Street
Hutto, TX 78634

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 WILLIAMSON	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Hutto, Texas.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Hutto, 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 August 6, 2020, the City Council for the City, approved Resolution No. R-2020-068, creating the Durango Farms Public Improvement District; and

WHEREAS, the Durango Farms Public Improvement District consists of approximately 105.114 contiguous acres located within the City; and

WHEREAS, on or about _____, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Durango Farms Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of \$ _____ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Williamson County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Williamson County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Williamson County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20____.

CITY OF HUTTO, TEXAS,

By: _____
[City Official Name], City Official Title

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by [City Official Name], City Official Title for the City of Hutto, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT L-1 LOT TYPE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$32,695.64

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS §

§

COUNTY OF WILLIAMSON §

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, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 686.36	\$ 1,156.61	\$ 163.48	\$ 97.01	\$ 2,103.46
1/31/2023	\$ 405.03	\$ 1,440.42	\$ 160.05	\$ 98.95	\$ 2,104.44
1/31/2024	\$ 424.43	\$ 1,422.19	\$ 158.02	\$ 100.93	\$ 2,105.57
1/31/2025	\$ 441.41	\$ 1,403.09	\$ 155.90	\$ 102.95	\$ 2,103.35
1/31/2026	\$ 463.23	\$ 1,383.23	\$ 153.69	\$ 105.01	\$ 2,105.16
1/31/2027	\$ 482.64	\$ 1,362.38	\$ 151.38	\$ 107.11	\$ 2,103.51
1/31/2028	\$ 504.47	\$ 1,340.66	\$ 148.96	\$ 109.25	\$ 2,103.34
1/31/2029	\$ 528.72	\$ 1,317.96	\$ 146.44	\$ 111.44	\$ 2,104.56
1/31/2030	\$ 552.97	\$ 1,294.17	\$ 143.80	\$ 113.67	\$ 2,104.60
1/31/2031	\$ 577.22	\$ 1,269.29	\$ 141.03	\$ 115.94	\$ 2,103.48
1/31/2032	\$ 603.90	\$ 1,243.31	\$ 138.15	\$ 118.26	\$ 2,103.62
1/31/2033	\$ 633.01	\$ 1,216.14	\$ 135.13	\$ 120.62	\$ 2,104.89
1/31/2034	\$ 662.11	\$ 1,187.65	\$ 131.96	\$ 123.04	\$ 2,104.76
1/31/2035	\$ 693.64	\$ 1,157.86	\$ 128.65	\$ 125.50	\$ 2,105.64
1/31/2036	\$ 725.17	\$ 1,126.64	\$ 125.18	\$ 128.01	\$ 2,105.00
1/31/2037	\$ 759.12	\$ 1,094.01	\$ 121.56	\$ 130.57	\$ 2,105.26
1/31/2038	\$ 793.08	\$ 1,059.85	\$ 117.76	\$ 133.18	\$ 2,103.87
1/31/2039	\$ 831.88	\$ 1,024.16	\$ 113.80	\$ 135.84	\$ 2,105.68
1/31/2040	\$ 868.26	\$ 986.73	\$ 109.64	\$ 138.56	\$ 2,103.18
1/31/2041	\$ 909.49	\$ 947.65	\$ 105.29	\$ 141.33	\$ 2,103.77
1/31/2042	\$ 953.15	\$ 906.73	\$ 100.75	\$ 144.16	\$ 2,104.78
1/31/2043	\$ 996.80	\$ 863.84	\$ 95.98	\$ 147.04	\$ 2,103.66
1/31/2044	\$ 1,045.31	\$ 818.98	\$ 91.00	\$ 149.98	\$ 2,105.27
1/31/2045	\$ 1,093.82	\$ 771.94	\$ 85.77	\$ 152.98	\$ 2,104.51
1/31/2046	\$ 1,144.75	\$ 722.72	\$ 80.30	\$ 156.04	\$ 2,103.81
1/31/2047	\$ 1,200.53	\$ 671.21	\$ 74.58	\$ 159.16	\$ 2,105.47
1/31/2048	\$ 1,256.31	\$ 617.18	\$ 68.58	\$ 162.34	\$ 2,104.41
1/31/2049	\$ 1,316.94	\$ 560.65	\$ 62.29	\$ 165.59	\$ 2,105.48
1/31/2050	\$ 1,377.58	\$ 501.38	\$ 55.71	\$ 168.90	\$ 2,103.57
1/31/2051	\$ 1,443.06	\$ 439.39	\$ 48.82	\$ 172.28	\$ 2,103.56
1/31/2052	\$ 1,513.40	\$ 374.46	\$ 41.61	\$ 175.72	\$ 2,105.18
1/31/2053	\$ 1,583.73	\$ 306.35	\$ 34.04	\$ 179.24	\$ 2,103.36
1/31/2054	\$ 1,661.34	\$ 235.09	\$ 26.12	\$ 182.82	\$ 2,105.37
1/31/2055	\$ 1,738.95	\$ 160.33	\$ 17.81	\$ 186.48	\$ 2,103.57
1/31/2056	\$ 1,823.84	\$ 82.07	\$ 9.12	\$ 190.21	\$ 2,105.24
Total	\$ 32,695.64	\$ 32,466.31	\$ 3,642.33	\$ 4,850.09	\$ 73,654.37

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-2 LOT TYPE 2 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$38,261.80

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

Date: _____

Signature of Purchaser

§

§

§

Given under my hand and seal of office on this _____, 20__.

Page 353 of 1097

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 803.21	\$ 1,353.51	\$ 191.31	\$ 113.53	\$ 2,461.56
1/31/2023	\$ 473.98	\$ 1,685.64	\$ 187.29	\$ 115.80	\$ 2,462.71
1/31/2024	\$ 496.69	\$ 1,664.31	\$ 184.92	\$ 118.11	\$ 2,464.03
1/31/2025	\$ 516.55	\$ 1,641.96	\$ 182.44	\$ 120.48	\$ 2,461.43
1/31/2026	\$ 542.10	\$ 1,618.71	\$ 179.86	\$ 122.89	\$ 2,463.55
1/31/2027	\$ 564.80	\$ 1,594.32	\$ 177.15	\$ 125.34	\$ 2,461.61
1/31/2028	\$ 590.35	\$ 1,568.90	\$ 174.32	\$ 127.85	\$ 2,461.42
1/31/2029	\$ 618.73	\$ 1,542.34	\$ 171.37	\$ 130.41	\$ 2,462.84
1/31/2030	\$ 647.11	\$ 1,514.49	\$ 168.28	\$ 133.02	\$ 2,462.90
1/31/2031	\$ 675.49	\$ 1,485.37	\$ 165.04	\$ 135.68	\$ 2,461.58
1/31/2032	\$ 706.71	\$ 1,454.98	\$ 161.66	\$ 138.39	\$ 2,461.74
1/31/2033	\$ 740.77	\$ 1,423.17	\$ 158.13	\$ 141.16	\$ 2,463.23
1/31/2034	\$ 774.83	\$ 1,389.84	\$ 154.43	\$ 143.98	\$ 2,463.08
1/31/2035	\$ 811.73	\$ 1,354.97	\$ 150.55	\$ 146.86	\$ 2,464.11
1/31/2036	\$ 848.62	\$ 1,318.44	\$ 146.49	\$ 149.80	\$ 2,463.36
1/31/2037	\$ 888.36	\$ 1,280.26	\$ 142.25	\$ 152.79	\$ 2,463.66
1/31/2038	\$ 928.09	\$ 1,240.28	\$ 137.81	\$ 155.85	\$ 2,462.03
1/31/2039	\$ 973.50	\$ 1,198.52	\$ 133.17	\$ 158.97	\$ 2,464.15
1/31/2040	\$ 1,016.08	\$ 1,154.71	\$ 128.30	\$ 162.15	\$ 2,461.23
1/31/2041	\$ 1,064.33	\$ 1,108.98	\$ 123.22	\$ 165.39	\$ 2,461.92
1/31/2042	\$ 1,115.41	\$ 1,061.09	\$ 117.90	\$ 168.70	\$ 2,463.10
1/31/2043	\$ 1,166.50	\$ 1,010.90	\$ 112.32	\$ 172.07	\$ 2,461.79
1/31/2044	\$ 1,223.27	\$ 958.40	\$ 106.49	\$ 175.51	\$ 2,463.67
1/31/2045	\$ 1,280.03	\$ 903.36	\$ 100.37	\$ 179.02	\$ 2,462.78
1/31/2046	\$ 1,339.63	\$ 845.76	\$ 93.97	\$ 182.60	\$ 2,461.96
1/31/2047	\$ 1,404.91	\$ 785.47	\$ 87.27	\$ 186.25	\$ 2,463.91
1/31/2048	\$ 1,470.19	\$ 722.25	\$ 80.25	\$ 189.98	\$ 2,462.67
1/31/2049	\$ 1,541.14	\$ 656.09	\$ 72.90	\$ 193.78	\$ 2,463.92
1/31/2050	\$ 1,612.10	\$ 586.74	\$ 65.19	\$ 197.66	\$ 2,461.69
1/31/2051	\$ 1,688.73	\$ 514.20	\$ 57.13	\$ 201.61	\$ 2,461.67
1/31/2052	\$ 1,771.04	\$ 438.20	\$ 48.69	\$ 205.64	\$ 2,463.57
1/31/2053	\$ 1,853.35	\$ 358.51	\$ 39.83	\$ 209.75	\$ 2,461.44
1/31/2054	\$ 1,944.17	\$ 275.11	\$ 30.57	\$ 213.95	\$ 2,463.79
1/31/2055	\$ 2,034.99	\$ 187.62	\$ 20.85	\$ 218.23	\$ 2,461.68
1/31/2056	\$ 2,134.33	\$ 96.04	\$ 10.67	\$ 222.59	\$ 2,463.64
Total	\$ 38,261.80	\$ 37,993.44	\$ 4,262.41	\$ 5,675.78	\$ 86,193.43

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-3 LOT TYPE 3 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$39,706.01

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

§

§

COUNTY OF WILLIAMSON

§

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, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 833.53	\$ 1,404.60	\$ 198.53	\$ 117.81	\$ 2,554.47
1/31/2023	\$ 491.87	\$ 1,749.26	\$ 194.36	\$ 120.17	\$ 2,555.66
1/31/2024	\$ 515.43	\$ 1,727.13	\$ 191.90	\$ 122.57	\$ 2,557.04
1/31/2025	\$ 536.05	\$ 1,703.93	\$ 189.33	\$ 125.02	\$ 2,554.33
1/31/2026	\$ 562.56	\$ 1,679.81	\$ 186.65	\$ 127.52	\$ 2,556.54
1/31/2027	\$ 586.12	\$ 1,654.50	\$ 183.83	\$ 130.08	\$ 2,554.52
1/31/2028	\$ 612.63	\$ 1,628.12	\$ 180.90	\$ 132.68	\$ 2,554.33
1/31/2029	\$ 642.08	\$ 1,600.55	\$ 177.84	\$ 135.33	\$ 2,555.80
1/31/2030	\$ 671.54	\$ 1,571.66	\$ 174.63	\$ 138.04	\$ 2,555.86
1/31/2031	\$ 700.99	\$ 1,541.44	\$ 171.27	\$ 140.80	\$ 2,554.50
1/31/2032	\$ 733.39	\$ 1,509.89	\$ 167.77	\$ 143.61	\$ 2,554.66
1/31/2033	\$ 768.73	\$ 1,476.89	\$ 164.10	\$ 146.49	\$ 2,556.21
1/31/2034	\$ 804.08	\$ 1,442.30	\$ 160.26	\$ 149.42	\$ 2,556.05
1/31/2035	\$ 842.36	\$ 1,406.12	\$ 156.24	\$ 152.40	\$ 2,557.12
1/31/2036	\$ 880.65	\$ 1,368.21	\$ 152.02	\$ 155.45	\$ 2,556.34
1/31/2037	\$ 921.89	\$ 1,328.58	\$ 147.62	\$ 158.56	\$ 2,556.65
1/31/2038	\$ 963.12	\$ 1,287.10	\$ 143.01	\$ 161.73	\$ 2,554.96
1/31/2039	\$ 1,010.25	\$ 1,243.75	\$ 138.19	\$ 164.97	\$ 2,557.17
1/31/2040	\$ 1,054.43	\$ 1,198.29	\$ 133.14	\$ 168.27	\$ 2,554.13
1/31/2041	\$ 1,104.50	\$ 1,150.84	\$ 127.87	\$ 171.63	\$ 2,554.85
1/31/2042	\$ 1,157.52	\$ 1,101.14	\$ 122.35	\$ 175.06	\$ 2,556.07
1/31/2043	\$ 1,210.53	\$ 1,049.05	\$ 116.56	\$ 178.57	\$ 2,554.71
1/31/2044	\$ 1,269.44	\$ 994.58	\$ 110.51	\$ 182.14	\$ 2,556.66
1/31/2045	\$ 1,328.34	\$ 937.45	\$ 104.16	\$ 185.78	\$ 2,555.74
1/31/2046	\$ 1,390.20	\$ 877.68	\$ 97.52	\$ 189.50	\$ 2,554.89
1/31/2047	\$ 1,457.94	\$ 815.12	\$ 90.57	\$ 193.29	\$ 2,556.91
1/31/2048	\$ 1,525.68	\$ 749.51	\$ 83.28	\$ 197.15	\$ 2,555.62
1/31/2049	\$ 1,599.31	\$ 680.86	\$ 75.65	\$ 201.09	\$ 2,556.92
1/31/2050	\$ 1,672.95	\$ 608.89	\$ 67.65	\$ 205.12	\$ 2,554.61
1/31/2051	\$ 1,752.47	\$ 533.61	\$ 59.29	\$ 209.22	\$ 2,554.59
1/31/2052	\$ 1,837.89	\$ 454.74	\$ 50.53	\$ 213.40	\$ 2,556.56
1/31/2053	\$ 1,923.30	\$ 372.04	\$ 41.34	\$ 217.67	\$ 2,554.35
1/31/2054	\$ 2,017.55	\$ 285.49	\$ 31.72	\$ 222.02	\$ 2,556.79
1/31/2055	\$ 2,111.80	\$ 194.70	\$ 21.63	\$ 226.46	\$ 2,554.60
1/31/2056	\$ 2,214.89	\$ 99.67	\$ 11.07	\$ 230.99	\$ 2,556.63
Total	\$ 39,706.01	\$ 39,427.52	\$ 4,423.30	\$ 5,890.01	\$ 89,446.84

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-4 SECTION 2 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

SECTION 2 PRINCIPAL ASSESSMENT: \$1,092,183.40

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

Date: _____

Signature of Purchaser

§

§

§

Given under my hand and seal of office on this _____, 20__.

Page 361 of 1097

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 22,927.67	\$ 38,635.96	\$ 5,460.92	\$ 3,240.66	\$ 70,265.20
1/31/2023	\$ 13,529.75	\$ 48,116.51	\$ 5,346.28	\$ 3,305.47	\$ 70,298.01
1/31/2024	\$ 14,177.89	\$ 47,507.67	\$ 5,278.63	\$ 3,371.58	\$ 70,335.77
1/31/2025	\$ 14,745.00	\$ 46,869.66	\$ 5,207.74	\$ 3,439.01	\$ 70,261.42
1/31/2026	\$ 15,474.15	\$ 46,206.14	\$ 5,134.02	\$ 3,507.79	\$ 70,322.10
1/31/2027	\$ 16,122.28	\$ 45,509.80	\$ 5,056.64	\$ 3,577.95	\$ 70,266.68
1/31/2028	\$ 16,851.43	\$ 44,784.30	\$ 4,976.03	\$ 3,649.51	\$ 70,261.27
1/31/2029	\$ 17,661.60	\$ 44,025.98	\$ 4,891.78	\$ 3,722.50	\$ 70,301.86
1/31/2030	\$ 18,471.76	\$ 43,231.21	\$ 4,803.47	\$ 3,796.95	\$ 70,303.39
1/31/2031	\$ 19,281.93	\$ 42,399.98	\$ 4,711.11	\$ 3,872.89	\$ 70,265.91
1/31/2032	\$ 20,173.11	\$ 41,532.30	\$ 4,614.70	\$ 3,950.35	\$ 70,270.45
1/31/2033	\$ 21,145.31	\$ 40,624.51	\$ 4,513.83	\$ 4,029.35	\$ 70,313.00
1/31/2034	\$ 22,117.50	\$ 39,672.97	\$ 4,408.11	\$ 4,109.94	\$ 70,308.52
1/31/2035	\$ 23,170.72	\$ 38,677.68	\$ 4,297.52	\$ 4,192.14	\$ 70,338.06
1/31/2036	\$ 24,223.93	\$ 37,635.00	\$ 4,181.67	\$ 4,275.98	\$ 70,316.58
1/31/2037	\$ 25,358.16	\$ 36,544.92	\$ 4,060.55	\$ 4,361.50	\$ 70,325.13
1/31/2038	\$ 26,492.39	\$ 35,403.80	\$ 3,933.76	\$ 4,448.73	\$ 70,278.69
1/31/2039	\$ 27,788.66	\$ 34,211.65	\$ 3,801.29	\$ 4,537.71	\$ 70,339.31
1/31/2040	\$ 29,003.91	\$ 32,961.16	\$ 3,662.35	\$ 4,628.46	\$ 70,255.87
1/31/2041	\$ 30,381.19	\$ 31,655.98	\$ 3,517.33	\$ 4,721.03	\$ 70,275.53
1/31/2042	\$ 31,839.48	\$ 30,288.83	\$ 3,365.43	\$ 4,815.45	\$ 70,309.19
1/31/2043	\$ 33,297.78	\$ 28,856.05	\$ 3,206.23	\$ 4,911.76	\$ 70,271.82
1/31/2044	\$ 34,918.11	\$ 27,357.65	\$ 3,039.74	\$ 5,009.99	\$ 70,325.49
1/31/2045	\$ 36,538.44	\$ 25,786.34	\$ 2,865.15	\$ 5,110.19	\$ 70,300.12
1/31/2046	\$ 38,239.79	\$ 24,142.11	\$ 2,682.46	\$ 5,212.40	\$ 70,276.75
1/31/2047	\$ 40,103.17	\$ 22,421.32	\$ 2,491.26	\$ 5,316.65	\$ 70,332.38
1/31/2048	\$ 41,966.55	\$ 20,616.67	\$ 2,290.74	\$ 5,422.98	\$ 70,296.94
1/31/2049	\$ 43,991.96	\$ 18,728.18	\$ 2,080.91	\$ 5,531.44	\$ 70,332.48
1/31/2050	\$ 46,017.37	\$ 16,748.54	\$ 1,860.95	\$ 5,642.07	\$ 70,268.93
1/31/2051	\$ 48,204.82	\$ 14,677.76	\$ 1,630.86	\$ 5,754.91	\$ 70,268.35
1/31/2052	\$ 50,554.29	\$ 12,508.54	\$ 1,389.84	\$ 5,870.01	\$ 70,322.68
1/31/2053	\$ 52,903.77	\$ 10,233.60	\$ 1,137.07	\$ 5,987.41	\$ 70,261.84
1/31/2054	\$ 55,496.30	\$ 7,852.93	\$ 872.55	\$ 6,107.16	\$ 70,328.93
1/31/2055	\$ 58,088.83	\$ 5,355.60	\$ 595.07	\$ 6,229.30	\$ 70,268.79
1/31/2056	\$ 60,924.41	\$ 2,741.60	\$ 304.62	\$ 6,353.88	\$ 70,324.51
Total	\$ 1,092,183.40	\$ 1,084,522.88	\$ 121,670.58	\$ 162,015.10	\$ 2,460,391.95

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-5 LOT 1, BLOCK A DURANGO FARMS PHASE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT 1 BLOCK A DURANGO FARMS PHASE 1 PRINCIPAL ASSESSMENT: \$361,052.36

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS §

§

COUNTY OF WILLIAMSON §

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, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 7,579.39	\$ 12,772.22	\$ 1,805.26	\$ 1,071.29	\$ 23,228.17
1/31/2023	\$ 4,472.65	\$ 15,906.28	\$ 1,767.36	\$ 1,092.72	\$ 23,239.01
1/31/2024	\$ 4,686.90	\$ 15,705.01	\$ 1,745.00	\$ 1,114.57	\$ 23,251.49
1/31/2025	\$ 4,874.38	\$ 15,494.10	\$ 1,721.57	\$ 1,136.86	\$ 23,226.92
1/31/2026	\$ 5,115.42	\$ 15,274.76	\$ 1,697.20	\$ 1,159.60	\$ 23,246.98
1/31/2027	\$ 5,329.68	\$ 15,044.56	\$ 1,671.62	\$ 1,182.79	\$ 23,228.65
1/31/2028	\$ 5,570.72	\$ 14,804.73	\$ 1,644.97	\$ 1,206.45	\$ 23,226.87
1/31/2029	\$ 5,838.54	\$ 14,554.04	\$ 1,617.12	\$ 1,230.58	\$ 23,240.28
1/31/2030	\$ 6,106.37	\$ 14,291.31	\$ 1,587.92	\$ 1,255.19	\$ 23,240.79
1/31/2031	\$ 6,374.19	\$ 14,016.52	\$ 1,557.39	\$ 1,280.29	\$ 23,228.40
1/31/2032	\$ 6,668.80	\$ 13,729.68	\$ 1,525.52	\$ 1,305.90	\$ 23,229.90
1/31/2033	\$ 6,990.18	\$ 13,429.59	\$ 1,492.18	\$ 1,332.02	\$ 23,243.97
1/31/2034	\$ 7,311.57	\$ 13,115.03	\$ 1,457.23	\$ 1,358.66	\$ 23,242.49
1/31/2035	\$ 7,659.74	\$ 12,786.01	\$ 1,420.67	\$ 1,385.83	\$ 23,252.25
1/31/2036	\$ 8,007.91	\$ 12,441.32	\$ 1,382.37	\$ 1,413.55	\$ 23,245.15
1/31/2037	\$ 8,382.86	\$ 12,080.97	\$ 1,342.33	\$ 1,441.82	\$ 23,247.98
1/31/2038	\$ 8,757.82	\$ 11,703.74	\$ 1,300.42	\$ 1,470.66	\$ 23,232.62
1/31/2039	\$ 9,186.33	\$ 11,309.64	\$ 1,256.63	\$ 1,500.07	\$ 23,252.66
1/31/2040	\$ 9,588.07	\$ 10,896.25	\$ 1,210.69	\$ 1,530.07	\$ 23,225.08
1/31/2041	\$ 10,043.37	\$ 10,464.79	\$ 1,162.75	\$ 1,560.67	\$ 23,231.58
1/31/2042	\$ 10,525.45	\$ 10,012.84	\$ 1,112.54	\$ 1,591.88	\$ 23,242.71
1/31/2043	\$ 11,007.53	\$ 9,539.19	\$ 1,059.91	\$ 1,623.72	\$ 23,230.35
1/31/2044	\$ 11,543.18	\$ 9,043.85	\$ 1,004.87	\$ 1,656.20	\$ 23,248.10
1/31/2045	\$ 12,078.82	\$ 8,524.41	\$ 947.16	\$ 1,689.32	\$ 23,239.71
1/31/2046	\$ 12,641.25	\$ 7,980.86	\$ 886.76	\$ 1,723.11	\$ 23,231.98
1/31/2047	\$ 13,257.24	\$ 7,412.01	\$ 823.56	\$ 1,757.57	\$ 23,250.38
1/31/2048	\$ 13,873.24	\$ 6,815.43	\$ 757.27	\$ 1,792.72	\$ 23,238.66
1/31/2049	\$ 14,542.80	\$ 6,191.13	\$ 687.90	\$ 1,828.57	\$ 23,250.41
1/31/2050	\$ 15,212.35	\$ 5,536.71	\$ 615.19	\$ 1,865.15	\$ 23,229.40
1/31/2051	\$ 15,935.48	\$ 4,852.15	\$ 539.13	\$ 1,902.45	\$ 23,229.21
1/31/2052	\$ 16,712.16	\$ 4,135.06	\$ 459.45	\$ 1,940.50	\$ 23,247.17
1/31/2053	\$ 17,488.85	\$ 3,383.01	\$ 375.89	\$ 1,979.31	\$ 23,227.06
1/31/2054	\$ 18,345.88	\$ 2,596.01	\$ 288.45	\$ 2,018.89	\$ 23,249.23
1/31/2055	\$ 19,202.92	\$ 1,770.44	\$ 196.72	\$ 2,059.27	\$ 23,229.35
1/31/2056	\$ 20,140.30	\$ 906.31	\$ 100.70	\$ 2,100.46	\$ 23,247.77
Total	\$ 361,052.36	\$ 358,519.96	\$ 40,221.68	\$ 53,558.71	\$ 813,352.71

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-5 LOT 25, BLOCK H DURANGO FARMS PHASE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT 25, BLOCK H DURANGO FARMS PHASE 1 PRINCIPAL ASSESSMENT: \$3,145,488.18

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

Date: _____

Signature of Purchaser

§

§

§

Given under my hand and seal of office on this _____, 20__.

Page 369 of 1097

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 66,031.69	\$ 111,271.56	\$ 15,727.44	\$ 9,333.10	\$ 202,363.78
1/31/2023	\$ 38,965.69	\$ 138,575.54	\$ 15,397.28	\$ 9,519.76	\$ 202,458.28
1/31/2024	\$ 40,832.31	\$ 136,822.09	\$ 15,202.45	\$ 9,710.16	\$ 202,567.01
1/31/2025	\$ 42,465.61	\$ 134,984.63	\$ 14,998.29	\$ 9,904.36	\$ 202,352.89
1/31/2026	\$ 44,565.55	\$ 133,073.68	\$ 14,785.96	\$ 10,102.45	\$ 202,527.65
1/31/2027	\$ 46,432.17	\$ 131,068.23	\$ 14,563.14	\$ 10,304.50	\$ 202,368.04
1/31/2028	\$ 48,532.12	\$ 128,978.78	\$ 14,330.98	\$ 10,510.59	\$ 202,352.47
1/31/2029	\$ 50,865.40	\$ 126,794.84	\$ 14,088.32	\$ 10,720.80	\$ 202,469.35
1/31/2030	\$ 53,198.67	\$ 124,505.89	\$ 13,833.99	\$ 10,935.21	\$ 202,473.77
1/31/2031	\$ 55,531.95	\$ 122,111.95	\$ 13,567.99	\$ 11,153.92	\$ 202,365.81
1/31/2032	\$ 58,098.55	\$ 119,613.02	\$ 13,290.34	\$ 11,377.00	\$ 202,378.90
1/31/2033	\$ 60,898.48	\$ 116,998.58	\$ 12,999.84	\$ 11,604.54	\$ 202,501.44
1/31/2034	\$ 63,698.41	\$ 114,258.15	\$ 12,695.35	\$ 11,836.63	\$ 202,488.54
1/31/2035	\$ 66,731.67	\$ 111,391.72	\$ 12,376.86	\$ 12,073.36	\$ 202,573.61
1/31/2036	\$ 69,764.93	\$ 108,388.80	\$ 12,043.20	\$ 12,314.83	\$ 202,511.75
1/31/2037	\$ 73,031.51	\$ 105,249.37	\$ 11,694.37	\$ 12,561.12	\$ 202,536.38
1/31/2038	\$ 76,298.10	\$ 101,962.96	\$ 11,329.22	\$ 12,812.35	\$ 202,402.62
1/31/2039	\$ 80,031.34	\$ 98,529.54	\$ 10,947.73	\$ 13,068.59	\$ 202,577.20
1/31/2040	\$ 83,531.25	\$ 94,928.13	\$ 10,547.57	\$ 13,329.97	\$ 202,336.92
1/31/2041	\$ 87,497.82	\$ 91,169.23	\$ 10,129.91	\$ 13,596.57	\$ 202,393.52
1/31/2042	\$ 91,697.71	\$ 87,231.82	\$ 9,692.42	\$ 13,868.50	\$ 202,490.46
1/31/2043	\$ 95,897.61	\$ 83,105.43	\$ 9,233.94	\$ 14,145.87	\$ 202,382.84
1/31/2044	\$ 100,564.16	\$ 78,790.03	\$ 8,754.45	\$ 14,428.78	\$ 202,537.42
1/31/2045	\$ 105,230.71	\$ 74,264.65	\$ 8,251.63	\$ 14,717.36	\$ 202,464.34
1/31/2046	\$ 110,130.59	\$ 69,529.27	\$ 7,725.47	\$ 15,011.71	\$ 202,397.03
1/31/2047	\$ 115,497.12	\$ 64,573.39	\$ 7,174.82	\$ 15,311.94	\$ 202,557.27
1/31/2048	\$ 120,863.65	\$ 59,376.02	\$ 6,597.34	\$ 15,618.18	\$ 202,455.18
1/31/2049	\$ 126,696.84	\$ 53,937.15	\$ 5,993.02	\$ 15,930.54	\$ 202,557.55
1/31/2050	\$ 132,530.03	\$ 48,235.80	\$ 5,359.53	\$ 16,249.15	\$ 202,374.51
1/31/2051	\$ 138,829.87	\$ 42,271.95	\$ 4,696.88	\$ 16,574.14	\$ 202,372.83
1/31/2052	\$ 145,596.37	\$ 36,024.60	\$ 4,002.73	\$ 16,905.62	\$ 202,529.32
1/31/2053	\$ 152,362.86	\$ 29,472.76	\$ 3,274.75	\$ 17,243.73	\$ 202,354.11
1/31/2054	\$ 159,829.35	\$ 22,616.44	\$ 2,512.94	\$ 17,588.61	\$ 202,547.32
1/31/2055	\$ 167,295.83	\$ 15,424.12	\$ 1,713.79	\$ 17,940.38	\$ 202,374.11
1/31/2056	\$ 175,462.29	\$ 7,895.80	\$ 877.31	\$ 18,299.19	\$ 202,534.59
Total	\$ 3,145,488.18	\$ 3,123,425.90	\$ 350,411.26	\$ 466,603.48	\$ 7,085,928.82

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 M – DISTRICT LEGAL DESCRIPTION

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 1 of 3

"EXHIBIT ____"

DESCRIPTION OF 94.560 ACRES OF LAND IN THE J. SHELTON SURVEY, ABSTRACT NO. 560, THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE W.J. BROWN SURVEY, ABSTRACT NO. 105, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 96.99 ACRE TRACT DESIGNATED AS TRACT ONE AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 94.560 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of the said 96.99 acre tract, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, same being the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, for the northeast corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the easterly southeast corner of the said 201.06 acre tract, crossing the said 96.99 acre tract, with the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, with the east line of the tract described herein, the following five (5) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,186.28 feet, an arc distance of 167.73 feet, and a chord which bears S 05°38'19" E, a distance of 167.59 feet to a calculated point-of-tangency, from which a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found bears S 84°08'53" W, a distance of 0.45 feet,
2. S 09°45'32" E, a distance of 467.63 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 1,106.28 feet, an arc distance of 335.98 feet, and a chord which bears S 01°06'29" E, a distance of 334.69 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-tangency,
4. S 07°51'42" W, a distance of 790.50 feet to a 3/4-inch iron rod found at an angle point, and
5. S 07°39'43" W, a distance of 421.01 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found in the west line of the said 3.722 acre tract, in the north line of a certain called 0.51 acre tract described in the deed to Nadine Carole Johnson and Dennis Johnson of record in Document No. 2006083936, Official Public Records of Williamson County, Texas, for a southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found in the west right-of-way line of said F.M. 1660 at the northeast corner of the said 0.51 acre tract bears S 82°31'24" E, a distance of 21.83 feet;

THENCE N 82°16'34" W, leaving the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, crossing the said 96.99 acre tract, with the north line of the said 0.51 acre tract, and with a south line of the tract described herein, a distance of 179.38 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northwest corner of the said 0.51 acre tract, for a re-entrant corner of the tract described herein;

THENCE S 07°29'25" W, continuing across the said 96.99 acre tract, with the west line of the said 0.51 acre tract, with the east line of the tract described herein, a distance of 114.42 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found at a re-entrant corner of the said 96.99 acre tract, at the southwest corner of the said 0.51 acre tract, same being the northwest corner of a certain called 4/5ths of an acre described in the special warranty deed with life estate to Robert W. Kaderka and wife, Bonnie Kaderka of record in Document No. 2015074295, Official Public Records of Williamson County, Texas, for an angle point in the east line of the tract described herein;

THENCE S 07°42'22" W, with the east line of the said 96.99 acre tract, with the west line of the said 4/5ths of an acre tract, and with the west line of a certain called 0.51 acre tract described in the deed to Bruce Craig Cunningham of record in Volume 1954, Page 227, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 180.55 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

THENCE S 06°40'19" W, with the east line of the said 96.99 acre tract, with the west line of the said 0.51 acre tract, and with the west line of a certain called 0.484 acre tract described in the deed to Marka Dawn Burns of record in Document No. 9722814, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 200.68 feet to a ½-inch iron rod found in the north line of a certain called 0.480 acre tract described in the deed to John A. Drummond, Sr. of record in Document No. 9662944, Official Public Records of Williamson County, Texas, at the southwest corner of the said 0.484 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 81°53'59" W, with the north line of the said 0.480 acre tract and a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 10.57 feet to a fence corner post found at a re-entrant corner;

THENCE S 08°03'45" W, with the west line of the said 0.480 acre tract and the west line of a certain called 0.59 acre tract described in the deed to Jonathan M. Wagner and Marci H. Wagner of record in Document No. 2016117309, Official Public Records of Williamson County, Texas, with the east line of the said 96.99 acre tract, with the east line of the tract described herein, a distance of 223.01 feet to a concrete monument found in the north line of a certain called 2.47 acre tract described in the deed to Charles E. Holland and Deborah D. Holland of record in Volume 868, Page 561, Deed Records of Williamson County, Texas, at the southwest corner of the said 0.59 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 82°23'05" W, with the north line of the said 2.47 acre tract, with a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 242.61 feet to a 3/8-inch iron rod found at the northwest corner of the said 2.47 acre tract, at the northeast corner of Block 4, Hutto and Metcalfe Addition, a subdivision according to the plat of record in Book 66, Page 148, Deed Records of Williamson County, Texas, and as shown on the Revised Map of City of Hutto of record in Cabinet A, Slide 221, Plat Records of Williamson County, Texas, for a re-entrant corner of the tract described herein;

THENCE S 07°38'01" W, with the west line of the said 2.47 acre tract and an east line of the said 96.99 acre tract, with the east line of said Block 4 and Block 3, said Hutto and Metcalfe Addition, with an east line of the tract described herein, a distance of 208.64 feet to a ¼-inch iron rod found at the southeast corner of said Block 3, Hutto and Metcalfe Addition, and the northeast corner of a certain called 0.659 acre tract described in the deed to Dennis O. Johnson and Nadine C. Johnson of record in Document No. 2001074832, Official Public Records of Williamson County, Texas, for the southerly southeast corner of the tract described herein;

THENCE S 77°34'56" W, crossing the said 96.99 acre tract, with the north line of the said 0.659 acre tract, with the south line of the tract described herein, a distance of 253.79 feet to a ¼-inch iron rod found at the northwest corner of the said 0.659 acre tract, and the northeast corner of Lot 2, Block 2, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein.

THENCE S 77°37'39" W, continuing across the said 96.99 acre tract, with the north line of said Lot 2, Block 2, Hutto and Metcalfe Addition, with the south line of the tract described herein, a distance of 91.78 feet to a concrete monument found in a west line of the said 96.99 acre tract, at the intersection of the south line of an alley and the east right-of-way line of East Street, a 60-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, at the northwest corner of said Lot 2, Block 2, Hutto and Metcalfe Addition, for the southerly southwest corner of the tract described herein;

THENCE N 12°28'30" W, with the east right-of-way line of said East Street, the west line of the said 96.99 acre tract, with the west line of Lot 6, Block 2, and the west line of Block 5, said Hutto and Metcalfe Addition, with a west line of the tract described herein, a distance of 439.34 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at the northeast terminus of said East Street, at the northwest corner of said Block 5, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE N 82°21'12" W, with the south line of the said 96.99 acre tract, with the north terminus of said East Street, with the northeast terminus of Capitol Street, a 50-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, with the south line of the tract described herein, a distance of 220.17 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point in the north right-of-way line of said Capitol Street, at the east corner of Block 9, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE S 76°41'29" W, with the south line of the said 96.99 acre tract, with the north right-of-way line of said Capitol Street, with the south line of Block 9 and Block 13, said Hutto and Metcalfe Addition, a distance of 350.53 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 4, Block F, Hutto Square Section 1, a subdivision according to the plat of record in Cabinet W, Slides 263-267, Plat Records of Williamson County, Texas, at a southwest corner of the said 96.99 acre tract, for a southwest corner of the tract described herein;

THENCE with the west line of the said 96.99 acre tract, the east line of said Hutto Square Section 1, the east line of Hutto Square Section 2, a subdivision according to the plat of record in Cabinet Y, Slides 154-157, Plat Records of Williamson County, Texas, with the east line of Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138-139, Plat Records of Williamson County, Texas, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°40'21" E, a distance of 55.89 feet to a ½-inch iron rod with a plastic cap stamped "4391" found at the north corner of Lot 4, the east corner of Lot 5, southeast corner of Lot 39, and the south corner of Lot 40, Block F, said Hutto Square Section 1, for an angle point of the tract described herein,
2. N 07°38'18" E, a distance of 655.93 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 48, Block F, said Hutto Square Section 2, for an angle point of the tract described herein,
3. N 07°46'41" E, a distance of 230.55 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 4391" found at the northeast corner of Lot 51 and the southeast corner of Lot 52, Block F, said Hutto Square Section 2, for an angle point of the tract described herein, and
4. N 07°46'30" E, a distance of 2,059.60 feet to a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract, for the northwest corner of the tract described herein;

THENCE S 82°15'43" E, with the north line of the said 96.99 acre tract and a south line of the said 201.06 acre tract, with the north line of the tract described herein, a distance of 1,222.52 feet to the POINT OF BEGINNING and containing 94.560 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

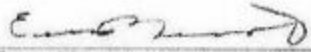
KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 03rd day of May 2019 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 - State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

"EXHIBIT ____"

DESCRIPTION OF 10.554 ACRES OF LAND IN THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 11.10 ACRE TRACT DESIGNATED AS TRACT TWO AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 10.554 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of a certain called 96.99 acre tract designated as Tract One and described in said deed to Jerry E. Roznovak and wife, Hilda Roznovak of record in Volume 443, Page 472, Deed Records of Williamson County, Texas, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, and the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, from which a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138 and 139, Plat Records of Williamson County, Texas, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract bears N 82°15'43" W, a distance of 1,222.52 feet;

THENCE S 82°15'43" E, crossing the said F.M. 1660 right-of-way, a distance of 97.80 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set in the east right-of-way line of said F.M. 1660, in the north line of the said 11.10 acre tract, at the northeast corner of the said 3.722 acre tract and the southeast corner of a certain called 1.529 acre tract described in the deed to the State of Texas of record in Volume 476, Page 603, Deed Records of Williamson County, Texas, in the south line of a certain called 135 acre tract described in the deed to Janet Lynn Barnard, Trustee for the Janet Lynn Barnard Family 1984 Trust of record in Volume 1126, Page 800, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 65.234 acre tract conveyed to CMSAL-2 L.L.C. of record in Document No. 2011084930, Official Public Records of Williamson County, Texas, and described in Document No. 1999014821, Official Public Records of Williamson County, Texas, for the northwest corner and **POINT OF BEGINNING** of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found in the east right-of-way line of said F.M. 1660, in the east line of the said 1.529 acre tract, and the west line of a certain called 28.449 acre tract described in the deed to North Town Commons, LLC of record in Document No. 2007062953, Official Public Records of Williamson County, Texas, bears N 03°15'10" W, a distance of 192.32 feet, and from which a ½-inch iron rod found bears N 02°00'51" W, a distance of 10.60 feet;

THENCE S 82°15'43" E, with the north line of the said 11.10 acre tract and the south line of the said 135 acre tract, with the south line of the said 65.234 acre tract, with the north line of the tract described herein, a distance of 498.95 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for the northeast corner of the said 11.10 acre tract, at a re-entrant corner of the said 135 acre tract, in the south line of the said 65.234 acre tract, for the northeast corner of the tract described herein;

THENCE S 07°38'01" W, with the east line of the said 11.10 acre tract and the west line of the said 135 acre tract, with the east line of the tract described herein, at a distance of 9.91 feet, passing a ½-inch iron rod with a plastic cap stamped "PAPE DAWSON" found, and continuing for a total distance of 17.36 feet to a calculated point for a southeast corner of the tract described herein, from which a ½-inch iron rod found bears N 74°00'05" E, a distance of 0.23 feet;

THENCE leaving the west line of the said 135 acre tract, crossing the said 11.10 acre tract, with a south, east, and north line of the tract described herein, the following three (3) courses and distances:

1. N 82°21'59" W, a distance of 50.00 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner,
2. S 07°38'01" W, a distance of 50.00 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner, and
3. S 82°21'59" E, a distance of 50.00 feet to a calculated point in the east line of the said 11.10 acre tract and west line of a certain called 72.025 acre tract described in the deed to Mager Meadows, LP of record in Document No. 2004018146, Official Public Records of Williamson County, Texas, for a northeast corner of the tract described herein, from which a ½-inch iron rod found bears S 61°01'59" E, a distance of 0.33 feet;

THENCE S 07°38'01" W, with the east line of the said 11.10 acre tract and the west line of the said 72.025 acre tract, with the east line of the tract described herein, a distance of 1,292.44 feet to a ½-inch iron rod found in the north line of a certain called

Williamson County, Texas
E. Thomason Survey, Abstract No. 844
Camutillo Colony Ditch Company Survey, Abstract No. 693

10.554 Acres
Page 2 of 2

9.862 acre tract described in the deed to Herbert L. Prewitt and wife, Connie E. Prewitt of record in Volume 876, Page 655, Deed Records of Williamson County, Texas, at the southwest corner of the said 72.025 acre tract and the southeast corner of the said 11.10 acre tract, for the southeast corner of the tract described herein;

THENCE N 82°26'32" W, with the south line of the said 11.10 acre tract and the north line of the said 9.862 acre tract, with the south line of the tract described herein, at a distance of 2.07 feet, passing a concrete monument found 0.12 feet north of the line, and continuing for a total distance of 285.57 feet to a 5/8-inch iron rod found in the east right-of-way line of said F.M. 1660, and the south line of the said 11.10 acre tract, at a southeast corner of the said 3.722 acre tract and the northeast corner of a certain called 0.311 acre tract described in the deed to the State of Texas of record in Volume 476, Page 612, Deed Records of Williamson County, Texas, at the northwest corner of the said 9.862 acre tract, for the southwest corner of the tract described herein;

THENCE crossing the said 11.10 acre tract, with the east right-of-way line of said F.M. 1660, with the east line of the said 3.722 acre tract, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°21'46" E, a distance of 421.34 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
2. N 07°33'54" E, a distance of 324.41 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
3. N 13°27'20" W, a distance of 513.66 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point, and
4. N 03°15'10" W, a distance of 138.59 feet to the **POINT OF BEGINNING** and containing 10.554 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April and May, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 20th day of May 2019 A.D.

LANDDEV CONSULTING, LLC
3508 Highway 290 West, Suite 150
Austin, Texas 78735

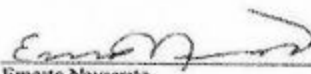

Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 -- State of Texas



EXHIBIT N – SECTION 1 LEGAL DESCRIPTION

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 1 of 3

"EXHIBIT ____"

DESCRIPTION OF 94.560 ACRES OF LAND IN THE J. SHELTON SURVEY, ABSTRACT NO. 560, THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE W.J. BROWN SURVEY, ABSTRACT NO. 105, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 96.99 ACRE TRACT DESIGNATED AS TRACT ONE AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 94.560 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of the said 96.99 acre tract, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, same being the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, for the northeast corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the easterly southeast corner of the said 201.06 acre tract, crossing the said 96.99 acre tract, with the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, with the east line of the tract described herein, the following five (5) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,186.28 feet, an arc distance of 167.73 feet, and a chord which bears S 05°38'19" E, a distance of 167.59 feet to a calculated point-of-tangency, from which a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found bears S 84°08'53" W, a distance of 0.45 feet,
2. S 09°45'32" E, a distance of 467.63 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 1,106.28 feet, an arc distance of 335.98 feet, and a chord which bears S 01°06'29" E, a distance of 334.69 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-tangency,
4. S 07°51'42" W, a distance of 790.50 feet to a 3/4-inch iron rod found at an angle point, and
5. S 07°39'43" W, a distance of 421.01 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found in the west line of the said 3.722 acre tract, in the north line of a certain called 0.51 acre tract described in the deed to Nadine Carole Johnson and Dennis Johnson of record in Document No. 2006083936, Official Public Records of Williamson County, Texas, for a southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found in the west right-of-way line of said F.M. 1660 at the northeast corner of the said 0.51 acre tract bears S 82°31'24" E, a distance of 21.83 feet;

THENCE N 82°16'34" W, leaving the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, crossing the said 96.99 acre tract, with the north line of the said 0.51 acre tract, and with a south line of the tract described herein, a distance of 179.38 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northwest corner of the said 0.51 acre tract, for a re-entrant corner of the tract described herein;

THENCE S 07°29'25" W, continuing across the said 96.99 acre tract, with the west line of the said 0.51 acre tract, with the east line of the tract described herein, a distance of 114.42 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found at a re-entrant corner of the said 96.99 acre tract, at the southwest corner of the said 0.51 acre tract, same being the northwest corner of a certain called 4/5ths of an acre described in the special warranty deed with life estate to Robert W. Kaderka and wife, Bonnie Kaderka of record in Document No. 2015074295, Official Public Records of Williamson County, Texas, for an angle point in the east line of the tract described herein;

THENCE S 07°42'22" W, with the east line of the said 96.99 acre tract, with the west line of the said 4/5ths of an acre tract, and with the west line of a certain called 0.51 acre tract described in the deed to Bruce Craig Cunningham of record in Volume 1954, Page 227, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 180.55 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

THENCE S 06°40'19" W, with the east line of the said 96.99 acre tract, with the west line of the said 0.51 acre tract, and with the west line of a certain called 0.484 acre tract described in the deed to Marka Dawn Burns of record in Document No. 9722814, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 200.68 feet to a ½-inch iron rod found in the north line of a certain called 0.480 acre tract described in the deed to John A. Drummond, Sr. of record in Document No. 9662944, Official Public Records of Williamson County, Texas, at the southwest corner of the said 0.484 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 81°53'59" W, with the north line of the said 0.480 acre tract and a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 10.57 feet to a fence corner post found at a re-entrant corner;

THENCE S 08°03'45" W, with the west line of the said 0.480 acre tract and the west line of a certain called 0.59 acre tract described in the deed to Jonathan M. Wagner and Marci H. Wagner of record in Document No. 2016117309, Official Public Records of Williamson County, Texas, with the east line of the said 96.99 acre tract, with the east line of the tract described herein, a distance of 223.01 feet to a concrete monument found in the north line of a certain called 2.47 acre tract described in the deed to Charles E. Holland and Deborah D. Holland of record in Volume 868, Page 561, Deed Records of Williamson County, Texas, at the southwest corner of the said 0.59 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 82°23'05" W, with the north line of the said 2.47 acre tract, with a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 242.61 feet to a 3/8-inch iron rod found at the northwest corner of the said 2.47 acre tract, at the northeast corner of Block 4, Hutto and Metcalfe Addition, a subdivision according to the plat of record in Book 66, Page 148, Deed Records of Williamson County, Texas, and as shown on the Revised Map of City of Hutto of record in Cabinet A, Slide 221, Plat Records of Williamson County, Texas, for a re-entrant corner of the tract described herein;

THENCE S 07°38'01" W, with the west line of the said 2.47 acre tract and an east line of the said 96.99 acre tract, with the east line of said Block 4 and Block 3, said Hutto and Metcalfe Addition, with an east line of the tract described herein, a distance of 208.64 feet to a ¼-inch iron rod found at the southeast corner of said Block 3, Hutto and Metcalfe Addition, and the northeast corner of a certain called 0.659 acre tract described in the deed to Dennis O. Johnson and Nadine C. Johnson of record in Document No. 2001074832, Official Public Records of Williamson County, Texas, for the southerly southeast corner of the tract described herein;

THENCE S 77°34'56" W, crossing the said 96.99 acre tract, with the north line of the said 0.659 acre tract, with the south line of the tract described herein, a distance of 253.79 feet to a ¼-inch iron rod found at the northwest corner of the said 0.659 acre tract, and the northeast corner of Lot 2, Block 2, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein.

THENCE S 77°37'39" W, continuing across the said 96.99 acre tract, with the north line of said Lot 2, Block 2, Hutto and Metcalfe Addition, with the south line of the tract described herein, a distance of 91.78 feet to a concrete monument found in a west line of the said 96.99 acre tract, at the intersection of the south line of an alley and the east right-of-way line of East Street, a 60-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, at the northwest corner of said Lot 2, Block 2, Hutto and Metcalfe Addition, for the southerly southwest corner of the tract described herein;

THENCE N 12°28'30" W, with the east right-of-way line of said East Street, the west line of the said 96.99 acre tract, with the west line of Lot 6, Block 2, and the west line of Block 5, said Hutto and Metcalfe Addition, with a west line of the tract described herein, a distance of 439.34 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at the northeast terminus of said East Street, at the northwest corner of said Block 5, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE N 82°21'12" W, with the south line of the said 96.99 acre tract, with the north terminus of said East Street, with the northeast terminus of Capitol Street, a 50-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, with the south line of the tract described herein, a distance of 220.17 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point in the north right-of-way line of said Capitol Street, at the east corner of Block 9, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE S 76°41'29" W, with the south line of the said 96.99 acre tract, with the north right-of-way line of said Capitol Street, with the south line of Block 9 and Block 13, said Hutto and Metcalfe Addition, a distance of 350.53 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 4, Block F, Hutto Square Section 1, a subdivision according to the plat of record in Cabinet W, Slides 263-267, Plat Records of Williamson County, Texas, at a southwest corner of the said 96.99 acre tract, for a southwest corner of the tract described herein;

THENCE with the west line of the said 96.99 acre tract, the east line of said Hutto Square Section 1, the east line of Hutto Square Section 2, a subdivision according to the plat of record in Cabinet Y, Slides 154-157, Plat Records of Williamson County, Texas, with the east line of Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138-139, Plat Records of Williamson County, Texas, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°40'21" E, a distance of 55.89 feet to a ½-inch iron rod with a plastic cap stamped "4391" found at the north corner of Lot 4, the east corner of Lot 5, southeast corner of Lot 39, and the south corner of Lot 40, Block F, said Hutto Square Section 1, for an angle point of the tract described herein,
2. N 07°38'18" E, a distance of 655.93 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 48, Block F, said Hutto Square Section 2, for an angle point of the tract described herein,
3. N 07°46'41" E, a distance of 230.55 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 4391" found at the northeast corner of Lot 51 and the southeast corner of Lot 52, Block F, said Hutto Square Section 2, for an angle point of the tract described herein, and
4. N 07°46'30" E, a distance of 2,059.60 feet to a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract, for the northwest corner of the tract described herein;

THENCE S 82°15'43" E, with the north line of the said 96.99 acre tract and a south line of the said 201.06 acre tract, with the north line of the tract described herein, a distance of 1,222.52 feet to the POINT OF BEGINNING and containing 94.560 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

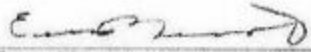
KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 03rd day of May 2019 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 - State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

EXHIBIT O - SECTION 1 PHASE 2 LEGAL DESCRIPTION

Approximately 23.479 acres of land, consisting of all property within Section 1 of the District
SAVE AND EXCEPT all property within the Phase 1 Plat.

EXHIBIT P - SECTION 2 LEGAL DESCRIPTION

Williamson County, Texas
E. Thomason Survey, Abstract No. 844
Canutillo Colony Ditch Company Survey, Abstract No. 693

10,521 Acres
Page 1 of 2

"EXHIBIT _"

DESCRIPTION OF 10.521 ACRES OF LAND IN THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 11.10 ACRE TRACT DESIGNATED AS TRACT TWO AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 10.521 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of a certain called 96.99 acre tract designated as Tract One and described in said deed to Jerry E. Roznovak and wife, Hilda Roznovak of record in Volume 443, Page 472, Deed Records of Williamson County, Texas, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, and the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, from which a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138 and 139, Plat Records of Williamson County, Texas, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract bears N 82°15'43" W, a distance of 1,222.52 feet;

THENCE S 82°15'43" E, crossing the said F.M. 1660 right-of-way, a distance of 97.80 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" set in the east right-of-way line of said F.M. 1660, in the north line of the said 11.10 acre tract, at the northeast corner of the said 3.722 acre tract and the southeast corner of a certain called 1.529 acre tract described in the deed to the State of Texas of record in Volume 476, Page 603, Deed Records of Williamson County, Texas, in the south line of a certain called 135 acre tract described in the deed to Janet Lynn Barnard, Trustee for the Janet Lynn Barnard Family 1984 Trust of record in Volume 1126, Page 800, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 65.234 acre tract conveyed to CMSAL-2 L.L.C. of record in Document No. 2011084930, Official Public Records of Williamson County, Texas, and described in Document No. 1999014821, Official Public Records of Williamson County, Texas, for the northwest corner and **POINT OF BEGINNING** of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found in the east right-of-way line of said F.M. 1660, in the east line of the said 1.529 acre tract, and the west line of a certain called 28.449 acre tract described in the deed to North Town Commons, LLC of record in Document No. 2007062953, Official Public Records of Williamson County, Texas, bears N 03°15'10" W, a distance of 192.32 feet, and from which a 1/2-inch iron rod found bears N 02°00'51" W, a distance of 10.60 feet;

THENCE S 82°15'43" E, with the north line of the said 11.10 acre tract and the south line of the said 135 acre tract, with the south line of the said 65.234 acre tract, with the north line of the tract described herein, a distance of 498.96 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" set for the northeast corner of the said 11.10 acre tract, at a re-entrant corner of the said 135 acre tract, in the south line of the said 65.234 acre tract, for the northeast corner of the tract described herein;

THENCE S 07°43'18" W, with the east line of the said 11.10 acre tract and the west line of the said 135 acre tract, with the east line of the tract described herein, at a distance of 9.91 feet, passing a 1/2-inch iron rod with a plastic cap stamped "PAPE DAWSON" found at the northwest corner of a certain called 72.025 acre tract described in the deed to Mager Meadows, LP of record in Document No. 2004018146, Official Public Records of Williamson County, Texas, same being the northwest corner of a certain called 25.051 acre tract described in the deed to 288 Development, Inc. of record in Document No. 2019044571, Official Public Records of Williamson County, Texas, same being the northwest corner of Lot 28, Block A, Mager Meadows Phase 3, a subdivision according to the plat of record in Document No. 2019111385, Official Public Records of Williamson County, Texas, and continuing for a total distance of 17.36 feet to a calculated point for a southeast corner of the tract described herein, from which a 1/2-inch iron rod found bears S 72°49'19" W, a distance of 0.22 feet;

THENCE leaving the west line of the said Lot 28, Block A, Mager Meadows Phase 3, crossing the said 11.10 acre tract, with a south, east, and north line of the tract described herein, the following three (3) courses and distances:

1. N 82°21'59" W, a distance of 49.99 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner,
2. S 07°38'01" W, a distance of 50.00 feet to a 1/2-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner, and

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

3. S 82°21'59" E, a distance of 49.91 feet to a calculated point in the east line of the said 11.10 acre tract and west line of said Lot 28, Block A, Mager Meadows Phase 3, for a northeast corner of the tract described herein, from which a ½-inch iron rod found bears N 53°40'16" W, a distance of 0.25 feet;

THENCE S 07°43'18" W, with the east line of the said 11.10 acre tract and the west line of the said Mager Meadows Phase 3 subdivision, with the east line of the tract described herein, a distance of 1,292.33 feet to a concrete monument found in the north line of a certain called 9.862 acre tract described in the deed to Herbert L. Prewitt and wife, Connie E. Prewitt of record in Volume 876, Page 655, Deed Records of Williamson County, Texas, at the southwest corner of the said Mager Meadows Phase 3 subdivision, and the southeast corner of the said 11.10 acre tract, for the southeast corner of the tract described herein, from which a ½-inch iron rod found bears S 79°04'50" E, a distance of 2.08 feet;

THENCE N 82°28'01" W, with the south line of the said 11.10 acre tract and the north line of the said 9.862 acre tract, with the south line of the tract described herein, a distance of 283.50 feet to a 5/8-inch iron rod found in the east right-of-way line of said F.M. 1660, and the south line of the said 11.10 acre tract, at a southeast corner of the said 3.722 acre tract and the northeast corner of a certain called 0.311 acre tract described in the deed to the State of Texas of record in Volume 476, Page 612, Deed Records of Williamson County, Texas, at the northwest corner of the said 9.862 acre tract, for the southwest corner of the tract described herein;

THENCE crossing the said 11.10 acre tract, with the east right-of-way line of said F.M. 1660, with the east line of the said 3.722 acre tract, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°21'46" E, a distance of 421.34 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
2. N 07°33'54" E, a distance of 324.41 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
3. N 13°27'20" W, a distance of 513.66 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point, and
4. N 03°15'10" W, a distance of 138.59 feet to the **POINT OF BEGINNING** and containing 10.521 acres of land, more or less,

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April and May, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 10th day of March 2020 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

EXHIBIT Q – ESTIMATED BUILDOUT VALUE AND ORIGINAL ASSESSMENT ALLOCATION

Section	Lot Type	Units	Assessed Value		Total Assessed Value	% Allocation	Assessment	Average Annual		Assessment per Lot Type	Average Annual		PID Equivalent Tax Rate
			Per Unit					Installment			Installment per Lot Type		
Section 1	Lot Type 1	123	\$ 362,226	\$	44,553,798	29.83%	\$ 4,021,564	\$ 258,843	\$	32,696	\$ 2,104	\$	0.5810
Section 1	Lot Type 2	71	\$ 423,892	\$	30,096,332	20.15%	\$ 2,716,588	\$ 174,850	\$	38,262	\$ 2,463	\$	0.5810
Section 1	Lot Type 3	54	\$ 439,892	\$	23,754,168	15.90%	\$ 2,144,125	\$ 138,004	\$	39,706	\$ 2,556	\$	0.5810
Section 1	Lot Type Multi-Family	288	\$ 121,000	\$	34,848,000	23.33%	\$ 3,145,488	\$ 202,455	\$	10,922	\$ 703	\$	0.5810
Section 2	Lot Type Multi-Family	100	\$ 121,000	\$	12,100,000	8.10%	\$ 1,092,183	\$ 70,297	\$	10,922	\$ 703	\$	0.5810
Section 1	Lot Type Commercial	20,000	\$ 200	\$	4,000,000	2.68%	\$ 361,052	\$ 23,239	\$	18.05	\$ 1.16	\$	0.5810
					\$ 149,352,298	100.00%	\$ 13,481,000	\$ 867,686					
Section 1 Total					\$ 137,252,298	91.90%	\$ 12,388,817	\$ 797,389					
Section 2 Total					\$ 12,100,000	8.10%	\$ 1,092,183	\$ 70,297					

APPENDIX A – ENGINEER’S REPORT

[Remainder of page intentionally left blank.]

AGENDA ITEM REPORT



To: City Council

Subject: Consideration and possible action on Resolution No. R-2021-157 determining costs of authorized improvements for the Durango Farms Public Improvement District and ordering the filing of an assessment roll with the City Secretary to make available to the public in compliance with Texas Local Government Code Chapter 372; calling a public hearing on the levy of assessments on property located within the Durango Farms Public Improvement District to pay such costs and directing the City Secretary to publish and mail notice of the public hearing in accordance with Texas Local Government Code Chapter 372; and related matters; and providing an effective date. (Dorothy Palumbo)

Meeting: Thursday, October 7, 2021

Department: City Secretary

Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Hutto Cost Determination Resolution Durango Farms PID 09.28.2021
2. 2021-9-30_HUT_Durango Farms_SAP

RESOLUTION NO. R-2021-157

A RESOLUTION OF THE CITY OF HUTTO, TEXAS, DETERMINING COSTS OF THE PROPOSED PUBLIC IMPROVEMENTS IN THE DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT, APPROVING A PROPOSED ASSESSMENT ROLL, AND MAKING RELATED FINDINGS AND DETERMINATIONS, IN ACCORDANCE WITH CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE

WHEREAS, the City of Hutto, Texas (the “City”), is authorized under Chapter 372 of the Texas Local Government Code, as amended (the “Act”), to create a public improvement district;

WHEREAS, Jerry Wayne Roznovak and Nadine Carole Johnson filed with the City Secretary of the City a petition (the “Petition”) requesting the establishment of a public improvement district;

WHEREAS, after providing all notices required by the Act and the Texas Government Code Chapter 551, the City Council on May 21, 2020 conducted a public hearing to consider comments for and against the creation of the District and the advisability of the proposed public improvements and, after closing the public hearing, passed and approved Resolution No. R-2020-068 on August 6, 2020 (the “PID Creation Resolution”) authorizing creation of the Hutto Durango Farms Public Improvement District (“District”);

WHEREAS, in accordance with Section 372.010 of the Act, notice of the resolution creating the District was published in the *Taylor Press* on August 15, 2021;

WHEREAS, the City has reviewed the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A**” and the Proposed Assessment Roll attached as “**Exhibit F**” to such Preliminary Service and Assessment Plan;

WHEREAS, in accordance with Section 372.016 of the Act, the City Council desires to make certain determinations and findings with regard to the total cost of the “Authorized Improvements” set forth in the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A**”;

WHEREAS, in accordance with Section 372.016 of the Act, the City Council also desires to approve the Proposed Assessment Roll, which is included as “**Exhibit F**” to the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A**,” cause the Proposed Assessment Roll to be filed with the City Secretary, and to direct the City Secretary to make the Proposed Assessment Roll available for public inspection and publish notice of the City Council’s intention to consider the proposed assessments at a public hearing, all in accordance with the requirements of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS, THAT:

Section 1. The findings set forth in the recitals of this Resolution are found to be true and correct and are incorporated into this Resolution for all purposes by this reference.

Section 2. The City Council hereby finds, declares, and directs:

- (a) Determination of Cost. The cost determinations for the proposed Authorized Improvements set forth in the Preliminary Service and Assessment Plan attached to this

Resolution as “**Exhibit A**” are hereby approved.

(b) Proposed Assessment Roll. The Proposed Assessment Roll included in the Preliminary Service and Assessment Plan attached to this Resolution as “**Exhibit A**,” stating the assessment against each parcel of assessable land in the District as determined by the method of assessment set forth in said Preliminary Service and Assessment Plan is hereby approved, and the City Council declares that the Proposed Assessment Roll is hereby filed with the City Secretary. The City Council hereby directs the City Secretary to make the Proposed Assessment Roll available for public inspection and publish notice of the City Council’s intention to consider the proposed assessments at a public hearing, all in accordance with the requirements of the Act.

Section 3. City Council hereby authorizes and directs City Secretary to take the actions described in Section 2 of this Resolution and authorizes and directs staff to prepare the required resolutions, ordinances, agreements, service and assessment plan, assessment roll and other documents necessary for the City Council to effectuate the PID Creation Resolution and this Resolution.

Section 4. The City Council hereby declares that written notice of the date, hour and place of the meeting at which this Resolution was adopted, was posted and that such meeting was open to the public as required by law at all times when this Resolution and the subject matter hereof were discussed, considered, and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

Section 5. This Resolution shall take effect immediately from and after its passage.

EXHIBIT LIST:

Exhibit A – Preliminary Service and Assessment Plan (including the Proposed Assessment Roll)

PASSED & APPROVED by the **CITY COUNCIL** of the **CITY OF HUTTO** on the 7th day of **OCTOBER, 2021** on vote of ____ **AYES**; ____ **NAYS**; ____ **ABSTENTIONS**.

THE CITY OF HUTTO, TEXAS

By: _____
Mike Snyder, Mayor

ATTEST:

By: _____
Holly Nagy, City Secretary

EXHIBIT A

(Preliminary Service and Assessment Plan – including the Proposed Assessment Roll)

Durango Farms Public Improvement District

SERVICE AND ASSESSMENT PLAN

SEPTEMBER 30, 2021



TABLE OF CONTENTS

Table of Contents	2
Introduction	4
Section I: Definitions	5
Section II: The District	11
Section III: Authorized Improvements	11
Section IV: Service Plan	14
Section V: Assessment Plan	14
Section VI: Terms of the Assessments	17
Section VII: Assessment Roll	22
Section VIII: Additional Provisions	22
List of Exhibits	24
Exhibit A – District, Section 1, and Section 2 Boundary Map	25
Exhibit B – Authorized Improvements	26
Exhibit C – Service Plan – Five Year Plan	27
Exhibit D – Service Plan – Sources and Uses	28
Exhibit E – Assessment Roll	29
Exhibit F – Annual Installments	33
Exhibit G – Maximum Assessment per Lot Type	34
Exhibit H – Map of Authorized Improvements	35
Exhibit I – Lot Type Classification Map by Phase	39
Exhibit J – Phase 1 Final Plat	40
Exhibit K – Notice of PID Assessment Termination	42
Exhibit L-1 Lot Type 1 Disclosure	45
Exhibit L-2 Lot Type 2 Disclosure	49
Exhibit L-3 Lot Type 3 Disclosure	53
Exhibit L-4 Section 2 Disclosure	57
Exhibit L-5 Lot 1, Block A Durango Farms Phase 1 Disclosure	61
Exhibit L-5 Lot 25, Block H Durango Farms Phase 1 Disclosure	65
Exhibit M – District Legal Description	69

Exhibit N – Section 1 Legal Description	74
Exhibit O - Section 1 Phase 2 Legal Description.....	77
Exhibit P - Section 2 Legal Description.....	78
Exhibit Q – Estimated Buildout Value and Original Assessment Allocation	80
Appendix A – Engineer’s Report	81

INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan, or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On August 6, 2020, the City passed and approved Resolution No. R-2020-068 authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act. 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 105.114 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit M** and as depicted by the map on **Exhibit A**.

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**.

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 Assessment Roll is contained in **Exhibit E**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer of the District: (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) 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 the Assessments securing PID Bonds pursuant to Section 372.018 of the PID Act.

“Administrator” means the City, or the person or independent firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, 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 related to collecting the Annual Installments, including, but not limited to, costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the administration of the District, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs

collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest.

“Annual Service Plan Update” means an update to this 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 that benefits from the Authorized Improvements and on which an Assessment is levied as shown on the Assessment Roll and which includes any and all Parcels within the District other than Non-Benefitted Property.

“Assessment” means an assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

“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 the assessment roll for the Assessed Property within the District and included in this Service and Assessment Plan as **Exhibit E**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

“Authorized Improvements” mean improvements authorized by Section 372.003 of the PID Act, including Section 1 Improvements, Section 2 Improvements, Major Improvements, and District Formation and Bond Issuance Costs.

“City” means the City of Hutto, Texas.

“City Council” means the governing body of the City.

“County” means Williamson County, Texas.

“Delinquent Collection Costs” mean, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this SAP, including costs and expenses to foreclose liens.

“Developer” means MA Durango Farms, LLC, a Texas limited liability company.

“District” means the approximately 105.114 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit M** and as depicted by the map on **Exhibit A**.

“District Formation and Bond Issuance Costs” mean the costs associated with forming the District and issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, first year’s Annual Collection Costs, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the establishment of the District and/or the issuance of PID Bonds.

“Estimated Buildout Value” means the estimated buildout value of an Assessed Property at the time Assessments are levied, 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.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended or supplemented from time to time, between the City and the Trustee setting forth terms and conditions related to the PID Bonds.

“Lot” means (1) for any portion of the District for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (2) for any portion of the District for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat as shown on a concept plan or preliminary 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 and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by the Estimated Buildout Value of the Lot as calculated by the Administrator and confirmed and approved by the City Council.

“Lot Type 1” means a Lot designated as a 45’ residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type 2” means a Lot designated as a 50’ residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type 3” means a Lot designated as a 60’ residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type Multi-Family” means a Lot designated as a multi-family residential lot by the Owner, as shown on the map attached as **Exhibit I**.

“Lot Type Commercial” means a Lot designated as a commercial lot by the Owner, as shown on the map attached as **Exhibit I**.

“Major Improvements” mean the Authorized Improvements that benefit the entire District and are allocated pro rata to Section 1 and Section 2 based on Estimated Buildout Value, as shown on **Exhibit Q**. The Major Improvements are depicted on **Exhibit H**.

“Maximum Assessment” means the amount shown for each Lot Type on **Exhibit G**. The Maximum Assessment shall be reduced annually by the principal portion of the Annual Installment.

“Meritage” means Meritage Homes of Texas, LLC, an Arizona limited liability company.

“Non-Benefitted Property” means Parcels within the boundaries of the District that accrue no special benefit from Authorized Improvements as determined by the City Council.

“Owner(s)” means the owners of the Assessed Parcels in the District at the time the Assessments are levied, being (1) the Developer, (2) Meritage, and (3) Vantage.

“Parcel(s)” means a property within the boundaries of the District, identified by either a tax map identification number assigned by the Williamson 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 Council.

“Phase 1 Plat” means the Durango Farms Phase 1 Final Plat, as shown on **Exhibit J**.

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

“PID Bonds” mean those certain “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District)”, and any other bonds issued in accordance with the PID Act, if applicable, that are secured by Assessments.

“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 Assessment are not to be considered a Prepayment, but rather are to be treated as a payment of the regularly scheduled Assessment.

“Prepayment Costs” mean interest, including Additional Interest, and Annual Collection Costs incurred up to the date of Prepayment.

“Section 1” means the approximately 94.593 acres within the District inside the corporate limits of the City and west of FM 1660, as described legally by metes and bounds on **Exhibit N** and as depicted by the map on **Exhibit A**.

“Section 1 Improvements” mean Authorized Improvements that only benefit Section 1, as depicted on **Exhibit H**.

“Section 1 Phase 1” means that portion of Section 1 platted by the Phase 1 Plat.

“Section 1 Phase 2” means the approximately 23.479 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit O**.

“Section 1 Projects” means the Section 1 Improvements, Section 1’s allocable share of the Major Improvements, and Section 1’s allocable share of District Formation and Bond Issuance Costs.

“Section 2” means the approximately 10.521 acres within the District inside the corporate limits of the City, and east of FM 1660, as described legally by metes and bounds on **Exhibit P** and as depicted by the map on **Exhibit A**.

“Section 2 Improvements” mean Authorized Improvements that only benefit Section 2, as depicted on **Exhibit H**.

“Section 2 Projects” means the Section 2 Improvements, Section 2’s allocable share of the Major Improvements, and Section 2’s allocable share of District Formation and Bond Issuance Costs.

“Service and Assessment Plan” means this Service and Assessment Plan as it may be modified, amended, supplemented, and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Trustee” means the trustee (or successor trustee) under an Indenture.

“Vantage” means Vantage at Hutto, LLC, a Texas limited liability company.

SECTION II: THE DISTRICT

The District includes approximately 105.114 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit M** and as depicted by the map on **Exhibit A**. Development of the District is anticipated to include 248 single-family homes, 388 multi-family units, and approximately 20,000 square feet of commercial space.

Section 1 includes approximately 94.593 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit N** and as depicted by the map on **Exhibit A**. Development of Section 1 is anticipated to include 248 single-family homes, 288 multi-family units, and approximately 20,000 square feet of commercial space. Section 1 is partially composed of Section 1 Phase 1, platted by the Phase 1 Plat, with the remainder of Section 1 in Section 1 Phase 2.

Section 2 includes approximately 10.521 acres within the corporate limits of the City, as described legally by metes and bounds on **Exhibit P** and as depicted by the map on **Exhibit A**. Development of Section 2 is anticipated to include 100 multi-family units.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Developer and its engineer and review by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Authorized Improvements will be designed and constructed in accordance with City standards and will be owned and operated by the City once accepted unless specifically stated below. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit B**.

A. Section 1 Improvements

- *Streets*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation and embankment, erosion control, retaining walls, intersections, signage, lighting, and sleeving are included. The street improvements will provide street access to each Lot within Section 1.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion

control and all necessary appurtenances required to provide water service to all Lots within Section 1.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Section 1.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Section 1.

- *Erosion Control, Excavation, and Embankment*

Improvements including stabilized construction entrance, silt fencing, inlet protection, permanent erosion control by applying top soil and hydromulch in all disturbed areas, dry stack walls, clearing and grubbing of all right of ways and alleys and excavating all right of ways, alleys and wet utilities, onsite storage of materials and import and haul off of materials, as necessary.

- *Detention Pond*

Improvements including walls, outfall structures, access ramps, gates, signage and all necessary appurtenances required to create detention ponds within Section 1.

- *Soft Costs/Contingency*

Includes 15% soft costs (inclusive of 4% construction management fee), 5% contingency for bid improvements, and 10% contingency for non-bid improvements.

B. Section 2 Improvements

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Section 2.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion

control and all necessary appurtenances required to provide wastewater service to all Lots within Section 2.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Section 2.

- *Erosion Control, Excavation, and Embankment*

Improvements including stabilized construction entrance, silt fencing, inlet protection, permanent erosion control by applying top soil and hydromulch in all disturbed areas, dry stack walls, clearing and grubbing of all right of ways and alleys and excavating all right of ways, alleys and wet utilities, onsite storage of materials and import and haul off of materials, as necessary.

- *Soft Costs/Contingency*

Includes 15% soft costs (inclusive of 4% construction management fee), 5% contingency for bid improvements, and 10% contingency for non-bid improvements.

C. Major Improvements

- *FM 1660*

Improvements including permanently changing the existing 3 way traffic signal into a four way traffic signal and other general intersection improvements, including adding turn lanes and deceleration lanes accomplished by the widening of the pavement sections north and south of the existing intersection. The FM 1660 improvements will be owned and operated by TXDOT.

D. District Formation and Bond Issuance Costs

- *Debt Service Reserve Requirement*

Equals the amount required to fund a reserve under the Indenture in connection with the issuance of PID Bonds.

- *Capitalized Interest*

Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in the Indenture.

- *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds and includes a fee for underwriter's counsel.

- *Cost of Issuance*
Costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.
- *District Formation*
Expenses directly associated with forming the District including 1st year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the projected costs and annual 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 C** summarizes the Service Plan for the District.

Exhibit D summarizes the sources and uses of funds required to construct certain Authorized Improvements. The sources and uses of funds shown on **Exhibit D** shall be updated in each Annual Service Plan Update.

SECTION V: ASSESSMENT PLAN

The PID Act requires the City to apportion the Actual 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 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 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 Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that (a) 100% of the Section 1 Improvements be allocated to Section 1, based on the benefits received by such parcel, and (b) 90.73% of the Major Improvements and Bond Issuance and District Formation Costs be allocated to Section 1 based on Estimated Buildout Value as shown on **Exhibit Q**. The City Council has further determined that (a) 100% of the Section 2 Improvements be allocated to Section 2, based on the benefits received by such parcel, and (b) 9.27% of the Major Improvements and Bond Issuance and District Formation Costs be allocated to Section 2 based on Estimated Buildout Value as shown on **Exhibit Q**. The City Council has further determined that, within Section 1 and Section 2, the Assessments and the costs of the allocated Authorized Improvements shall be allocated based on Estimated Buildout Value as shown on **Exhibit Q**.

B. Assessments

Assessments will be levied on each Parcel or Lot according to the Assessment Roll, attached hereto as **Exhibit E**. The projected Annual Installments are shown on **Exhibit F**, subject to revisions made during any Annual Service Plan Update.

The Maximum Assessment for each Lot Type is shown on **Exhibit G**. In no case will the Assessment for any Lot Type exceed the Maximum Assessment.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- Section 1
 - The cost of the Section 1 Projects equals \$12,867,991 as shown on **Exhibit B**; and
 - The Assessed Property within Section 1 receives special benefit equal to or greater than the Section 1 Projects; and
 - The Assessed Property within Section 1 was allocated 100% of the Assessments levied for the Section 1 Projects, which equals \$12,388,817 as shown on **Exhibit Q**; and

- The special benefit ($\geq \$12,867,991$) received by the Assessed Property within Section 1 from the Section 1 Projects is greater than the amount of Assessments (\$12,388,817) levied on the Assessed Property within Section 1 for the Section 1 Projects, and that the special benefit received by each Lot or Parcel within Section 1 is greater than the amount of Assessment for such Lot or Parcel, as shown on the Assessment Roll in Exhibit E; and
- At the time the City Council approved the Assessment Ordinance, the Owners owned 100% of the Assessed property within Section 1. In a Landowner Agreement with the City, the Owners acknowledged that the Section 1 Projects confer a special benefit on the Assessed Property within Section 1 and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The 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 levying of the Assessments on Assessed property within Section 1.
- Section 2
 - The cost of the Section 2 Projects equals \$1,092,183 as shown on **Exhibit B**; and
 - The Assessed Property within Section 2 receives special benefit equal to or greater than the Section 2 Projects; and
 - The Assessed Property within Section 2 was allocated 100% of the Assessments levied for the Section 2 Projects, which equals \$1,092,183 as shown on **Exhibit Q**; and
 - The special benefit ($\geq \$1,092,183$) received by the Assessed Property within Section 2 from the Section 2 Projects is greater than the amount of Assessments (\$1,092,183) levied on the Assessed Property within Section 2 for the Section 2 Projects; and
 - At the time the City Council approved the Assessment Ordinance, the Developer owned 100% of the Assessed property within Section 2. In a Landowner Agreement with the City, the Developer acknowledged that the Section 2 Projects confer a special benefit on the Assessed property within Section 2 and consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The Developer 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 levying of the Assessments on Assessed property within Section 2.

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 based on Actual Costs incurred in Annual Service Plan Updates.

E. Additional Interest

The interest rate on Assessments levied on the Assessed Property may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the Indenture.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property

B = the Assessment for the Assessed Property prior to division

C = the Estimated Buildout Value of the newly divided Assessed Property

D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update and update to this Service and 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 the same Lot Type

D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property

E = the number of Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat.

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 the next Annual Service Plan Update and 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.

The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on **Exhibit G** for the applicable Lot Type, and compliance may require a mandatory prepayment of Assessments pursuant to **Section VI.B**.

B. True-up of Assessments if Maximum Assessment Exceeded

If the subdivision of any Assessed Property by a final subdivision plat, approval of a site development plan, issuance of a building permit, or any other action that determines the number of units or square feet of commercial to be constructed causes the Assessment per Lot for any Lot Type to exceed the Maximum Assessment, the owner of Assessed Property requesting the subdivision, site development plan, building permit, or other action must prepay the portion of the Assessment for each Assessed Property that exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

C. Mandatory Prepayment of Assessments

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

D. Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments the Trustee shall apply amounts on deposit in the applicable account of the project fund relating to the PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of any 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 pre-paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the

Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached as **Exhibit K**.

If an Assessment is pre-paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the Prepayment made.

F. Prepayment as a result of Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (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-Benefitted 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. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial Prepayment.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted 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), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit F** shows the projected Annual Installments for the District. In no case will the Assessment for any Lot Type exceed the Maximum Assessment. 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 pro rata among Assessed Properties for which the Assessments remain unpaid in proportion to the amount of the Annual Installments for the Assessed Property. 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. Failure of an owner of Assessed Property to receive an invoice for an Annual Installment on the property tax bill or

otherwise shall not relieve the owner of Assessed Property of the obligation to pay the Assessment. Assessments, or Annual Installments thereof, that are delinquent shall incur Delinquent Collection Costs.

SECTION VII: ASSESSMENT ROLL

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

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of an Assessed Property claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the sole and exclusive remedy of the owner of Assessed Property shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a public meeting, and within 30 days after adjourning such meeting, 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 shall take such corrective action as is authorized by the PID Act, this Service and Assessment Plan, the applicable Assessment Ordinance, or the applicable Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 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 Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners of Assessed Property adversely affected by the interpretation. Appeals shall be decided by the City Council after providing an opportunity for all interested parties to be heard at a public meeting of the City Council. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

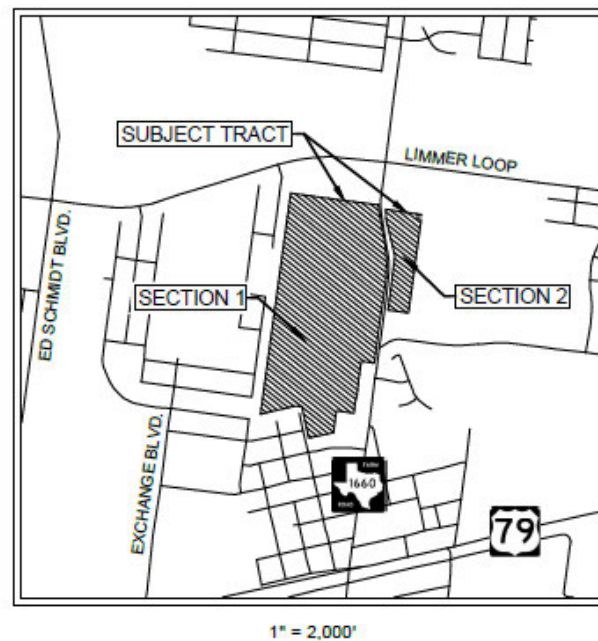
D. Severability

If any provision of this Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

Exhibit A	District, Section 1, and Section 2 Boundary Map
Exhibit B	Authorized Improvements
Exhibit C	Service Plan – Five Year Plan
Exhibit D	Service Plan – Sources and Uses
Exhibit E	Assessment Roll
Exhibit F	Annual Installments
Exhibit G	Maximum Assessment per Lot Type
Exhibit H	Map of Authorized Improvements
Exhibit I	Lot Type Classification Map by Phase
Exhibit J	Phase 1 Final Plat
Exhibit K	Notice of PID Assessment Termination
Exhibit L-1	Lot Type 1 Disclosure
Exhibit L-2	Lot Type 2 Disclosure
Exhibit L-3	Lot Type 3 Disclosure
Exhibit L-4	Section 2 Disclosure
Exhibit L-5	Lot 1, Block A Durango Farms Phase 1 Disclosure
Exhibit L-6	Lot 25, Block H Durango Farms Phase 1 Disclosure
Exhibit M	District Legal Description
Exhibit N	Section 1 Legal Description
Exhibit O	Section 1 Phase 2 Legal Description
Exhibit P	Section 2 Legal Description
Exhibit Q	Estimated Buildout Value and Original Assessment Allocation
 Appendix A	 Engineer's Report

EXHIBIT A – DISTRICT, SECTION 1, AND SECTION 2 BOUNDARY MAP



DURANGO FARMS
LOCATION MAP

EXHIBIT B – AUTHORIZED IMPROVEMENTS

Authorized Improvements	Total Costs [a]	Section 1		Section 2	
		%	Cost	%	Cost
<u>Section 1 Improvements</u>					
Internal Streets [b]	\$ 2,113,817	100.00%	\$ 2,113,817	0.00%	\$ -
Water	855,037	100.00%	855,037	0.00%	-
Wastewater	807,918	100.00%	807,918	0.00%	-
Drainage	2,152,282	100.00%	2,152,282	0.00%	-
Erosion Control, Excavation and Embankment	1,029,349	100.00%	1,029,349	0.00%	-
Detention Pond	467,775	100.00%	467,775	0.00%	-
Soft Costs	1,812,811	100.00%	1,812,811	0.00%	-
	<u>\$ 9,238,989</u>		<u>\$ 9,238,989</u>		<u>\$ -</u>
<u>Section 2 Improvements</u>					
Water	\$ 96,533	0.00%	\$ -	100.00%	\$ 96,533
Wastewater	900	0.00%	-	100.00%	900
Drainage	150,000	0.00%	-	100.00%	150,000
Erosion Control, Excavation and Embankment	367,910	0.00%	-	100.00%	367,910
Soft Costs	156,912	0.00%	-	100.00%	156,912
	<u>\$ 772,255</u>		<u>\$ -</u>		<u>\$ 772,255</u>
<u>Major Improvements</u>					
FM 1660 Improvements [c]	<u>\$ 1,924,202</u>	91.90%	<u>\$ 1,768,310</u>	8.10%	<u>\$ 155,892</u>
	\$ 1,924,202		\$ 1,768,310		\$ 155,892
<i>District Formation and Bond Issuance Costs [d]</i>					
Debt Service Reserve Fund	\$ 785,840	91.90%	\$ 722,174	8.10%	\$ 63,666
Underwriter's Discount	404,430	91.90%	371,664	8.10%	32,766
Cost of Issuance	794,459	91.90%	730,095	8.10%	64,364
First Year Annual Collection Costs	40,000	91.90%	36,759	8.10%	3,241
	<u>\$ 2,024,729</u>		<u>\$ 1,860,693</u>		<u>\$ 164,036</u>
Total	\$ 13,960,175		\$ 12,867,991		\$ 1,092,183

Footnotes:

[a] Costs and Allocation per August 2021 Engineer's Report.

[b] Includes sleeving, street lighting, and paving.

[c] Includes 20% contingency, PM, Engineering, Environmental, and Construction Management Fee. Allocation based on Estimated Buildout Value, as shown on Exhibit Q.

[d] Allocated pro rata based on outstanding assessment.

EXHIBIT C – SERVICE PLAN – FIVE YEAR PLAN

Durango Farms PID						
Annual Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 283,000.00	\$ 167,000.00	\$ 175,000.00	\$ 182,000.00	\$ 191,000.00
Interest		\$ 476,890.00	\$ 593,910.00	\$ 586,395.00	\$ 578,520.00	\$ 570,330.00
	(1)	\$ 759,890.00	\$ 760,910.00	\$ 761,395.00	\$ 760,520.00	\$ 761,330.00
Annual Collection Costs	(2)	\$ 40,000.00	\$ 40,800.00	\$ 41,616.00	\$ 42,448.32	\$ 43,297.29
Additional Interest	(3)	\$ 67,405.00	\$ 65,990.00	\$ 65,155.00	\$ 64,280.00	\$ 63,370.00
Total Annual Installment	(4)=(1)+(2)+(3)	\$ 867,295.00	\$ 867,700.00	\$ 868,166.00	\$ 867,248.32	\$ 867,997.29

EXHIBIT D – SERVICE PLAN – SOURCES AND USES

	Section 1	Section 2
Sources of Funds		
PID Bond Par	\$ 12,388,817	\$ 1,092,183
Owner Contribution	479,175	-
Total Sources	\$ 12,867,991	\$ 1,092,183
Uses of Funds		
Section 1 Improvements	\$ 9,238,989	\$ -
Section 2 Improvements	-	772,255
Major Improvements	1,768,310	155,892
	\$ 11,007,299	\$ 928,147
<i>District Formation and Bond Issuance Costs</i>		
Debt Service Reserve Fund	\$ 722,174	\$ 63,666
Underwriter's Discount	371,664	32,766
Cost of Issuance	730,095	64,364
First Year Annual Collection Costs	36,759	3,241
	\$ 1,860,693	\$ 164,036
Total Uses	\$ 12,867,991	\$ 1,092,183

EXHIBIT E – ASSESSMENT ROLL

Property ID	Lot Type		Outstanding Assessment	Annual Installment due 1/31/22
R600646	Lot Type Multi-Family	[a]	\$ 1,092,183.40	\$ 70,265.20
R330638	Section 1 Phase 2	[b]	\$ 4,017,084.51	\$ 258,437.60
R020279	Section 1 Phase 2	[b]	\$ 110,760.35	\$ 7,125.72
R601935	Lot Type Commercial	[c]	\$ 361,052.36	\$ 23,228.17
R601936	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601937	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601938	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601939	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601940	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601941	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601942	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601943	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601944	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601945	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601946	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601947	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601948	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601949	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601950	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601951	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601952	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601953	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601954	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601955	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601956	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601957	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601958	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601959	Non-Benefitted		\$ -	\$ -
R601960	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601961	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601962	Non-Benefitted		\$ -	\$ -
R601963	Non-Benefitted		\$ -	\$ -
R601969	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601970	Lot Type 2		\$ 38,261.80	\$ 2,461.56
R601971	Non-Benefitted		\$ -	\$ -
R601972	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601973	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601974	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601975	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601976	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601977	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601978	Non-Benefitted		\$ -	\$ -
R601979	Non-Benefitted		\$ -	\$ -
R601980	Lot Type 3		\$ 39,706.01	\$ 2,554.47
R601981	Lot Type 3		\$ 39,706.01	\$ 2,554.47

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/22
R601982	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601983	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601984	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601985	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601986	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601987	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601988	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601989	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601990	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601991	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601992	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601993	Lot Type 3	\$ 39,706.01	\$ 2,554.47
R601994	Non-Benefitted	\$ -	\$ -
R601995	Non-Benefitted	\$ -	\$ -
R601996	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R601997	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R601998	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R601999	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602000	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602001	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602002	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602003	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602004	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602005	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602006	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602007	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602008	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602009	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602010	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602011	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602012	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602013	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602014	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602015	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602016	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602017	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602018	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602019	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602020	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602021	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602022	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602023	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602024	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602025	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602026	Lot Type 1	\$ 32,695.64	\$ 2,103.46

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/22
R602027	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602028	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602029	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602030	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602031	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602032	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602033	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602034	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602035	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602036	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602037	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602038	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602039	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602040	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602041	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602042	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602043	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602044	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602045	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602046	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602047	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602048	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602049	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602050	Non-Benefitted	\$ -	\$ -
R602051	Non-Benefitted	\$ -	\$ -
R602052	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602053	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602054	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602055	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602056	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602057	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602058	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602059	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602060	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602061	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602062	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602063	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602064	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602065	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602066	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602067	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602068	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602069	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602070	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602071	Lot Type 1	\$ 32,695.64	\$ 2,103.46

Property ID	Lot Type	Outstanding Assessment	Annual Installment due 1/31/22
R602072	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602073	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602074	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602075	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602076	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602077	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602078	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602079	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602080	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602081	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602082	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602083	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602084	Non-Benefitted	\$ -	\$ -
R602085	Lot Type Multi-Family [d]	\$ 3,145,488.18	\$ 202,363.78
R602086	Non-Benefitted	\$ -	\$ -
R602087	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602088	Lot Type 1	\$ 32,695.64	\$ 2,103.46
R602089	Lot Type 1	\$ 32,695.64	\$ 2,103.46
Total		\$ 13,481,000.00	\$ 867,295.00

[a] Assumes 100 Multifamily units. If less than 100 units are constructed, a mandatory prepayment will be required.

[b] For billing purposes only, until a plat has been recorded within Section 1 Phase 2, the Annual Installment will be billed to each property ID within Section 1 Phase 2 based on the Williamson Central Appraisal District acreage.

[c] Assumes 20,000 square feet of commercial. If less than 20,000 square feet is constructed, a mandatory prepayment will be required.

[d] Assumes 288 Multifamily units. If less than 288 units are constructed, a mandatory prepayment will be required.

EXHIBIT F – ANNUAL INSTALLMENTS

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 283,000	\$ 476,890	\$ 67,405	\$ 40,000	\$ 867,295
1/31/2023	\$ 167,000	\$ 593,910	\$ 65,990	\$ 40,800	\$ 867,700
1/31/2024	\$ 175,000	\$ 586,395	\$ 65,155	\$ 41,616	\$ 868,166
1/31/2025	\$ 182,000	\$ 578,520	\$ 64,280	\$ 42,448	\$ 867,248
1/31/2026	\$ 191,000	\$ 570,330	\$ 63,370	\$ 43,297	\$ 867,997
1/31/2027	\$ 199,000	\$ 561,735	\$ 62,415	\$ 44,163	\$ 867,313
1/31/2028	\$ 208,000	\$ 552,780	\$ 61,420	\$ 45,046	\$ 867,246
1/31/2029	\$ 218,000	\$ 543,420	\$ 60,380	\$ 45,947	\$ 867,747
1/31/2030	\$ 228,000	\$ 533,610	\$ 59,290	\$ 46,866	\$ 867,766
1/31/2031	\$ 238,000	\$ 523,350	\$ 58,150	\$ 47,804	\$ 867,304
1/31/2032	\$ 249,000	\$ 512,640	\$ 56,960	\$ 48,760	\$ 867,360
1/31/2033	\$ 261,000	\$ 501,435	\$ 55,715	\$ 49,735	\$ 867,885
1/31/2034	\$ 273,000	\$ 489,690	\$ 54,410	\$ 50,730	\$ 867,830
1/31/2035	\$ 286,000	\$ 477,405	\$ 53,045	\$ 51,744	\$ 868,194
1/31/2036	\$ 299,000	\$ 464,535	\$ 51,615	\$ 52,779	\$ 867,929
1/31/2037	\$ 313,000	\$ 451,080	\$ 50,120	\$ 53,835	\$ 868,035
1/31/2038	\$ 327,000	\$ 436,995	\$ 48,555	\$ 54,911	\$ 867,461
1/31/2039	\$ 343,000	\$ 422,280	\$ 46,920	\$ 56,010	\$ 868,210
1/31/2040	\$ 358,000	\$ 406,845	\$ 45,205	\$ 57,130	\$ 867,180
1/31/2041	\$ 375,000	\$ 390,735	\$ 43,415	\$ 58,272	\$ 867,422
1/31/2042	\$ 393,000	\$ 373,860	\$ 41,540	\$ 59,438	\$ 867,838
1/31/2043	\$ 411,000	\$ 356,175	\$ 39,575	\$ 60,627	\$ 867,377
1/31/2044	\$ 431,000	\$ 337,680	\$ 37,520	\$ 61,839	\$ 868,039
1/31/2045	\$ 451,000	\$ 318,285	\$ 35,365	\$ 63,076	\$ 867,726
1/31/2046	\$ 472,000	\$ 297,990	\$ 33,110	\$ 64,337	\$ 867,437
1/31/2047	\$ 495,000	\$ 276,750	\$ 30,750	\$ 65,624	\$ 868,124
1/31/2048	\$ 518,000	\$ 254,475	\$ 28,275	\$ 66,937	\$ 867,687
1/31/2049	\$ 543,000	\$ 231,165	\$ 25,685	\$ 68,275	\$ 868,125
1/31/2050	\$ 568,000	\$ 206,730	\$ 22,970	\$ 69,641	\$ 867,341
1/31/2051	\$ 595,000	\$ 181,170	\$ 20,130	\$ 71,034	\$ 867,334
1/31/2052	\$ 624,000	\$ 154,395	\$ 17,155	\$ 72,454	\$ 868,004
1/31/2053	\$ 653,000	\$ 126,315	\$ 14,035	\$ 73,904	\$ 867,254
1/31/2054	\$ 685,000	\$ 96,930	\$ 10,770	\$ 75,382	\$ 868,082
1/31/2055	\$ 717,000	\$ 66,105	\$ 7,345	\$ 76,889	\$ 867,339
1/31/2056	\$ 752,000	\$ 33,840	\$ 3,760	\$ 78,427	\$ 868,027
Total	\$ 13,481,000	\$ 13,386,445	\$ 1,501,800	\$ 1,999,779	\$ 30,369,024

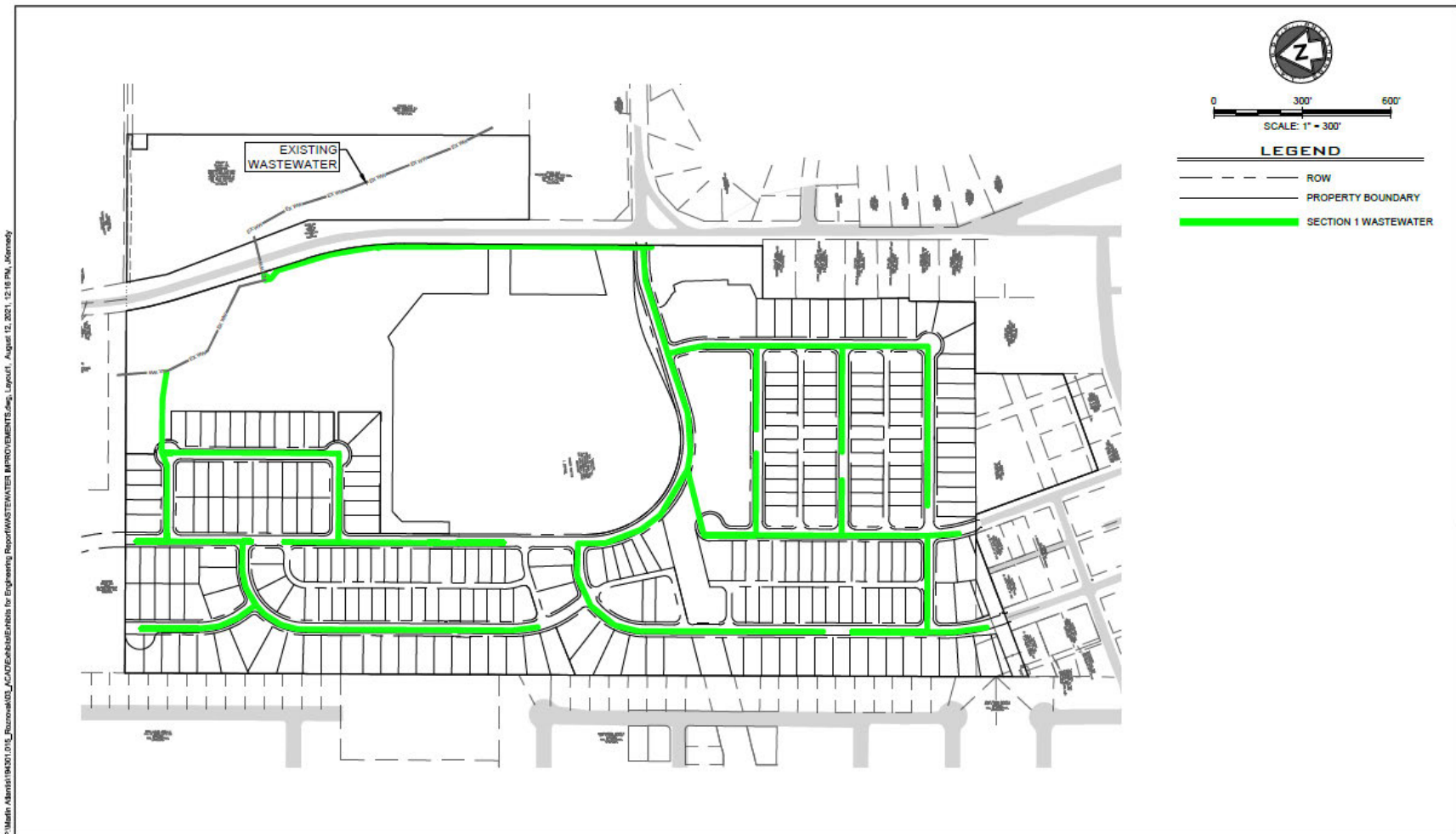
¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 G – MAXIMUM ASSESSMENT PER LOT TYPE

Lot Type	Units	Total Assessment	Maximum Assessment
Lot Type 1	123	\$ 4,021,564	\$32,695.64 Per Lot
Lot Type 2	71	\$ 2,716,588	\$38,261.80 Per Lot
Lot Type 3	54	\$ 2,144,125	\$39,706.01 Per Lot
Multi-Family	388	\$ 4,237,672	\$10,921.83 Per Multi-Family Unit
Commercial	20,000	\$ 361,052	\$18.05 Per Building Square Foot
Total		\$ 13,481,000	

EXHIBIT H – MAP OF AUTHORIZED IMPROVEMENTS

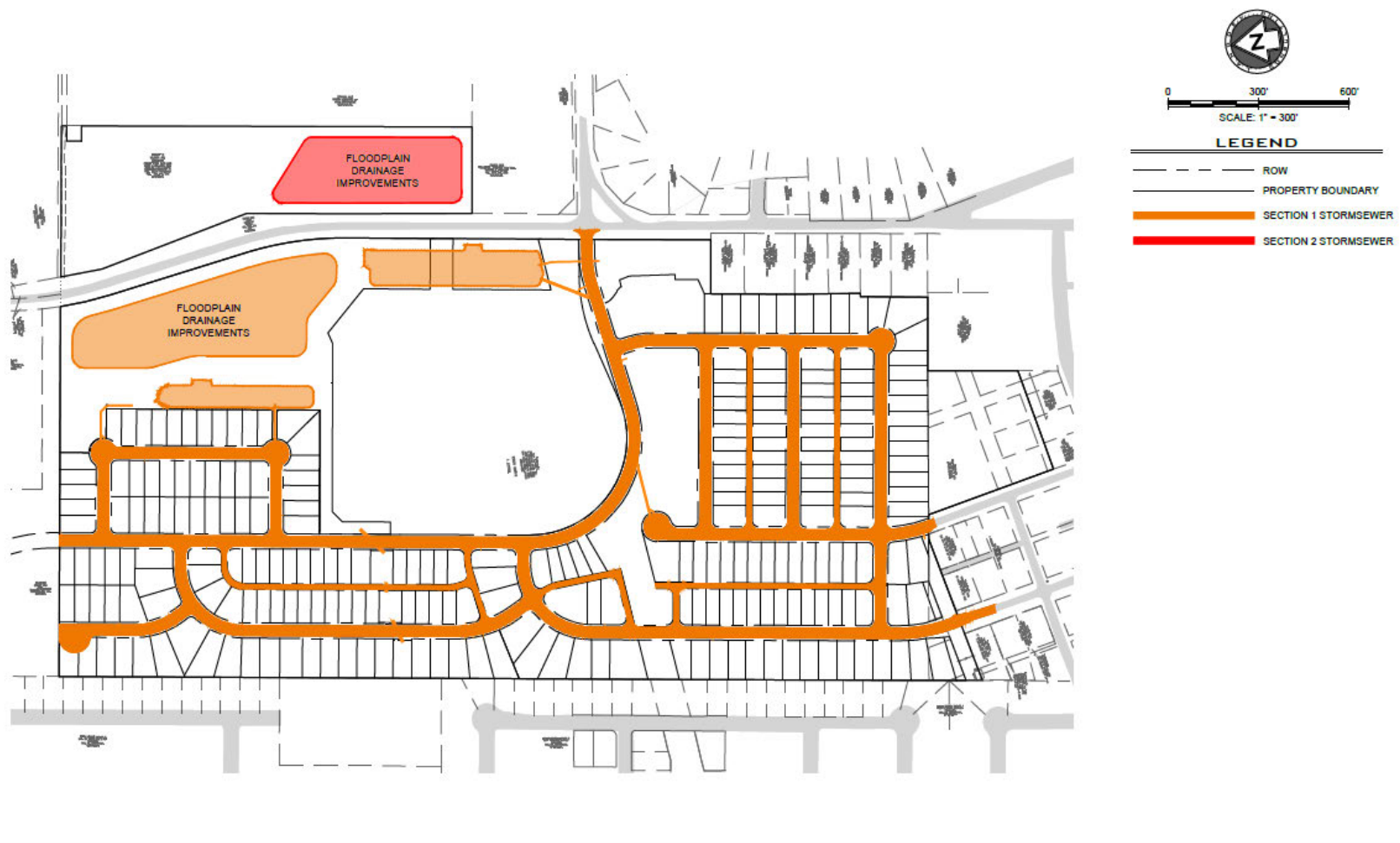


DURANGO FARMS

WASTEWATER
WILLIAMSON COUNTY, HUTTO, TEXAS
8/12/2021



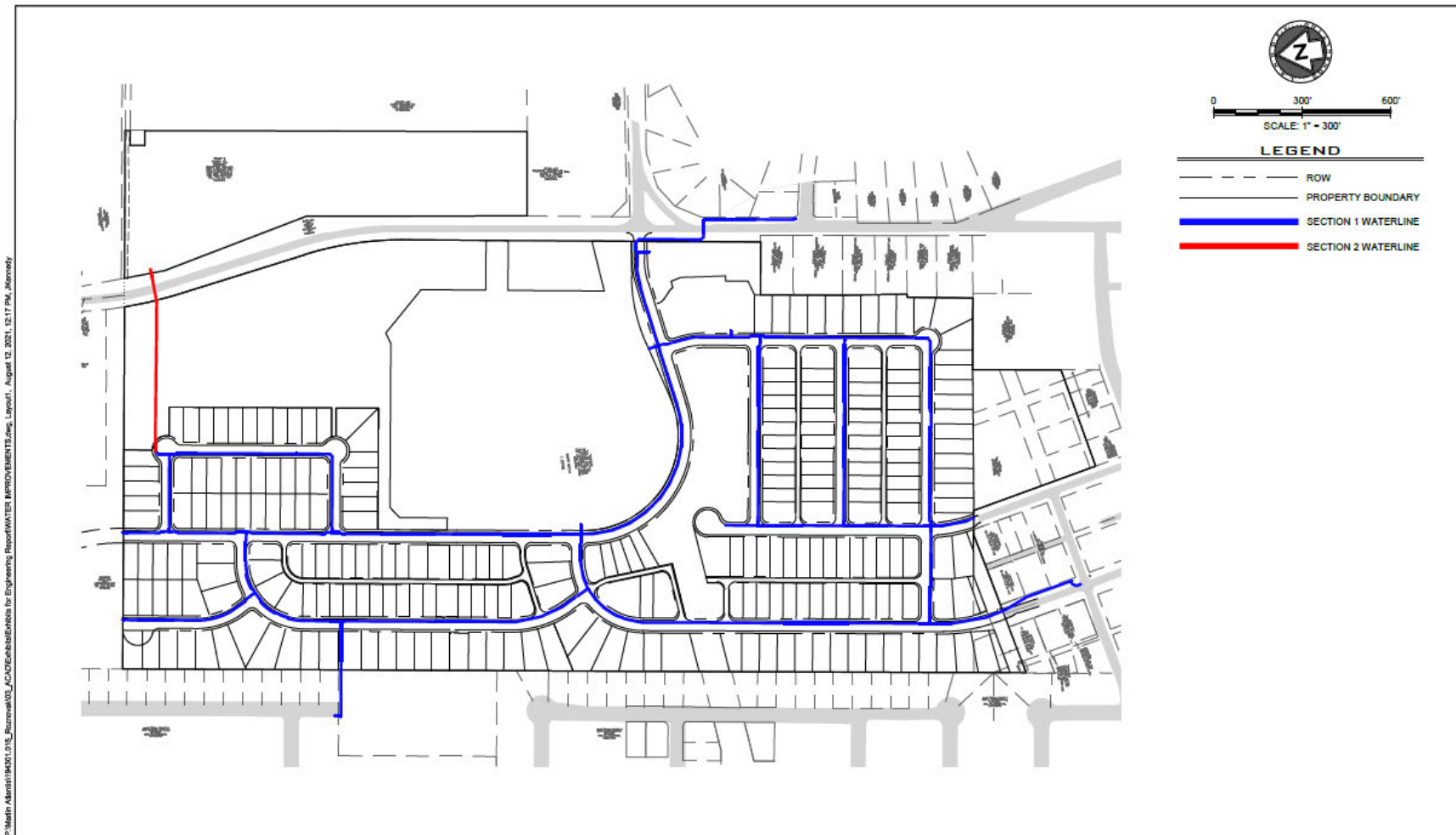
P:\Main\MapInfo\194301_015_Retrieve\03_CADD\Bids\Bids for Engineering\Report\DRAINAGE IMPROVEMENTS.dwg, Layout1, August 12, 2021, 12:13 PM, J.Kennedy



DURANGO FARMS

DRAINAGE
WILLIAMSON COUNTY, HUTTO, TEXAS
8/12/2021





DURANGO FARMS

POTABLE WATER
WILLIAMSON COUNTY, HUTTO, TEXAS
8/12/2021



EXHIBIT I – LOT TYPE CLASSIFICATION MAP BY PHASE

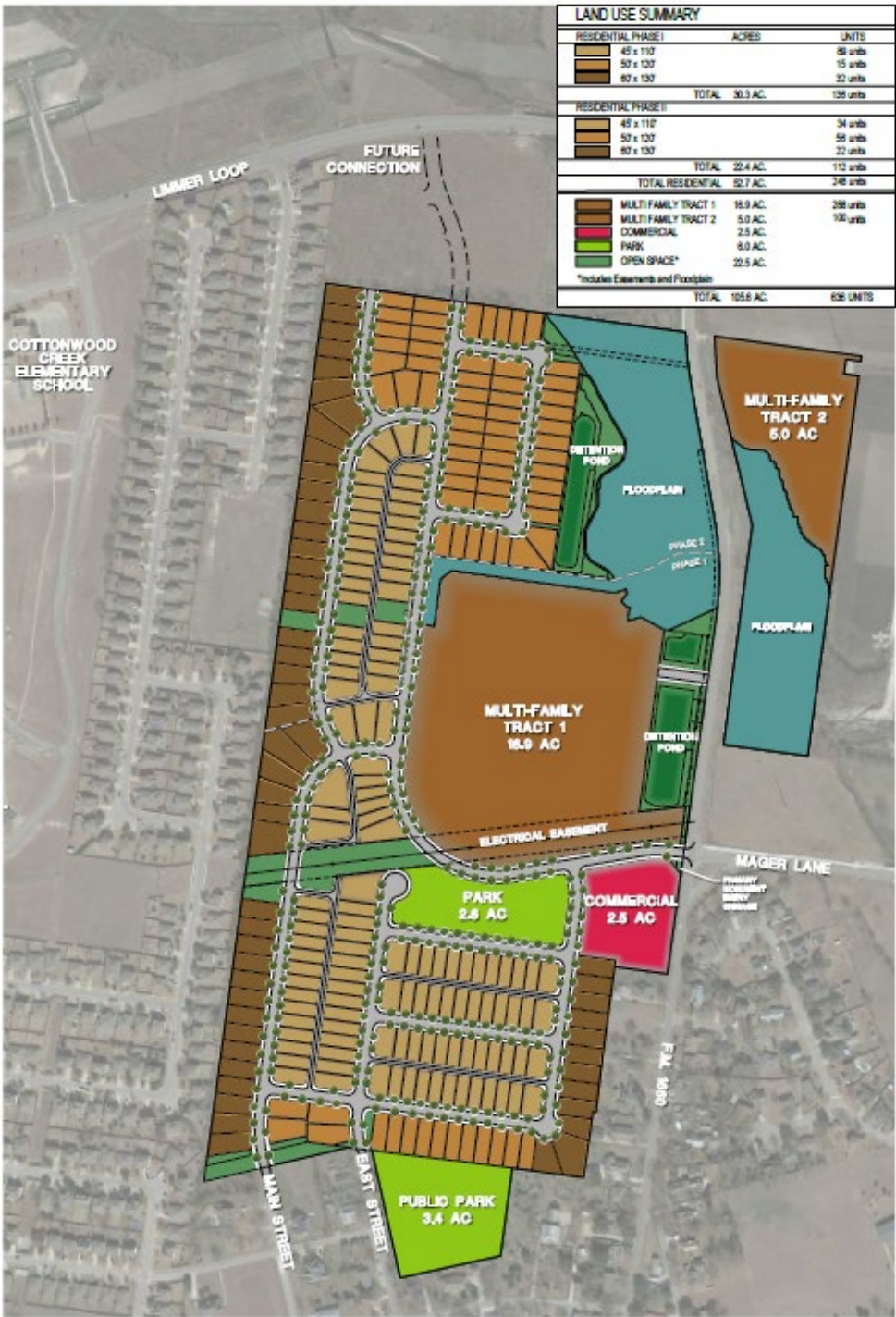
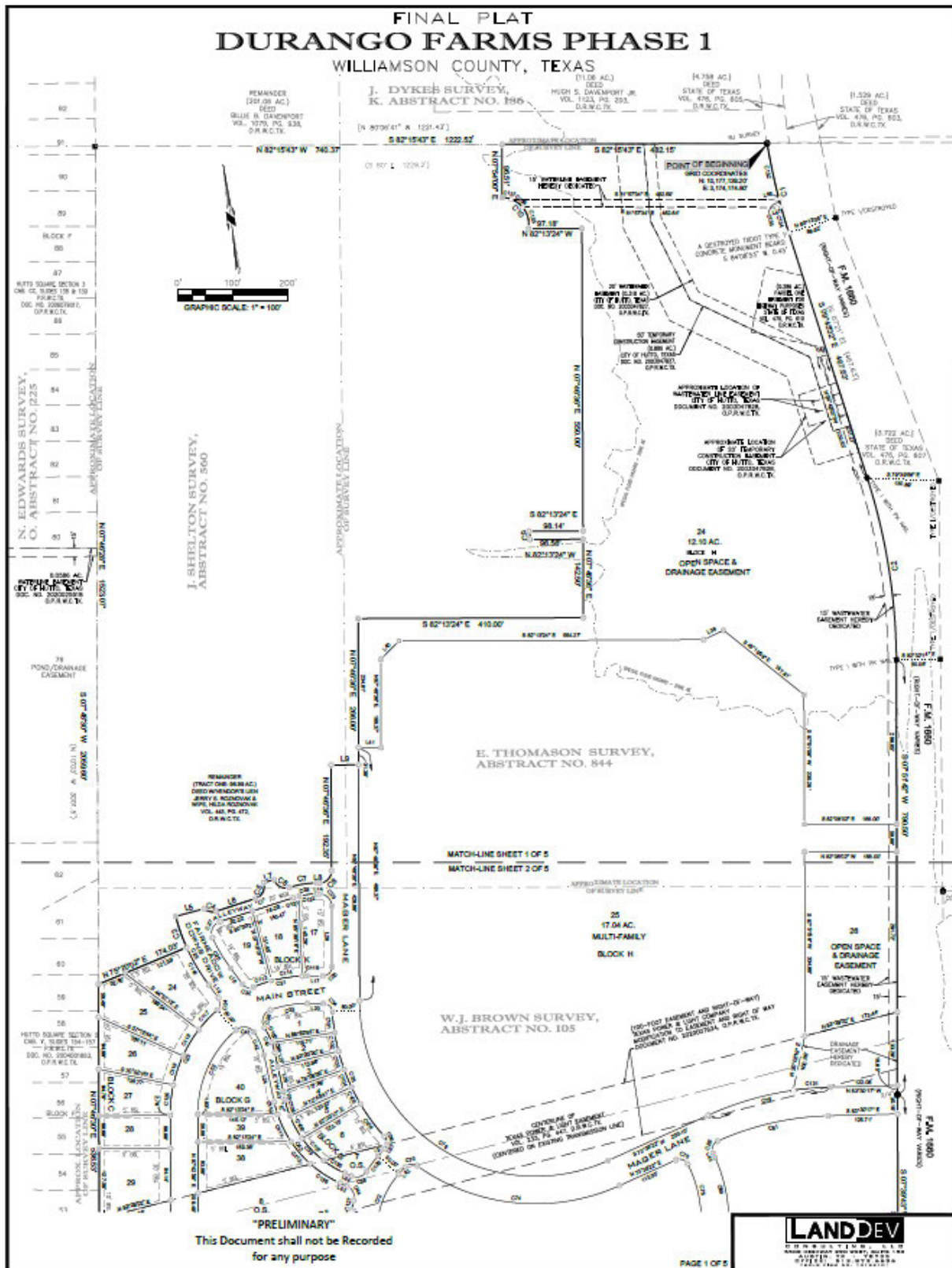


EXHIBIT J – PHASE 1 FINAL PLAT



FINAL PLAT
DURANGO FARMS PHASE 1
WILLIAMSON COUNTY, TEXAS

MATCH-LINE SHEET 1 OF 5
MATCH-LINE SHEET 2 OF 5

APPROXIMATE LOCATION
OF NEAREST LANE

25
17.04 AC.
MULTI-FAMILY
BLOCK H

GRAPHIC SCALE: 1" = 100'

W.J. BROWN SURVEY,
ABSTRACT NO. 105

DOW-POST EASEMENT AND RIGHT-OF-WAY
TAKING POWER & LIGHT CONDUIT
CONVEYANCE TO EASEMENT AND RIGHT OF WAY
FORWARD BY RECORDATION OF PUBLIC TRUST

2.84 AC.
COMMERCIAL
BLOCK A

1
2.93 AC.
OPEN SPACE/PARK
BLOCK D

MAGNOLIA RANCH LANE
EAST SIDE

OAKDALE MEADOWS LANE
EAST SIDE

DURANGO DOWNS DRIVE
EAST SIDE

W.J. BROWN SURVEY,
ABSTRACT NO. 105

[5.801710° C]
[207.75']
(2.47 AC.)
WARRANTY DEED
CHARLES K. HOLLAND AND
DEBORAH D. HOLLAND
VOL. 866, PG. 561,
D.P.A.R.C.T.S.

F.M. 1650
BENTLEY ROAD

PAGE 2 OF 2

LANDDEV

MAKING REALTY DEVELOPMENT EASY
FROM CONCEPT TO COMPLETION
CALL US TODAY AT 817-251-1000
WWW.LANDDEV.COM

EXHIBIT K – NOTICE OF PID ASSESSMENT TERMINATION



P3Works, LLC
9824 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Williamson County Clerk's Office
Honorable [County Clerk Name]
Williamson County Justice Center County Clerk
405 Martin Luther King St.
Georgetown, TX 78626

Re: City of Hutto Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Hutto 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 Hutto
Attn: [City Secretary]
500 W Live Oak Street
Hutto, TX 78634

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

Jon Snyder
P: (817)393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
500 W Live Oak Street
Hutto, TX 78634

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 WILLIAMSON	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Hutto, Texas.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Hutto, 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 August 6, 2020, the City Council for the City, approved Resolution No. R-2020-068, creating the Durango Farms Public Improvement District; and

WHEREAS, the Durango Farms Public Improvement District consists of approximately 105.114 contiguous acres located within the City; and

WHEREAS, on or about _____, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Durango Farms Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of \$ _____ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Williamson County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Williamson County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Williamson County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF HUTTO, TEXAS,

By: _____
[City Official Name], City Official Title

ATTEST:

[Secretary Name], City Secretary

STATE OF TEXAS	§
	§
COUNTY OF WILLIAMSON	§

This instrument was acknowledged before me on the _____ day of _____, 20__, by [City Official Name], City Official Title for the City of Hutto, Texas, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT L-1 LOT TYPE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT TYPE 1 PRINCIPAL ASSESSMENT: \$32,695.64

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS §

§

COUNTY OF WILLIAMSON §

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, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 686.36	\$ 1,156.61	\$ 163.48	\$ 97.01	\$ 2,103.46
1/31/2023	\$ 405.03	\$ 1,440.42	\$ 160.05	\$ 98.95	\$ 2,104.44
1/31/2024	\$ 424.43	\$ 1,422.19	\$ 158.02	\$ 100.93	\$ 2,105.57
1/31/2025	\$ 441.41	\$ 1,403.09	\$ 155.90	\$ 102.95	\$ 2,103.35
1/31/2026	\$ 463.23	\$ 1,383.23	\$ 153.69	\$ 105.01	\$ 2,105.16
1/31/2027	\$ 482.64	\$ 1,362.38	\$ 151.38	\$ 107.11	\$ 2,103.51
1/31/2028	\$ 504.47	\$ 1,340.66	\$ 148.96	\$ 109.25	\$ 2,103.34
1/31/2029	\$ 528.72	\$ 1,317.96	\$ 146.44	\$ 111.44	\$ 2,104.56
1/31/2030	\$ 552.97	\$ 1,294.17	\$ 143.80	\$ 113.67	\$ 2,104.60
1/31/2031	\$ 577.22	\$ 1,269.29	\$ 141.03	\$ 115.94	\$ 2,103.48
1/31/2032	\$ 603.90	\$ 1,243.31	\$ 138.15	\$ 118.26	\$ 2,103.62
1/31/2033	\$ 633.01	\$ 1,216.14	\$ 135.13	\$ 120.62	\$ 2,104.89
1/31/2034	\$ 662.11	\$ 1,187.65	\$ 131.96	\$ 123.04	\$ 2,104.76
1/31/2035	\$ 693.64	\$ 1,157.86	\$ 128.65	\$ 125.50	\$ 2,105.64
1/31/2036	\$ 725.17	\$ 1,126.64	\$ 125.18	\$ 128.01	\$ 2,105.00
1/31/2037	\$ 759.12	\$ 1,094.01	\$ 121.56	\$ 130.57	\$ 2,105.26
1/31/2038	\$ 793.08	\$ 1,059.85	\$ 117.76	\$ 133.18	\$ 2,103.87
1/31/2039	\$ 831.88	\$ 1,024.16	\$ 113.80	\$ 135.84	\$ 2,105.68
1/31/2040	\$ 868.26	\$ 986.73	\$ 109.64	\$ 138.56	\$ 2,103.18
1/31/2041	\$ 909.49	\$ 947.65	\$ 105.29	\$ 141.33	\$ 2,103.77
1/31/2042	\$ 953.15	\$ 906.73	\$ 100.75	\$ 144.16	\$ 2,104.78
1/31/2043	\$ 996.80	\$ 863.84	\$ 95.98	\$ 147.04	\$ 2,103.66
1/31/2044	\$ 1,045.31	\$ 818.98	\$ 91.00	\$ 149.98	\$ 2,105.27
1/31/2045	\$ 1,093.82	\$ 771.94	\$ 85.77	\$ 152.98	\$ 2,104.51
1/31/2046	\$ 1,144.75	\$ 722.72	\$ 80.30	\$ 156.04	\$ 2,103.81
1/31/2047	\$ 1,200.53	\$ 671.21	\$ 74.58	\$ 159.16	\$ 2,105.47
1/31/2048	\$ 1,256.31	\$ 617.18	\$ 68.58	\$ 162.34	\$ 2,104.41
1/31/2049	\$ 1,316.94	\$ 560.65	\$ 62.29	\$ 165.59	\$ 2,105.48
1/31/2050	\$ 1,377.58	\$ 501.38	\$ 55.71	\$ 168.90	\$ 2,103.57
1/31/2051	\$ 1,443.06	\$ 439.39	\$ 48.82	\$ 172.28	\$ 2,103.56
1/31/2052	\$ 1,513.40	\$ 374.46	\$ 41.61	\$ 175.72	\$ 2,105.18
1/31/2053	\$ 1,583.73	\$ 306.35	\$ 34.04	\$ 179.24	\$ 2,103.36
1/31/2054	\$ 1,661.34	\$ 235.09	\$ 26.12	\$ 182.82	\$ 2,105.37
1/31/2055	\$ 1,738.95	\$ 160.33	\$ 17.81	\$ 186.48	\$ 2,103.57
1/31/2056	\$ 1,823.84	\$ 82.07	\$ 9.12	\$ 190.21	\$ 2,105.24
Total	\$ 32,695.64	\$ 32,466.31	\$ 3,642.33	\$ 4,850.09	\$ 73,654.37

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-2 LOT TYPE 2 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT TYPE 2 PRINCIPAL ASSESSMENT: \$38,261.80

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

Date: _____

Signature of Purchaser

§

§

§

Given under my hand and seal of office on this _____, 20__.

Page 439 of 1097

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 803.21	\$ 1,353.51	\$ 191.31	\$ 113.53	\$ 2,461.56
1/31/2023	\$ 473.98	\$ 1,685.64	\$ 187.29	\$ 115.80	\$ 2,462.71
1/31/2024	\$ 496.69	\$ 1,664.31	\$ 184.92	\$ 118.11	\$ 2,464.03
1/31/2025	\$ 516.55	\$ 1,641.96	\$ 182.44	\$ 120.48	\$ 2,461.43
1/31/2026	\$ 542.10	\$ 1,618.71	\$ 179.86	\$ 122.89	\$ 2,463.55
1/31/2027	\$ 564.80	\$ 1,594.32	\$ 177.15	\$ 125.34	\$ 2,461.61
1/31/2028	\$ 590.35	\$ 1,568.90	\$ 174.32	\$ 127.85	\$ 2,461.42
1/31/2029	\$ 618.73	\$ 1,542.34	\$ 171.37	\$ 130.41	\$ 2,462.84
1/31/2030	\$ 647.11	\$ 1,514.49	\$ 168.28	\$ 133.02	\$ 2,462.90
1/31/2031	\$ 675.49	\$ 1,485.37	\$ 165.04	\$ 135.68	\$ 2,461.58
1/31/2032	\$ 706.71	\$ 1,454.98	\$ 161.66	\$ 138.39	\$ 2,461.74
1/31/2033	\$ 740.77	\$ 1,423.17	\$ 158.13	\$ 141.16	\$ 2,463.23
1/31/2034	\$ 774.83	\$ 1,389.84	\$ 154.43	\$ 143.98	\$ 2,463.08
1/31/2035	\$ 811.73	\$ 1,354.97	\$ 150.55	\$ 146.86	\$ 2,464.11
1/31/2036	\$ 848.62	\$ 1,318.44	\$ 146.49	\$ 149.80	\$ 2,463.36
1/31/2037	\$ 888.36	\$ 1,280.26	\$ 142.25	\$ 152.79	\$ 2,463.66
1/31/2038	\$ 928.09	\$ 1,240.28	\$ 137.81	\$ 155.85	\$ 2,462.03
1/31/2039	\$ 973.50	\$ 1,198.52	\$ 133.17	\$ 158.97	\$ 2,464.15
1/31/2040	\$ 1,016.08	\$ 1,154.71	\$ 128.30	\$ 162.15	\$ 2,461.23
1/31/2041	\$ 1,064.33	\$ 1,108.98	\$ 123.22	\$ 165.39	\$ 2,461.92
1/31/2042	\$ 1,115.41	\$ 1,061.09	\$ 117.90	\$ 168.70	\$ 2,463.10
1/31/2043	\$ 1,166.50	\$ 1,010.90	\$ 112.32	\$ 172.07	\$ 2,461.79
1/31/2044	\$ 1,223.27	\$ 958.40	\$ 106.49	\$ 175.51	\$ 2,463.67
1/31/2045	\$ 1,280.03	\$ 903.36	\$ 100.37	\$ 179.02	\$ 2,462.78
1/31/2046	\$ 1,339.63	\$ 845.76	\$ 93.97	\$ 182.60	\$ 2,461.96
1/31/2047	\$ 1,404.91	\$ 785.47	\$ 87.27	\$ 186.25	\$ 2,463.91
1/31/2048	\$ 1,470.19	\$ 722.25	\$ 80.25	\$ 189.98	\$ 2,462.67
1/31/2049	\$ 1,541.14	\$ 656.09	\$ 72.90	\$ 193.78	\$ 2,463.92
1/31/2050	\$ 1,612.10	\$ 586.74	\$ 65.19	\$ 197.66	\$ 2,461.69
1/31/2051	\$ 1,688.73	\$ 514.20	\$ 57.13	\$ 201.61	\$ 2,461.67
1/31/2052	\$ 1,771.04	\$ 438.20	\$ 48.69	\$ 205.64	\$ 2,463.57
1/31/2053	\$ 1,853.35	\$ 358.51	\$ 39.83	\$ 209.75	\$ 2,461.44
1/31/2054	\$ 1,944.17	\$ 275.11	\$ 30.57	\$ 213.95	\$ 2,463.79
1/31/2055	\$ 2,034.99	\$ 187.62	\$ 20.85	\$ 218.23	\$ 2,461.68
1/31/2056	\$ 2,134.33	\$ 96.04	\$ 10.67	\$ 222.59	\$ 2,463.64
Total	\$ 38,261.80	\$ 37,993.44	\$ 4,262.41	\$ 5,675.78	\$ 86,193.43

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-3 LOT TYPE 3 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT TYPE 3 PRINCIPAL ASSESSMENT: \$39,706.01

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS §

§

COUNTY OF WILLIAMSON §

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, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 833.53	\$ 1,404.60	\$ 198.53	\$ 117.81	\$ 2,554.47
1/31/2023	\$ 491.87	\$ 1,749.26	\$ 194.36	\$ 120.17	\$ 2,555.66
1/31/2024	\$ 515.43	\$ 1,727.13	\$ 191.90	\$ 122.57	\$ 2,557.04
1/31/2025	\$ 536.05	\$ 1,703.93	\$ 189.33	\$ 125.02	\$ 2,554.33
1/31/2026	\$ 562.56	\$ 1,679.81	\$ 186.65	\$ 127.52	\$ 2,556.54
1/31/2027	\$ 586.12	\$ 1,654.50	\$ 183.83	\$ 130.08	\$ 2,554.52
1/31/2028	\$ 612.63	\$ 1,628.12	\$ 180.90	\$ 132.68	\$ 2,554.33
1/31/2029	\$ 642.08	\$ 1,600.55	\$ 177.84	\$ 135.33	\$ 2,555.80
1/31/2030	\$ 671.54	\$ 1,571.66	\$ 174.63	\$ 138.04	\$ 2,555.86
1/31/2031	\$ 700.99	\$ 1,541.44	\$ 171.27	\$ 140.80	\$ 2,554.50
1/31/2032	\$ 733.39	\$ 1,509.89	\$ 167.77	\$ 143.61	\$ 2,554.66
1/31/2033	\$ 768.73	\$ 1,476.89	\$ 164.10	\$ 146.49	\$ 2,556.21
1/31/2034	\$ 804.08	\$ 1,442.30	\$ 160.26	\$ 149.42	\$ 2,556.05
1/31/2035	\$ 842.36	\$ 1,406.12	\$ 156.24	\$ 152.40	\$ 2,557.12
1/31/2036	\$ 880.65	\$ 1,368.21	\$ 152.02	\$ 155.45	\$ 2,556.34
1/31/2037	\$ 921.89	\$ 1,328.58	\$ 147.62	\$ 158.56	\$ 2,556.65
1/31/2038	\$ 963.12	\$ 1,287.10	\$ 143.01	\$ 161.73	\$ 2,554.96
1/31/2039	\$ 1,010.25	\$ 1,243.75	\$ 138.19	\$ 164.97	\$ 2,557.17
1/31/2040	\$ 1,054.43	\$ 1,198.29	\$ 133.14	\$ 168.27	\$ 2,554.13
1/31/2041	\$ 1,104.50	\$ 1,150.84	\$ 127.87	\$ 171.63	\$ 2,554.85
1/31/2042	\$ 1,157.52	\$ 1,101.14	\$ 122.35	\$ 175.06	\$ 2,556.07
1/31/2043	\$ 1,210.53	\$ 1,049.05	\$ 116.56	\$ 178.57	\$ 2,554.71
1/31/2044	\$ 1,269.44	\$ 994.58	\$ 110.51	\$ 182.14	\$ 2,556.66
1/31/2045	\$ 1,328.34	\$ 937.45	\$ 104.16	\$ 185.78	\$ 2,555.74
1/31/2046	\$ 1,390.20	\$ 877.68	\$ 97.52	\$ 189.50	\$ 2,554.89
1/31/2047	\$ 1,457.94	\$ 815.12	\$ 90.57	\$ 193.29	\$ 2,556.91
1/31/2048	\$ 1,525.68	\$ 749.51	\$ 83.28	\$ 197.15	\$ 2,555.62
1/31/2049	\$ 1,599.31	\$ 680.86	\$ 75.65	\$ 201.09	\$ 2,556.92
1/31/2050	\$ 1,672.95	\$ 608.89	\$ 67.65	\$ 205.12	\$ 2,554.61
1/31/2051	\$ 1,752.47	\$ 533.61	\$ 59.29	\$ 209.22	\$ 2,554.59
1/31/2052	\$ 1,837.89	\$ 454.74	\$ 50.53	\$ 213.40	\$ 2,556.56
1/31/2053	\$ 1,923.30	\$ 372.04	\$ 41.34	\$ 217.67	\$ 2,554.35
1/31/2054	\$ 2,017.55	\$ 285.49	\$ 31.72	\$ 222.02	\$ 2,556.79
1/31/2055	\$ 2,111.80	\$ 194.70	\$ 21.63	\$ 226.46	\$ 2,554.60
1/31/2056	\$ 2,214.89	\$ 99.67	\$ 11.07	\$ 230.99	\$ 2,556.63
Total	\$ 39,706.01	\$ 39,427.52	\$ 4,423.30	\$ 5,890.01	\$ 89,446.84

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-4 SECTION 2 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

SECTION 2 PRINCIPAL ASSESSMENT: \$1,092,183.40

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

Date: _____

Signature of Purchaser

§

§

§

Given under my hand and seal of office on this _____, 20__.

Page 447 of 1097

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 22,927.67	\$ 38,635.96	\$ 5,460.92	\$ 3,240.66	\$ 70,265.20
1/31/2023	\$ 13,529.75	\$ 48,116.51	\$ 5,346.28	\$ 3,305.47	\$ 70,298.01
1/31/2024	\$ 14,177.89	\$ 47,507.67	\$ 5,278.63	\$ 3,371.58	\$ 70,335.77
1/31/2025	\$ 14,745.00	\$ 46,869.66	\$ 5,207.74	\$ 3,439.01	\$ 70,261.42
1/31/2026	\$ 15,474.15	\$ 46,206.14	\$ 5,134.02	\$ 3,507.79	\$ 70,322.10
1/31/2027	\$ 16,122.28	\$ 45,509.80	\$ 5,056.64	\$ 3,577.95	\$ 70,266.68
1/31/2028	\$ 16,851.43	\$ 44,784.30	\$ 4,976.03	\$ 3,649.51	\$ 70,261.27
1/31/2029	\$ 17,661.60	\$ 44,025.98	\$ 4,891.78	\$ 3,722.50	\$ 70,301.86
1/31/2030	\$ 18,471.76	\$ 43,231.21	\$ 4,803.47	\$ 3,796.95	\$ 70,303.39
1/31/2031	\$ 19,281.93	\$ 42,399.98	\$ 4,711.11	\$ 3,872.89	\$ 70,265.91
1/31/2032	\$ 20,173.11	\$ 41,532.30	\$ 4,614.70	\$ 3,950.35	\$ 70,270.45
1/31/2033	\$ 21,145.31	\$ 40,624.51	\$ 4,513.83	\$ 4,029.35	\$ 70,313.00
1/31/2034	\$ 22,117.50	\$ 39,672.97	\$ 4,408.11	\$ 4,109.94	\$ 70,308.52
1/31/2035	\$ 23,170.72	\$ 38,677.68	\$ 4,297.52	\$ 4,192.14	\$ 70,338.06
1/31/2036	\$ 24,223.93	\$ 37,635.00	\$ 4,181.67	\$ 4,275.98	\$ 70,316.58
1/31/2037	\$ 25,358.16	\$ 36,544.92	\$ 4,060.55	\$ 4,361.50	\$ 70,325.13
1/31/2038	\$ 26,492.39	\$ 35,403.80	\$ 3,933.76	\$ 4,448.73	\$ 70,278.69
1/31/2039	\$ 27,788.66	\$ 34,211.65	\$ 3,801.29	\$ 4,537.71	\$ 70,339.31
1/31/2040	\$ 29,003.91	\$ 32,961.16	\$ 3,662.35	\$ 4,628.46	\$ 70,255.87
1/31/2041	\$ 30,381.19	\$ 31,655.98	\$ 3,517.33	\$ 4,721.03	\$ 70,275.53
1/31/2042	\$ 31,839.48	\$ 30,288.83	\$ 3,365.43	\$ 4,815.45	\$ 70,309.19
1/31/2043	\$ 33,297.78	\$ 28,856.05	\$ 3,206.23	\$ 4,911.76	\$ 70,271.82
1/31/2044	\$ 34,918.11	\$ 27,357.65	\$ 3,039.74	\$ 5,009.99	\$ 70,325.49
1/31/2045	\$ 36,538.44	\$ 25,786.34	\$ 2,865.15	\$ 5,110.19	\$ 70,300.12
1/31/2046	\$ 38,239.79	\$ 24,142.11	\$ 2,682.46	\$ 5,212.40	\$ 70,276.75
1/31/2047	\$ 40,103.17	\$ 22,421.32	\$ 2,491.26	\$ 5,316.65	\$ 70,332.38
1/31/2048	\$ 41,966.55	\$ 20,616.67	\$ 2,290.74	\$ 5,422.98	\$ 70,296.94
1/31/2049	\$ 43,991.96	\$ 18,728.18	\$ 2,080.91	\$ 5,531.44	\$ 70,332.48
1/31/2050	\$ 46,017.37	\$ 16,748.54	\$ 1,860.95	\$ 5,642.07	\$ 70,268.93
1/31/2051	\$ 48,204.82	\$ 14,677.76	\$ 1,630.86	\$ 5,754.91	\$ 70,268.35
1/31/2052	\$ 50,554.29	\$ 12,508.54	\$ 1,389.84	\$ 5,870.01	\$ 70,322.68
1/31/2053	\$ 52,903.77	\$ 10,233.60	\$ 1,137.07	\$ 5,987.41	\$ 70,261.84
1/31/2054	\$ 55,496.30	\$ 7,852.93	\$ 872.55	\$ 6,107.16	\$ 70,328.93
1/31/2055	\$ 58,088.83	\$ 5,355.60	\$ 595.07	\$ 6,229.30	\$ 70,268.79
1/31/2056	\$ 60,924.41	\$ 2,741.60	\$ 304.62	\$ 6,353.88	\$ 70,324.51
Total	\$ 1,092,183.40	\$ 1,084,522.88	\$ 121,670.58	\$ 162,015.10	\$ 2,460,391.95

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-5 LOT 1, BLOCK A DURANGO FARMS PHASE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT 1 BLOCK A DURANGO FARMS PHASE 1 PRINCIPAL ASSESSMENT: \$361,052.36

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 7,579.39	\$ 12,772.22	\$ 1,805.26	\$ 1,071.29	\$ 23,228.17
1/31/2023	\$ 4,472.65	\$ 15,906.28	\$ 1,767.36	\$ 1,092.72	\$ 23,239.01
1/31/2024	\$ 4,686.90	\$ 15,705.01	\$ 1,745.00	\$ 1,114.57	\$ 23,251.49
1/31/2025	\$ 4,874.38	\$ 15,494.10	\$ 1,721.57	\$ 1,136.86	\$ 23,226.92
1/31/2026	\$ 5,115.42	\$ 15,274.76	\$ 1,697.20	\$ 1,159.60	\$ 23,246.98
1/31/2027	\$ 5,329.68	\$ 15,044.56	\$ 1,671.62	\$ 1,182.79	\$ 23,228.65
1/31/2028	\$ 5,570.72	\$ 14,804.73	\$ 1,644.97	\$ 1,206.45	\$ 23,226.87
1/31/2029	\$ 5,838.54	\$ 14,554.04	\$ 1,617.12	\$ 1,230.58	\$ 23,240.28
1/31/2030	\$ 6,106.37	\$ 14,291.31	\$ 1,587.92	\$ 1,255.19	\$ 23,240.79
1/31/2031	\$ 6,374.19	\$ 14,016.52	\$ 1,557.39	\$ 1,280.29	\$ 23,228.40
1/31/2032	\$ 6,668.80	\$ 13,729.68	\$ 1,525.52	\$ 1,305.90	\$ 23,229.90
1/31/2033	\$ 6,990.18	\$ 13,429.59	\$ 1,492.18	\$ 1,332.02	\$ 23,243.97
1/31/2034	\$ 7,311.57	\$ 13,115.03	\$ 1,457.23	\$ 1,358.66	\$ 23,242.49
1/31/2035	\$ 7,659.74	\$ 12,786.01	\$ 1,420.67	\$ 1,385.83	\$ 23,252.25
1/31/2036	\$ 8,007.91	\$ 12,441.32	\$ 1,382.37	\$ 1,413.55	\$ 23,245.15
1/31/2037	\$ 8,382.86	\$ 12,080.97	\$ 1,342.33	\$ 1,441.82	\$ 23,247.98
1/31/2038	\$ 8,757.82	\$ 11,703.74	\$ 1,300.42	\$ 1,470.66	\$ 23,232.62
1/31/2039	\$ 9,186.33	\$ 11,309.64	\$ 1,256.63	\$ 1,500.07	\$ 23,252.66
1/31/2040	\$ 9,588.07	\$ 10,896.25	\$ 1,210.69	\$ 1,530.07	\$ 23,225.08
1/31/2041	\$ 10,043.37	\$ 10,464.79	\$ 1,162.75	\$ 1,560.67	\$ 23,231.58
1/31/2042	\$ 10,525.45	\$ 10,012.84	\$ 1,112.54	\$ 1,591.88	\$ 23,242.71
1/31/2043	\$ 11,007.53	\$ 9,539.19	\$ 1,059.91	\$ 1,623.72	\$ 23,230.35
1/31/2044	\$ 11,543.18	\$ 9,043.85	\$ 1,004.87	\$ 1,656.20	\$ 23,248.10
1/31/2045	\$ 12,078.82	\$ 8,524.41	\$ 947.16	\$ 1,689.32	\$ 23,239.71
1/31/2046	\$ 12,641.25	\$ 7,980.86	\$ 886.76	\$ 1,723.11	\$ 23,231.98
1/31/2047	\$ 13,257.24	\$ 7,412.01	\$ 823.56	\$ 1,757.57	\$ 23,250.38
1/31/2048	\$ 13,873.24	\$ 6,815.43	\$ 757.27	\$ 1,792.72	\$ 23,238.66
1/31/2049	\$ 14,542.80	\$ 6,191.13	\$ 687.90	\$ 1,828.57	\$ 23,250.41
1/31/2050	\$ 15,212.35	\$ 5,536.71	\$ 615.19	\$ 1,865.15	\$ 23,229.40
1/31/2051	\$ 15,935.48	\$ 4,852.15	\$ 539.13	\$ 1,902.45	\$ 23,229.21
1/31/2052	\$ 16,712.16	\$ 4,135.06	\$ 459.45	\$ 1,940.50	\$ 23,247.17
1/31/2053	\$ 17,488.85	\$ 3,383.01	\$ 375.89	\$ 1,979.31	\$ 23,227.06
1/31/2054	\$ 18,345.88	\$ 2,596.01	\$ 288.45	\$ 2,018.89	\$ 23,249.23
1/31/2055	\$ 19,202.92	\$ 1,770.44	\$ 196.72	\$ 2,059.27	\$ 23,229.35
1/31/2056	\$ 20,140.30	\$ 906.31	\$ 100.70	\$ 2,100.46	\$ 23,247.77
Total	\$ 361,052.36	\$ 358,519.96	\$ 40,221.68	\$ 53,558.71	\$ 813,352.71

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 L-5 LOT 25, BLOCK H DURANGO FARMS PHASE 1 DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice.

For the purposes of this disclosure, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice.

This disclosure 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

This notice shall be executed by the seller and must be filed in the real property records of the County in which the property is located.

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT 25, BLOCK H DURANGO FARMS PHASE 1 PRINCIPAL ASSESSMENT: \$3,145,488.18

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

§

§

COUNTY OF WILLIAMSON

§

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, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

Annual Installments Due	Principal	Interest ¹	Additional Interest	Annual Collection Costs	Total Annual Installment
1/31/2022	\$ 66,031.69	\$ 111,271.56	\$ 15,727.44	\$ 9,333.10	\$ 202,363.78
1/31/2023	\$ 38,965.69	\$ 138,575.54	\$ 15,397.28	\$ 9,519.76	\$ 202,458.28
1/31/2024	\$ 40,832.31	\$ 136,822.09	\$ 15,202.45	\$ 9,710.16	\$ 202,567.01
1/31/2025	\$ 42,465.61	\$ 134,984.63	\$ 14,998.29	\$ 9,904.36	\$ 202,352.89
1/31/2026	\$ 44,565.55	\$ 133,073.68	\$ 14,785.96	\$ 10,102.45	\$ 202,527.65
1/31/2027	\$ 46,432.17	\$ 131,068.23	\$ 14,563.14	\$ 10,304.50	\$ 202,368.04
1/31/2028	\$ 48,532.12	\$ 128,978.78	\$ 14,330.98	\$ 10,510.59	\$ 202,352.47
1/31/2029	\$ 50,865.40	\$ 126,794.84	\$ 14,088.32	\$ 10,720.80	\$ 202,469.35
1/31/2030	\$ 53,198.67	\$ 124,505.89	\$ 13,833.99	\$ 10,935.21	\$ 202,473.77
1/31/2031	\$ 55,531.95	\$ 122,111.95	\$ 13,567.99	\$ 11,153.92	\$ 202,365.81
1/31/2032	\$ 58,098.55	\$ 119,613.02	\$ 13,290.34	\$ 11,377.00	\$ 202,378.90
1/31/2033	\$ 60,898.48	\$ 116,998.58	\$ 12,999.84	\$ 11,604.54	\$ 202,501.44
1/31/2034	\$ 63,698.41	\$ 114,258.15	\$ 12,695.35	\$ 11,836.63	\$ 202,488.54
1/31/2035	\$ 66,731.67	\$ 111,391.72	\$ 12,376.86	\$ 12,073.36	\$ 202,573.61
1/31/2036	\$ 69,764.93	\$ 108,388.80	\$ 12,043.20	\$ 12,314.83	\$ 202,511.75
1/31/2037	\$ 73,031.51	\$ 105,249.37	\$ 11,694.37	\$ 12,561.12	\$ 202,536.38
1/31/2038	\$ 76,298.10	\$ 101,962.96	\$ 11,329.22	\$ 12,812.35	\$ 202,402.62
1/31/2039	\$ 80,031.34	\$ 98,529.54	\$ 10,947.73	\$ 13,068.59	\$ 202,577.20
1/31/2040	\$ 83,531.25	\$ 94,928.13	\$ 10,547.57	\$ 13,329.97	\$ 202,336.92
1/31/2041	\$ 87,497.82	\$ 91,169.23	\$ 10,129.91	\$ 13,596.57	\$ 202,393.52
1/31/2042	\$ 91,697.71	\$ 87,231.82	\$ 9,692.42	\$ 13,868.50	\$ 202,490.46
1/31/2043	\$ 95,897.61	\$ 83,105.43	\$ 9,233.94	\$ 14,145.87	\$ 202,382.84
1/31/2044	\$ 100,564.16	\$ 78,790.03	\$ 8,754.45	\$ 14,428.78	\$ 202,537.42
1/31/2045	\$ 105,230.71	\$ 74,264.65	\$ 8,251.63	\$ 14,717.36	\$ 202,464.34
1/31/2046	\$ 110,130.59	\$ 69,529.27	\$ 7,725.47	\$ 15,011.71	\$ 202,397.03
1/31/2047	\$ 115,497.12	\$ 64,573.39	\$ 7,174.82	\$ 15,311.94	\$ 202,557.27
1/31/2048	\$ 120,863.65	\$ 59,376.02	\$ 6,597.34	\$ 15,618.18	\$ 202,455.18
1/31/2049	\$ 126,696.84	\$ 53,937.15	\$ 5,993.02	\$ 15,930.54	\$ 202,557.55
1/31/2050	\$ 132,530.03	\$ 48,235.80	\$ 5,359.53	\$ 16,249.15	\$ 202,374.51
1/31/2051	\$ 138,829.87	\$ 42,271.95	\$ 4,696.88	\$ 16,574.14	\$ 202,372.83
1/31/2052	\$ 145,596.37	\$ 36,024.60	\$ 4,002.73	\$ 16,905.62	\$ 202,529.32
1/31/2053	\$ 152,362.86	\$ 29,472.76	\$ 3,274.75	\$ 17,243.73	\$ 202,354.11
1/31/2054	\$ 159,829.35	\$ 22,616.44	\$ 2,512.94	\$ 17,588.61	\$ 202,547.32
1/31/2055	\$ 167,295.83	\$ 15,424.12	\$ 1,713.79	\$ 17,940.38	\$ 202,374.11
1/31/2056	\$ 175,462.29	\$ 7,895.80	\$ 877.31	\$ 18,299.19	\$ 202,534.59
Total	\$ 3,145,488.18	\$ 3,123,425.90	\$ 350,411.26	\$ 466,603.48	\$ 7,085,928.82

¹ Interest on the PID Bonds is calculated at a 4.50% rate.

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 M – DISTRICT LEGAL DESCRIPTION

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 1 of 3

"EXHIBIT ____"

DESCRIPTION OF 94.560 ACRES OF LAND IN THE J. SHELTON SURVEY, ABSTRACT NO. 560, THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE W.J. BROWN SURVEY, ABSTRACT NO. 105, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 96.99 ACRE TRACT DESIGNATED AS TRACT ONE AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 94.560 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of the said 96.99 acre tract, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, same being the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, for the northeast corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the easterly southeast corner of the said 201.06 acre tract, crossing the said 96.99 acre tract, with the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, with the east line of the tract described herein, the following five (5) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,186.28 feet, an arc distance of 167.73 feet, and a chord which bears S 05°38'19" E, a distance of 167.59 feet to a calculated point-of-tangency, from which a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found bears S 84°08'53" W, a distance of 0.45 feet,
2. S 09°45'32" E, a distance of 467.63 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 1,106.28 feet, an arc distance of 335.98 feet, and a chord which bears S 01°06'29" E, a distance of 334.69 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-tangency,
4. S 07°51'42" W, a distance of 790.50 feet to a 3/4-inch iron rod found at an angle point, and
5. S 07°39'43" W, a distance of 421.01 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found in the west line of the said 3.722 acre tract, in the north line of a certain called 0.51 acre tract described in the deed to Nadine Carole Johnson and Dennis Johnson of record in Document No. 2006083936, Official Public Records of Williamson County, Texas, for a southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found in the west right-of-way line of said F.M. 1660 at the northeast corner of the said 0.51 acre tract bears S 82°31'24" E, a distance of 21.83 feet;

THENCE N 82°16'34" W, leaving the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, crossing the said 96.99 acre tract, with the north line of the said 0.51 acre tract, and with a south line of the tract described herein, a distance of 179.38 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northwest corner of the said 0.51 acre tract, for a re-entrant corner of the tract described herein;

THENCE S 07°29'25" W, continuing across the said 96.99 acre tract, with the west line of the said 0.51 acre tract, with the east line of the tract described herein, a distance of 114.42 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found at a re-entrant corner of the said 96.99 acre tract, at the southwest corner of the said 0.51 acre tract, same being the northwest corner of a certain called 4/5ths of an acre described in the special warranty deed with life estate to Robert W. Kaderka and wife, Bonnie Kaderka of record in Document No. 2015074295, Official Public Records of Williamson County, Texas, for an angle point in the east line of the tract described herein;

THENCE S 07°42'22" W, with the east line of the said 96.99 acre tract, with the west line of the said 4/5ths of an acre tract, and with the west line of a certain called 0.51 acre tract described in the deed to Bruce Craig Cunningham of record in Volume 1954, Page 227, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 180.55 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

THENCE S 06°40'19" W, with the east line of the said 96.99 acre tract, with the west line of the said 0.51 acre tract, and with the west line of a certain called 0.484 acre tract described in the deed to Marka Dawn Burns of record in Document No. 9722814, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 200.68 feet to a ½-inch iron rod found in the north line of a certain called 0.480 acre tract described in the deed to John A. Drummond, Sr. of record in Document No. 9662944, Official Public Records of Williamson County, Texas, at the southwest corner of the said 0.484 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 81°53'59" W, with the north line of the said 0.480 acre tract and a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 10.57 feet to a fence corner post found at a re-entrant corner;

THENCE S 08°03'45" W, with the west line of the said 0.480 acre tract and the west line of a certain called 0.59 acre tract described in the deed to Jonathan M. Wagner and Marci H. Wagner of record in Document No. 2016117309, Official Public Records of Williamson County, Texas, with the east line of the said 96.99 acre tract, with the east line of the tract described herein, a distance of 223.01 feet to a concrete monument found in the north line of a certain called 2.47 acre tract described in the deed to Charles E. Holland and Deborah D. Holland of record in Volume 868, Page 561, Deed Records of Williamson County, Texas, at the southwest corner of the said 0.59 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 82°23'05" W, with the north line of the said 2.47 acre tract, with a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 242.61 feet to a 3/8-inch iron rod found at the northwest corner of the said 2.47 acre tract, at the northeast corner of Block 4, Hutto and Metcalfe Addition, a subdivision according to the plat of record in Book 66, Page 148, Deed Records of Williamson County, Texas, and as shown on the Revised Map of City of Hutto of record in Cabinet A, Slide 221, Plat Records of Williamson County, Texas, for a re-entrant corner of the tract described herein;

THENCE S 07°38'01" W, with the west line of the said 2.47 acre tract and an east line of the said 96.99 acre tract, with the east line of said Block 4 and Block 3, said Hutto and Metcalfe Addition, with an east line of the tract described herein, a distance of 208.64 feet to a ¼-inch iron rod found at the southeast corner of said Block 3, Hutto and Metcalfe Addition, and the northeast corner of a certain called 0.659 acre tract described in the deed to Dennis O. Johnson and Nadine C. Johnson of record in Document No. 2001074832, Official Public Records of Williamson County, Texas, for the southerly southeast corner of the tract described herein;

THENCE S 77°34'56" W, crossing the said 96.99 acre tract, with the north line of the said 0.659 acre tract, with the south line of the tract described herein, a distance of 253.79 feet to a ¼-inch iron rod found at the northwest corner of the said 0.659 acre tract, and the northeast corner of Lot 2, Block 2, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein.

THENCE S 77°37'39" W, continuing across the said 96.99 acre tract, with the north line of said Lot 2, Block 2, Hutto and Metcalfe Addition, with the south line of the tract described herein, a distance of 91.78 feet to a concrete monument found in a west line of the said 96.99 acre tract, at the intersection of the south line of an alley and the east right-of-way line of East Street, a 60-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, at the northwest corner of said Lot 2, Block 2, Hutto and Metcalfe Addition, for the southerly southwest corner of the tract described herein;

THENCE N 12°28'30" W, with the east right-of-way line of said East Street, the west line of the said 96.99 acre tract, with the west line of Lot 6, Block 2, and the west line of Block 5, said Hutto and Metcalfe Addition, with a west line of the tract described herein, a distance of 439.34 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at the northeast terminus of said East Street, at the northwest corner of said Block 5, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE N 82°21'12" W, with the south line of the said 96.99 acre tract, with the north terminus of said East Street, with the northeast terminus of Capitol Street, a 50-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, with the south line of the tract described herein, a distance of 220.17 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point in the north right-of-way line of said Capitol Street, at the east corner of Block 9, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE S 76°41'29" W, with the south line of the said 96.99 acre tract, with the north right-of-way line of said Capitol Street, with the south line of Block 9 and Block 13, said Hutto and Metcalfe Addition, a distance of 350.53 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 4, Block F, Hutto Square Section 1, a subdivision according to the plat of record in Cabinet W, Slides 263-267, Plat Records of Williamson County, Texas, at a southwest corner of the said 96.99 acre tract, for a southwest corner of the tract described herein;

THENCE with the west line of the said 96.99 acre tract, the east line of said Hutto Square Section 1, the east line of Hutto Square Section 2, a subdivision according to the plat of record in Cabinet Y, Slides 154-157, Plat Records of Williamson County, Texas, with the east line of Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138-139, Plat Records of Williamson County, Texas, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°40'21" E, a distance of 55.89 feet to a ½-inch iron rod with a plastic cap stamped "4391" found at the north corner of Lot 4, the east corner of Lot 5, southeast corner of Lot 39, and the south corner of Lot 40, Block F, said Hutto Square Section 1, for an angle point of the tract described herein,
2. N 07°38'18" E, a distance of 655.93 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 48, Block F, said Hutto Square Section 2, for an angle point of the tract described herein,
3. N 07°46'41" E, a distance of 230.55 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 4391" found at the northeast corner of Lot 51 and the southeast corner of Lot 52, Block F, said Hutto Square Section 2, for an angle point of the tract described herein, and
4. N 07°46'30" E, a distance of 2,059.60 feet to a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract, for the northwest corner of the tract described herein;

THENCE S 82°15'43" E, with the north line of the said 96.99 acre tract and a south line of the said 201.06 acre tract, with the north line of the tract described herein, a distance of 1,222.52 feet to the POINT OF BEGINNING and containing 94.560 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

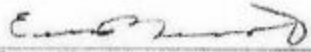
KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 03rd day of May 2019 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 - State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

"EXHIBIT ____"

DESCRIPTION OF 10.554 ACRES OF LAND IN THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 11.10 ACRE TRACT DESIGNATED AS TRACT TWO AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 10.554 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of a certain called 96.99 acre tract designated as Tract One and described in said deed to Jerry E. Roznovak and wife, Hilda Roznovak of record in Volume 443, Page 472, Deed Records of Williamson County, Texas, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, and the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, from which a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138 and 139, Plat Records of Williamson County, Texas, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract bears N 82°15'43" W, a distance of 1,222.52 feet;

THENCE S 82°15'43" E, crossing the said F.M. 1660 right-of-way, a distance of 97.80 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set in the east right-of-way line of said F.M. 1660, in the north line of the said 11.10 acre tract, at the northeast corner of the said 3.722 acre tract and the southeast corner of a certain called 1.529 acre tract described in the deed to the State of Texas of record in Volume 476, Page 603, Deed Records of Williamson County, Texas, in the south line of a certain called 135 acre tract described in the deed to Janet Lynn Barnard, Trustee for the Janet Lynn Barnard Family 1984 Trust of record in Volume 1126, Page 800, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 65.234 acre tract conveyed to CMSAL-2 L.L.C. of record in Document No. 2011084930, Official Public Records of Williamson County, Texas, and described in Document No. 1999014821, Official Public Records of Williamson County, Texas, for the northwest corner and POINT OF BEGINNING of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found in the east right-of-way line of said F.M. 1660, in the east line of the said 1.529 acre tract, and the west line of a certain called 28.449 acre tract described in the deed to North Town Commons, LLC of record in Document No. 2007062953, Official Public Records of Williamson County, Texas, bears N 03°15'10" W, a distance of 192.32 feet, and from which a ½-inch iron rod found bears N 02°00'51" W, a distance of 10.60 feet;

THENCE S 82°15'43" E, with the north line of the said 11.10 acre tract and the south line of the said 135 acre tract, with the south line of the said 65.234 acre tract, with the north line of the tract described herein, a distance of 498.95 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for the northeast corner of the said 11.10 acre tract, at a re-entrant corner of the said 135 acre tract, in the south line of the said 65.234 acre tract, for the northeast corner of the tract described herein;

THENCE S 07°38'01" W, with the east line of the said 11.10 acre tract and the west line of the said 135 acre tract, with the east line of the tract described herein, at a distance of 9.91 feet, passing a ½-inch iron rod with a plastic cap stamped "PAPE DAWSON" found, and continuing for a total distance of 17.36 feet to a calculated point for a southeast corner of the tract described herein, from which a ½-inch iron rod found bears N 74°00'05" E, a distance of 0.23 feet;

THENCE leaving the west line of the said 135 acre tract, crossing the said 11.10 acre tract, with a south, east, and north line of the tract described herein, the following three (3) courses and distances:

1. N 82°21'59" W, a distance of 50.00 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner,
2. S 07°38'01" W, a distance of 50.00 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner, and
3. S 82°21'59" E, a distance of 50.00 feet to a calculated point in the east line of the said 11.10 acre tract and west line of a certain called 72.025 acre tract described in the deed to Mager Meadows, LP of record in Document No. 2004018146, Official Public Records of Williamson County, Texas, for a northeast corner of the tract described herein, from which a ½-inch iron rod found bears S 61°01'59" E, a distance of 0.33 feet;

THENCE S 07°38'01" W, with the east line of the said 11.10 acre tract and the west line of the said 72.025 acre tract, with the east line of the tract described herein, a distance of 1,292.44 feet to a ½-inch iron rod found in the north line of a certain called

Williamson County, Texas
E. Thomason Survey, Abstract No. 844
Camutillo Colony Ditch Company Survey, Abstract No. 693

10.554 Acres
Page 2 of 2

9.862 acre tract described in the deed to Herbert L. Prewitt and wife, Connie E. Prewitt of record in Volume 876, Page 655, Deed Records of Williamson County, Texas, at the southwest corner of the said 72.025 acre tract and the southeast corner of the said 11.10 acre tract, for the southeast corner of the tract described herein;

THENCE N 82°26'32" W, with the south line of the said 11.10 acre tract and the north line of the said 9.862 acre tract, with the south line of the tract described herein, at a distance of 2.07 feet, passing a concrete monument found 0.12 feet north of the line, and continuing for a total distance of 285.57 feet to a 5/8-inch iron rod found in the east right-of-way line of said F.M. 1660, and the south line of the said 11.10 acre tract, at a southeast corner of the said 3.722 acre tract and the northeast corner of a certain called 0.311 acre tract described in the deed to the State of Texas of record in Volume 476, Page 612, Deed Records of Williamson County, Texas, at the northwest corner of the said 9.862 acre tract, for the southwest corner of the tract described herein;

THENCE crossing the said 11.10 acre tract, with the east right-of-way line of said F.M. 1660, with the east line of the said 3.722 acre tract, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°21'46" E, a distance of 421.34 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
2. N 07°33'54" E, a distance of 324.41 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
3. N 13°27'20" W, a distance of 513.66 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point, and
4. N 03°15'10" W, a distance of 138.59 feet to the **POINT OF BEGINNING** and containing 10.554 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April and May, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 20th day of May 2019 A.D.

LANDDEV CONSULTING, LLC
3508 Highway 290 West, Suite 150
Austin, Texas 78735

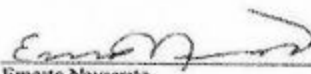

Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 -- State of Texas



EXHIBIT N – SECTION 1 LEGAL DESCRIPTION

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 1 of 3

"EXHIBIT ____"

DESCRIPTION OF 94.560 ACRES OF LAND IN THE J. SHELTON SURVEY, ABSTRACT NO. 560, THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE W.J. BROWN SURVEY, ABSTRACT NO. 105, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 96.99 ACRE TRACT DESIGNATED AS TRACT ONE AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 94.560 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of the said 96.99 acre tract, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, same being the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, for the northeast corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the easterly southeast corner of the said 201.06 acre tract, crossing the said 96.99 acre tract, with the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, with the east line of the tract described herein, the following five (5) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,186.28 feet, an arc distance of 167.73 feet, and a chord which bears S 05°38'19" E, a distance of 167.59 feet to a calculated point-of-tangency, from which a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found bears S 84°08'53" W, a distance of 0.45 feet,
2. S 09°45'32" E, a distance of 467.63 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 1,106.28 feet, an arc distance of 335.98 feet, and a chord which bears S 01°06'29" E, a distance of 334.69 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-tangency,
4. S 07°51'42" W, a distance of 790.50 feet to a 3/4-inch iron rod found at an angle point, and
5. S 07°39'43" W, a distance of 421.01 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found in the west line of the said 3.722 acre tract, in the north line of a certain called 0.51 acre tract described in the deed to Nadine Carole Johnson and Dennis Johnson of record in Document No. 2006083936, Official Public Records of Williamson County, Texas, for a southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found in the west right-of-way line of said F.M. 1660 at the northeast corner of the said 0.51 acre tract bears S 82°31'24" E, a distance of 21.83 feet;

THENCE N 82°16'34" W, leaving the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, crossing the said 96.99 acre tract, with the north line of the said 0.51 acre tract, and with a south line of the tract described herein, a distance of 179.38 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northwest corner of the said 0.51 acre tract, for a re-entrant corner of the tract described herein;

THENCE S 07°29'25" W, continuing across the said 96.99 acre tract, with the west line of the said 0.51 acre tract, with the east line of the tract described herein, a distance of 114.42 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found at a re-entrant corner of the said 96.99 acre tract, at the southwest corner of the said 0.51 acre tract, same being the northwest corner of a certain called 4/5ths of an acre described in the special warranty deed with life estate to Robert W. Kaderka and wife, Bonnie Kaderka of record in Document No. 2015074295, Official Public Records of Williamson County, Texas, for an angle point in the east line of the tract described herein;

THENCE S 07°42'22" W, with the east line of the said 96.99 acre tract, with the west line of the said 4/5ths of an acre tract, and with the west line of a certain called 0.51 acre tract described in the deed to Bruce Craig Cunningham of record in Volume 1954, Page 227, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 180.55 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

THENCE S 06°40'19" W, with the east line of the said 96.99 acre tract, with the west line of the said 0.51 acre tract, and with the west line of a certain called 0.484 acre tract described in the deed to Marka Dawn Burns of record in Document No. 9722814, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 200.68 feet to a ½-inch iron rod found in the north line of a certain called 0.480 acre tract described in the deed to John A. Drummond, Sr. of record in Document No. 9662944, Official Public Records of Williamson County, Texas, at the southwest corner of the said 0.484 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 81°53'59" W, with the north line of the said 0.480 acre tract and a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 10.57 feet to a fence corner post found at a re-entrant corner;

THENCE S 08°03'45" W, with the west line of the said 0.480 acre tract and the west line of a certain called 0.59 acre tract described in the deed to Jonathan M. Wagner and Marci H. Wagner of record in Document No. 2016117309, Official Public Records of Williamson County, Texas, with the east line of the said 96.99 acre tract, with the east line of the tract described herein, a distance of 223.01 feet to a concrete monument found in the north line of a certain called 2.47 acre tract described in the deed to Charles E. Holland and Deborah D. Holland of record in Volume 868, Page 561, Deed Records of Williamson County, Texas, at the southwest corner of the said 0.59 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 82°23'05" W, with the north line of the said 2.47 acre tract, with a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 242.61 feet to a 3/8-inch iron rod found at the northwest corner of the said 2.47 acre tract, at the northeast corner of Block 4, Hutto and Metcalfe Addition, a subdivision according to the plat of record in Book 66, Page 148, Deed Records of Williamson County, Texas, and as shown on the Revised Map of City of Hutto of record in Cabinet A, Slide 221, Plat Records of Williamson County, Texas, for a re-entrant corner of the tract described herein;

THENCE S 07°38'01" W, with the west line of the said 2.47 acre tract and an east line of the said 96.99 acre tract, with the east line of said Block 4 and Block 3, said Hutto and Metcalfe Addition, with an east line of the tract described herein, a distance of 208.64 feet to a ¼-inch iron rod found at the southeast corner of said Block 3, Hutto and Metcalfe Addition, and the northeast corner of a certain called 0.659 acre tract described in the deed to Dennis O. Johnson and Nadine C. Johnson of record in Document No. 2001074832, Official Public Records of Williamson County, Texas, for the southerly southeast corner of the tract described herein;

THENCE S 77°34'56" W, crossing the said 96.99 acre tract, with the north line of the said 0.659 acre tract, with the south line of the tract described herein, a distance of 253.79 feet to a ¼-inch iron rod found at the northwest corner of the said 0.659 acre tract, and the northeast corner of Lot 2, Block 2, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein.

THENCE S 77°37'39" W, continuing across the said 96.99 acre tract, with the north line of said Lot 2, Block 2, Hutto and Metcalfe Addition, with the south line of the tract described herein, a distance of 91.78 feet to a concrete monument found in a west line of the said 96.99 acre tract, at the intersection of the south line of an alley and the east right-of-way line of East Street, a 60-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, at the northwest corner of said Lot 2, Block 2, Hutto and Metcalfe Addition, for the southerly southwest corner of the tract described herein;

THENCE N 12°28'30" W, with the east right-of-way line of said East Street, the west line of the said 96.99 acre tract, with the west line of Lot 6, Block 2, and the west line of Block 5, said Hutto and Metcalfe Addition, with a west line of the tract described herein, a distance of 439.34 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at the northeast terminus of said East Street, at the northwest corner of said Block 5, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE N 82°21'12" W, with the south line of the said 96.99 acre tract, with the north terminus of said East Street, with the northeast terminus of Capitol Street, a 50-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, with the south line of the tract described herein, a distance of 220.17 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point in the north right-of-way line of said Capitol Street, at the east corner of Block 9, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE S 76°41'29" W, with the south line of the said 96.99 acre tract, with the north right-of-way line of said Capitol Street, with the south line of Block 9 and Block 13, said Hutto and Metcalfe Addition, a distance of 350.53 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 4, Block F, Hutto Square Section 1, a subdivision according to the plat of record in Cabinet W, Slides 263-267, Plat Records of Williamson County, Texas, at a southwest corner of the said 96.99 acre tract, for a southwest corner of the tract described herein;

THENCE with the west line of the said 96.99 acre tract, the east line of said Hutto Square Section 1, the east line of Hutto Square Section 2, a subdivision according to the plat of record in Cabinet Y, Slides 154-157, Plat Records of Williamson County, Texas, with the east line of Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138-139, Plat Records of Williamson County, Texas, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°40'21" E, a distance of 55.89 feet to a ½-inch iron rod with a plastic cap stamped "4391" found at the north corner of Lot 4, the east corner of Lot 5, southeast corner of Lot 39, and the south corner of Lot 40, Block F, said Hutto Square Section 1, for an angle point of the tract described herein,
2. N 07°38'18" E, a distance of 655.93 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 48, Block F, said Hutto Square Section 2, for an angle point of the tract described herein,
3. N 07°46'41" E, a distance of 230.55 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 4391" found at the northeast corner of Lot 51 and the southeast corner of Lot 52, Block F, said Hutto Square Section 2, for an angle point of the tract described herein, and
4. N 07°46'30" E, a distance of 2,059.60 feet to a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract, for the northwest corner of the tract described herein;

THENCE S 82°15'43" E, with the north line of the said 96.99 acre tract and a south line of the said 201.06 acre tract, with the north line of the tract described herein, a distance of 1,222.52 feet to the POINT OF BEGINNING and containing 94.560 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

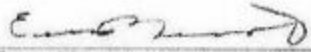
KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 03rd day of May 2019 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 - State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

EXHIBIT O - SECTION 1 PHASE 2 LEGAL DESCRIPTION

Approximately 23.479 acres of land, consisting of all property within Section 1 of the District
SAVE AND EXCEPT all property within the Phase 1 Plat.

EXHIBIT P - SECTION 2 LEGAL DESCRIPTION

Williamson County, Texas
E. Thomason Survey, Abstract No. 844
Canutillo Colony Ditch Company Survey, Abstract No. 693

10.521 Acres
Page 1 of 2

"EXHIBIT _"

DESCRIPTION OF 10.521 ACRES OF LAND IN THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 11.10 ACRE TRACT DESIGNATED AS TRACT TWO AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 10.521 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a ½-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of a certain called 96.99 acre tract designated as Tract One and described in said deed to Jerry E. Roznovak and wife, Hilda Roznovak of record in Volume 443, Page 472, Deed Records of Williamson County, Texas, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, and the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, from which a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138 and 139, Plat Records of Williamson County, Texas, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract bears N 82°15'43" W, a distance of 1,222.52 feet;

THENCE S 82°15'43" E, crossing the said F.M. 1660 right-of-way, a distance of 97.80 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set in the east right-of-way line of said F.M. 1660, in the north line of the said 11.10 acre tract, at the northeast corner of the said 3.722 acre tract and the southeast corner of a certain called 1.529 acre tract described in the deed to the State of Texas of record in Volume 476, Page 603, Deed Records of Williamson County, Texas, in the south line of a certain called 135 acre tract described in the deed to Janet Lynn Barnard, Trustee for the Janet Lynn Barnard Family 1984 Trust of record in Volume 1126, Page 800, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 65.234 acre tract conveyed to CMSAL-2 L.L.C. of record in Document No. 2011084930, Official Public Records of Williamson County, Texas, and described in Document No. 1999014821, Official Public Records of Williamson County, Texas, for the northwest corner and **POINT OF BEGINNING** of the tract described herein, from which a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found in the east right-of-way line of said F.M. 1660, in the east line of the said 1.529 acre tract, and the west line of a certain called 28.449 acre tract described in the deed to North Town Commons, LLC of record in Document No. 2007062953, Official Public Records of Williamson County, Texas, bears N 03°15'10" W, a distance of 192.32 feet, and from which a ½-inch iron rod found bears N 02°00'51" W, a distance of 10.60 feet;

THENCE S 82°15'43" E, with the north line of the said 11.10 acre tract and the south line of the said 135 acre tract, with the south line of the said 65.234 acre tract, with the north line of the tract described herein, a distance of 498.96 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for the northeast corner of the said 11.10 acre tract, at a re-entrant corner of the said 135 acre tract, in the south line of the said 65.234 acre tract, for the northeast corner of the tract described herein;

THENCE S 07°43'18" W, with the east line of the said 11.10 acre tract and the west line of the said 135 acre tract, with the east line of the tract described herein, at a distance of 9.91 feet, passing a ½-inch iron rod with a plastic cap stamped "PAPE DAWSON" found at the northwest corner of a certain called 72.025 acre tract described in the deed to Mager Meadows, LP of record in Document No. 2004018146, Official Public Records of Williamson County, Texas, same being the northwest corner of a certain called 25.051 acre tract described in the deed to 288 Development, Inc. of record in Document No. 2019044571, Official Public Records of Williamson County, Texas, same being the northwest corner of Lot 28, Block A, Mager Meadows Phase 3, a subdivision according to the plat of record in Document No. 2019111385, Official Public Records of Williamson County, Texas, and continuing for a total distance of 17.36 feet to a calculated point for a southeast corner of the tract described herein, from which a ½-inch iron rod found bears S 72°49'19" W, a distance of 0.22 feet;

THENCE leaving the west line of the said Lot 28, Block A, Mager Meadows Phase 3, crossing the said 11.10 acre tract, with a south, east, and north line of the tract described herein, the following three (3) courses and distances:

1. N 82°21'59" W, a distance of 49.99 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner,
2. S 07°38'01" W, a distance of 50.00 feet to a ½-inch iron rod with a plastic cap stamped "LANDDEV" set for a re-entrant corner, and

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

3. S 82°21'59" E, a distance of 49.91 feet to a calculated point in the east line of the said 11.10 acre tract and west line of said Lot 28, Block A, Mager Meadows Phase 3, for a northeast corner of the tract described herein, from which a ½-inch iron rod found bears N 53°40'16" W, a distance of 0.25 feet;

THENCE S 07°43'18" W, with the east line of the said 11.10 acre tract and the west line of the said Mager Meadows Phase 3 subdivision, with the east line of the tract described herein, a distance of 1,292.33 feet to a concrete monument found in the north line of a certain called 9.862 acre tract described in the deed to Herbert L. Prewitt and wife, Connie E. Prewitt of record in Volume 876, Page 655, Deed Records of Williamson County, Texas, at the southwest corner of the said Mager Meadows Phase 3 subdivision, and the southeast corner of the said 11.10 acre tract, for the southeast corner of the tract described herein, from which a ½-inch iron rod found bears S 79°04'50" E, a distance of 2.08 feet;

THENCE N 82°28'01" W, with the south line of the said 11.10 acre tract and the north line of the said 9.862 acre tract, with the south line of the tract described herein, a distance of 283.50 feet to a 5/8-inch iron rod found in the east right-of-way line of said F.M. 1660, and the south line of the said 11.10 acre tract, at a southeast corner of the said 3.722 acre tract and the northeast corner of a certain called 0.311 acre tract described in the deed to the State of Texas of record in Volume 476, Page 612, Deed Records of Williamson County, Texas, at the northwest corner of the said 9.862 acre tract, for the southwest corner of the tract described herein;

THENCE crossing the said 11.10 acre tract, with the east right-of-way line of said F.M. 1660, with the east line of the said 3.722 acre tract, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°21'46" E, a distance of 421.34 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
2. N 07°33'54" E, a distance of 324.41 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point,
3. N 13°27'20" W, a distance of 513.66 feet to a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at an angle point, and
4. N 03°15'10" W, a distance of 138.59 feet to the **POINT OF BEGINNING** and containing 10.521 acres of land, more or less,

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April and May, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 10th day of March 2020 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

EXHIBIT Q – ESTIMATED BUILDOUT VALUE AND ORIGINAL ASSESSMENT ALLOCATION

Section	Lot Type	Units	Assessed Value Per Unit	Total Assessed Value	% Allocation	Assessment	Average Annual Installment	Assessment per Lot Type	Average Annual Installment per Lot Type	PID Equivalent Tax Rate
Section 1	Lot Type 1	123	\$ 362,226	\$ 44,553,798	29.83%	\$ 4,021,564	\$ 258,843	\$ 32,696	\$ 2,104	\$ 0.5810
Section 1	Lot Type 2	71	\$ 423,892	\$ 30,096,332	20.15%	\$ 2,716,588	\$ 174,850	\$ 38,262	\$ 2,463	\$ 0.5810
Section 1	Lot Type 3	54	\$ 439,892	\$ 23,754,168	15.90%	\$ 2,144,125	\$ 138,004	\$ 39,706	\$ 2,556	\$ 0.5810
Section 1	Lot Type Multi-Family	288	\$ 121,000	\$ 34,848,000	23.33%	\$ 3,145,488	\$ 202,455	\$ 10,922	\$ 703	\$ 0.5810
Section 2	Lot Type Multi-Family	100	\$ 121,000	\$ 12,100,000	8.10%	\$ 1,092,183	\$ 70,297	\$ 10,922	\$ 703	\$ 0.5810
Section 1	Lot Type Commercial	20,000	\$ 200	\$ 4,000,000	2.68%	\$ 361,052	\$ 23,239	\$ 18.05	\$ 1.16	\$ 0.5810
				\$ 149,352,298	100.00%	\$ 13,481,000	\$ 867,686			
Section 1 Total				\$ 137,252,298	91.90%	\$ 12,388,817	\$ 797,389			
Section 2 Total				\$ 12,100,000	8.10%	\$ 1,092,183	\$ 70,297			

APPENDIX A – ENGINEER’S REPORT

[Remainder of page intentionally left blank.]

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-151 approving a fee waiver for the Library to forgive fines during the month of November in support of the Hutto Community Food Pantry. (Colleen Tierney)
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact: Colleen Tierney

BACKGROUND INFORMATION:

Statistics from 2020 Food for Fines Program

- 368.27 pounds of food was donated to the [Hutto](#) Resource Center
- \$443.50 of late fees were forgiven
- 72 members had fines forgiven
- Program ran for one month (Nov. 6 – Dec. 4)

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. R-2021-151 Fines Forgiveness Month

RESOLUTION NO. R-2021-151

A RESOLUTION APPROVING A FEE WAIVER FOR THE LIBRARY TO FORGIVE FINES DURING THE MONTH OF NOVEMBER IN SUPPORT OF THE HUTTO COMMUNITY FOOD PANTRY.

WHEREAS, the Hutto Public Library proposed that Fines Forgiveness Months be held from November 1st through November 30, 2021; and

WHEREAS, The Hutto Public Library proposes to collect canned and boxed goods as well as specific toiletries that are not expired during the month of November; and

WHEREAS, The Hutto Public Library proposes that \$1.00 in fines will be removed per item donated that is unopened, on the list, and not expired in order to be applied to a patrons fine; and

WHEREAS, Fines Forgiveness Month will help bring awareness to the community about the local Food Pantry; and

WHEREAS, Fines Forgiveness Month will provide an alternative for library patrons who may not be able to pay for their fines via cash or check; and

WHEREAS, no credits will be applied to patron accounts when a patron donates an item. As an example, if a patron owes \$1.50 in fines and donates 2 items, the patron will have the fines forgiven. The library will not credit their account by 50 cents.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS THAT:

The Hutto City Council hereby permits the library to recognize November as Fines Forgiveness Month at the Hutto Public Library in support of the local Hutto Community Food Pantry.

PASSED AND APPROVED this 7th day of **October, 2021**.

Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-152 directing the Economic Development Corporation to reimburse the city for expenditures paid for on behalf of the Economic Development Corporation. (Angie Rios)
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Resolution for EDC reimbursement
2. EDC - City of Hutto Balance Worksheets

RESOLUTION NO. R-2021-152

A RESOLUTION AUTHORIZING THE HUTTO ECONOMIC DEVELOPMENT CORPORATION TO REIMBURSE THE CITY OF HUTTO FOR EXPENDITURES PAID BY THE CITY ON BEHALF OF THE EDC.

WHEREAS, the City of Hutto paid legal, payroll, professional services, and other miscellaneous expenditures on behalf of the Hutto Economic Development Corporation, and;

WHEREAS, the City of Hutto recognizes the need for the Hutto Economic Development Corporation to reimburse the City for these expenditures, and;

WHEREAS, the Hutto Economic Development Corporation in a meeting on August 16, 2021, agreed to reimburse the City for these expenditures, and;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

The City Council hereby authorizes the Hutto Economic Development Corporation to reimburse the City of Hutto for legal expenses, payroll expenses, professional services, and other miscellaneous expenses.

CONSIDERED and RESOLVED by the City Council of the City of Hutto on this the 7th day of **October, 2021**.

THE CITY OF HUTTO, TEXAS

Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary

City of Hutto EDC Expense Reimbursement Reconciliation

<u>FY 2021</u>		<u>FY 2020</u>		<u>FY 2018 - 2019</u>		<u>General Ledger Reconciliation through June 30th</u>	
<u>Payroll</u>		<u>Payroll</u>		<u>Payroll</u>		Sum of A	132,626.98
January 2021 - May 2021 United Health		Tim Jordan				Less B Additions to GL	<u>2,550.30</u>
December 2020 - May 2021 Life Insurance		IMRF October 2019-July 2020					130,076.68
October 2020 - May 2021 IMRF Contributions		Cheri Bowman					
October 2020 - May 2021 Accident and Critical Illness		IMRF July 2020 - September 2020					
457 Contribution							
<u>Other Expenses</u>		<u>Other Expenses</u>					
FY 2021 Legal Fees	1,415.50	FY 2020 Legal Fees	15,321.44	June - September 2019 Legal Fees	66,983.63		
FY 2020 Filing	1,000.00	FY 2020 Audit Fees	3,600.00	Corporate Table at Relo Awards	2,500.00		
1099 Filing Supplies	21.79	Zactax - 820 Consulting	2,500.00	EDC Quickbooks Subscription	541.50		
Zactax - 820 Consulting	2,500.00	Miscellaenous Office Supplies	265.18				
Director Interview Expenses	269.50	EDC Quickbooks Subscription	993.48				
EDC Quickbooks Subscription	193.61						
	<u>18,233.30</u>		<u>44,368.55</u>		<u>70,025.13</u>		
	A		A		A		
<u>Additions</u>		<u>Additions</u>		<u>Additions</u>			
Reclass In from 457 Payable (Only \$50/800 recorded)							
Reclass November critical illness							
Reclass October - December Medical EPO							
Reclass October - December Dental							
Reclass October - December Vision							
Reclass October, November, April Cigna							

Dates	Invoice #	Vendor	Descriptions	Amount
October 2020	9425	Bojorquez Law Firm	Hutto-Cottonwood DC General	1,415.50
				1,415.50

Dates	Invoice	Vendor	Descriptions	Amount
11/29/2019	233299	20461 - McGinnis Lochridge and Kilgore, LLP	Memo to Jim Jordan Re: EDC Board Members	99.29
12/16/2019	230119	20461 - McGinnis Lochridge and Kilgore, LLP	SB 943 memos, miscellaneous	2,257.50
12/16/2019	230120	20461 - McGinnis Lochridge and Kilgore, LLP	Telephone conferences with Tim Jordan	774.74
01/14/2020	234760	20461 - McGinnis Lochridge and Kilgore, LLP	Memo to Tim Jordan regarding Krueger purchase	294.00
04/30/2020	9016	20585 - Bojorquez Law Firm, PC	Conference with Jordan, Burrington, Project Liberty	1,554.50
06/15/2020	9191	20585 - Bojorquez Law Firm, PC	Revise CDC agenda, Project Liberty NDA, Partial Invoice Missing	3,560.08
08/04/2020	9144	20585 - Bojorquez Law Firm, PC	Draft admin services agreement with EDC, counsel on loan program	261.50
08/13/2020	9191	20585 - Bojorquez Law Firm, PC	Correspond with J. Burrington, Electric Daisy, Misc	1,493.00
08/13/2020	9191	20585 - Bojorquez Law Firm, PC	Community Development Corporation Budget Amendments	258.00
09/21/2020	9276	20585 - Bojorquez Law Firm, PC	Conferences with Naqy and Snyder	141.50
09/21/2020	9276	20585 - Bojorquez Law Firm, PC	Conferences with Palumbo and Burrington, JRS Development	1,647.83
09/21/2020	9302	20585 - Bojorquez Law Firm, PC	Cottonwood DC Meetings, Conference Calls with Jim Brown	784.00
09/30/2020	9333	20585 - Bojorquez Law Firm, PC	Invoice Missing	408.50
09/30/2020	9333	20585 - Bojorquez Law Firm, PC	Invoice Missing	353.50
09/30/2020	9362	20585 - Bojorquez Law Firm, PC	Cottonwood DC General	1,433.50
				15,321.44

Dates	Invoice	Vendor	Descriptions	Amount
06/30/2019		20461 - McGinnis Lochridge and Kilgore, LLP	Economic Development Matter No. 204979	980.00
10/30/2018	223385	20461 - McGinnis Lochridge and Kilgore, LLP	Radio station, meeting with EDC board	7,420.49
10/30/2018		20461 - McGinnis Lochridge and Kilgore, LLP	Matter No. 204985 Retainer	121.78
12/21/2018	224835	20461 - McGinnis Lochridge and Kilgore, LLP	Radio station, review proposed changes to EDC corporation	7,192.50
01/14/2019	223481	20461 - McGinnis Lochridge and Kilgore, LLP	Radio station	15,386.00
01/14/2019	223848	20461 - McGinnis Lochridge and Kilgore, LLP	Radio station deal	126.51
01/28/2019	224836	20461 - McGinnis Lochridge and Kilgore, LLP	Meet with city manager on mega site	64.35
01/31/2019	225605	20461 - McGinnis Lochridge and Kilgore, LLP	Memos on city council action of EDC, reorganization of EDC, work on development agreements	4,352.00
03/26/2019	226993	20461 - McGinnis Lochridge and Kilgore, LLP	Matter No. 204981 Admin. Hearings CCN Litigation	690.00
03/27/2019		20461 - McGinnis Lochridge and Kilgore, LLP	EDC meetings, assemble documents for auditors on megasite	2,126.00
04/05/2019	226287	20461 - McGinnis Lochridge and Kilgore, LLP	EDC Meetings, draft EDC coordinator contracts	5,795.00
05/30/2019		20461 - McGinnis Lochridge and Kilgore, LLP	Economic Development Matter No. 204979	1,519.00
08/30/2019	230925	20461 - McGinnis Lochridge and Kilgore, LLP	Bylaws for EDC	1,450.00
08/30/2019	230928	20461 - McGinnis Lochridge and Kilgore, LLP	Draft bylaws for EDC	3,132.00
09/30/2019	226287	20461 - McGinnis Lochridge and Kilgore, LLP	Paradigm Metals	10,427.00
09/30/2019	227761	20461 - McGinnis Lochridge and Kilgore, LLP	Settle land purchase claim, development representatives, misc	1,889.00
09/30/2019	226993	20461 - McGinnis Lochridge and Kilgore, LLP	Paradigm Fees	4,312.00
				66,983.63
				83,720.57

			Employee	Employer	Total	Monthly
Bowman, Cheri L	10/01/2020	09/16/2020 - 09/30/2020				
Bowman, Cheri L	09/15/2020	09/01/2020 - 09/15/2020				
Bowman, Cheri L	09/01/2020	08/16/2020 - 08/31/2020				
Bowman, Cheri L	08/14/2020	08/01/2020 - 08/15/2020				
Bowman, Cheri L	07/31/2020	07/16/2020 - 07/31/2020				
Jordan, Timothy D	07/21/2020	07/16/2020 - 07/31/2020				
Bowman, Cheri L	07/15/2020	07/01/2020 - 07/15/2020				
Jordan, Timothy D	07/15/2020	07/01/2020 - 07/15/2020				
Jordan, Timothy D	07/15/2020	07/01/2020 - 07/15/2020				
Bowman, Cheri L	07/01/2020	06/16/2020 - 06/30/2020				
Jordan, Timothy D	07/01/2020	06/16/2020 - 06/30/2020				
Bowman, Cheri L	06/15/2020	06/01/2020 - 06/15/2020				
Jordan, Timothy D	06/15/2020	06/01/2020 - 06/15/2020				
Jordan, Timothy D	06/01/2020	05/16/2020 - 05/31/2020				
Jordan, Timothy D	05/15/2020	05/01/2020 - 05/15/2020				
Jordan, Timothy D	05/01/2020	04/16/2020 - 04/30/2020				
Jordan, Timothy D	04/15/2020	04/01/2020 - 04/15/2020				
Jordan, Timothy D	04/01/2020	03/16/2020 - 03/31/2020				
Jordan, Timothy D	03/13/2020	03/01/2020 - 03/15/2020				
Jordan, Timothy D	02/28/2020	02/16/2020 - 02/29/2020				
Jordan, Timothy D	02/14/2020	02/01/2020 - 02/15/2020				
Jordan, Timothy D	02/01/2020	01/16/2020 - 01/31/2020				
Jordan, Timothy D	01/15/2020	01/01/2020 - 01/15/2020				
Jordan, Timothy D	12/31/2019	12/16/2019 - 12/31/2019				
Jordan, Timothy D	12/13/2019	12/01/2019 - 12/15/2019				
Jordan, Timothy D	11/29/2019	11/16/2019 - 11/30/2019				
Jordan, Timothy D	11/15/2019	11/01/2019 - 11/15/2019				
Jordan, Timothy D	11/01/2019	10/16/2019 - 10/31/2019				
Jordan, Timothy D	10/15/2019	10/01/2019 - 10/15/2019				

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution R-2021-147A repealing Resolution R-2021-147; approving the Development Agreement for the Lidell-Walker Tracts, 263.008 acres, more or less of land; authorizing the City Manager to execute the Development Agreement; and providing an effective date. (Ashley Lumpkin).
Meeting: Thursday, October 7, 2021
Department: Development Services
Staff Contact:

BACKGROUND INFORMATION:

The proposed Development Agreement is to cover the upsizing of a liftstation for additional LUEs, a traffic fee proposal per unit in lieu of a traffic impact analysis, and some slight (five-foot smaller) modification of the right-of-way widths. The draft agreement is attached to this item.

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. Development Agreement between WMV North Hutto, LLC and City of Hutto
2. R-2021-147 Hutto Resolution Approving WMV DA

DEVELOPMENT AGREEMENT

This Development Agreement (“Agreement”) is entered into to be effective as of the ____ day of _____, 2021 (the “Effective Date”), by and between the **City of Hutto, Texas** (the “City”), a home rule city organized under the laws of the State of Texas, and **WMV North Hutto, LLC**, a Texas limited liability company, and its successors and assigns (“Owner”). The City and Owner are, collectively, the “Parties” to this Agreement.

RECITALS

WHEREAS, Owner has the right to acquire that certain tract of land containing approximately 263.02 acres currently in the City’s extraterritorial jurisdiction (“ETJ”) (the “Property”), comprised of a 106.918 acre tract, more or less, described by metes and bounds on **Exhibit A-1** attached hereto and incorporated herein (“Tract 1”); a 76.317 acre tract, more or less, described by metes and bounds on **Exhibit A-2** attached hereto and incorporated herein (“Tract 2”); a 65.281 acre tract, more or less, described by metes and bounds on **Exhibit A-3** attached hereto and incorporated herein (“Tract 3”); and a 14.504 acre tract, more or less, described by metes and bounds on **Exhibit A-4** attached hereto and incorporated herein (“Tract 4”); and

WHEREAS, Owner intends to acquire and develop the Property into a single-family residential subdivision containing approximately 1,123 single-family lots and community amenities (the “Project”), that will serve present and future residents of the City; and

WHEREAS, the Project is anticipated to add significant property tax base and increased property tax revenues in the City; and

WHEREAS, the City and Owner desire to set forth in this Agreement certain terms and conditions for the planning, design, construction, development, and financing of the Project.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I **PURPOSE AND INTERPRETATION**

1.01 Objectives. Owner is proposing to develop a residential subdivision on the Property. Hutto continues to have a need for quality residential development that complements the economic and strategic goals of the City. The City believes that the development of the Project will provide needed, high quality housing for existing and future residents.

1.02 Concept and Structure. Development of the Property will generally conform to the Concept Plan attached hereto as **Exhibit B**. Owner will be responsible for the development and construction of the Project, except as set forth herein.

1.03 Interpretation. In this Agreement, unless a clear contrary intention appears;

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Party includes such Party's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Party in a particular capacity excludes such Party in any other capacity or individually;
- (d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;
- (e) "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular article, section or other provision thereof;
- (f) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and
- (g) reference to any constitutional, statutory or regulatory provision means such provision as it exists on the Effective Date and any amendatory provision thereof or supplemental provision thereto.

1.04 Legal Representation of the Parties. This Agreement was negotiated by the Parties hereto with the benefit of legal representation and any rules of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any Party shall not apply.

ARTICLE II **DEFINITIONS**

2.01 Definitions. All capitalized terms used in this Agreement shall have the meanings ascribed to them in this **Article II**, or as otherwise provided herein.

"**Agreement**" means this Development Agreement by and between the City and Owner.

"**City**" means the City of Hutto, Texas.

"**City Council**" means the City Council of the City of Hutto.

"**Concept Plan**" means the concept plan attached hereto as **Exhibit B**, as such concept plan may be modified and changed from time to time as set forth in this Agreement. The Parties acknowledge and agree that the Concept Plan is for illustrative purposes only and is only a general representation of the design.

"**Owner**" means WMV North Hutto, LLC, a Texas limited liability company, and its successors and assigns that specifically assume the rights and obligations of this Agreement.

"**Effective Date**" means the date set forth in the opening paragraph on page 1.

"**LUE**" means the capacity necessary to serve a single-family residential connection or its equivalent.

"**Parties**" means the City and Owner.

“**Party**” means the City or Owner.

“**Peterson Property**” means the approximately 226.473 acres of land located to the west of the Property, comprised of a 199.464 acre tract, more or less, described by metes and bounds on **Exhibit C-1** attached hereto and incorporated herein (“**Peterson Tract 1**”); and a 27.009 acre tract, more or less, described by metes and bounds on **Exhibit C-2** attached hereto and incorporated herein (“**Peterson Tract 2**”).

“**Peterson Property Developer**” means the party that develops the Peterson Property and receives wastewater service from the City to the Peterson Property via the Wastewater Lift Station and the WWTP (as such terms are defined below).

“**Project**” means the Project as described in **Article IV**.

“**Property**” means the real property described and shown on **Exhibit A-1**, **Exhibit A-2**, **Exhibit A-3**, and **Exhibit A-4**.

“**State**” means the State of Texas.

“**UDC**” means the Unified Development Code of the City as of the Effective Date.

“**Wastewater Lift Station**” means that portion of the City’s wastewater system contemplated in this Agreement, being an approximately 2,600 LUE wastewater lift station that will connect the Project to the WWTP, as more particularly described and depicted as the “Proposed Mustang Creek Lift Station” on **Exhibit D** attached hereto and incorporated herein.

“**Wastewater Lift Station Site**” means the lot or tract of land on which the Wastewater Lift Station will be located, as depicted on **Exhibit D** attached hereto and incorporated herein.

“**WWTP**” means the Hutto South Regional Wastewater Treatment Plant.

ARTICLE III

ANNEXATION AND ZONING

3.01 Annexation. As of the Effective Date, the Property has not been annexed, but is in the City’s ETJ. While Tract 1, Tract 2 and approximately 55.74 acres of Tract 3 are subject to the Prior Development Agreements (defined below), Tract 4 and approximately 9.541 acres of Tract 3 are not subject to any agreements pursuant to which the owner of such tracts has consented to annexation by the City. In consideration of this Agreement and the City’s incentives set forth in Section 4.03 below, Owner and City hereby agree to the annexation of the Property into City’s corporate limits, and intend that this Agreement provide for the annexation of the Property for all purposes and shall constitute Owner’s request for annexation. Further, notwithstanding that the Project may be phased (as set forth below), Owner agrees that all Property will be annexed in one proceeding. City agrees that phases not under active development may remain in agricultural or open space use for purposes of ad valorem tax purposes (although all such Property shall be subject to the ordinances and jurisdiction of the City once annexed.)

3.02 Zoning. Because the Property has not been annexed, it has not yet been zoned. The Parties agree that they will work together in good faith to zone the Property “SF-1 Village” (defined in the UDC), subject to the modifications in this Agreement. The Property shall be zoned contemporaneous with annexation. Upon the adoption of permanent zoning for the Property, the applicable UDC provisions will be subject to the terms, provisions, and conditions of this Agreement.

3.03 Chapter 245 Permit. This Agreement shall constitute a Permit in a series of Permits for the purpose of vesting and rights shall accrue as contemplated in Chapter 245 of the Texas Local Government Code (subject to the exemptions as set forth therein), as authorized by Section 212.172(g) of the Texas Local Government Code. Except as modified herein, all aesthetic requirements of the zoning district, as outlined in the UDC shall be followed.

3.04 Land Use Upon Annexation. On the effective date of the annexation of the Property, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all of the Property shall be vested for the uses and development standards set forth in this Agreement, unless Owner substantially amends or abandons the Project, defaults under this Agreement, or permits its vested rights under Chapter 245 of the Texas Local Government Code to expire.

3.05 Prior Development Agreements. This Agreement supersedes and replaces in all respects the prior Chapter 43 Texas Local Development Code Development Agreements relating to the Property, or any portion thereof, including: (i) the Development Agreement dated February 4, 2019, relating generally to Tract 1 and recorded under Document No. 2019043493, Official Public Records of Williamson County, Texas; (ii) the Development Agreement dated January 24, 2019, relating generally to Tract 2 (and other property) and recorded under Document No. 2020144955, Official Public Records of Williamson County, Texas; (iii) the Development Agreement dated December 28, 2018, relating generally to 50.74 acre portion of Tract 3 and recorded under Document No. 2019046112, Official Public Records of Williamson County, Texas; and (iv) the Development Agreement dated December 28, 2018, relating generally to a 5 acre portion of Tract 3 and recorded under Document No. 2019035411, Official Public Records of Williamson County, Texas (collectively, the “Prior Development Agreements”). Upon full execution of this Agreement, such Prior Development Agreements will automatically terminate and be of no further force and effect, and upon Owner’s request (and at Owner’s expense) the City will execute and deliver a release of the Prior Development Agreements to Owner for recording in Official Public Records of Williamson County, Texas.

ARTICLE IV **THE PROJECT**

4.01 General Description. The Project will be planned, developed, and constructed on the Property by Owner in phases as determined by Owner in accordance with market conditions and otherwise in accordance with any permits and approvals from any applicable governmental authorities.

4.02 Development. Owner intends to construct improvements to real property and additions to

personal property within the Property as generally contemplated by the Concept Plan. However, the parties agree and acknowledge that the actual construction shall be dictated by the ultimate zoning of the Property, platting of the Property, site development permits issued for the Property, and other development permits issued for the Property, subject to the terms of this Agreement. Each preliminary plat and final plat that complies with the Concept Plan (as it may be amended), this Agreement, state law and federal law shall be reviewed and approved by the City in accordance with applicable laws and city charter, when submitted for review and approval. The Project will be permitted and constructed in accordance with City ordinances and regulations except as may be specifically set forth in this Agreement.

4.03 City Incentives to Project. The City incentives to the Project shall include only the following:

(a) The City agrees to enter into a mutually agreeable license agreement to allow Owner to maintain monument signage, other subdivision entry features, and landscaping in the City right-of-way (as such may be finally approved in the site plan), and to allow the license agreement to be assigned to the Home Owners' Association for the Project.

(b) The City agrees to enter into a mutually agreeable license agreement to allow Owner to maintain the floodplain areas that are dedicated as public parkland (as such may be finally approved in the final plats), and to allow the license agreement to be assigned to the Home Owners' Association for the Project. The license agreement will further provide the City with a right of entry and enforcement to enforce its regulations and requirements with respect to maintaining the flood areas.

(c) The City agrees to allow Owner to connect to City's adjacent wastewater facilities and commits to provide wastewater utility service to the Project in an amount sufficient for full build-out of the Project, as generally contemplated by the Concept Plan, estimated as of the Effective Date to be approximately 1,150 LUEs of wastewater utility service, subject to Owner's payment of the fees imposed by the City for such service pursuant to applicable provisions of the UDC. The City and Owner acknowledge that water utility service to the Project will be provided by Jonah Water Special Utility District ("Jonah"). In connection with Jonah's provision of such water utility service to the Project, the City agrees to allow Jonah's installation and operation of waterlines and related appurtenances within the City's existing and proposed right-of-way.

(d) The Project shall generally comply with (i) the Concept Plan (as it may be amended), (ii) the City Code of Ordinances and UDC as modified by this Agreement, and (iii) the other terms and conditions of this Agreement (including the Exhibits). The City agrees that the UDC will be modified as to the Project as follows:

- (i) The minimum widths of public rights of way within the Project will be: 55' for local roadways; 64' for the limited collector roadway located to the south of Mustang Creek; 70' for all other collector roadways; 120' for the east/west arterial roadway; and 136' (centerline offset basis) for County Road 133; and

- (ii) No Traffic Impact Analysis is required for the construction of the Project as shown in the Concept Plan, provided that Owner pays City a traffic impact fee equal to \$4,000/single-family lot at the time of building permit for the residence to be constructed thereon; provided, however, that, upon Owner's request and satisfaction of the procedural requirements of the City's Transportation Impact Fees Ordinance, the City shall grant to Owner a credit against such traffic impact fees in an amount equal to the sum of: (A) the documented third-party soft and hard costs incurred by Owner for the east/west arterial roadway within the Project; (B) the actual land acquisition cost incurred by Owner for the right-of-way to be dedicated to the City or Williamson County for the future expansion of County Road 133, whether directly incurred by Owner or pursuant to subsection (f) below; and (C) the documented costs incurred by Owner to acquire the additional offsite right-of-way to contain the offsite portion of the east/west arterial roadway necessary to connect Farm to Market Road 1660 and County Road 133, which Owner may acquire and dedicate to the City or Williamson County, or the City may acquire, at Owner's expense, pursuant to subsection (f) below. The traffic impact fee, subject to the credits set forth above, will be deemed to satisfy the requirements of the UDC.

(e) Owner acknowledges that the capacity of the Wastewater Lift Station will need to be increased by approximately 2,000 gallons per minute in order for the WWTP to serve the Project and other properties. If Owner elects to develop the Project before the Peterson Property Developer constructs and installs the Wastewater Lift Station, then Owner will construct and install such facilities in accordance with the terms of and provisions of this Agreement and subject to partial reimbursement by the City as described in this subsection and/or cost-sharing by the Peterson Property Developer. Upon such election, Owner will design, permit, and construct the Wastewater Lift Station subject to a right to receive reimbursement from the City for the documented third-party soft and hard costs incurred by Owner to oversize the capacity of the Wastewater Lift Station from a 600 LUE lift station to a 2,600 LUE lift station, as set forth below (the "Wastewater Infrastructure Cost-Sharing"). The City will pay the Wastewater Infrastructure Cost-Sharing to Owner by rebating to Owner all wastewater impact fees collected by the City for connections to the City's wastewater system within the Project and the Peterson Property until such time as the Wastewater Infrastructure Cost-Sharing is paid in full (the "Wastewater Impact Fee Rebates"). The City will pay the Wastewater Impact Fee Rebates to Owner on or before the 15th day of each April, July, October and January, which payments will be in an amount equal to the total amount of subject wastewater impact fees collected by City during the three (3) calendar months preceding the month the scheduled payment is due and payable. Notwithstanding the foregoing, in the event that Owner and the Peterson Property Developer enter into a private cost-sharing agreement providing for the Peterson Property Developer's direct funding or reimbursement to Owner of funds for the same purposes as the Wastewater Infrastructure Cost-Sharing, then Owner shall notify the City of such agreement, provide a true and correct copy of such agreement to the City, and upon Owner's receipt of any such funds from the Peterson Property Developer, the City will

receive corresponding dollar-for-dollar credits against its obligation to pay the Wastewater Infrastructure Cost-Sharing to Owner hereunder.

(f) Access to the Project will be provided via connections to Farm to Market Road 1660 adjacent to the northern boundary of the Property, County Road 133 adjacent to the eastern boundary of the Property, County Road 132, and one or more local roadway connections to existing or proposed right-of-way adjacent to the Property. Owner will attempt to acquire approximately 3 acres of land adjacent to the western boundary of the Property, as generally depicted on Exhibit B, for right-of-way to contain the offsite portion of the east/west arterial roadway necessary to connect Farm to Market Road 1660 and County Road 133, the actual land acquisition costs of which will be credited against the traffic impact fees to be paid in connection with the Project pursuant to Section 4.03(d)(ii)(C) above. However, if Owner is unable to acquire such tract of land, Owner will provide written notice to the City, whereupon the City shall initiate and diligently pursue to completion the acquisition of such tract of land by eminent domain. The Owner shall pay the reasonable costs of any eminent domain proceeding that is initiated under the terms of this Agreement.

ARTICLE V

MISCELLANEOUS

5.01 Mutual Assistance. The City and Owner will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement.

5.02 Insurance and Indemnity.

(a) Insurance. All Owner's contractors, subcontractors, engineers, and consultants performing work on the Wastewater Lift Station Site shall carry and maintain throughout the term of this Agreement (except as specifically noted below) the following insurance policies as required by the City.

(i) Certificates of Insurance and Insurance Policy Documents. Certificates of Insurance will not be accepted as substitutes for copies of Insurance Policy Documents. The term "Insurance Policy Documents" means true and correct copies of the relevant policy of insurance including all declarations, definitions, schedules, endorsements, exclusions, exceptions, riders, waivers, jackets, modifications, notices, descriptions of deductibles and of self-insured retentions and all other instruments and other documents governing insurance coverage under such policy.

(ii) Special Requirements. The Owner or Owner's contractor shall not cause or permit any insurance required hereunder to be canceled or lapse during the term of this Agreement. Insurance coverage is to be written by companies duly authorized to do the business of insurance in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A-VII or better or otherwise approved in writing by the City. Additionally, all policies will contain a provision in favor of the City waiving subrogation and other rights of recovery against the City, and will be endorsed to provide the City with a 30-day advance notice of cancellation or change in coverage The

City will be an additional insured as its interests may appear on the Commercial General and Automobile Liability policies. All policies will provide primary coverage as applicable, with any insurance maintained by the City being excess and non-contributing. The production of copies of all policies to be promptly supplemented with delivery to the City of copies of any and all changed or new Insurance Policy Documents. The Owner or Owner's contractor will be responsible for (i) overseeing its contractors with respect to such contractors' obtaining and maintaining the insurance required hereunder and (ii) obtaining and keeping copies of such Insurance Policy Documents evidencing the insurance coverages required hereunder.

(iii) Additional Insured. All endorsements, waivers, and notices of cancellation as well as the policies of commercial general liability and automobile insurance shall provide that City is an additional insured and will be delivered to the City as provided in the Notices Section of this Agreement or such other address as the City may notify the Owner or Owner's contractor in writing.

(iv) Cost. The Owner or Owner's contractor shall be responsible for paying premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Owner (not by its contractors and any subcontractors). All deductibles or self-insured retentions shall be disclosed on the Insurance Policy Documents. The insurance coverages required under this Agreement are required minimums and are not intended to limit or otherwise establish the responsibility or liability of the Owner under this Agreement.

(b) INDEMNIFICATION AND HOLD HARMLESS. OWNER HEREBY COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY CITY, AND THE CURRENT AND FUTURE OFFICERS, AGENTS, SERVANTS AND EMPLOYEES THEREOF, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "THIRD PARTY CLAIMS" OR "TPC") AGAINST THE CITY, WHETHER THREATENED, ANTICIPATED, OR ASSERTED, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE OWNER ON THE WASTEWATER LIFT STATION SITE, INCLUDING THE NEGLIGENCE OF THE OWNER'S EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND AGENTS OCCURRING DURING THE CONSTRUCTION OF ANY PORTION OF THE INFRASTRUCTURE OR PERFORMANCE OF THIS AGREEMENT ON THE WASTEWATER LIFT STATION SITE; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH TPC SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE TPC EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT (BUT NOT GROSS) NEGLIGENCE. OWNER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST TPC CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS TPC THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF OWNER AND THE CITY, OWNER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL TPC AND EXPENSES EQUIVALENT TO THE OWNER'S OWN PERCENTAGE OF RESPONSIBILITY.

(c) **Claims.** If the City notifies Owner of any TPC relating to the construction of any portion of the infrastructure or performance of this Agreement on the Wastewater Lift Station Site, Owner shall assume on behalf of the City and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel selected by Owner but reasonably satisfactory to the City; provided, that the City has the right to be represented by advisory counsel of its own selection and at its own expense; and provided further, that if any such TPC involves Owner and the City and the City has been advised in writing by counsel that there may be legal defenses available to it which are inconsistent with those available to Owner, then the City has the right to select separate counsel to participate in the investigation and defense of and response to such TPC on the City's own behalf, and Owner shall pay or reimburse the City for all reasonable legal fees and costs incurred by the City because of the selection of such separate counsel.

(d) **Release.** Other than to the extent caused by a the City's uncured default under this Agreement, Owner hereby releases the City with respect to all TPCs relating to the construction of any portion of the infrastructure or performance of this Agreement on the Wastewater Lift Station Site regarding any alleged, established or admitted negligent or wrongful act or omission of the City or any agents, contractors, representatives or employees of the City, INCLUDING ALL TPCS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE CITY, but excluding TPCs to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this Section will survive the expiration or earlier termination of this Agreement.

5.03 Default; Remedies.

(a) No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure, such reasonable time determined based on the nature of the alleged failure, but in no event (a) more than ten (10) business days for a monetary default, or (b) less than 30 days or more than 90 days after written notice of the alleged failure has been given for a non-monetary default. In addition, no Party shall be in default under this Agreement if, within the applicable cure period for a non-monetary default, the Party to whom the notice was given or another Party begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. If the Property has multiple Owners, a default by one Owner will not constitute a default by the performing Owner(s) as to the portion of the Property owned by the performing Owner(s).

(b) If a Party is in default beyond any applicable notice and cure period, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgement Act, specific performance, mandamus, and injunctive relief. Notwithstanding the foregoing, however, no default under this Agreement shall:

(i) entitle the aggrieved Party to terminate this Agreement (except as specifically set forth in this Agreement); or

(ii) adversely affect or impair the current or future obligations of the City to provide water or wastewater service or any other service to the Property; or

(iii) entitle the aggrieved Party to seek or recover consequential monetary damages of any kind; or

(iv) reduce the term of this Agreement (except as specifically set forth in this Agreement).

(c) In the event any legal action or proceeding is commenced between the Parties to enforce provisions of this Agreement and recover damages for breach, the prevailing party in such legal action shall be entitled to recover its reasonable attorneys' fees and expenses incurred by reason of such action, to the extent allowed by law.

5.04 Undocumented Workers. Owner certifies that it does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Pursuant to Section 2264.101, Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

5.05 Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors and assigns. This Agreement does not create any encumbrance on title as to any purchaser of a completed residence within the Project.

5.06 Assignment. Owner may assign this Agreement with respect to all or a portion of the Property from time to time, without the prior written consent of the City, to an affiliate of Owner or so long as: (i) the assignment is in writing to an entity that is not delinquent in the payment of taxes; that is not in default in a development agreement with the City and has the experience and financial capacity to perform the obligations of this Agreement; (ii) the assignment provides that the assignee assumes such assigned rights and obligations without modification or amendment; (iii) the assignment is executed by Owner and the assignee; and (iv) Owner provides a copy of the fully executed assignment to the City within fifteen (15) business days after the effective date of the assignment. Upon such assignment with respect to all or a portion of the Property, Owner shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement relating to the portion of the Property conveyed to the assignee to which this Agreement is so assigned. A default by any subsequent partial assignee shall not constitute a default by Owner under this Agreement, but only under such partial assignment.

5.07 Amendment. This Agreement may be amended only by the mutual written agreement of the Parties (except that if there are multiple Owners and the amendment applies only to portions of the Property owned by a single Owner, this Agreement may be amended by the mutual written agreement of the City and Owner of the portion of the Property to which the amendment applies). A successor of portions of the Property (such as a purchaser of a lot within the subdivision) does not make such successor a "Party." Owner's rights under this Agreement must be specifically assigned to a successor in order for such successor to be a "Party."

5.08 Entire Agreement. All Parties mutually agreed to the terms of this Agreement. The Agreement shall not be construed in favor of or against one Party. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement. This Agreement contains the entire agreement between the

Parties; there are no other terms, promises, conditions, or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations or agreements, either oral or written.

5.09 Notice. Any notice and or statement required and permitted to be delivered shall be deemed delivered by actual delivery, by electronic mail, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

If to City: City of Hutto
Attn: Warren Hutmacher, City Manager
500 W. Live Oak St.
Hutto, TX 78634
Email: Warren.Hutmacher@HuttoTX.gov

With required copy to: Bojorquez Law Firm
Attn: Alan Bojorquez
11675 Jollyville Road, Suite 300
Austin, Texas 78759

If to Owner: WMV North Hutto, LLC
Attn: Holt Dunlop & James Dougherty
3310 N. Capital of Texas Hwy., Ste. 202
Austin, TX 78746
Email: hdunlop@waymakerventures.com
jdougherty@waymakerventures.com

Any Party may designate a different address at any time upon written notice to the other Parties.

5.10 Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, however its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

5.11 Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in Williamson County, Texas.

5.12 Severability. In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, it is the intention of the Parties that the remainder of this Agreement shall not be affected. It is also the intention of the Parties of this Agreement that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

5.13 Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver of such provision or of any other provision of this Agreement, and such Party shall have the right at any time(s) thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

5.14 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

5.15 No Third-Party Beneficiaries. This Agreement is not intended to confer any rights, privileges, or causes of action upon any third party.

5.16 Exhibits. The following exhibits are attached and incorporated by reference for all purposes:

Exhibit A-1: Description of Tract 1

Exhibit A-2: Description of Tract 2

Exhibit A-3: Description of Tract 3

Exhibit A-4: Description of Tract 4

Exhibit B: Concept Plan

Exhibit C-1: Description of Peterson Tract 1

Exhibit C-2: Description of Peterson Tract 2

Exhibit D: Wastewater Lift Station

5.17 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. Neither the City, not its past, present and future officers, elected officials, employees and agents of the City, do assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

5.18 Additional Compliance. Pursuant to Section 2252.152, Texas Government Code, neither Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Owner is a company currently listed by the Texas Comptroller of Public Accounts under Section 806.051, 807.051, or 2252.153 of the Texas Government Code.

5.19 Term. This Agreement shall become enforceable upon its Effective Date and shall expire 35 years after the date the City has issued the last Certificates of Occupancy for the Project, unless the Parties mutually agree to terminate it sooner.

5.20. Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure event, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term “force majeure” means events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care, including, without limitation, acts of God or the public enemy, war, terrorism, criminal activity, riot, civil

commotion, insurrection, government or de facto governmental action or failure to act (unless caused by the intentionally wrongful acts or omissions of the Party), fires, explosions, floods, hurricanes, adverse weather, materials or labor shortages, strikes, slowdowns, work stoppages, or pandemics or epidemics.

5.21. Attorney's Fees and Court Costs. In the event that any matter relating to this Agreement results in the institution of legal proceedings by any Party to this Agreement, each Party in such proceeding shall be responsible for the expenses incurred by it in connection with such proceedings, including, without limitation, court costs and attorneys' fees.

5.22. No Personal liability of public officials or the City. To the extent permitted by State law, neither the City, any City agent or representative, nor any public official or employee shall be personally liable or responsible for any liability arising under or related to this Agreement.

5.23. No Boycott of Israel. If applicable, if the Owner employs 10 or more full-time employees and the Agreement has a value of \$100,000 or more, Owner shall comply with the provisions of Section 2270.001(2), Government Code that the Owner does not boycott Israel or that during the term of the Owner will not boycott Israel.

5.24. HB 1295 Compliance. Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the City. For further information please go to the Texas Ethics Commission website via the following link. https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. The City has no obligation under this Agreement until such form is accurately completed and properly submitted, and any City obligation is conditioned on such proper completion and submission.

5.25. Counterparts. This Agreement may be executed in multiple counterparts, which shall be construed together as a single original instrument as though all Parties had signed one instrument, and, when executed, each counterpart shall be binding upon and inure to the benefit of each of the Parties executing the instrument whether or not all other parties have executed same.

5.26 Authority. This Agreement is made and entered into pursuant to Section 212.172 of the Texas Local Government Code. The City and each Owner each represent and warrant that the persons whose signature appears below have the authority to execute this Agreement on behalf of the City and Owner, respectively.

5.27 Automatic Termination. Notwithstanding any provision to the contrary set out in this Agreement, in the event Owner fails to acquire fee simple title to the Property within ninety (90) days after the Effective Date of this Agreement, this Agreement shall automatically terminate and be of no further force or effect.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES PROVIDED ON NEXT PAGE]

EXECUTED to be effective as of the Effective Date.

CITY:

CITY OF HUTTO, TEXAS,
a home rule city and municipal corporation

By: _____
Name: _____
Title: _____
Date: _____

APPROVED as to form:

By: _____
Attorney for the City of Hutto
Date: _____

OWNER:

WMV NORTH HUTTO, LLC,
a Texas limited liability company

By: WayMaker Ventures, LLC,
a Texas limited liability company,
its Sole Member

By: 
Name: JAMES DOUGHERTY
Title: MANAGER
Date: 10/1/21

EXECUTED to be effective as of the Effective Date.

CITY:

CITY OF HUTTO, TEXAS,
a home rule city and municipal corporation

By: _____
Name: _____
Title: _____
Date: _____

APPROVED as to form:

By: _____
Attorney for the City of Hutto

Date: _____

OWNER:

WMV NORTH HUTTO, LLC,
a Texas limited liability company

By: WayMaker Ventures, LLC,
a Texas limited liability company,
its Sole Member

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A-1

Description of Tract 1

FIELD NOTES FOR A 106.918 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186 AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 106.91 ACRE TRACT OF LAND AS CONVEYED TO JON MARK LIDELL, LYNN RUSSELL LIDELL AND MICHAEL CARL LIDELL BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2002015476 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 106.918 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the north right-of-way line of County Road 132 (variable width right-of-way) at the southwest corner of the above described Lidell 106.91-acre tract, at the southeast corner of the called 5.00 acre tract of land described as Tract 2 as conveyed to Guerrero Maverick, LLC by Special Warranty Deed recorded in Document Number 2019117600 of the Official Public Records of Williamson County, Texas, for the southwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the west line of said Lidell 106.91-acre tract and the east line of said Guerrero Maverick 5.00-acre tract, and a called 50.27 acre tract of land described as Tract 1 as conveyed to Guerrero Maverick, LLC by said Special Warranty Deed recorded in Document Number 2019117600 of the Official Public Records of Williamson County, Texas, and the east line of the called 27.36 acre tract of land as conveyed to Howard R. Sladek and Brenda Sladek by Warranty Deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, and the east line of the called 14.00 acre tract of land as conveyed to Howard Ray Sladek by Contract of Sale and Purchase recorded in Volume 867, Page 747 of the Deed Records of Williamson County, Texas, N 21°38'12" W, a distance of 5,917.45 feet to a 1-inch iron rod found on the south line of the remainder of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, at the northeast corner of said Howard Ray Sladek 14.00-acre tract, for the northwest corner of the herein described tract of land;

THENCE, with the north line of said Lidell 106.91-acre tract and the south line of said Sladek remainder tract, N 68°25'37" E, a distance of 294.31 feet to an axle found at the southeast corner of said Sladek remainder tract, at the southwest corner of the called 14.502 acre tract of land as conveyed to Eagle Crest Investment, LLC by Special Warranty Deed with Vendor's Lien recorded in Document Number 2021007714 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the north line of said Lidell 106.91-acre tract and the south line of said Eagles Crest 14.502-acre tract, N 68°14'19" E, a distance of 466.23 feet to a 1-inch iron rod found at the northwest corner of the called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, for the northeast corner of the herein described tract;

THENCE, with the east line of said Lidell 106.91-acre tract and the west line of said Walker 105.75-acre tract, S 21°37'44" E, a distance of 6,337.50 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the north right-of-way line of said County Road 132, at the southwest corner of said Walker 105.75-acre tract, for the southeast corner of the herein described tract;

THENCE, with the south line of said Lidell 106.91-acre tract and the north right-of-way line of said County Road 132, N 82°44'12" W, a distance of 867.72 feet to the POINT OF BEGINNING and containing 106.918 acres of land, more or less.

EXHIBIT A-2

Description of Tract 2

FIELD NOTES FOR A 76.317 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF THE CALLED 105.75 ACRE TRACT OF LAND AS CONVEYED TO CHARLES MERVIN WALKER AND GRACE E. WALKER BY WARRANTY DEED RECORDED IN VOLUME 484, PAGE 331 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 76.317 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 2-inch iron pipe found on the westerly right-of-way line of County Road 133 at the occupied northeast corner of the above described Walker 105.75-acre tract, at the southeast corner of the called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. and Ashley R. Salisbury by Warranty Deed recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, for the northeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the westerly right-of-way line of said County Road 133, generally as occupied by farming activities, S 21°04'43" E, a distance of 588.64 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°25'30" E, a distance of 1,716.65 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°42'11" E, a distance of 1,716.64 feet to a 60D nail found for an angle point of the herein described tract;

THENCE, continuing with the occupied westerly right-of-way line of said County Road 133, S 21°27'07" E, a distance of 657.52 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for the southeast corner of the herein described tract;

THENCE, departing the occupied westerly right-of-way line of said County Road 133, over and across said Walker 105.75-acre tract, S 68°32'53" W, a distance of 707.99 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west line of said Walker 105.75-acre tract, being the easterly line of the called 106.91 acre tract of land as conveyed to Jon Mark Lidell, Lynn Russell Lidell and Michael C. Lidell by Special Warranty Deed recorded in Document Number 2002015476 of the Official Public Records of Williamson County, Texas, for the southwest corner of the herein described tract, from which a 1/2-inch iron rod with a cap stamped "BGE INC" set on the northerly right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of said Lidell 106.91-acre tract, for the southwest corner of said Walker 105.75-acre tract bears S 21°37'44" E, a distance of 1,660.35 feet;

THENCE, with the west line of said Walker 105.75-acre tract and the east line of said Lidell tract, N 21°37'44" W, a distance of 4,677.08 feet to a 1-inch iron rod found on the south line of the called 14.502 acre tract of land as conveyed to Eagle Crest Investment, LLC by Special Warranty Deed with Vendor's Lien recorded in Document Number 2021007714 of the Official Public Records of Williamson County, Texas, at the northwest corner of said Walker 105.75-acre tract, at the northeast corner of said Lidell 106.91-acre tract, for the northwest corner of the herein described tract, from which an axle found at the southwest corner of said Eagle Crest Investment, LLC 14.502-acre tract and at the southeast corner of the remainder of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, bears S 68°14'19" W, a distance of 466.23 feet;

THENCE, with the north line of said Walker 105.75-acre tract and the south line of said Eagle Crest Investment, LLC 14.502-acre tract, N 68°22'06" E, a distance of 493.20 feet to a 1/2-inch iron rod found at the southeast corner of said Eagle Crest Investment, LLC 14.502-acre tract and at the southwest corner of said Salisbury 1.86-acre tract, for an angle point of the herein described tract;

THENCE, with the north line of said Walker 105.75-acre tract and the south line of said Salisbury 1.86-acre tract, N 68°20'40" E, a distance of 226.35 feet to the POINT OF BEGINNING and containing 76.317 acres of land, more or less.

EXHIBIT A-3

Description of Tract 3

FIELD NOTES FOR A 65.281 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186 AND THE CANUTILLO COLONY DITCH COMPANY SURVEY, ABSTRACT NO. 693, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 50.27 ACRE TRACT OF LAND DESCRIBED AS TRACT 1 AND ALL OF THE CALLED 5.00 ACRE TRACT OF LAND DESCRIBED AS TRACT 2 AS CONVEYED TO GUERRERO MAVERICK, LLC BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2019117600 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, AND ALL OF THE CALLED 9.88 ACRE TRACT OF LAND AS CONVEYED TO GUERRERO MAVERICK, LLC BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2019118089 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 65.281 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the north right-of-way line of County Road 132 (variable width right-of-way) at the southeast corner of the above described Guerrero Maverick 5.00-acre tract, at the southwest corner of the called 106.91 acre tract of land as conveyed to Jon Mark Lidell, Lynn Russell Lidell and Michael C. Lidell by Special Warranty Deed recorded in Document Number 2002015476 of the Official Public Records of Williamson County, Texas, for the southeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the north right-of-way line of said County Road 132, N 83°08'58" W, a distance of 406.40 feet to a 1/2-inch iron rod with a cap stamped "TLS" found at the northeast corner of a fifteen (15') right-of-way tract as dedicated by plat of RIVER CROSSING SUBDIVISION PHASE THREE, a subdivision as recorded in Cabinet X, Slides 249-252 of the Plat Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the north line of said RIVER CROSSING SUBDIVISION PHASE THREE, N 82°26'38" W, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the northeast corner of Lot 11, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 15.00 feet, pass a 1/2-inch iron rod with a cap stamped "RPLS 2218" found at the common north corner of Lots 9 and 10, Block J of said RIVER CROSSING SUBDIVISION PHASE THREE at a distance of 233.17 feet, and continuing on for a total distance of 524.18 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for the southwest corner of the herein described tract, from which a 1/2-inch iron rod found on the north line of said RIVER CROSSING SUBDIVISION PHASE THREE subdivision bears N 82°26'38" W a distance of 653.49 feet;

THENCE, departing the north line of said RIVER CROSSING SUBDIVISION PHASE THREE with the west line of a called 107 Acre parent tract as described in Volume 309, Page 269 of the Deed Records of Williamson County, Texas, N 21°39'45" W, a distance of 3,121.05 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the northwest corner of said Guerrero Maverick 50.27-acre tract, at the southwest corner of a called 27.36 acre tract of land as conveyed to Howard R. Sladek and Brenda Sladek by Warranty Deed recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas, for the northwest corner of the herein described tract, from which a 1/2-inch iron rod found bears N 21°39'45" W a distance of 250.62 feet and from which a 1-inch iron pipe found at the northwest corner of said 107-Acre parent tract bears N 21°39'45" W a distance of 2,346.24 feet;

THENCE, with the north line of said Guerrero Maverick 50.27-acre tract and the south line of said Sladek 27.36-acre tract, N 49°28'29" E, a distance of 862.66 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west line of the aforementioned Lidell 106.91-acre tract, at the northeast corner of said Guerrero Maverick 50.27-acre tract and the southeast corner of said Sladek 27.36-acre tract, for the northeast corner of the herein described tract, from which a 1-inch iron rod found at the northwest corner of said Lidell 106.91-acre tract bears N 21°38'12" W a distance of 2,067.62 feet;

THENCE, with the east lines of said Guerrero Maverick 50.27-acre tract and 5.00-acre tract and the west line of said Lidell 106.91-acre tract, S 21°38'12" E, a distance of 3,849.83 feet to the POINT OF BEGINNING and containing 65.281 acres of land, more or less.

EXHIBIT A-4

Description of Tract 4

FIELD NOTES FOR A 14.504 ACRE TRACT OF LAND OUT OF THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 14.502 ACRE TRACT OF LAND AS CONVEYED TO EAGLE CREST INVESTMENT, LLC BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED IN DOCUMENT NUMBER 2021007714 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 14.504 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the southerly right-of-way line of F.M. 1660 (variable width right-of-way) on the east line of the remaining portion of a called 163.89 acre tract of land as conveyed to Ricky D. Kruger, Brenda K. Sladek and Timothy R. Kruger by Executor's Deed recorded in Document Number 2016121073 of the Official Public Records of Williamson County, Texas, at the northwest corner of said Eagle Crest Investment 14.502-acre tract, for the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the southerly right-of-way line of said F.M. 1660 and the northerly line of said Eagle Crest Investment 14.502-acre tract, N 68°21'24" E a distance of 458.18 feet to a 1/2-inch iron rod found at the west corner of a called 4.64 acre tract of land described as Tract 1 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at the northeast corner of said Eagle Crest Investment, LLC tract, for the north corner of the herein described tract;

THENCE, departing the southerly right-of-way line of said F.M. 1660 with the west line of said Salisbury 4.64-acre tract and the east line of said Eagle Crest Investment 14.502-acre tract, S 70°18'11" E a distance of 648.99 feet to a 1/2-inch iron rod found at the southwest corner of said Salisbury 4.64-acre tract, at the northwest corner of a called 1.86 acre tract of land described as Tract 2 as conveyed to Christopher J. Salisbury and Ashley R. Salisbury by said Warranty Deed with Vendor's Lien recorded in Document Number 2012039498 of the Official Public Records of Williamson County, Texas, at an easterly corner of said Eagle Crest Investment 14.502-acre tract, for an easterly corner of the herein described tract;

THENCE, with the west line of said Salisbury 1.86-acre tract and the east line of said Eagle Crest Investment 14.502-acre tract, S 23°07'16" E a distance of 346.30 feet to a 1/2-inch iron rod found on the northerly line of a called 105.75 acre tract of land as conveyed to Charles Mervin Walker and Grace E. Walker by Warranty Deed recorded in Volume 484, Page 331 of the Deed Records of Williamson County, Texas, at the southeast corner of said Eagle Crest Investment 14.502-acre tract, for the southeast corner of the herein described tract, from which a 2-inch iron pipe found on the westerly right-of-way line of County Road 133 (variable width right-of-way) for the southeast corner of said Salisbury 1.86-acre tract bears N 68°20'40" E a distance of 226.35 feet;

THENCE, with the northerly line of said Walker 105.75-acre tract and the southerly line of said Eagle Crest Investment 14.502-acre tract, S 68°22'06" W a distance of 493.20 feet to a 1-inch iron rod found at the northwest corner of said Walker 105.75-acre tract and the northeast corner of a called 106.91 acre tract of land as conveyed to Jon Mark Lidell, Lynn Russell Lidell and Michael C. Lidell by Special Warranty Deed recorded in Document Number 2002015476 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the northerly line of said Lidell 106.91-acre tract and the southerly line of said Eagle Crest Investment 14.502-acre tract, S 68°14'19" W a distance of 466.23 feet to an axle found at the southeast corner the aforementioned Kruger remainder tract and at the southwest corner of said Eagle Crest Investment 14.502-acre tract, for the southwest corner of the herein described tract, from which a 1-inch iron rod found at the northwest corner of said Lidell 106.91-acre tract bears S 68°25'37" W a distance of 294.31 feet;

THENCE, with the easterly line of said Kruger remainder tract and the westerly line of said Eagle Crest Investment 14.502-acre tract, N 21°16'12" W a distance of 775.74 feet to the POINT OF BEGINNING and containing 14.504 acres of land, more or less.

Concept Plan

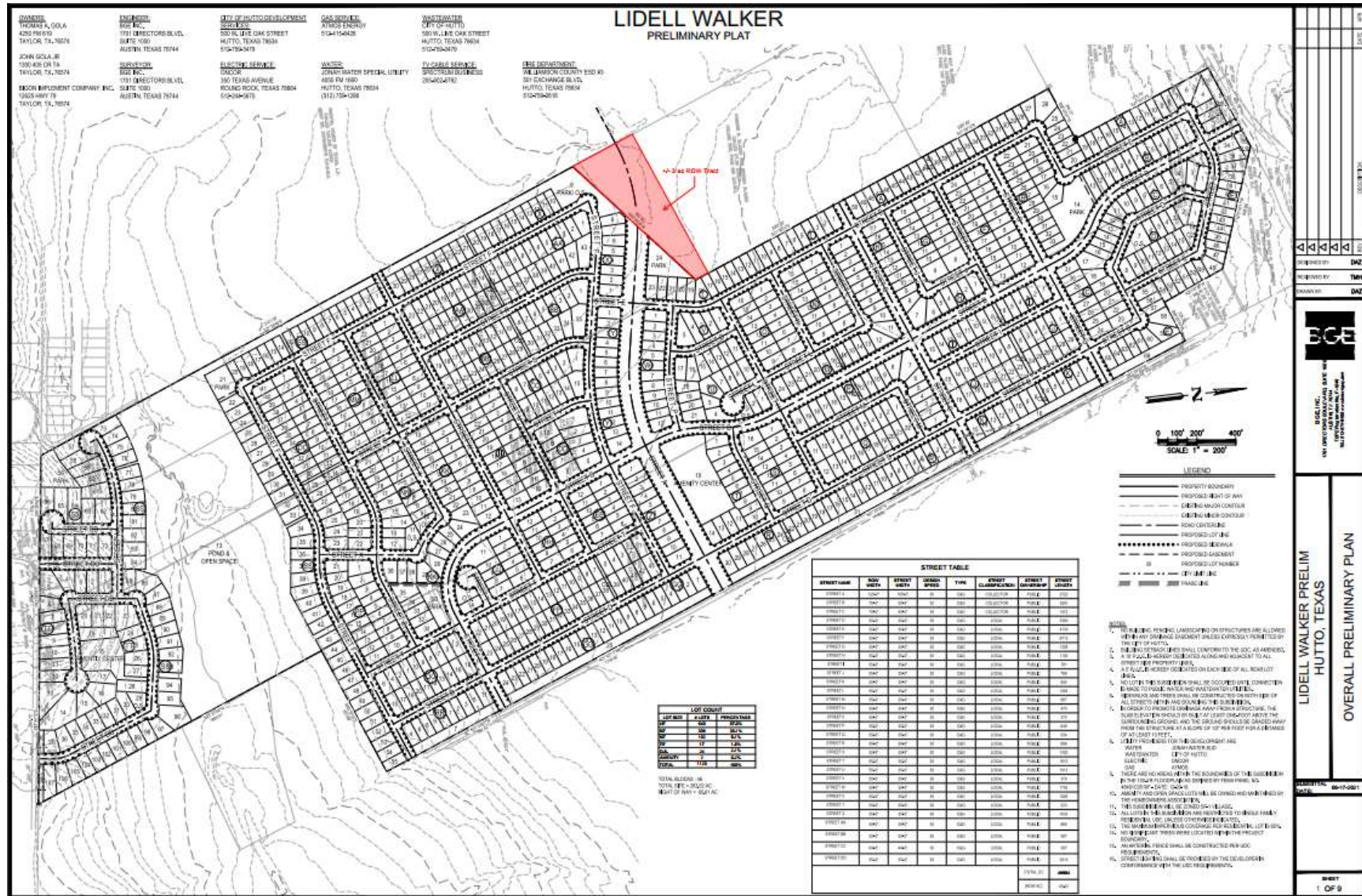


EXHIBIT C-1

Peterson Tract 1

FIELD NOTES FOR A 199.464 ACRE TRACT OF LAND IN THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 30.00 ACRE TRACT OF LAND DESCRIBED AS TRACT TWO AND ALL OF THE CALLED 170.00 ACRE TRACT OF LAND DESCRIBED AS TRACT THREE AS CONVEYED TO HILDA J. PETERSON, TRUSTEE, THE PETERSON FAMILY TRUST-DECEDENT'S TRUST B, BY SPECIAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2018022732 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 199.464 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found in the westerly right-of-way line of F.M. 1660 (variable width right-of-way) at the southeast corner of the above described Peterson 30-acre tract, at the northeast corner of the called 26.981 acre tract of land as conveyed to Hjalmar, LLC by General Warranty Deed recorded in Document Number 2010055556 of the Official Public Records of Williamson County, Texas, for the southeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the northwest line of said Hjalmar, LLC 26.981-acre tract, S 68°45'34" W, a distance of 1,581.56 feet to a 5/8-inch iron rod found at the northwest corner of said Hjalmar, LLC 26.981-acre tract and the most northerly northeast corner of the called 62.956-acre tract of land as conveyed to Marvin Sturm and Iola Sturm by Deed with Vendor's Lien recorded in Volume 1174, Page 282 of the Official Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the northwest line of said Sturm 62.956-acre tract, S 68°33'43" W, a distance of 995.91 feet to a 1-1/2-inch iron pipe found at the northwest corner of said Sturm 62.956-acre tract and the northeast corner of the called 181.663-acre tract of land as conveyed to WLH Communities-Texas LLC by Special Warranty Deed recorded in Document Number 2019027650 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the northwest line of said WLH Communities-Texas LLC 181.663-acre tract, S 68°19'24" W, a distance of 1,138.76 feet to a 1/2-inch iron rod with a cap stamped "RJ SURVEYING" found in northwest line of said WLH Communities-Texas LLC 181-663-acre tract, at the southeast corner of the called 44.37-acre tract of land as conveyed to Ronald Albert Smith and Janice H. Smith by Warranty Deed with Vendor's Lien recorded in Volume 2267, Page 16 of the Official Records of Williamson County, Texas, at the southwest corner of the above described Peterson 170.00-acre tract, for the southwest corner of the herein described tract;

THENCE, with the east line of said Smith 44.37-acre tract, N 21°26'45" W, a distance of 881.63 feet to a 3/8-inch iron rod found at the most easterly northeast corner of said Smith 44.37-acre tract, at the southeast corner of Lot 2, STEVE HESTER SUBDIVISION, a subdivision as recorded in Cabinet I, Slides 391-392 of the Plat Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with an east line of said Lot 2, N 21°30'33" W, a distance of 614.01 feet to a 1/2-inch iron rod found at the most easterly northeast corner of said Lot 2, at the southeast corner of the called 4.98 acre tract of land as conveyed to Carl Seagreen and Beverly Seagreen by Warranty Deed with Vendor's Lien recorded in Document Number 2013107733 of the Official Public Records of Williamson County, Texas, for an angle point of the herein described tract;

THENCE, with the east line of said Seagreen 4.98-acre tract, N 21°29'52" W, a distance of 839.60 feet to a 1/2-inch iron rod found in the southerly right-of-way line of County Road 100 (variable width right-of-way) at the northeast corner of said Seagreen 4.98-acre tract, at the northwest corner of said Peterson 170.00-acre tract, for the northwest corner of the herein described tract;

THENCE, with the southerly right-of-way line of said County Road 100, N 68°27'18" E, a distance of 3,730.07 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the intersection of the southerly right-of-way line of said County Road 100 with the westerly right-of-way line of the south fork of County Road 100 (variable width right-of-way), for the northeast corner of the herein described tract;

THENCE, with the westerly right-of-way line of the south fork of said County Road 100, S 21°30'32" E, a distance of 670.80 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the intersection of the westerly right-of-way line of the south fork of said County Road 100 with the westerly right-of-way line of said FM 1660, for an outside corner of the herein described tract;

THENCE, with the westerly right-of-way line of said FM 1660, S 68°29'28" W, a distance of 15.00 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set for an inside corner of the herein described tract;

THENCE, with the westerly right-of-way line of said FM 1660, S 21°30'32" E, a distance of 1,672.10 feet to the POINT OF BEGINNING and containing 199.464 acres of land, more or less.

EXHIBIT C-2

Peterson Tract 2

FIELD NOTES FOR A 27.009 ACRE TRACT OF LAND IN THE JOHN DYKES SURVEY, ABSTRACT NO. 186, WILLIAMSON COUNTY, TEXAS; BEING ALL OF THE CALLED 26.981 ACRE TRACT OF LAND AS CONVEYED TO HJALMAR, LLC BY GENERAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2010055556 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 27.009 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the westerly right-of-way line of F.M. 1660 (variable width right-of-way) at the northeast corner of the above described Hjalmar, LLC 27.041-acre tract, at the southeast corner of the called 30.00 acre tract of land described as Tract Two as conveyed to Hilda J. Peterson, Trustee, The Peterson Family Trust-Decedent's Trust B, by Special Warranty Deed recorded in Document Number 2018022732 of the Official Public Records of Williamson County, Texas, for the northeast corner and POINT OF BEGINNING of the herein described tract;

THENCE, with the westerly right-of-way line of said FM 1660, S 21°06'38" E a distance of 743.00 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southeast corner of said Hjalmar, LLC 27.041-acre tract, at the most easterly northeast corner of the called 62.956 acre tract of land as conveyed to Marvin Sturm and Lola Sturm by Deed with Vendor's Lien recorded in Volume 1174, Page 282 of the Official Records of Williamson County, Texas, for the southeast corner of the herein described tract;

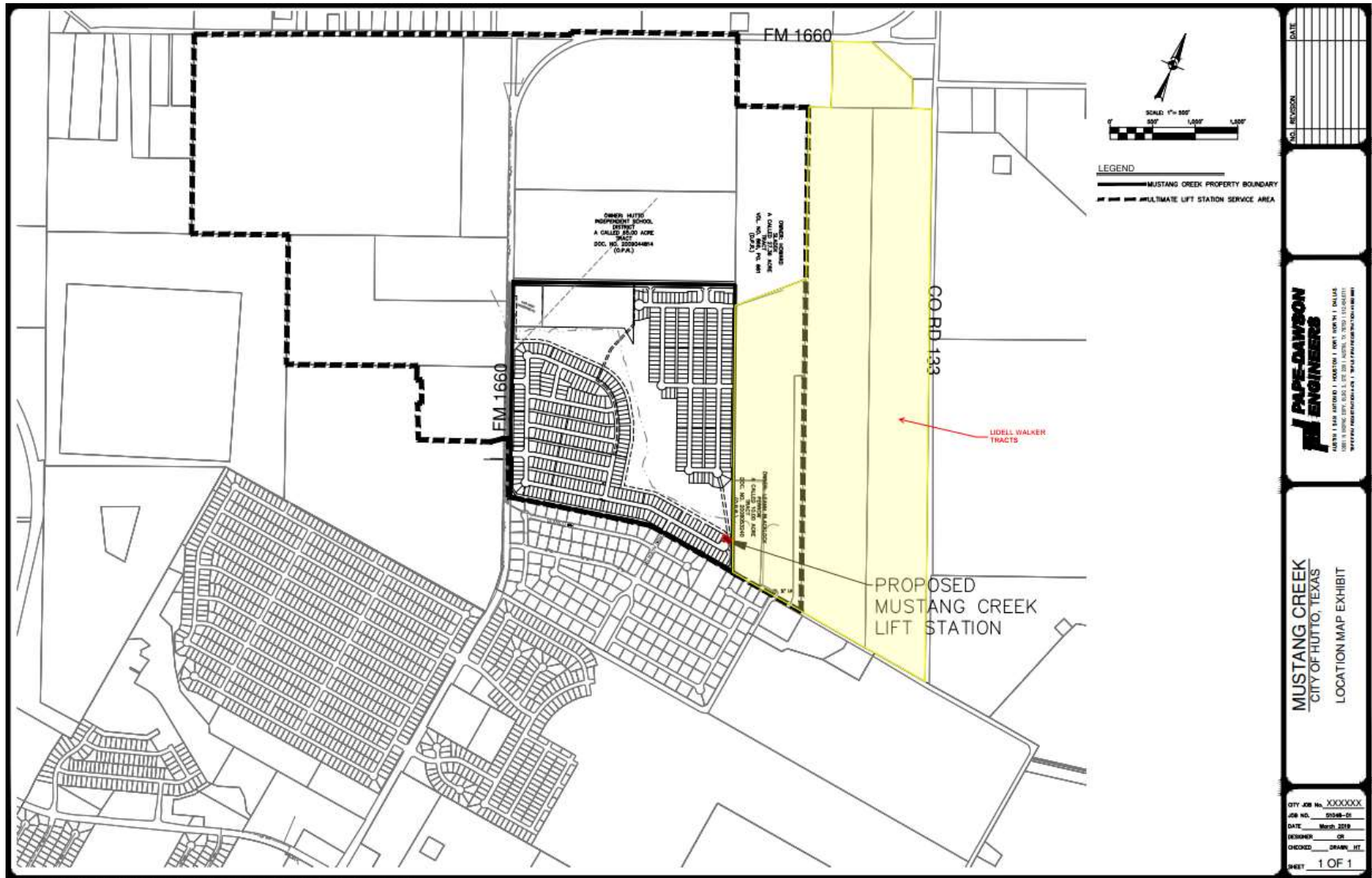
THENCE, departing the westerly right-of-way line of FM 1669 with a northwest line of the Sturm 62.956-acre tract, S 68°42'06" W a distance of 1,581.94 feet to a 1/2-inch iron rod found at the southwest corner of said Hjalmar, LLC 27.041-acre tract, at an interior corner of said Sturm 62.956-acre tract, for the southwest corner of the herein described tract;

THENCE, with a northeast line of the Sturm 62.956-acre tract, N 21°04'53" W a distance of 744.60 feet to a 5/8-inch iron rod found on the southerly line of the called 170.00 acre tract of land described as Tract Three as conveyed to Hilda J. Peterson, Trustee, The Peterson Family Trust-Decedent's Trust B, by said Special Warranty Deed recorded in Document Number 2018022732 of the Official Public Records of Williamson County, Texas, at the northwest corner of said Hjalmar, LLC 26.981-acre tract, at the northeast corner of said Sturm 62.956-acre tract, for the northwest corner of the herein described tract;

THENCE, with the southwest lines of said Peterson 170.00-acre tract and 30.00-acre tract, N 68°45'34" E a distance of 1,581.56 feet to the POINT OF BEGINNING and containing 27.009 acres of land, more or less.

EXHIBIT D

Wastewater Lift Station



{W1064149.5}

Exhibit D

RESOLUTION NO. R-2021-147A

A RESOLUTION OF THE CITY OF HUTTO, TEXAS REPEALING RESOLUTION R-2021-147; APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HUTTO AND WMV NORTH HUTTO, LLC; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on September 16, 2021, the City Council adopted Resolution R-2021-147 approving a Development Agreement between the City of Hutto and WMV North Hutto, LLC, and authorizing the City Manager to execute the Agreement (the “Agreement”); and

WHEREAS, WMV North Hutto, LLC, has requested some revisions to the Agreement; and

WHEREAS, the City Council desires to repeal Resolution R-2021-147 and authorize the City Manager to enter into a Development Agreement with WMV North Hutto, LLC, with the requested changes; and

WHEREAS, the City Council desires to authorize the City Manager to execute the Agreement, attached as Exhibit A;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS,

SECTION 1: The findings set forth in the recitals of this Resolution are hereby found to be true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2: That the Hutto City Council hereby repeals Resolution R-2021-147 and approves and authorizes the City Manager to execute the Development Agreement, attached as Exhibit “A”, a copy of same being attached hereto and incorporated herein for all purposes.

SECTION 3: The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

RESOLVED this 7th day of October, 2021.

Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-131 authorizing the City of Hutto's execution and entering into the Durango Farms Public Improvement District Financing and Reimbursement Agreement; ordering other matters in connection with the foregoing and providing an effective date. (Dorothy Palumbo)
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. R-2021-131 Hutto Resolution Approving Durango Financing and Reimbursement
2. REDLINE.Durango Farms.Financing Agreement.v4.1
3. CLEAN.Durango Farms.Financing Agreement.v4.1
4. Hutto Durango Farms.Financing Agreement.for Council Approval 9 2 21

RESOLUTION NO. R-2021-131

A RESOLUTION OF THE CITY OF HUTTO, TEXAS, APPROVING THE DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT BETWEEN MA DURANGO FARMS, LLC AND THE CITY OF HUTTO, TEXAS; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to approve the Durango Farms Public Improvement District Financing and Reimbursement Agreement between the City of Hutto and MA Durango Farms, LLC, and authorize the City Manager to execute the Agreement (the “Agreement”) attached as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS, THAT:

SECTION 1: The findings set forth in the recitals of this Resolution are hereby found to be true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2: The Hutto City Council hereby approves and authorizes the City Manager to execute the Durango Farms Public Improvement District Financing and Reimbursement Agreement, attached as Exhibit “A”, a copy of same being attached hereto and incorporated herein for all purposes.

SECTION 3: The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

RESOLVED this 19th day of August, 2021.

Mike Snyder, Mayor

ATTEST:

Holly Nagy, City Secretary

DRAFT – ~~8.4.21~~8.12.21

DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT

FINANCING AND REIMBURSEMENT AGREEMENT

BETWEEN

MA DURANGO FARMS, LLC, a Texas limited liability company

AND

THE CITY OF HUTTO, TEXAS

**DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT
FINANCING AND REIMBURSEMENT AGREEMENT**

This **DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT** (this "**Agreement**"), dated as of __, 2021, (the "**Effective Date**"), is entered into between **MA Durango Farms, LLC**, a Texas limited liability company (including its Designated Successors and Assigns, the "**Owner**"), and the **CITY OF HUTTO, TEXAS** (the "**City**"), a home-rule municipal corporation of the State of Texas. The Owner and the City are sometimes collectively referenced in this Agreement as the "**Parties**," or, each individually, as the "**Party**." The Owner's and City's entry into this Agreement is being consented to by Vantage at Hutto, LLC, ("**Vantage**") and Meritage Homes of Texas, LLC, an Arizona limited liability company ("**Meritage**") (Vantage and Meritage collectively the "**Consenting Parties**"). **[WILL THERE BE ANY OTHER CONSENTING OWNERS AT THE TIME OF BOND CLOSING?]**

Recitals:

WHEREAS, Owner and the Consenting Parties own a total of approximately 105.6 acres of land, with Vantage owning approximately 16.9 acres, Meritage owning approximately __ acres, and Owner owning approximately __ acres; more particularly described on Exhibit "B" attached hereto and made a part hereof (the "**Property**");

WHEREAS, the City Council of the City (the "**City Council**") approved the Amended and Restated Development Agreement, effective January 7, 2021, which provides for the terms and conditions of development standards for the Property (as may be amended from time to time, the "**Development Agreement**");

WHEREAS, it is intended that the Property will be developed as a Mixed Use development to be known as "**Durango Farms**" (the "**Project**") as further described in the Concept Plan which is attached hereto as Exhibit "C" hereto and made a part hereof;

WHEREAS, the City Council also approved a Planned Unit Development by zoning the Property pursuant to Ordinance No. 0-19-10-17-10C (the "**PUD**"), as the same may be amended from time to time;

WHEREAS, the City Council authorized the formation of the Durango Farms Public Improvement District pursuant to Resolution No. R-2020-068 on August 6, 2020 (the "**District**") in accordance with the PID Act;

WHEREAS, the Owner of the Property desires and intends to design, construct and install and/or make financial contributions to certain on-site and off-site public improvements to serve the development of the Property and pursuant to the terms of this Agreement, the City has agreed to accept and to pay or reimburse the Owner for a portion of certain public improvements that will serve the Property in the District, as generally described on Exhibit "D" and Exhibit "D-1" attached hereto and made a part hereof (the "**Authorized Improvements**");

WHEREAS, pursuant to the terms of this Agreement, the City has agreed that the Authorized Improvements provide a special benefit to the City and to allow financing of the Authorized Improvements conferring special benefits to the Property through the District.

WHEREAS, \$3.20 is the aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District, and \$15,000,000 is the maximum par amount of PID Bonds that will be financed to fund or reimburse eligible improvements to the Owner; and

WHEREAS, contemporaneously herewith the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for the issuance of PID Bonds and Owner's compliance with the City's PID Policy and this Agreement and the Development Agreement, and in accordance with the terms of this Agreement and any other legal requirements, will consider : (i) the adoption of the Service and Assessment Plan (or amendment thereto) for the District; (ii) the adoption of an Assessment Ordinance for the District and (iii) authorizing the issuance of PID Bonds, in one or more series at the City's sole discretion, for the purpose of financing the costs of the Authorized Improvements and paying associated costs as described herein;

WHEREAS, prior to consideration of the sale of a series of PID Bonds: (a) the City Council shall have considered, approved and adopted this Agreement; (b) the City shall have considered, reviewed and approved the Home Buyer Disclosure Program; (c) owners of the Property constituting all of the acreage in the District at the time of the issuance of the PID Bonds shall have executed a Landowner Agreement (as defined in Section 3.02, herein); and (d) the Owner shall have delivered a fully executed copy of the Landowner Agreement to the City; and

WHEREAS, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, accept the Authorized Improvements, or Segments thereof, provided for in this Agreement and the Owner will be paid or reimbursed for the costs of the Authorized Improvements, or Segments thereof, solely from Special Assessments or from the proceeds of the PID Bonds, for the costs of acquisition, construction and improvement of the Authorized Improvements or Segments thereof that are completed, dedicated to and accepted by the City, subject to the terms and limitations set forth herein.

WHEREAS, the City agrees to pay or reimburse the Owner for the Actual Costs of the Authorized Improvements with the proceeds of an issuance of PID Bonds or special assessment revenues derived from the District in accordance with the terms and provisions of this Agreement. Subject to the limitations of the PID Act, the City Charter and the City's PID Policy, the City has the authority to issue, from time to time, one or more series of PID Bonds, the proceeds of which will be used to pay the costs of Authorized Improvements, or Segments thereof, including indebtedness to pay capitalized interest and a reserve fund permitted by the PID Act for revenue bonds issued under the PID Act and indebtedness issued to pay the City's costs of issuance in accordance with this Agreement.

WHEREAS, the City has determined that it is in its best interests to enter into this Agreement with the Owner for the construction and/or acquisition of the Authorized Improvements, or Segments, thereof, which will result in the efficient and effective implementation of each 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. RECITALS AND DEFINED TERMS

The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes. Unless otherwise defined herein, capitalized terms used herein are set forth in Exhibit "A" attached hereto and made a part hereof and in the Service and Assessment Plan.

ARTICLE II. CONSTRUCTION OF AUTHORIZED IMPROVEMENTS; ACCEPTANCE

Section 2.01. Authorized Improvements.

The Owner shall be responsible for construction of all the Authorized Improvements, or Segments thereof, to be completed, in a good and workmanlike manner, and in accordance with all Applicable Regulations. The costs of the Authorized Improvements are subject to change and shall be updated by the Owner and the City in a manner consistent with the Service and Assessment Plan and the PID Act. The actual or estimated Actual Costs, as applicable, of the Authorized Improvements will be reviewed annually by the Parties and included in an annual update of the Service and Assessment Plan adopted and approved by the City. The currently anticipated Authorized Improvements are identified in Exhibit "D" hereto. The Service and Assessment Plan may need to be amended over time if there are any changes to the specification or plans relating to an Authorized Improvement. The Parties acknowledge that the Authorized Improvements described in Exhibit "D" are subject to change, and that the Service and Assessment Plan will provide information on the Authorized Improvements for the District and will control when in conflict with Exhibit "D". The Owner shall be responsible for payment of the Actual Costs of the Authorized Improvements. The costs of the Authorized Improvements are eligible for payment or reimbursement by the City as provided in Article II hereof. If the Owner is unable or unwilling to perform its obligations with respect to the construction of the Authorized Improvements, the City may complete the construction of the Authorized Improvements and use Special Assessment Revenues and PID Bond proceeds to pay the Cost thereof in accordance with the terms hereof, particularly Section 2.04(ii).

Section 2.02. Inspections; Acquisition of Authorized Improvements.

(a) To the extent not previously approved, the Owner will obtain approval of construction plans as required by all Applicable Regulations, for an Authorized Improvement from the City prior to commencing construction of such Authorized Improvement. Approval by the City, the City Engineer or the City Construction Representative, of any plans, designs or specifications submitted by Owner pursuant to this Agreement or pursuant to all Applicable Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Owner, the Project Engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an

assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Owner or Owner's Project Engineer, or such engineer's officers, agents, servants or employees. Approval by the City Engineer or City Construction Representative signifies the City's approval on only the general design concept of the improvements to be constructed or the improvements constructed.

(b) The City shall have the right to inspect, at any time, the construction of all Authorized Improvements necessary to support the Project, including water, wastewater/sanitary sewer, drainage, roads, streets, alleys, park facilities, electrical, entryway monumentation and street lights and signs in accordance with all Applicable Regulations. The City's inspections and/or approvals shall not release the Owner from its responsibility to construct, or cause the construction of, Authorized Improvements in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this Agreement, it shall not be a breach or violation of this Agreement if the City withholds building permits, certificates of occupancy or City utility services as to any portion of the Project if Owner is in default under this Agreement and the Development Agreement to construct the required Authorized Improvements or Segments thereof, according to the approved engineering plans and all Applicable Regulations. Acceptance by the City shall not be unreasonably withheld, conditioned or delayed.

(c) The Owner shall dedicate, convey, or otherwise provide for the benefit of the City the Authorized Improvements, or Segments thereof, identified on Exhibit "D" of this Agreement (as the same may be adjusted pursuant to the Service and Assessment Plan) upon completion of said Authorized Improvements, or Segments thereof, and the City will accept such dedication of such Authorized Improvements, or Segments thereof, after confirming that the Authorized Improvements, or Segments thereof, have been completed in accordance with this Agreement, the Development Agreement and all Applicable Regulations.

(d) From and after the inspection and acceptance by the City of the Authorized Improvements, or Segments thereof, and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City.

Section 2.03. Designation of Construction Manager, Project Engineers.

(a) The City hereby designates the Owner, as the initial 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 II, subject to the City's review and approval of design specifications and easement locations.

(b) If the Construction Manager is (i) unable (not caused by Force Majeure) or unwilling to perform its duties and responsibilities hereunder or (ii) is not performing the duties and responsibilities of the Construction Manager in accordance with the terms of this Agreement, the City shall provide written notice to the Owner of such non-performance (the "**Non-performance**"). The Owner shall have thirty (30) calendar days (or such longer period of time as agreed upon in writing by the Parties) to correct the Non-performance from the date of the

City's written notification. If the Non-performance is not cured, the City may either allow the Owner additional time to cure the Non-performance based on adequate assurance in writing by the Owner that the Construction Manager will perform or if required by the City, adequate funds shall be held in escrow or be deposited into a segregated account of the Project Fund as identified in the Trust Indenture, or the City may replace the Construction Manager any time after the cure period has elapsed.

Section 2.04. Designation of Construction Manager Subcontractor.

The Owner may subcontract out all or some of the duties of Construction Manager to a third party, with the written consent of the City, such consent not to be unreasonably withheld, conditioned, or delayed. Owner may designate a homebuilder, an individual, company, partnership, or other entity (each a "**Third-Party Contractor**"), as a subcontractor for construction management services for one or more Authorized Improvements or Segments thereof. The Owner shall provide written notice to the City within three (3) business days of such designation. Within five (5) business days after executing a contract with a Third-Party Contractor, the Owner shall:

(i) provide a copy of the executed contract to the City Construction Representative, and

(ii) obtain from the Third-Party Contractor a collateral assignment of the Owner's rights under the contract with the Third-Party Contractor solely as they relate to the Authorized Improvements or Segments thereof related to the contract with the Third-Party Contractor, in a form satisfactory to the City Construction Representative, which authorizes the City to utilize the services of such Third-Party Contractor to complete the construction of such Authorized Improvements or Segments, thereof, if the Owner fails to do so as provided in this Agreement.

Section 2.05. Mandatory Owners Association.

(a) Prior to the sale of any platted single-family lots within the District, the Owner shall create an Owners Association for the Property (but may exclude from the Owner's Association jurisdiction lots platted for the purpose of multi-family residential or commercial use), and shall establish bylaws, rules, regulations and restrictive covenants (collectively the "**Association Regulations**") to assure the Owners Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Owners Association pursuant to this Section. **[VERIFY HOA HAS BEEN FORMED]**

(b) Owner agrees to execute and record against the Property a deed restriction requiring compliance with all building material restrictions outlined in the Development Agreement.

(c) The Owners Association will have a binding, continuing responsibility for the implementation and enforcement of the Association Regulations. The Association Regulations shall establish periodic Owners Association dues and assessments, to be charged and paid by the single-family lot owners within the Property, that are and will be sufficient to (i) pay the Owners Association's Annual Installments of Special Assessments **[ARE THERE ANY ASSESSMENTS]**

~~ON HOA PROPERTY?~~ (if any), and (ii) to provide funds required for the management and operation of the Owners Association.

(d) The Owners Association dues and assessments that are established, maintained and collected by the Owners Association shall be in addition to, and not in lieu of, any and all other fees, charges and Special Assessments that will be applicable to the Property.

Section 2.06. Change Orders for Authorized Improvements.

All change orders for applicable Authorized Improvements shall be approved by the Owner, Construction Manager and the City Construction Representative, to the extent any such change order causes an increase to the total costs of the Authorized Improvements in excess of \$100,000. The Construction Manager shall provide copies of all approved change orders to the Financial Advisor and Trustee within five (5) business days after approval.

Notwithstanding any provision contained herein to the contrary, the Owner must obtain the approval of the City Construction Representative for any change order that would substantially change the character or nature of an Authorized Improvement or Segment thereof. A substantial change shall be a modification to the Authorized Improvement or Segment thereof such that it constitutes a new Authorized Improvement or Segment thereof beyond the scope of this Agreement.

Section 2.07. Payment and Performance Bonds for Authorized Improvements.

For each construction contract for any part of the Authorized Improvements, the Owner or Owner's contractor shall execute a performance bond in favor of the City and a payment bond for the construction and work covered by those contracts, which bonds shall be in accordance with Texas Government Code, Chapter 2253 and all Applicable Regulations. The performance bond requirement will be reduced by an amount equal to any PID Bond proceeds held by the Trustee in the Project Fund and any additional financial support by the Owner at the time of the issuance of PID Bonds, if applicable, and agreed upon by the Owner and the City.

Section 2.08. Maintenance of Project, Warranties.

The Owner shall maintain each Authorized Improvement, or Segment thereof, in good and safe condition in accordance with applicable all Applicable Regulations until such Authorized Improvement, or Segment thereof, is accepted by the City. The City's acceptance of Authorized Improvements, or Segment thereof, shall be in accordance with all Applicable Regulations and procedures for the acceptance of subdivision improvements. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Authorized Improvement, or Segment thereof. On or before the acceptance by the City of an Authorized Improvement, or Segment thereof, the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Authorized Improvement, or Segment thereof, and shall provide the City with a two year maintenance bond from the date of final acceptance of the Authorized Improvements, or Segment thereof, that guarantee the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Authorized Improvements, or Segment thereof, for each Authorized Improvement to be accepted by the City.

Section 2.09. Sales and Use Tax Exemptions.

(a) The Parties understand that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the current Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in Section 151.309 of Tax Code and 34 Tex. Admin. Code, sec. 3.291.

(b) Upon request of the Owner, and to the extent provided by law, 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 34 Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

Section 2.10. Regulatory Requirements.

(a) Notwithstanding anything to the contrary contained herein, the Owners shall be responsible for the costs of designing, constructing, and obtaining the City's acceptance of the Authorized Improvements, in accordance with all Applicable Regulations, the City-approved plans and specifications, and Recognized and Generally Accepted Good Engineering Practices, as such term is defined and interpreted by the Federal Occupational Safety and Health Administration.

(b) With respect to the construction of the Authorized Improvements, it is understood that their construction will be exempt from any public bidding or other purchasing and procurement policies pursuant to the current Texas Local Government Code Section 252.022(a)(9), which states that a project is exempt from such policies if "paving drainage, street widening, and other 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. The Owner will request bids from at least three (3) independent, competent contractors for the construction of the Authorized Improvements in the Phase 1 Subdivision and provide copies of the bids to the City, however the City acknowledges and agrees that the Owner may choose, in their reasonable discretion, to use one of the selected independent, competent contractors for the Phase 1 Subdivision for construction of the Authorized Improvements in the Future Phase 2 Subdivision without soliciting any additional bids, so long as cost estimate for the Authorized Improvements in the Future Phase 2 Subdivision are reasonable and comparable to the costs of the Authorized Improvements in the Phase 1 Subdivision. [MA TO VERIFY]

Section 2.11. Insurance. [MA TO VERIFY]

(a) All contractors, subcontractors, engineers, and consultants shall carry and maintain throughout the term of this Agreement (except as specifically noted below) the following insurance policies:

(i) Workers' compensation and employers' liability insurance coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act and minimum policy limits for employers' liability of \$1,000,000 bodily injury for each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund. The insurance required by this subsection shall be in effect commencing not later than the commencement of construction of any portion of the Project.

(ii) Automobile liability insurance for all owned, non-owned, and hired motor vehicles used, with respect to the Property or the Project in a minimum amount of \$1,000,000, combined single limit.

(iii) Commercial general liability policy with a minimum limit of \$1,000,000 per occurrence for bodily injury and/or property damage, with a minimum aggregate of \$1,000,000 and blanket contractual coverage, independent contractors' coverage and explosion, collapse, and underground (X, C & U) coverage.

(iv) For contractors/subcontractors providing professional engineering, architectural or design services under this Agreement, engineers' professional liability insurance or other errors and omissions insurance coverage for the non-engineer professionals with a minimum limit of \$1,000,000 per claim and in the aggregate to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission committed or alleged to have been committed with respect to plans, maps, drawings, analyses, reports, surveys, change orders, designs or specifications prepared or alleged to have been prepared by the assured. The insurance required by this subsection shall be in effect commencing not later than the commencement of submission to City for approval of permits for construction of any phase of the Project. The insurance will be renewed or extended as necessary to remain in force as for claims made for two (2) years after final acceptance of the applicable Projects by the City.

(v) For work that involves asbestos or any hazardous materials or risk of air, water or soil pollution, the following will be in addition to the other insurance required hereunder:

- a. Asbestos abatement endorsement or pollution coverage to the commercial general liability policy with minimum bodily injury and property damage limits of \$1,000,000 per occurrence for coverages A&B and products/completed operations coverage with a separate aggregate of \$1,000,000. This policy cannot exclude asbestos or any hazardous materials or pollution and shall provide “occurrence” coverage without a sunset clause.
- b. Pollution coverage in accordance with federal and state regulations requiring an MCS 90 endorsement with a \$5,000,000 limit when transporting asbestos in bulk in conveyances of gross vehicle weight rating of 10,000 pounds or more. All other transporters of asbestos shall provide either an MCS 90 endorsement with minimum limits of \$1,000,000 or an endorsement to their commercial general liability insurance policy that provides coverage for bodily injury and property damage arising out of the transportation of asbestos or other hazardous materials. The endorsement must, at a minimum, provide a \$1,000,000 limit of liability and cover events caused by the hazardous properties of airborne asbestos arising from fire, wind, hail, lightning, overturn of conveyance, collision with other vehicles or objects, and loading and unloading of conveyances.

(b) ~~(b)~~ The insurance required under Section 2.11(a)(v) will only be required for the entity that is actually performing work involving asbestos or any hazardous materials or risk of air, water or soil pollution. For example, if the Owner's contractor (instead of the Owner) is performing such work, the contractor, not the Owner, will be required to carry such insurance. The insurance required by this subsection shall be in effect commencing not later than the commencement of each phase of construction if that phase will include work involving asbestos or any hazardous materials or risk of air, water or soil pollution.

(c) ~~(c)~~ The Owner or Owner's contractor shall not cause or permit any insurance required hereunder to be canceled or lapse during the term of this Agreement. With respect to subsections 2.11(a)(i), (ii) and (iii), insurance coverage is to be written by companies duly authorized to do the business of insurance in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A-VII or better or otherwise approved in writing by the City. Additionally, with respect to subsections 2.11(a)(i), (ii) and (iii), all policies will contain a provision in favor of the City waiving subrogation and other rights of recovery against the City, and will be endorsed to provide the City with a 30-day advance notice of cancellation or change in coverage, where permitted by policy language. The City will be an additional insured as its interests may appear on the commercial general and automobile liability policies. All policies will provide primary coverage as applicable, with any insurance maintained by the City being excess and non-contributing. The Owner or Owner's contractor shall submit copies of all Insurance Policy Documents and certificates of insurance to the City providing

evidence of insurance coverage required by this Agreement on or before the commencement of the Projects except that asbestos, hazardous waste, pollution, and professional engineers and other errors and omissions policy documents need not be provided until those covered by such insurance commence work on the Projects or as otherwise provided in this Agreement. Copies of all Insurance Policy Documents will be promptly delivered to the City at the time the policies are issued, including copies of any and all changed or new Insurance Policy Documents. The Owner or Owner's contractor will be responsible for (i) overseeing its contractors with respect to such contractors' obtaining and maintaining the insurance required hereunder and (ii) obtaining and keeping copies of such Insurance certificates evidencing the insurance coverages required hereunder.

(d) ~~(d)~~ All endorsements, waivers, and notices of cancellation shall be in favor of the City and policies of commercial general liability and automobile insurance shall provide that City is an additional insured and certificates of insurance evidencing same will be delivered to the City as provided in the Notices Section of this Agreement or such other address as the City may notify the Owner or Owner's contractor in writing.

(e) ~~(e)~~ The Owner or Owner's contractor shall be responsible for paying premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Owner (not by its contractors and any subcontractors). All deductibles or self-insured retentions shall be disclosed on the Insurance Policy Documents. The insurance coverages required under this Agreement are required minimums and are not intended to limit or otherwise establish the responsibility or liability of the Owner under this Agreement.

Section 2.12. Remedy.

Owner's sole remedies for nonperformance of this Article II by the City shall be to seek specific performance, judicial injunction, or any legal damages directly arising from such nonperformance pursuant to the terms of this Agreement. Each party shall be responsible for payment of all costs of their respective attorney's fees.

ARTICLE III. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 3.01. Apportionment and Levy of Assessments.

The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement and to levy Special Assessments. The Owner acknowledges and agrees that the Service and Assessment Plan must meet the requirements of Texas Local Government Code §§ 372.013 and 372.014 and be presented to the City Council for review and approval prior to a series of PID Bonds being issued. The Owner may request the City provide the Owner with a copy of any Service and Assessment Plan update prior to consideration by the City Council for so long as the Owner owns any Assessed Property in the District. The Service and Assessment Plan will be modified as required to comply with the requirements of the PID Act and the Texas Attorney General's Office. The annual indebtedness defined by the Service and Assessment Plan shall be consistent with the terms for the issuance of PID Bonds as set forth in this Agreement.

The City shall use its best efforts to levy Special Assessments on the Assessed Properties in accordance herewith and with each Service and Assessment Plan. It is contemplated that the City will issue one series of PID Bonds, to pay or reimburse the Owner for a portion of the Actual Costs of the Authorized Improvements. The Parties anticipate that the Actual Cost to construct the Authorized Improvements will be greater than the net proceeds of the PID Bonds or the Special Assessment Revenues available for reimbursement of the costs of the Authorized Improvements and the Owner shall fund the difference.

Section 3.02. Acceptance of Special Assessments; Recordation of Covenants Running with the Land. ~~[ADD LANGUAGE REQUIRING ANNUAL SAP UPDATES TO BE PROVIDED TO OWNER PRIOR TO PUBLIC HEARING]~~

Concurrently with the levy of the Special Assessments, the Owner, the Consenting Parties, and any other owners of land within the District and the City shall execute a "**Landowner Agreement**" (herein so called) in which the Owner, Consenting Parties, and other owners, if applicable, (the "**Landowners**") shall (i) approve and accept the apportionment of assessments in the Service and Assessment Plan and the levy of the Special Assessments and (ii) the Home Buyer Disclosure Program. The Landowner Agreement further shall (a) evidence the Landowners' intent that all Special Assessments be covenants running with the land that (i) shall bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such property take their title subject to and expressly assume the terms and provisions of the Special Assessments and (b) provide that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for state, municipality, county or school district ad valorem taxes.

Section 3.03. Collection of Assessments.

(a) So long as the City is obligated to reimburse the Owner for the costs of the Authorized Improvements hereunder or any PID Bonds are outstanding, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to an Assessment Ordinance. The Annual Installment of such Special Assessments will be updated at least annually in 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 will deposit or cause to be deposited the collected Special Assessment Revenues into a segregated account, or if PID Bonds have been issued, then transferred to the Trustee and deposited in the funds and accounts in the priority set forth in the respective Indenture, as further described in Section 4.02 below.

(b) Further notwithstanding anything to the contrary contained herein, the City covenants to use diligent, good faith efforts to contract with the Williamson County Tax Assessor-Collector for the collection of the Special Assessments such that the Special Assessments will be included on the ad valorem tax bill(s) for the Assessed Properties and will be collected as part of and in the same manner as ad valorem taxes.

ARTICLE IV.
PAYMENT OF ACTUAL COSTS OF AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements.

(a) Any payment obligation of the City hereunder shall be payable solely from Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds in accordance with this Agreement. No other funds, revenues, taxes, or income of any kind other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds shall be used to pay the City's obligations hereunder. The obligations of the City under this Agreement shall not, under any circumstance, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds. None of the City nor any of its elected or appointed officials or any of its respective officers, employees, consultants or representatives shall incur any liability hereunder to the Owner or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

(b) The City does not warrant, either expressed or implied, that the aggregate amount of all Special Assessment Revenues or proceeds of all PID Bonds will be sufficient for the construction or acquisition of all of the Authorized Improvements. The Parties anticipate that the Actual Costs will be greater than the aggregate amount of all Special Assessment Revenues or, if PID Bonds are issued, the net proceeds of such bonds available for Authorized Improvements. The Owner shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of PID Bonds or Special Assessment Revenues.

(c) Upon completion of an Authorized Improvement, or Segment thereof, the Owner shall dedicate or convey, and the City shall accept or acquire, as more particularly described in Article III above, the given Authorized Improvement, or Segment thereof, after such Authorized Improvement, or Segment thereof, is completed and has been accepted by the City. Upon written acceptance of an Authorized Improvement, or Segment thereof, and subject to any applicable maintenance-bond period, the City shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.

(d) The procedures set forth in Section 4.02(d) below shall apply to all Certifications for Payment regardless of which account within the applicable Project Fund the actual funds are being paid from.

(e) Contemporaneously with the execution of this Agreement, the City will consider the adoption of the Assessment Ordinance that (i) approves the Service and Assessment Plan identifying the costs of the Authorized Improvements for the District and the Special Assessments and (ii) levies said Special Assessments. The City will levy and collect such Special Assessments in accordance with the terms hereof, the approved Service and Assessment Plan, as amended or updated, and the applicable Assessment Ordinance as further provided in this Agreement.

(f) The aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions

within the District shall be \$3.20. Notwithstanding the foregoing, Owner may voluntarily elect to have the Tax Equivalent Assessment Rate of Special Assessments be less than \$3.20 and this shall not require approval by City Council.

Section 4.02. Payments for Authorized Improvements Upon the Issuance of PID Bonds.

(a) As more particularly described in Section 5.01 hereof, the City will, concurrently herewith, consider the adoption of a resolution consenting to the issuance of PID Bonds to reimburse the Owner for Actual Costs of those Authorized Improvements that are complete at the time of bond issue.

(b) The proceeds from the issuance of the PID Bonds will be held by the Trustee in various segregated accounts under the Project Fund established pursuant to an Indenture. Those sums held in the various segregated accounts will be advanced to the Owner by the Trustee to fund the Actual 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 hereto in Exhibit "F-2". At least thirty (30) calendar days prior to the time of the closing of a series of PID Bonds, the Owner may submit a Closing Disbursement Request substantially in the form attached hereto in Exhibit "F-1" executed by the Construction Manager and the Project Engineer to the City Construction Representative to be reimbursed for those Owner Expended Funds accrued to date of such Closing Disbursement Request and not previously reimbursed. The City Construction Representative shall conduct a review to verify the Owner Expended Funds specified in such Closing Disbursement Request. Prior to disbursement of proceeds, the City Construction Representative will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, the Owner shall be reimbursed an amount equal to the applicable Owner Expended Fund in accordance with the procedures set forth in Section 4.02.

(c) Any Authorized Improvements that have not been (i) reimbursed at the Closing of the PID Bonds, (ii) completed by Owner, or (iii) accepted by the City by the time the PID Bonds are issued, will be payable periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.02 and the Indenture. Such payments shall be made by the Trustee no more frequently than monthly and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the Construction Manager. If the City Construction Representative 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 the City Construction Representative's comments, the Certification for Payment can be submitted to the Trustee for payment.

(d) The general process for funding of Authorized Improvements from funds on deposit in a Project Fund is as follows:

(1) the Owner shall deliver to the City's Construction Representative and the City Engineer the following:

(i) a Certification for Payment substantially in the form attached hereto as Exhibit "F-2" executed by the Construction Manager and the Project Engineer evidencing the Actual Costs,

(ii) evidence of the acceptance by the City of those Authorized Improvements to be funded by the respective series of PID Bond and the conveyance to the City (for Completed Authorized Improvements only), and

(iii) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid.

(2) After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be funded by proceeds of a series of PID Bonds were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and the City Construction Representative will verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City Construction Representative agrees to conduct such review and cost verification in an expeditious manner and within 30 business days after the Certification for Payment is submitted to the City and the Owner agrees to cooperate with the City Construction Representative in conducting each such review and to provide the City Construction Representative with such additional information and documentation as is reasonably necessary for the City Construction Representative to conclude each such review. Upon confirmation by the City Construction Representative that Authorized Improvements to be funded by the PID Bonds have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), verification and approval by the City Construction Representative of the Actual Costs of those Authorized Improvements, the City shall within thirty (30) calendar days accept those completed Authorized Improvements not previously accepted by the City Construction Representative, shall sign the Certification for Payment and forward the executed Certification for Payment to the Trustee for payment.

(e) In addition to the submitted items required in 4.02(d) above, in order to obtain the final progress payment for an Authorized Improvement funded by a series of PID Bonds pursuant to this Section 4.02, the Owner shall have provided to the City an assignment of the warranties and guaranties, if applicable, and a two-year maintenance bond for such Authorized Improvement.

[DISCUSS – CERTIFICATE OF PAYMENT NEEDS TO BE SENT TO TRUSTEE 30 DAYS AFTER RECEIPT]

Section 4.03. Assignment of Right to Payment of Unreimbursed Costs.

Owner's right, title and interest into the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, all or any portion of Owner's right, title, or interest under this Agreement to receive payment of its unreimbursed Actual Costs, including either PID Bond proceeds or Special Assessment Revenues, (a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such

conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by the Owner without any obligation to investigate or confirm the Transfer. A Transferee shall be responsible for all continuing disclosure requirements and obligations as agreed to by the Owner and the City in the Disclosure Agreement of Owner.

ARTICLE V. PID BONDS

Section 5.01. PID Bond Issuance.

Subject to the satisfaction of conditions set forth in this Article V, the City may issue PID Bonds solely for the purposes of acquiring or constructing Authorized Improvements. Contemporaneously herewith, the Owner has requested issuance of PID Bonds. The issuance of PID Bonds is subject to all of the following conditions.

(a) The City has evaluated and determined that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of capital, or potential for liability.

(b) [INTENTIONALLY OMITTED].

(c) All costs incurred by the City that are associated with the administration of the PID shall be paid out of special assessment revenue levied against property within the PID. City administration costs shall include those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting and legal and financial reporting requirements.

(d) The adoption of the Service and Assessment Plan and the Assessment Ordinance levying Special Assessments on all or any portion of the Property benefitted by such Authorized Improvements in amounts sufficient to pay all costs related to such PID.

(e) The City has formed and utilized its own financing team including, but not limited to, bond counsel, Financial Advisor, PID Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(f) The City has chosen and utilized its own continuing disclosure consultant and arbitrage rebate consultant, if applicable or required. Any and all costs incurred by these activities will be included in City administration costs recouped from Special Assessments. The continuing disclosure will be divided into City disclosure and the disclosures of the Owner and the Consenting Parties, and the City will not be responsible or liable for Owner or Consenting Parties disclosure but the City's disclosures professional will be used for all disclosures.

(g) The aggregate principal amount of PID Bonds issued and to be issued shall not exceed \$15,000,000.

(h) The PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvements for which such PID Bonds are being issued.

(i) Delivery by the Owner to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the Authorized Improvements increase the value of the property.

(j) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(k) The Owner is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Special Assessments.

(l) The Owner is not in material default under this Agreement or, with respect to the Property, in default of any material terms in any other agreement to which Owner and the City are parties.

(m) No outstanding PID Bonds are in default and no reserve funds established for outstanding PID Bonds have been drawn upon that have not been replenished.

(n) The PID Administrator has certified that the specified portions of the costs of the Authorized Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(o) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the City's required standards for similar developments including without limitation any Applicable Regulations.

(p) The City has determined that the amount of proposed Special Assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the project costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be creditworthy.

(q) Unless otherwise approved by City Council at the time of issuance of a series of PID Bonds, the maturity for a series of PID Bonds shall be 35 years.

(r) The final maturity for any PID Bonds shall be not later than 45 years from the Effective Date.

(s) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(t) If the applicable portion of Authorized Improvements has not already been constructed and to the extent proceeds from a series of PID Bond are insufficient to fund such Actual Costs, Owner shall, at the time of closing the PID Bonds, provide a completion guarantee

or other similar type of credit support in the amount of the difference between the Actual Costs and the PID Bond Proceeds available to fund such Actual Costs related to the applicable Authorized Improvement, or Segment thereof (without limiting any other provision, in the event Owner does not or cannot provide such funding, the City shall not be required to sell such PID Bonds, and Owner shall reimburse the City for all expenses and liabilities incurred by the City in connection with the proposed issuance of the PID Bonds). **[DISCUSS NRF QUESTIONS SUBJECT TO CITY TEAM FEEDBACK]**

(u) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(v) The Owner agrees to provide and cause the Consenting Parties to provide periodic information and notices of material events regarding such entities and such entities' development within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by the Owner or the Consenting Parties in connection with the issuance of PID Bonds.

(w) The Owner provides the necessary information to satisfy the City's Director of Public Works or his designee that the Actual Costs are reasonable.

(x) The Owner and the Consenting Parties are not in default under any Continuing Disclosure Agreement related to an issuance of PID Bonds to which it is a party.

(y) For the issuance of a series of bonds for the purpose of refunding any PID Bonds, the amount of assessment necessary to pay the Refunding Bonds shall not exceed the amount of the assessments that were levied to pay the PID Bonds that are being refunded.

(z) The aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District shall be \$3.20 per \$100.00 taxable assessed valuation. Notwithstanding the foregoing, Owner may voluntarily elect to have the initial Tax Equivalent Assessment Rate of Special Assessments be less than \$3.20 and this shall not require approval by City Council.

(aa) Owner has completed and the City has accepted the Authorized Improvements, or Segment thereof, for any previous phase of the Property.

~~(bb) — If the value to lien ratio is less than 3:1 for PID Bonds, the amount of funds below the 3:1 value to lien ratio shall be “restricted” from access by the Owner until such a time as the value of the Property reaches the 3:1 ratio. It is agreed by the Parties that, with respect to the Single Family Parcels, the City shall not restrict funds below the 3:1 value to lien ratio. It is further agreed by the Parties that, with respect to the Vantage Parcel, the City shall not restrict funds below the 3:1 value to lien ratio. [IS THIS HOLDBACK REQUIREMENT APPLICABLE/NECESSARY GIVEN (cc) BELOW?]~~

(bb) ~~(cc)~~ If, at the time of PID Bond issuance, the Commercial Parcel and/or the Multifamily Parcel has not been sold to a third party, and the **building permit** **[OPEN ISSUE]** has not been issued for development on the Commercial Parcel or the Multifamily Parcel;

or, (2) the value to lien ratio, as determined by an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, is less than 3:1 on the Commercial Parcel or the Multifamily Parcel the funds from the PID Bond proceeds attributable to the Assessments for the respective Commercial Parcel and/or the Multifamily Parcel ~~DPFG~~ **IS THIS THE RIGHT WAY TO DETERMINE THE AMOUNT OF THE HOLDBACK?**, as applicable, shall be restricted until such time as that parcel is sold to a third party and (1) a building permit has been issued for development on either the respective Commercial Parcel or the Multifamily Parcel; or, (2) the value to lien ratio is more than 3:1, as determined by an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, on the respective Commercial Parcel or the Multifamily Parcel, at which point the funds attributable to such parcel shall be released and the funds attributable to the remaining parcels described in this subsection will continue to be restricted until the conditions herein are satisfied. If a portion of the Commercial Parcel and/or the Multifamily Parcel is sold to a third party and (1) a building permit has been issued for development on such portion of the respective Commercial Parcel or the Multifamily Parcel, as applicable; or, (2) the value to lien ratio is more than 3:1, an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, on such portion of the respective Commercial Parcel or the Multifamily Parcel, as applicable, funds will be released on a pro-rata basis calculated on the basis of the Estimated Buildout Value, as defined in the SAP, of the purchased portion of such Commercial Parcel and/or the Multifamily Parcel.

(cc) ~~(dd)~~ Notwithstanding ~~subsections~~ subsection (bb) ~~and (cc)~~ above, until the portion of Authorized Improvements associated with F.M. 1660 to be funded by PID Bond proceeds or Special Assessments has been constructed and accepted by the City, PID Bond funds equivalent to the Future Phase 2 Subdivision Special Assessments (less Annual Collection Costs as defined in the Service and Assessment Plan) ~~DPFG~~ **IS THIS THE RIGHT WAY TO DETERMINE THE AMOUNT OF THE HOLDBACK?** shall be “restricted” from access by the Owner until such time as the portion of Authorized Improvements associated with F.M. 1660 to be funded by PID Bond proceeds or Special Assessments has been constructed and accepted by the City. For the purposes of this Agreement, “acceptance” by the City means the recording of a final approved plat for the Future Phase 2 Subdivision. **[OPEN ISSUE]**

Section 5.02. Disclosure Information.

Prior to the issuance of PID Bonds by the City, the Owner agrees to provide all relevant information, including financial information, that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. The Owner agrees, represents, and warrants that any information provided by the Owner for inclusion in a disclosure document for an issue of PID Bonds will not, to the Owner's actual knowledge, contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Owner further agrees that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

Section 5.03 Qualified Tax-Exempt Status.

(a) (a) Generally. In any calendar year in which PID Bonds are issued, the Owner agrees to pay the City its actual additional costs (“**Additional Costs**”) the City may incur in the issuance of its own public securities or obligations on its own taxing power of municipal revenues (the “City Obligations”), as described in this section, if the City Obligations are deemed not to qualify for the designation of qualified tax-exempt obligations (“**QTEO**”), as defined in section 265(b)(3) of the Internal Revenue Code (“IRC”) as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law; provided, however that if the City fails to use diligent, good faith efforts to issue PID Bonds as required by Article V and that failure causes PID Bonds to be issued in a different calendar year or not be issued at all, the City shall refund to Owner all Additional Costs paid by Owner as a result of such failure. Additionally, the City will provide the Owner on an annual basis no later than December 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process however such projection is not a binding amount under this agreement but merely an expression of the City's then expected amount of Obligations to be issued during the next calendar year. On or before January 15th of the following calendar year, the final Additional Costs shall be calculated. By January 31st of such year, any funds in excess of the final Additional Costs that remain in such segregated account on December 31st of the preceding calendar year shall be refunded to the Owner and any deficiencies in the estimated Additional Costs paid to the City by the Owner shall be remitted to the City by the Owner).

(b) Issuance of PID Bonds prior to City Obligations. In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its Financial Advisor, shall estimate the Additional Costs based on the market conditions as they exist approximately forty five (45) days prior using independent third party public pricing information to the date of the pricing of the PID Bonds (the “Estimated Costs”). The Estimated Costs are an estimate of the increased cost to the City to issue its City Obligations as non QTEO. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to the Owner and the Owner shall have twenty (20) days to review and provide input on the calculation to the City. The Owner shall pay such Estimated Costs on or before the earlier of: (i) twenty (20) business days after the date of said invoice, or (ii) fifteen (15) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any series of PID Bonds until the Owner has paid the invoice of Estimated Costs related to the PID Bonds then being issued.

(c) Upon the City’s issuance of the City Obligations, and if the City actually issues PID Bonds in that calendar year, the Financial Advisor shall calculate the Additional Costs to the City of issuing its City Obligations as non QTEO. The City will, within five (5) business days of the issuance of the City Obligations, provide written notice to the Owner of the amount of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to the Owner the difference between the Additional Costs and the Estimated Costs within ten (10) business days of the date of the City’s notice to the Owner required under this paragraph. If the Additional Costs are more than the Estimated Costs, the Owner will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City’s notice required under this paragraph. If the Owner does not pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City’s notice required under this paragraph, the Owner shall not be paid any reimbursement amounts under any PID agreement related to the Property until such payment of Additional Costs is made in full. If the City does not issue the City Obligations by the end of the calendar year in which PID Bonds are issued, the City will refund to the Owner the Additional Costs paid by the Owner in such calendar year within ten (10) business days after the end of such calendar year.

(d) Issuance of City Obligations prior to PID Bonds.

(1) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City, with assistance from the Financial Advisor, shall calculate the Estimated Costs based on the market conditions as they exist approximately forty five (45) days prior to the date of the pricing of the City Obligations. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to the Owner and the Owner shall have twenty (20) days to review and provide input on the calculation to the County. The Owner shall pay such Estimated Costs to the City at least fifteen (15) days prior to the pricing the City Obligations. If the Owner has not paid the Estimated Costs to the City by the required time, the City, at its option, may elect to designate the City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year.

(2) Upon the City's approval of the City Obligations, and if the City actually issues PID Bonds in that calendar year, the Financial Advisor shall calculate the actual Additional Costs to the City of issuing non QTEO City Obligations. The City will, within five (5) business days of the issuance of the City Obligations, provide written notice to the Owner of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to the Owner the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice to the Owner. If the Additional Costs are more than the Estimated Costs, the Owner will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice. If the Owner does not pay to the City the difference between the Additional Costs and the Estimated Costs as required under this paragraph, then the Owner shall not be paid any reimbursement amounts under any PID agreement related to the Property until such payment of Additional Costs is made in full.

(e) To the extent any Owner(s) or property owner(s) (including the Owner, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property owner (including the Owner, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or property owner(s) (including the Owner, as applicable) as necessary so as to put all developers and property owners (including the Owner, if applicable) so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within 15 business days after its receipt of such subsequent payments of such Additional Costs.

(f) The City shall charge Additional Costs attributable to any other developer or property owner on whose behalf the City has issued debt in the same manner as described in this section, and the Owner shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Owner's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Owner. The portion owed by the Owner shall be determined by dividing the total proceeds from any debt issued on behalf of the Owner in such calendar year by the total proceeds from any debt issued by the City pursuant to the PID Act for the benefit of all developers (including the Owner) in such calendar year.

Section 5.04. Tax Certificate.

If in connection with the issuance of PID Bonds, the City is required to deliver a certificate as to tax exemption (a "**Tax Certificate**") to satisfy requirements of the Internal Revenue Code, the Owner agrees 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 represents that 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 such date. To the extent that it exercises control or direction over the use or investment of the PID Bond proceeds (including, but not limited to, the use of the Authorized Improvements), the Owner further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that

would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

Section 5.03. Special Obligations.

THE PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN AN INDENTURE) AND ANY OTHER FUNDS HELD UNDER AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH 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 AN INDENTURE. THE OWNERS OF PID 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 AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF PID BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES. NONE OF THE CITY, NOR ANY OF ITS ELECTED OR APPOINTED OFFICIALS NOR ANY OF ITS OFFICERS, EMPLOYEES, CONSULTANTS OR REPRESENTATIVES SHALL INCUR ANY LIABILITY HEREUNDER TO THE OWNER OR ANY OTHER PARTY IN THEIR INDIVIDUAL CAPACITIES BY REASON OF THIS AGREEMENT OR THEIR ACTS OR OMISSIONS UNDER THIS AGREEMENT UNLESS SUCH ACT OR OMISSION IS IN VIOLATION OF STATE OR FEDERAL LAW AND IS DONE RECKLESSLY OR INTENTIONALLY.

ARTICLE VI. ADDITIONAL PROVISIONS

Section 6.01. Redemption Agreement.

[INTENTIONALLY OMITTED]

Section 6.02. Home Buyer Disclosure.

Owner shall comply with, and cause Meritage to comply with, the Home Buyer Disclosure Program attached hereto as Exhibit "H" and made a part hereof.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.01. Representations and Warranties of City.

The City makes the following representation and warranty for the benefit of the Owner:

(a) The City represents and warrants that the City is a home-rule municipal corporation of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has the full legal right, power and authority under the PID Act, its charter, and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt an

Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

(b) The City represents and warrants that this Agreement is a valid and enforceable obligation of the City in accordance with its terms.

(c) The City represents and warrants that it will not unreasonably withhold, condition, or delay payment for any Authorized Improvement that has been constructed and dedicated to the City in accordance with this Agreement.

(d) The City represents and warrants that the City Council has reviewed this Agreement, been advised by legal counsel, and has properly authorized its City Manager to execute this Agreement.

(e) The City agrees to provide the information required by its underwriter to facilitate the completion of bond offering documents to effectuate the sale of the PID Bonds.

Section 7.02. Representations 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 the Owner is a limited liability company duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, has the authority to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Owner represents and warrants that the Owner has the power and authority to enter into this Agreement, has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.

(c) The Owner represents and warrants that this Agreement is a valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) The Owner covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to cause such Segment to be completed in accordance with this Agreement.

(e) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project or identified in the SAP, and (ii) it will diligently follow all procedures set forth in this Agreement.

(f) Until final acceptance by the City of each Authorized Improvement, or segment thereof, 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 generally accepted accounting practices and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

(g) The Owner agrees to provide the information required pursuant to the Disclosure Agreement of Owner in connection with the issuance of PID Bonds and to cause the Consenting Parties to provide the information required pursuant to disclosure agreements executed by the Consenting Parties in connection with the issuance of PID Bonds.

(h) The Owner represents and warrants that no portion of the Property is designated and claimed for agricultural use as described in Section 23.41 of the Texas Tax Code.

ARTICLE VIII. DEFAULT AND REMEDIES; INDEMNIFICATION

Section 8.01. Default and Remedies.

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) calendar days of the receipt of such notice (or five (5) business days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subsection (d) below.

(c) Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VIII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and 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. Each party shall be responsible for payment of all costs of their respective attorney's fees.

(d) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party (other than the

payment of a monetary sum) is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, governmental action or refusal to act, acts of God, pandemics, 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) ("**Force Majeure**"), 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) calendar days after the claiming Party becomes aware of the same, unless prevented by such "force majeure" event from doing so, 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 VIII.

Section 8.02. Indemnification and Hold Harmless by Owner.

THE OWNER HEREBY COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY CITY, AND THE PAST, PRESENT AND FUTURE OFFICERS, AGENTS, SERVANTS AND EMPLOYEES THEREOF, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "THIRD PARTY CLAIMS" OR "TPC") AGAINST THE CITY, WHETHER THREATENED, ANTICIPATED, OR ASSERTED, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE OWNER, (INCLUDING THE NEGLIGENCE OF THE OWNER'S EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND AGENTS) OCCURRING DURING THE CONSTRUCTION OF ANY PORTION OF THE AUTHORIZED IMPROVEMENTS; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH TPC SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE TPC EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT (BUT NOT GROSS) NEGLIGENCE. THE OWNER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST TPC CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS TPC THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE OWNER AND THE CITY, THE OWNER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL TPC AND EXPENSES EQUIVALENT TO THE OWNER'S OWN PERCENTAGE OF RESPONSIBILITY. THE OBLIGATIONS UNDER THIS SECTION 8.02 SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT CONSISTENT WITH THE TERMS OF SECTIONS 9.04 AND 9.12 BELOW.

Section 8.03 Claims and Release.

(a) If the City notifies the Owner of any Third Party Claim, the Owner shall assume on behalf of the City and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel selected by the Owner but reasonably satisfactory to the City; provided, that City has the right to be represented by advisory counsel of their own selection and at their own expense; and provided further, that if any such Third Party Claim

involves the Owner and the City and the City has been advised in writing by counsel that there may be legal defenses available to it which are inconsistent with those available to the Owner, then City has the right to select separate counsel to participate in the investigation and defense of and response to such Claim on City's own behalf, and the Owner shall pay or reimburse the City for all reasonable legal fees and costs incurred by the City because of the selection of such separate counsel. It is hereby understood and agreed that if any Third Party Claim is caused by the City's gross negligence, the City shall provide and pay for its own legal counsel.

(b) Other than to the extent caused by an event of default by the City, the Owner hereby releases the City with respect to all Claims regarding any alleged, established or admitted negligent or wrongful act or omission of the City, or any agents, contractors, representatives or employees of the City, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE CITY but excluding Claims to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this Section will survive the expiration or earlier termination of this Agreement.

(c) The Owner or the Owner's contractor shall obtain performance and payment bonds as required by Chapter 2253, Public Work Performance and Payment Bonds, of the Texas Government Code. After inspection and prior to acceptance of public improvements by the City that benefit the Project, the Owner or the Owner's contractor shall provide a two (2) year maintenance bond.

ARTICLE IX. GENERAL PROVISIONS

Section 9.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Hutto
 Attn: City Manager
 500 West Live Oak Street
 Hutto, Texas 78634

With a copy to: Bojorquez Law Firm, PC
 Attn: Dottie Palumbo, City Attorney
 11675 Jollyville Road, Suite 300
 Austin, Texas 78759
 Facsimile: (512) 250-0749

If to Owner: MA Durango Farms, LLC
Attn: Wyatt Henderson
230 Klattenhoff Lane, Ste. 102
Hutto, Texas 78634

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Steve Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
Facsimile: (512) 404-2234

Section 9.02. Fee Arrangement/Administration..

(a) In addition to any costs paid by the Owner pursuant to that certain Professional Services Agreement dated February 19, 2020, all fees of legal counsel related to the issuance of the applicable PID Bonds including fees for the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing from the proceeds of the PID Bonds. It is hereby acknowledged and agreed that fees for the City's Bond Counsel, Trustee, Trustee's Counsel, Financial Advisor, the Underwriter, and Underwriter's Counsel will be paid at the Issue Date of the PID Bonds in accordance with the budget attached as Exhibit "G" hereto. Pursuant to a separate agreement, the City may contract with a third party to serve as the PID Administrator and 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 9.03. Assignment.

(a) Notwithstanding subsection 4.03 above, Owner may assign in whole or part its rights and obligations under this Agreement to persons purchasing all or a portion of the Property in accordance with Section 9.03 but not to an individual purchaser of a Lot within a recorded final plat. This Agreement may be assigned by Owner without the consent of the City to (i) affiliates of the Owner or (ii) any third-party entity that is not in default in the payment of taxes, assessments, fees, or any agreements with the City and that entity has the financial capacity to perform this Agreement and Owner will be released from its obligations under this Agreement upon delivery of a notice of assignment to the City.

(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) This Agreement shall be binding upon the Parties, their grantees, successors, assigns, or subsequent purchaser. In the event of an assignment of fee ownership, in whole or in part, of the Property by Owner, only the Designated Successor or Assign and then current owners of any portion of the Property so assigned shall be liable under this Agreement for any subsequent default occurring after the conveyance and affecting only the portion or portions of the Property so assigned. Any reference to Owner or City shall be deemed to and will include the successors or

assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not. Each contract, deed or conveyance of any kind conveying all or a portion of the Property will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not they are set out in full or by reference in said contract, deed or conveyance.

Section 9.04. Term of Agreement.

The term of this Agreement shall begin on the Effective Date and shall continue until the Maturity Date; *provided*, that unless extended by both parties pursuant to a written amendment to this Agreement, this Agreement shall automatically terminate three (3) years after the date of the execution of this Agreement, if a Special Assessment is not levied by such date. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Actual Costs expended prior to the termination of this Agreement and/or dissolution of the District remaining unpaid shall survive such termination and/or dissolution.

Section 9.05. 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 shall apply:

- (a) Words importing a gender do not exclude any other gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
- (e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
- (f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.
- (g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

(h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."

(i) Unless the context otherwise requires, a reference to the "Property," the "Authorized Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."

(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval," "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 9.06. 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 shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 9.07. Time.

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 9.08. Applicable Law and Venue.

THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS AGREEMENT, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WILLIAMSON COUNTY, TEXAS. BY EXECUTING THIS AGREEMENT, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 9.09. Amendments.

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

Section 9.10. Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 9.11. Entire Agreement.

This Agreement contains the entire agreement of the Parties.

Section 9.12. Severability; Waiver.

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 9.13. No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein shall give or be construed to give any person or entity, other than the parties hereto and their respective successors and permitted assigns, any legal or equitable rights hereunder.

Section 9.14. Reservation of Rights.

To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.

Section 9.15. No Joint Venture.

It is acknowledged and agreed by the parties hereto that the terms of this Agreement are not intended to and shall not be deemed to create a partnership of joint venture among parties. Neither party shall have any authority to act on behalf of the other party under any circumstances.

Section 9.16. 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 9.17. 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, the PID Bond Ordinance and the Indenture.

Section 9.18. City's Acceptance of Authorized Improvements. The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements and will work with the Owner in good faith to expedite review and acceptance of such Authorized Improvements

Section 9.19. Boycotts and Foreign Business Engagements.

(a) The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

(b) The Owner represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Owner and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owner and the Consenting Parties each 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.

(c) Firearm Entity/Trade Association and Energy Company Boycotts. Section 2274.002 of the Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19", and by Senate Bill 13, 87th Texas Legislature, Regulation Session (SB 13")), as amended, is inapplicable because Owner is a company with less than 10 full-time employees.

Section 9.20. HB 1295 Compliance.

Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the District. For further information please go to the Texas Ethics Commission website via the following link.
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

Section 9.21. No Personal liability of Public Officials or the City.

To the extent permitted by State law, neither the City, any City agent or representative, nor any public official or employee shall be personally liable or responsible for any liability arising under or related to this Agreement.

Section 9.22. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

- Exhibit "A" - Definitions
- Exhibit "B" - Property Description for Development
- Exhibit "B-2" - Commercial Parcel
- Exhibit "B-3" - Multifamily Parcel
- Exhibit "C" - Concept Plan
- Exhibit "D" - Authorized Improvements
- Exhibit "E" - *-Intentionally Deleted-*
- Exhibit "F-1" - Form of Closing Disbursement Request (Closing Disbursement)
- Exhibit "F-2" - Form of Certification for Payment
- Exhibit "G" - Budget
- Exhibit "H" - Home Buyer Disclosure Program
- Exhibit "H-1" - Notice of Obligation Pay Public Improvement District Assessments to the City of Hutto, Texas

[Signature Pages to Follow]

CITY:

THE CITY OF HUTTO, TEXAS

By: _____
Name: _____

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

 This instrument was acknowledged before me on the ____ day of _____, 2021
by _____, the _____ of the City of Hutto, Texas, on behalf of said City..

(SEAL)

Notary Public, State of Texas

Name printed or typed
Commission Expires: _____

OWNER:

MA Durango Farms LLC,
a Texas limited liability company

By: _____

Name: Wyatt Henderson

Title: Manager

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 2021 by Wyatt Henderson, Manager of MA Durango Farms LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

It is hereby acknowledged that the Consenting Parties are executing this Agreement solely due to the fact that they are an owner of a portion of the Property and, except for its obligations expressly set forth under the Landowner's Agreement, Consenting Parties have no rights, duties, or obligations to the City, the Owner, or otherwise in connection with this Agreement.

Meritage Homes of Texas, LLC

an Arizona limited liability company

By: _____

Name: _____

Title: _____

Vantage at Hutto, LLC

a Delaware limited liability company

By: _____

Name: _____

Title: _____

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:

"Actual Cost(s)" means the Owner's demonstrated costs for designing and constructing the Authorized Improvements. Cost(s) may include (a) the costs incurred by or on behalf of Owner for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, (b) the costs incurred in preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (e) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (f) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses plus interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore.

"Additional Actual Costs" means any additional Actual Costs the City incurs issuing the PID Bonds.

"Additional Named Insured" means a person, organization, or governmental entity identified as an insured party in the policy declarations or an addendum to the policy decorations for a certificate of insurance.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Installments" shall mean the annual installment payment on a Special Assessment as calculated pursuant to the Service and Assessment Plan and approved by the City Council.

"Applicable Regulations" means (i) City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City as may be modified by this Agreement, the Development Agreement and/or the PUD; and (ii) any State or Federal law, regulation, rule, policy, or similar requirement applicable to the Project.

"Assessed Property" or **"Assessed Properties"** means property within the District that benefits from an Authorized Improvement and on which Special Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to the Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

"Assessment Ordinance" means the ordinance adopted by the City Council approving the Service and Assessment Plan and levying Special Assessments, as described in Article III of this Agreement.

"Association Regulations" has the meaning as set forth in Section 2.05.

"Attorney General" means the Texas Attorney General's Office.

"Authorized Improvements" means the Authorized Improvements listed in the PID Act and includes the public improvements which benefit the Property and are described on Exhibit "D" hereto.

"Bond Issuance Request" means written request made by Owner to the City to issue PID Bonds as evidenced by Owner's expenditure of necessary amounts for financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

"Certification for Payment" shall mean that certain certification substantially in the form attached hereto as Exhibit "F-2" hereto.

"City" has the meaning given in the recitals to this Agreement.

"City Construction Representative" means the employee or designee of the City carrying out the duties as described in this Agreement.

"City Council" means the duly elected governing body and council of the City.

"City Code" means the Ordinances of the City, together with all related policies, administrative rules and technical criteria manuals, as modified by the Development Agreement.

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

"City Manager" means the city manager of the City.

"Closing Disbursement Request" shall mean that certain request substantially in the form attached hereto as Exhibit "F-1".

"Commercial Parcel" shall mean the approximately ____ acre parcel shown on Exhibit "B-2" attached hereto.

"Completed Authorized Improvements" means any Authorized Improvement that has been 100% completed, dedicated and conveyed by the Owner and accepted by the City.

"Concept Plan" means the concept plan attached hereto as Exhibit "C".

"Consenting Parties" has the meaning given in the recitals of this Agreement.

"Construction Manager" means initially the Owner, and thereafter subject to change in accordance with Section 2.04 of this Agreement.

"County" means Williamson County, Texas.

"Delinquent Collection Actual Costs" means interest, penalties and expenses incurred or imposed with respect to any delinquent installment of a Special Assessment, or an Annual Installment, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment, and the costs related to foreclosing the lien against the Assessed Property, including attorney's fees to the extent permitted under Texas law.

"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 9.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital, or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

"Development Agreement" has the meaning given in the recitals to this Agreement.

"Disclosure Agreement of Owner" means an agreement entered into by the Owner and a dissemination agent in connection with the issuance of PID Bonds pursuant to which the Owner agrees to provide certain information regarding the development of the District and the Authorized Improvements for the benefit of the owners of the PID Bonds.

"District" has the meaning given in the recitals to this Agreement.

"End User" means any tenant, user, or owner of a fully developed and improved lot.

"Effective Date" has the meaning given in the recitals to this Agreement.

"Financial Advisor" means Hilltop Securities, Inc.

"Force Majeure" has the meaning as set forth in Section 8.01(d).

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

"Future Phase 2 Subdivision" means the portion of the Property that is not a part of the ~~Durango Farms Phase 1 Final Plat, dated April 14, 2020, recorded in the Williamson County Real Property Records under document # 2020131845.~~ [Phase 1 Subdivision.](#)

"Good Engineering Practices" means the basis for engineering, operation, or maintenance activities and are themselves based on established codes, standards, published technical reports or recommended practices or similar documents.

"Home Buyer Disclosure Program" means the disclosure program, administered by the PID Administrator as set forth in a document in the form of Exhibit "H" or another form agreed to by the City and the Owner(s) that establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the District.

"Indenture" or **"Trust Indenture"** means the Indenture of Trust entered into in connection with the issuance of the PID Bonds, between the City and the Trustee setting forth terms and conditions related to such PID Bonds.

"Insurance Policy Documents" means true and correct copies of the relevant policy of insurance including all declarations, definitions, schedules, endorsements, exclusions, exceptions, riders, waivers, jackets, modifications, notices, descriptions of deductibles and of self-insured retentions and all other instruments and other documents governing insurance coverage under such policy.

"Issue Date" means the date of the initial delivery of the PID Bonds.

"Landowner Agreement" has the meaning given in Section 3.02 of this Agreement.

"Landowners" has the meaning given in Section 3.02 of this Agreement.

"Maturity Date" means the date one year after the last Annual Installment is collected.

"Multifamily Parcel" shall mean the approximately 5 acre parcel shown on Exhibit "B-3" attached hereto.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from Authorized Improvements, as determined by the City Council. Such Parcels include alleys, private roads, and easements that create an exclusive use for a public utility provider and accrue no special benefit from the Authorized Improvements. Property identified as Non-Benefitted Property at the time the Special Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel shall not be assessed.

"Owner" has the meaning given in the recitals to this Agreement.

"Owners Association" means a homeowners association or property owners association.

"Owner Expended Funds" means the funds expended by the Owner to date to pay Actual Costs of the Authorized Improvements that have not been previously reimbursed by the City.

"Parcel" means a property identified by either a tax map identification number assigned by the Williamson 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 Williamson County, or by any other means determined by the City Council.

"Party" means the Owner or the City, as parties to this Agreement, and **"Parties"** means collectively, the Owner and the City.

"Phase 1 Subdivision" means the portion of the Property that is part of the Durango Farms Phase 1 Final Plat, dated April 14, 2020, recorded in the Williamson County Real Property Records under document # 2020131845.

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

"PID Administrator" means an employee of the City and/or third-party designee of the City who shall have the responsibilities provided for herein, in an Indenture relating to the PID Bonds or in any other agreement approved by the City Council.

"PID Bond Ordinance" means and refers to an ordinance or ordinances of the City Council that authorize and approve the issuance and sale of a series of PID Bonds and provide for their security and payment, either under the terms of a PID Bond Ordinance or a trust indenture related to a series of PID Bonds.

"PID Bonds" means those certain City of Hutto Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District) that are secured by Special Assessments levied on the District.

"PID Bond Proceeds" means the par amount of the PID Bonds.

"Prepayment" means the payment of all or a portion of a Special Assessment before the due date thereof.

"Project" has the meaning given in the recitals to this Agreement.

"Project Engineer" means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently Randall Jones & Associates Engineering, Inc.

"Project Fund" means the separate and unique fund established by the City under such name pursuant to the Indenture.

"Property" has the meaning given in the recitals to this Agreement.

"PUD" has the meaning given in the recitals to this Agreement.

"Redemption Agreement" shall have the meaning given in Section 6.02 of this Agreement.

"Segment" or **"Segments"** means the discrete portions of the Authorized Improvements identified as such.

"Service and Assessment Plan" or "SAP" means the Durango Farms Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented or updated from time to time), to be adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the District having terms, provisions and findings approved and agreed to by the Owner, as required by Article III of this

Agreement. The Parties hereby acknowledge that the Service and Assessment Plan may be amended, supplemented or updated from time to time.

"Special Assessment" means the 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 created by such subdivision or reduction according to the provisions hereof and the PID Act.

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

"State" means the State of Texas.

"Tax Certificate" has the meaning given in Section 5.03 of this Agreement.

"Tax Code" means the Texas Tax Code.

"Tax Equivalent Assessment Rate" means the ad valorem tax equivalent of an Annual Installment due on a parcel at the time of an issuance of PID Bonds on \$100 of assessed valuation of the assessed parcel.

"Third Party Claims" or **"TPC"** has the meaning given in Section 8.02 of this Agreement.

"Third-Party Contractor" has the meaning given in Section 2.04 of this Agreement.

"Transfer" has the meaning given in Section 4.03 of this Agreement.

"Transferee" has the meaning given in Section 4.03 of this Agreement.

"Trustee" means the trustee under an Indenture, and any successor thereto permitted under an Indenture and any other Trustee under a future Indenture.

Exhibit "B"

PROPERTY DESCRIPTION FOR DEVELOPMENT

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 1 of 3

"EXHIBIT _"

DESCRIPTION OF 94.560 ACRES OF LAND IN THE J. SHELTON SURVEY, ABSTRACT NO. 560, THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE W.J. BROWN SURVEY, ABSTRACT NO. 105, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 96.99 ACRE TRACT DESIGNATED AS TRACT ONE AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 94.560 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of the said 96.99 acre tract, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4,758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, same being the northwest corner of a certain called 3,722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, for the northeast corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the easterly southeast corner of the said 201.06 acre tract, crossing the said 96.99 acre tract, with the west right-of-way line of said F.M. 1660, and the west line of the said 3,722 acre tract, with the east line of the tract described herein, the following five (5) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,186.28 feet, an arc distance of 167.73 feet, and a chord which bears S 05°38'19" E, a distance of 167.59 feet to a calculated point-of-tangency, from which a destroyed Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found bears S 84°08'53" W, a distance of 0.45 feet,
2. S 09°45'32" E, a distance of 467.63 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 1,106.28 feet, an arc distance of 335.98 feet, and a chord which bears S 01°06'29" E, a distance of 334.69 feet to a Texas Department of Transportation (TXDOT) Type-I concrete right-of-way monument found at a point-of-tangency,
4. S 07°51'42" W, a distance of 790.50 feet to a 3/4-inch iron rod found at an angle point, and
5. S 07°39'43" W, a distance of 421.01 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found in the west line of the said 3,722 acre tract, in the north line of a certain called 0.51 acre tract described in the deed to Nadine Carole Johnson and Dennis Johnson of record in Document No. 2006083936, Official Public Records of Williamson County, Texas, for a southeast corner of the tract described herein, from which a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found in the west right-of-way line of said F.M. 1660 at the northeast corner of the said 0.51 acre tract bears S 82°31'24" E, a distance of 21.83 feet;

THENCE N 82°16'34" W, leaving the west right-of-way line of said F.M. 1660, and the west line of the said 3,722 acre tract, crossing the said 96.99 acre tract, with the north line of the said 0.51 acre tract, and with a south line of the tract described herein, a distance of 179.38 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northwest corner of the said 0.51 acre tract, for a re-entrant corner of the tract described herein;

THENCE S 07°29'25" W, continuing across the said 96.99 acre tract, with the west line of the said 0.51 acre tract, with the east line of the tract described herein, a distance of 114.42 feet to a 1/2-inch iron rod with a plastic cap stamped "RPLS 1433" found at a re-entrant corner of the said 96.99 acre tract, at the southwest corner of the said 0.51 acre tract, same being the northwest corner of a certain called 4/5ths of an acre described in the special warranty deed with life estate to Robert W. Kaderka and wife, Bonnie Kaderka of record in Document No. 2015074295, Official Public Records of Williamson County, Texas, for an angle point in the east line of the tract described herein;

THENCE S 07°42'22" W, with the east line of the said 96.99 acre tract, with the west line of the said 4/5ths of an acre tract, and with the west line of a certain called 0.51 acre tract described in the deed to Bruce Craig Cunningham of record in Volume 1954, Page 227, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 180.55 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

[See attached]

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 2 of 3

THENCE S 06°40'19" W, with the east line of the said 96.99 acre tract, with the west line of the said 0.51 acre tract, and with the west line of a certain called 0.484 acre tract described in the deed to Marla Dawn Burns of record in Document No. 9722814, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 200.68 feet to a 1/2-inch iron rod found in the north line of a certain called 0.480 acre tract described in the deed to John A. Drummond, Sr. of record in Document No. 9662944, Official Public Records of Williamson County, Texas, at the southwest corner of the said 0.484 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 81°53'59" W, with the north line of the said 0.480 acre tract and a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 10.57 feet to a fence corner post found at a re-entrant corner;

THENCE S 08°03'45" W, with the west line of the said 0.480 acre tract and the west line of a certain called 0.59 acre tract described in the deed to Jonathan M. Wagner and Marci H. Wagner of record in Document No. 2016117309, Official Public Records of Williamson County, Texas, with the east line of the said 96.99 acre tract, with the east line of the tract described herein, a distance of 223.01 feet to a concrete monument found in the north line of a certain called 2.47 acre tract described in the deed to Charles E. Holland and Deborah D. Holland of record in Volume 868, Page 561, Deed Records of Williamson County, Texas, at the southwest corner of the said 0.59 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 82°23'05" W, with the north line of the said 2.47 acre tract, with a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 242.61 feet to a 3/8-inch iron rod found at the northwest corner of the said 2.47 acre tract, at the northeast corner of Block 4, Hutto and Metcalfe Addition, a subdivision according to the plat of record in Book 66, Page 148, Deed Records of Williamson County, Texas, and as shown on the Revised Map of City of Hutto of record in Cabinet A, Slide 221, Plat Records of Williamson County, Texas, for a re-entrant corner of the tract described herein;

THENCE S 07°38'01" W, with the west line of the said 2.47 acre tract and an east line of the said 96.99 acre tract, with the east line of said Block 4 and Block 3, said Hutto and Metcalfe Addition, with an east line of the tract described herein, a distance of 298.64 feet to a 1/2-inch iron rod found at the southeast corner of said Block 3, Hutto and Metcalfe Addition, and the northeast corner of a certain called 0.659 acre tract described in the deed to Dennis O. Johnson and Nadine C. Johnson of record in Document No. 2001074832, Official Public Records of Williamson County, Texas, for the southerly southeast corner of the tract described herein;

THENCE S 77°34'56" W, crossing the said 96.99 acre tract, with the north line of the said 0.659 acre tract, with the south line of the tract described herein, a distance of 253.79 feet to a 1/2-inch iron rod found at the northwest corner of the said 0.659 acre tract, and the northeast corner of Lot 2, Block 2, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein,

THENCE S 77°37'39" W, continuing across the said 96.99 acre tract, with the north line of said Lot 2, Block 2, Hutto and Metcalfe Addition, with the south line of the tract described herein, a distance of 91.78 feet to a concrete monument found in a west line of the said 96.99 acre tract, at the intersection of the south line of an alley and the east right-of-way line of East Street, a 60-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, at the northwest corner of said Lot 2, Block 2, Hutto and Metcalfe Addition, for the southerly southwest corner of the tract described herein;

THENCE N 12°28'30" W, with the east right-of-way line of said East Street, the west line of the said 96.99 acre tract, with the west line of Lot 6, Block 2, and the west line of Block 5, said Hutto and Metcalfe Addition, with a west line of the tract described herein, a distance of 439.34 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northeast terminus of said East Street, at the northwest corner of said Block 5, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE N 82°21'12" W, with the south line of the said 96.99 acre tract, with the north terminus of said East Street, with the northeast terminus of Capitol Street, a 50-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, with the south line of the tract described herein, a distance of 220.17 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point in the north right-of-way line of said Capitol Street, at the east corner of Block 9, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE S 76°41'29" W, with the south line of the said 96.99 acre tract, with the north right-of-way line of said Capitol Street, with the south line of Block 9 and Block 13, said Hutto and Metcalfe Addition, a distance of 350.53 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 4, Block F, Hutto Square Section 1, a subdivision according to the plat of record in Cabinet W, Slides 263-267, Plat Records of Williamson County, Texas, at a southwest corner of the said 96.99 acre tract, for a southwest corner of the tract described herein;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 3 of 3

THENCE with the west line of the said 96.99 acre tract, the east line of said Hutto Square Section 1, the east line of Hutto Square Section 2, a subdivision according to the plat of record in Cabinet Y, Slides 154-157, Plat Records of Williamson County, Texas, with the east line of Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138-139, Plat Records of Williamson County, Texas, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°40'21" E, a distance of 55.89 feet to a ½-inch iron rod with a plastic cap stamped "4391" found at the north corner of Lot 4, the east corner of Lot 5, southeast corner of Lot 39, and the south corner of Lot 40, Block F, said Hutto Square Section 1, for an angle point of the tract described herein,
2. N 07°38'18" E, a distance of 655.93 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 48, Block F, said Hutto Square Section 2, for an angle point of the tract described herein,
3. N 07°46'41" E, a distance of 230.55 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 4391" found at the northeast corner of Lot 51 and the southeast corner of Lot 52, Block F, said Hutto Square Section 2, for an angle point of the tract described herein, and
4. N 07°46'30" E, a distance of 2,059.60 feet to a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract, for the northwest corner of the tract described herein;

THENCE S 82°15'43" E, with the north line of the said 96.99 acre tract and a south line of the said 201.06 acre tract, with the north line of the tract described herein, a distance of 1,222.52 feet to the **POINT OF BEGINNING** and containing 94.560 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 03rd day of May 2019 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

Exhibit "B-2"
COMMERCIAL PARCEL

~~[See attached]~~

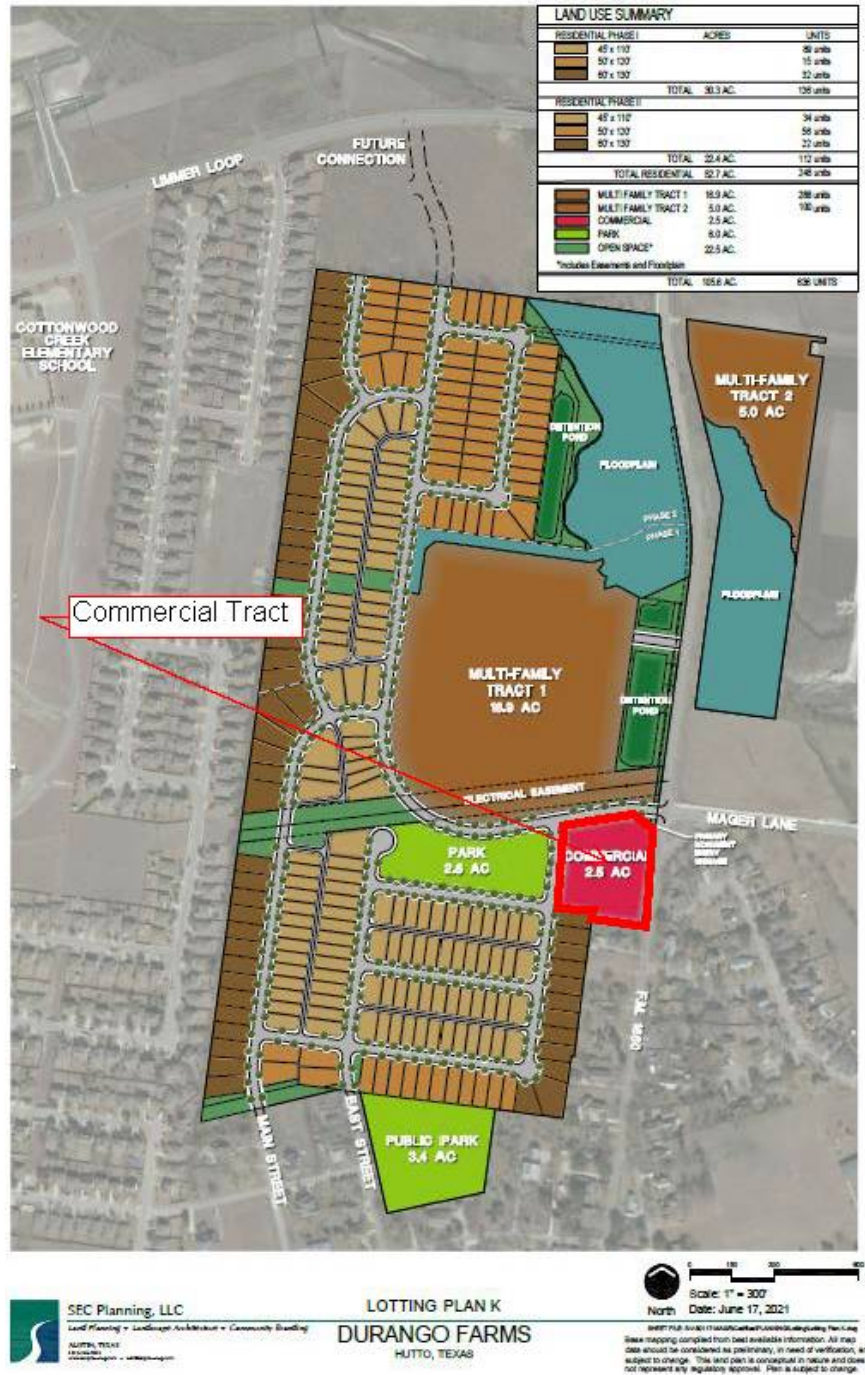


Exhibit "C"
CONCEPT PLAN

Exhibit "D"

AUTHORIZED IMPROVEMENTS

•**Note:** At the time of execution of this Agreement, the only Authorized Improvements (and estimated costs) that can be determined with certainty are the Authorized Improvements which are listed below:

- *Streets*

Improvements include subgrade stabilization (including excavation and drainage), concrete 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 the Project. 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 City.

- *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 the District and will be owned and operated by the City.

- *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 the District and will be owned and operated by the City.

- *Drainage*

[TO BE ADDED]

- *Traffic Signal & Intersection Improvements*

[TO BE ADDED]

Exhibit "E"

-INTENTIONALLY DELETED

Exhibit "F-1"

FORM OF CLOSING DISBURSEMENT REQUEST

(Closing Disbursement Request – Durango Farms)

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for MA Durango Farms, LLC (the "**Owner**") and requests payment to the Owner from the applicable account of the Project Fund from _____, (the "**Trustee**") in the amount of \$ _____ to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Durango Farms Public Improvement District (the "**District**"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City of Hutto, Texas (the "**City**") and the Trustee dated as of _____, 20__ (the "**Indenture**") relating to the "[INSERT NAME OF BONDS] (the "**PID Bonds**").

In connection with the above referenced payment, the Owner represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner and is knowledgeable as to the matters set forth herein.
2. This request for payment for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior Certification for Payment submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation 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.
4. The Owner is in compliance with the terms and provisions of the PID Financing Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.
5. All conditions set forth in the Indenture and the PID Financing Agreement 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 said review.

Payments requested hereunder shall be made as directed below:

[Information regarding amount and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

MA Durango Farms, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from [Actual Costs of Issuance Account] [_____ Account of the Project Fund] upon delivery of the PID Bonds.

CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

Exhibit "F-2"

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Durango Farms)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the "**Construction Manager**") requests payment from [the applicable account of the Project Fund] from the City of Hutto (the "**City**") in the amount of \$ _____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Durango Farms Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Durango Farms Public Improvement District Financing and Reimbursement Agreement between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Authorized Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Authorized Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Authorized Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.
6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Special Assessments it owes or an entity under common control with the Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.
7. The work with respect to the Authorized Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Authorized Improvements (or

its completed Segment). *[Include bracketed language if final progress payment for such Authorized Improvement]*

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or Segment thereof) has been completed and the City has accepted such Authorized Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.][*Include bracketed language if final progress payment for such Authorized Improvement*]

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Authorized Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. *[Include bracketed language if final progress payment for such Authorized Improvement]*

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

MA Durango Farms, LLC,
a Texas limited liability company, as
CONSTRUCTION MANAGER

By: _____
Name: _____
Title: _____

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

By:

Name: _____

Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Authorized Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from [the appropriate account of the Project Fund] [the Reimbursement Fund] to the Construction Manager or to any person designated by the Construction Manager.

CITY OF HUTTO, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT FORM NO. ____

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Actual Costs</u>
----------------	---	---------------------

ATTACHMENT B TO CERTIFICATION FOR PAYMENT FORM NO. _____

[Include Attachment B bracketed if final progress payment for such Authorized Improvement]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C TO CERTIFICATION FOR PAYMENT FORM NO. _____

INVOICE LEDGER

[illegible]

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

Exhibit "G"

BUDGET

City Attorney	\$10,000 opinion fee per series of bonds
City's Financial Advisor	\$25,000 plus 2.00% of par value of each series of bonds
Bond Counsel	2.50% of par value of each series of bonds, minimum of \$50,000 per series
Underwriter	2.00% of par value of each series of bonds
Underwriter's Counsel	1.00% of par value of each series of bonds

Exhibit "H"

DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT LOT TYPE _____ HOMEBUYER DISCLOSURE

HOME BUYER DISCLOSURE PROGRAM

1. A ~~Builder[†] for an Assessed Property shall provide each residential homebuyer with~~ the person who proposes to sell or otherwise convey real property that is located in a public improvement district shall first give to the purchaser of the property the written notice titled "Notice of Obligation to Pay Public Improvement District Assessment to the City of Hutto, Texas", the form of which is attached hereto as Exhibit "H-1", as may be modified by Section 5.014 of the Texas Property Code.
2. A Builder ¹for an Assessed Property shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City upon receipt of written request by the City which sets forth the City's mailing address and other contact information.
3. A Builder for an Assessed Property shall prominently display signage provided by the Owner or the PID Administrator in the Builder's model homes, if any, located within the Property.
4. If prepared and provided by the City and approved by Owner (such approval not to be unreasonably withheld), a Builder for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers for an Assessed Property.
6. The Owner must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

~~[†] Builder" means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.~~

¹ Builder" means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit "H-1" to Financing Agreement

DURANGO FARMS PID – LOT TYPE []: HOMEBUYER DISCLOSURE

NOTICE OF OBLIGATION TO PAY
~~PUBLIC~~ IMPROVEMENT DISTRICT ~~ASSESSMENTS~~ ASSESSMENT
TO THE CITY OF HUTTO, TEXAS

CONCERNING THE FOLLOWING PROPERTY ~~AT:~~

STREET ADDRESS

~~OUTSTANDING PRINCIPAL OF ASSESSMENT FOR AUTHORIZED~~
~~IMPROVEMENT:~~ \$[]

(INSERT PROPERTY ADDRESS)

As the purchaser of the real property ~~located at the street address set forth~~ described above, you are obligated to pay assessments to the City of Hutto, Texas, for the costs of a portion of ~~Authorized Improvements~~ (the "Authorized Improvements"), undertaken for the benefit of the property within the "Durango Farms Public Improvement District" (the "District"), created under Subchapter A, Chapter 372, Local Government Code, ~~as amended~~.

~~THE OUTSTANDING PRINCIPAL OF THE~~ AN ASSESSMENT HAS BEEN LEVIED
AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS \$
1, WHICH MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF THE
ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL
INSTALLMENTS WHICH MAY THAT WILL VARY FROM YEAR TO YEAR
DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS,
ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

~~An estimate of the annual installments is attached; however, it is only an estimate and is subject to change.~~ The exact amount of the assessment may be obtained from the City of Hutto, Texas.
The exact amount of ~~the each~~ each annual ~~installments, including the annual installments thereof,~~ installment will be approved each year by the City of Hutto City Council ~~of the City of Hutto, Texas in the Annual Service Plan Update~~ in the annual service plan update for the ~~District.~~ district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Hutto Texas.

~~You may ask your mortgage company to include the Annual Installments in your monthly escrow payment.~~

Your failure to pay any assessment, or any annual installment ~~thereof,~~ may result in penalties and interest being added to what you owe ~~and could result~~ or in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of ~~the foregoing~~this notice ~~prior to~~before the effective date of a binding contract for the purchase of the real property at the ~~street~~ address ~~set forth~~described above.

~~IN WITNESS WHEREOF, I have signed this certificate on the date specified below my signature.~~

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

~~STATE OF TEXAS §~~

~~§~~

~~WILLIAMSON COUNTY §~~

~~The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.~~

~~Given under my hand and seal of office on this _____, 20__.~~

Notary Public, State of Texas

~~STATE OF TEXAS §~~

~~§~~

~~WILLIAMSON COUNTY §~~

~~The foregoing instrument was acknowledged before me by _____,
known to me to be the person whose name is subscribed to the foregoing instrument, and
acknowledged to me that he or she executed the same for the purposes therein expressed, in the
capacity stated and as the act and deed of the above-referenced entities as an authorized signatory
of said entities.~~

~~Given under my hand and seal of office on this _____, 20__.~~

Notary Public, State of Texas

~~PROJECTED ANNUAL INSTALLMENTS—LOT TYPE []~~

~~[WILL INSERT SCHEDULE OF PROJECTED ANNUAL INSTALLMENTS ONCE
FINALIZED]~~

Date: _____

Signature of Purchaser: _____

Document comparison by Workshare 9 on Thursday, August 12, 2021 12:02:36 PM

Input:	
Document 1 ID	file:///G:/Client/MA Partners.SCM/Durango Downs (Farms)/PID/PID Financing Agreement/CLEAN.Durango Farms.Financing Agreement.v3.docx
Description	CLEAN.Durango Farms.Financing Agreement.v3
Document 2 ID	G:/Client/MA Partners.SCM/Durango Downs (Farms)/PID/PID Financing Agreement/CLEAN.Durango Farms.Financing Agreement.v4.council packet.docx
Description	G:/Client/MA Partners.SCM/Durango Downs (Farms)/PID/PID Financing Agreement/CLEAN.Durango Farms.Financing Agreement.v4.council packet.docx
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	46
Deletions	91
Moved from	2
Moved to	2
Style change	0

Format changed	0
Total changes	141

DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT

FINANCING AND REIMBURSEMENT AGREEMENT

BETWEEN

MA DURANGO FARMS, LLC, a Texas limited liability company

AND

THE CITY OF HUTTO, TEXAS

**DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT
FINANCING AND REIMBURSEMENT AGREEMENT**

This **DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT** (this "**Agreement**"), dated as of __, 2021, (the "**Effective Date**"), is entered into between **MA Durango Farms, LLC**, a Texas limited liability company (including its Designated Successors and Assigns, the "**Owner**"), and the **CITY OF HUTTO, TEXAS** (the "**City**"), a home-rule municipal corporation of the State of Texas. The Owner and the City are sometimes collectively referenced in this Agreement as the "**Parties**," or, each individually, as the "**Party**." The Owner's and City's entry into this Agreement is being consented to by Vantage at Hutto, LLC, ("**Vantage**") and Meritage Homes of Texas, LLC, an Arizona limited liability company ("**Meritage**") (Vantage and Meritage collectively the "**Consenting Parties**").

Recitals:

WHEREAS, Owner and the Consenting Parties own a total of approximately 105.6 acres of land, with Vantage owning approximately 16.9 acres, Meritage owning approximately ____ acres, and Owner owning approximately ____ acres; more particularly described on Exhibit "B" attached hereto and made a part hereof (the "**Property**");

WHEREAS, the City Council of the City (the "**City Council**") approved the Amended and Restated Development Agreement, effective January 7, 2021, which provides for the terms and conditions of development standards for the Property (as may be amended from time to time, the "**Development Agreement**");

WHEREAS, it is intended that the Property will be developed as a Mixed Use development to be known as "**Durango Farms**" (the "**Project**") as further described in the Concept Plan which is attached hereto as Exhibit "C" hereto and made a part hereof;

WHEREAS, the City Council also approved a Planned Unit Development by zoning the Property pursuant to Ordinance No. 0-19-10-17-10C (the "**PUD**"), as the same may be amended from time to time;

WHEREAS, the City Council authorized the formation of the Durango Farms Public Improvement District pursuant to Resolution No. R-2020-068 on August 6, 2020 (the "**District**") in accordance with the PID Act;

WHEREAS, the Owner of the Property desires and intends to design, construct and install and/or make financial contributions to certain on-site and off-site public improvements to serve the development of the Property and pursuant to the terms of this Agreement, the City has agreed to accept and to pay or reimburse the Owner for a portion of certain public improvements that will serve the Property in the District, as generally described on Exhibit "D" and Exhibit "D-1" attached hereto and made a part hereof (the "**Authorized Improvements**");

WHEREAS, pursuant to the terms of this Agreement, the City has agreed that the Authorized Improvements provide a special benefit to the City and to allow financing of the Authorized Improvements conferring special benefits to the Property through the District.

WHEREAS, \$3.20 is the aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District, and \$15,000,000 is the maximum par amount of PID Bonds that will be financed to fund or reimburse eligible improvements to the Owner; and

WHEREAS, contemporaneously herewith the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for the issuance of PID Bonds and Owner's compliance with the City's PID Policy and this Agreement and the Development Agreement, and in accordance with the terms of this Agreement and any other legal requirements, will consider : (i) the adoption of the Service and Assessment Plan (or amendment thereto) for the District; (ii) the adoption of an Assessment Ordinance for the District and (iii) authorizing the issuance of PID Bonds, in one or more series at the City's sole discretion, for the purpose of financing the costs of the Authorized Improvements and paying associated costs as described herein;

WHEREAS, prior to consideration of the sale of a series of PID Bonds: (a) the City Council shall have considered, approved and adopted this Agreement; (b) the City shall have considered, reviewed and approved the Home Buyer Disclosure Program; (c) owners of the Property constituting all of the acreage in the District at the time of the issuance of the PID Bonds shall have executed a Landowner Agreement (as defined in Section 3.02, herein); and (d) the Owner shall have delivered a fully executed copy of the Landowner Agreement to the City; and

WHEREAS, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, accept the Authorized Improvements, or Segments thereof, provided for in this Agreement and the Owner will be paid or reimbursed for the costs of the Authorized Improvements, or Segments thereof, solely from Special Assessments or from the proceeds of the PID Bonds, for the costs of acquisition, construction and improvement of the Authorized Improvements or Segments thereof that are completed, dedicated to and accepted by the City, subject to the terms and limitations set forth herein.

WHEREAS, the City agrees to pay or reimburse the Owner for the Actual Costs of the Authorized Improvements with the proceeds of an issuance of PID Bonds or special assessment revenues derived from the District in accordance with the terms and provisions of this Agreement. Subject to the limitations of the PID Act, the City Charter and the City's PID Policy, the City has the authority to issue, from time to time, one or more series of PID Bonds, the proceeds of which will be used to pay the costs of Authorized Improvements, or Segments thereof, including indebtedness to pay capitalized interest and a reserve fund permitted by the PID Act for revenue bonds issued under the PID Act and indebtedness issued to pay the City's costs of issuance in accordance with this Agreement.

WHEREAS, the City has determined that it is in its best interests to enter into this Agreement with the Owner for the construction and/or acquisition of the Authorized Improvements, or Segments, thereof, which will result in the efficient and effective implementation of each 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. RECITALS AND DEFINED TERMS

The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes. Unless otherwise defined herein, capitalized terms used herein are set forth in Exhibit "A" attached hereto and made a part hereof and in the Service and Assessment Plan.

ARTICLE II. CONSTRUCTION OF AUTHORIZED IMPROVEMENTS; ACCEPTANCE

Section 2.01. Authorized Improvements.

The Owner shall be responsible for construction of all the Authorized Improvements, or Segments thereof, to be completed, in a good and workmanlike manner, and in accordance with all Applicable Regulations. The costs of the Authorized Improvements are subject to change and shall be updated by the Owner and the City in a manner consistent with the Service and Assessment Plan and the PID Act. The actual or estimated Actual Costs, as applicable, of the Authorized Improvements will be reviewed annually by the Parties and included in an annual update of the Service and Assessment Plan adopted and approved by the City. The currently anticipated Authorized Improvements are identified in Exhibit "D" hereto. The Service and Assessment Plan may need to be amended over time if there are any changes to the specification or plans relating to an Authorized Improvement. The Parties acknowledge that the Authorized Improvements described in Exhibit "D" are subject to change, and that the Service and Assessment Plan will provide information on the Authorized Improvements for the District and will control when in conflict with Exhibit "D". The Owner shall be responsible for payment of the Actual Costs of the Authorized Improvements. The costs of the Authorized Improvements are eligible for payment or reimbursement by the City as provided in Article II hereof. If the Owner is unable or unwilling to perform its obligations with respect to the construction of the Authorized Improvements, the City may complete the construction of the Authorized Improvements and use Special Assessment Revenues and PID Bond proceeds to pay the Cost thereof in accordance with the terms hereof, particularly Section 2.04(ii).

Section 2.02. Inspections; Acquisition of Authorized Improvements.

(a) To the extent not previously approved, the Owner will obtain approval of construction plans as required by all Applicable Regulations, for an Authorized Improvement from the City prior to commencing construction of such Authorized Improvement. Approval by the City, the City Engineer or the City Construction Representative, of any plans, designs or specifications submitted by Owner pursuant to this Agreement or pursuant to all Applicable Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Owner, the Project Engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an

assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Owner or Owner's Project Engineer, or such engineer's officers, agents, servants or employees. Approval by the City Engineer or City Construction Representative signifies the City's approval on only the general design concept of the improvements to be constructed or the improvements constructed.

(b) The City shall have the right to inspect, at any time, the construction of all Authorized Improvements necessary to support the Project, including water, wastewater/sanitary sewer, drainage, roads, streets, alleys, park facilities, electrical, entryway monumentation and street lights and signs in accordance with all Applicable Regulations. The City's inspections and/or approvals shall not release the Owner from its responsibility to construct, or cause the construction of, Authorized Improvements in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this Agreement, it shall not be a breach or violation of this Agreement if the City withholds building permits, certificates of occupancy or City utility services as to any portion of the Project if Owner is in default under this Agreement and the Development Agreement to construct the required Authorized Improvements or Segments thereof, according to the approved engineering plans and all Applicable Regulations. Acceptance by the City shall not be unreasonably withheld, conditioned or delayed.

(c) The Owner shall dedicate, convey, or otherwise provide for the benefit of the City the Authorized Improvements, or Segments thereof, identified on Exhibit "D" of this Agreement (as the same may be adjusted pursuant to the Service and Assessment Plan) upon completion of said Authorized Improvements, or Segments thereof, and the City will accept such dedication of such Authorized Improvements, or Segments thereof, after confirming that the Authorized Improvements, or Segments thereof, have been completed in accordance with this Agreement, the Development Agreement and all Applicable Regulations.

(d) From and after the inspection and acceptance by the City of the Authorized Improvements, or Segments thereof, and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City.

Section 2.03. Designation of Construction Manager, Project Engineers.

(a) The City hereby designates the Owner, as the initial 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 II, subject to the City's review and approval of design specifications and easement locations.

(b) If the Construction Manager is (i) unable (not caused by Force Majeure) or unwilling to perform its duties and responsibilities hereunder or (ii) is not performing the duties and responsibilities of the Construction Manager in accordance with the terms of this Agreement, the City shall provide written notice to the Owner of such non-performance (the "**Non-performance**"). The Owner shall have thirty (30) calendar days (or such longer period of time as agreed upon in writing by the Parties) to correct the Non-performance from the date of the City's

written notification. If the Non-performance is not cured, the City may either allow the Owner additional time to cure the Non-performance based on adequate assurance in writing by the Owner that the Construction Manager will perform or if required by the City, adequate funds shall be held in escrow or be deposited into a segregated account of the Project Fund as identified in the Trust Indenture, or the City may replace the Construction Manager any time after the cure period has elapsed.

Section 2.04. Designation of Construction Manager Subcontractor.

The Owner may subcontract out all or some of the duties of Construction Manager to a third party, with the written consent of the City, such consent not to be unreasonably withheld, conditioned, or delayed. Owner may designate a homebuilder, an individual, company, partnership, or other entity (each a "**Third-Party Contractor**"), as a subcontractor for construction management services for one or more Authorized Improvements or Segments thereof. The Owner shall provide written notice to the City within three (3) business days of such designation. Within five (5) business days after executing a contract with a Third-Party Contractor, the Owner shall:

- (i) provide a copy of the executed contract to the City Construction Representative, and

- (ii) obtain from the Third-Party Contractor a collateral assignment of the Owner's rights under the contract with the Third-Party Contractor solely as they relate to the Authorized Improvements or Segments thereof related to the contract with the Third-Party Contractor, in a form satisfactory to the City Construction Representative, which authorizes the City to utilize the services of such Third-Party Contractor to complete the construction of such Authorized Improvements or Segments, thereof, if the Owner fails to do so as provided in this Agreement.

Section 2.05. Mandatory Owners Association.

- (a) Prior to the sale of any platted single-family lots within the District, the Owner shall create an Owners Association for the Property (but may exclude from the Owner's Association jurisdiction lots platted for the purpose of multi-family residential or commercial use), and shall establish bylaws, rules, regulations and restrictive covenants (collectively the "**Association Regulations**") to assure the Owners Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Owners Association pursuant to this Section.

- (b) Owner agrees to execute and record against the Property a deed restriction requiring compliance with all building material restrictions outlined in the Development Agreement.

- (c) The Owners Association will have a binding, continuing responsibility for the implementation and enforcement of the Association Regulations. The Association Regulations shall establish periodic Owners Association dues and assessments, to be charged and paid by the single-family lot owners within the Property, that are and will be sufficient to (i) pay the Owners Association's Annual Installments of Special Assessments (if any), and (ii) to provide funds required for the management and operation of the Owners Association.

(d) The Owners Association dues and assessments that are established, maintained and collected by the Owners Association shall be in addition to, and not in lieu of, any and all other fees, charges and Special Assessments that will be applicable to the Property.

Section 2.06. Change Orders for Authorized Improvements.

All change orders for applicable Authorized Improvements shall be approved by the Owner, Construction Manager and the City Construction Representative, to the extent any such change order causes an increase to the total costs of the Authorized Improvements in excess of \$100,000. The Construction Manager shall provide copies of all approved change orders to the Financial Advisor and Trustee within five (5) business days after approval.

Notwithstanding any provision contained herein to the contrary, the Owner must obtain the approval of the City Construction Representative for any change order that would substantially change the character or nature of an Authorized Improvement or Segment thereof. A substantial change shall be a modification to the Authorized Improvement or Segment thereof such that it constitutes a new Authorized Improvement or Segment thereof beyond the scope of this Agreement.

Section 2.07. Payment and Performance Bonds for Authorized Improvements.

For each construction contract for any part of the Authorized Improvements, the Owner or Owner's contractor shall execute a performance bond in favor of the City and a payment bond for the construction and work covered by those contracts, which bonds shall be in accordance with Texas Government Code, Chapter 2253 and all Applicable Regulations. The performance bond requirement will be reduced by an amount equal to any PID Bond proceeds held by the Trustee in the Project Fund and any additional financial support by the Owner at the time of the issuance of PID Bonds, if applicable, and agreed upon by the Owner and the City.

Section 2.08. Maintenance of Project, Warranties.

The Owner shall maintain each Authorized Improvement, or Segment thereof, in good and safe condition in accordance with applicable all Applicable Regulations until such Authorized Improvement, or Segment thereof, is accepted by the City. The City's acceptance of Authorized Improvements, or Segment thereof, shall be in accordance with all Applicable Regulations and procedures for the acceptance of subdivision improvements. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Authorized Improvement, or Segment thereof. On or before the acceptance by the City of an Authorized Improvement, or Segment thereof, the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Authorized Improvement, or Segment thereof, and shall provide the City with a two year maintenance bond from the date of final acceptance of the Authorized Improvements, or Segment thereof, that guarantee the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Authorized Improvements, or Segment thereof, for each Authorized Improvement to be accepted by the City.

Section 2.09. Sales and Use Tax Exemptions.

(a) The Parties understand that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the current Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in Section 151.309 of Tax Code and 34 Tex. Admin. Code, sec. 3.291.

(b) Upon request of the Owner, and to the extent provided by law, 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 34 Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

Section 2.10. Regulatory Requirements.

(a) Notwithstanding anything to the contrary contained herein, the Owners shall be responsible for the costs of designing, constructing, and obtaining the City's acceptance of the Authorized Improvements, in accordance with all Applicable Regulations, the City-approved plans and specifications, and Recognized and Generally Accepted Good Engineering Practices, as such term is defined and interpreted by the Federal Occupational Safety and Health Administration.

(b) With respect to the construction of the Authorized Improvements, it is understood that their construction will be exempt from any public bidding or other purchasing and procurement policies pursuant to the current Texas Local Government Code Section 252.022(a)(9), which states that a project is exempt from such policies if "paving drainage, street widening, and other 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. The Owner will request bids from at least three (3) independent, competent contractors for the construction of the Authorized Improvements in the Phase 1 Subdivision and provide copies of the bids to the City, however the City acknowledges and agrees that the Owner may choose, in their reasonable discretion, to use one of the selected independent, competent contractors for the Phase 1 Subdivision for construction of the Authorized Improvements in the Future Phase 2 Subdivision without soliciting any additional bids, so long as cost estimate for the Authorized Improvements in the Future Phase 2 Subdivision are reasonable and comparable to the costs of the Authorized Improvements in the Phase 1 Subdivision.

Section 2.11. Insurance.

(a) All contractors, subcontractors, engineers, and consultants shall carry and maintain throughout the term of this Agreement (except as specifically noted below) the following insurance policies:

(i) Workers' compensation and employers' liability insurance coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act and minimum policy limits for employers' liability of \$1,000,000 bodily injury for each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund. The insurance required by this subsection shall be in effect commencing not later than the commencement of construction of any portion of the Project.

(ii) Automobile liability insurance for all owned, non-owned, and hired motor vehicles used, with respect to the Property or the Project in a minimum amount of \$1,000,000, combined single limit.

(iii) Commercial general liability policy with a minimum limit of \$1,000,000 per occurrence for bodily injury and/or property damage, with a minimum aggregate of \$1,000,000 and blanket contractual coverage, independent contractors' coverage and explosion, collapse, and underground (X, C & U) coverage.

(iv) For contractors/subcontractors providing professional engineering, architectural or design services under this Agreement, engineers' professional liability insurance or other errors and omissions insurance coverage for the non-engineer professionals with a minimum limit of \$1,000,000 per claim and in the aggregate to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission committed or alleged to have been committed with respect to plans, maps, drawings, analyses, reports, surveys, change orders, designs or specifications prepared or alleged to have been prepared by the assured. The insurance required by this subsection shall be in effect commencing not later than the commencement of submission to City for approval of permits for construction of any phase of the Project. The insurance will be renewed or extended as necessary to remain in force as for claims made for two (2) years after final acceptance of the applicable Projects by the City.

(v) For work that involves asbestos or any hazardous materials or risk of air, water or soil pollution, the following will be in addition to the other insurance required hereunder:

- a. Asbestos abatement endorsement or pollution coverage to the commercial general liability policy with minimum bodily injury and property damage limits of \$1,000,000 per occurrence for coverages A&B and products/completed operations coverage with a separate aggregate of \$1,000,000. This policy cannot exclude asbestos or any hazardous materials or pollution and shall provide “occurrence” coverage without a sunset clause.
- b. Pollution coverage in accordance with federal and state regulations requiring an MCS 90 endorsement with a \$5,000,000 limit when transporting asbestos in bulk in conveyances of gross vehicle weight rating of 10,000 pounds or more. All other transporters of asbestos shall provide either an MCS 90 endorsement with minimum limits of \$1,000,000 or an endorsement to their commercial general liability insurance policy that provides coverage for bodily injury and property damage arising out of the transportation of asbestos or other hazardous materials. The endorsement must, at a minimum, provide a \$1,000,000 limit of liability and cover events caused by the hazardous properties of airborne asbestos arising from fire, wind, hail, lightning, overturn of conveyance, collision with other vehicles or objects, and loading and unloading of conveyances.

(b) The insurance required under Section 2.11(a)(v) will only be required for the entity that is actually performing work involving asbestos or any hazardous materials or risk of air, water or soil pollution. For example, if the Owner's contractor (instead of the Owner) is performing such work, the contractor, not the Owner, will be required to carry such insurance. The insurance required by this subsection shall be in effect commencing not later than the commencement of each phase of construction if that phase will include work involving asbestos or any hazardous materials or risk of air, water or soil pollution.

(c) The Owner or Owner's contractor shall not cause or permit any insurance required hereunder to be canceled or lapse during the term of this Agreement. With respect to subsections 2.11(a)(i), (ii) and (iii), insurance coverage is to be written by companies duly authorized to do the business of insurance in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A-VII or better or otherwise approved in writing by the City. Additionally, with respect to subsections 2.11(a)(i), (ii) and (iii), all policies will contain a provision in favor of the City waiving subrogation and other rights of recovery against the City, and will be endorsed to provide the City with a 30-day advance notice of cancellation or change in coverage, where permitted by policy language. The City will be an additional insured as its interests may appear on the commercial general and automobile liability policies. All policies will provide primary coverage as applicable, with any insurance maintained by the City being excess and non-contributing. The Owner or Owner's contractor shall submit copies of all Insurance Policy Documents and certificates of insurance to the City providing evidence of insurance coverage

required by this Agreement on or before the commencement of the Projects except that asbestos, hazardous waste, pollution, and professional engineers and other errors and omissions policy documents need not be provided until those covered by such insurance commence work on the Projects or as otherwise provided in this Agreement. Copies of all Insurance Policy Documents will be promptly delivered to the City at the time the policies are issued, including copies of any and all changed or new Insurance Policy Documents. The Owner or Owner's contractor will be responsible for (i) overseeing its contractors with respect to such contractors' obtaining and maintaining the insurance required hereunder and (ii) obtaining and keeping copies of such Insurance certificates evidencing the insurance coverages required hereunder.

(d) All endorsements, waivers, and notices of cancellation shall be in favor of the City and policies of commercial general liability and automobile insurance shall provide that City is an additional insured and certificates of insurance evidencing same will be delivered to the City as provided in the Notices Section of this Agreement or such other address as the City may notify the Owner or Owner's contractor in writing.

(e) The Owner or Owner's contractor shall be responsible for paying premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Owner (not by its contractors and any subcontractors). All deductibles or self-insured retentions shall be disclosed on the Insurance Policy Documents. The insurance coverages required under this Agreement are required minimums and are not intended to limit or otherwise establish the responsibility or liability of the Owner under this Agreement.

Section 2.12. Remedy.

Owner's sole remedies for nonperformance of this Article II by the City shall be to seek specific performance, judicial injunction, or any legal damages directly arising from such nonperformance pursuant to the terms of this Agreement. Each party shall be responsible for payment of all costs of their respective attorney's fees.

ARTICLE III. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 3.01. Apportionment and Levy of Assessments.

The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement and to levy Special Assessments. The Owner acknowledges and agrees that the Service and Assessment Plan must meet the requirements of Texas Local Government Code §§ 372.013 and 372.014 and be presented to the City Council for review and approval prior to a series of PID Bonds being issued. The Owner may request the City provide the Owner with a copy of any Service and Assessment Plan update prior to consideration by the City Council for so long as the Owner owns any Assessed Property in the District. The Service and Assessment Plan will be modified as required to comply with the requirements of the PID Act and the Texas Attorney General's Office. The annual indebtedness defined by the Service and Assessment Plan shall be consistent with the terms for the issuance of PID Bonds as set forth in this Agreement.

The City shall use its best efforts to levy Special Assessments on the Assessed Properties in accordance herewith and with each Service and Assessment Plan. It is contemplated that the City will issue one series of PID Bonds, to pay or reimburse the Owner for a portion of the Actual Costs of the Authorized Improvements. The Parties anticipate that the Actual Cost to construct the Authorized Improvements will be greater than the net proceeds of the PID Bonds or the Special Assessment Revenues available for reimbursement of the costs of the Authorized Improvements and the Owner shall fund the difference.

Section 3.02. Acceptance of Special Assessments; Recordation of Covenants Running with the Land.

Concurrently with the levy of the Special Assessments, the Owner, the Consenting Parties, and any other owners of land within the District and the City shall execute a "**Landowner Agreement**" (herein so called) in which the Owner, Consenting Parties, and other owners, if applicable, (the "**Landowners**") shall (i) approve and accept the apportionment of assessments in the Service and Assessment Plan and the levy of the Special Assessments and (ii) the Home Buyer Disclosure Program. The Landowner Agreement further shall (a) evidence the Landowners' intent that all Special Assessments be covenants running with the land that (i) shall bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such property take their title subject to and expressly assume the terms and provisions of the Special Assessments and (b) provide that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for state, municipality, county or school district ad valorem taxes.

Section 3.03. Collection of Assessments.

(a) So long as the City is obligated to reimburse the Owner for the costs of the Authorized Improvements hereunder or any PID Bonds are outstanding, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to an Assessment Ordinance. The Annual Installment of such Special Assessments will be updated at least annually in 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 will deposit or cause to be deposited the collected Special Assessment Revenues into a segregated account, or if PID Bonds have been issued, then transferred to the Trustee and deposited in the funds and accounts in the priority set forth in the respective Indenture, as further described in Section 4.02 below.

(b) Further notwithstanding anything to the contrary contained herein, the City covenants to use diligent, good faith efforts to contract with the Williamson County Tax Assessor-Collector for the collection of the Special Assessments such that the Special Assessments will be included on the ad valorem tax bill(s) for the Assessed Properties and will be collected as part of and in the same manner as ad valorem taxes.

ARTICLE IV.
PAYMENT OF ACTUAL COSTS OF AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements.

(a) Any payment obligation of the City hereunder shall be payable solely from Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds in accordance with this Agreement. No other funds, revenues, taxes, or income of any kind other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds shall be used to pay the City's obligations hereunder. The obligations of the City under this Agreement shall not, under any circumstance, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds. None of the City nor any of its elected or appointed officials or any of its respective officers, employees, consultants or representatives shall incur any liability hereunder to the Owner or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

(b) The City does not warrant, either expressed or implied, that the aggregate amount of all Special Assessment Revenues or proceeds of all PID Bonds will be sufficient for the construction or acquisition of all of the Authorized Improvements. The Parties anticipate that the Actual Costs will be greater than the aggregate amount of all Special Assessment Revenues or, if PID Bonds are issued, the net proceeds of such bonds available for Authorized Improvements. The Owner shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of PID Bonds or Special Assessment Revenues.

(c) Upon completion of an Authorized Improvement, or Segment thereof, the Owner shall dedicate or convey, and the City shall accept or acquire, as more particularly described in Article III above, the given Authorized Improvement, or Segment thereof, after such Authorized Improvement, or Segment thereof, is completed and has been accepted by the City. Upon written acceptance of an Authorized Improvement, or Segment thereof, and subject to any applicable maintenance-bond period, the City shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.

(d) The procedures set forth in Section 4.02(d) below shall apply to all Certifications for Payment regardless of which account within the applicable Project Fund the actual funds are being paid from.

(e) Contemporaneously with the execution of this Agreement, the City will consider the adoption of the Assessment Ordinance that (i) approves the Service and Assessment Plan identifying the costs of the Authorized Improvements for the District and the Special Assessments and (ii) levies said Special Assessments. The City will levy and collect such Special Assessments in accordance with the terms hereof, the approved Service and Assessment Plan, as amended or updated, and the applicable Assessment Ordinance as further provided in this Agreement.

(f) The aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions

within the District shall be \$3.20. Notwithstanding the foregoing, Owner may voluntarily elect to have the Tax Equivalent Assessment Rate of Special Assessments be less than \$3.20 and this shall not require approval by City Council.

Section 4.02. Payments for Authorized Improvements Upon the Issuance of PID Bonds.

(a) As more particularly described in Section 5.01 hereof, the City will, concurrently herewith, consider the adoption of a resolution consenting to the issuance of PID Bonds to reimburse the Owner for Actual Costs of those Authorized Improvements that are complete at the time of bond issue.

(b) The proceeds from the issuance of the PID Bonds will be held by the Trustee in various segregated accounts under the Project Fund established pursuant to an Indenture. Those sums held in the various segregated accounts will be advanced to the Owner by the Trustee to fund the Actual 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 hereto in Exhibit "F-2". At least thirty (30) calendar days prior to the time of the closing of a series of PID Bonds, the Owner may submit a Closing Disbursement Request substantially in the form attached hereto in Exhibit "F-1" executed by the Construction Manager and the Project Engineer to the City Construction Representative to be reimbursed for those Owner Expended Funds accrued to date of such Closing Disbursement Request and not previously reimbursed. The City Construction Representative shall conduct a review to verify the Owner Expended Funds specified in such Closing Disbursement Request. Prior to disbursement of proceeds, the City Construction Representative will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, the Owner shall be reimbursed an amount equal to the applicable Owner Expended Fund in accordance with the procedures set forth in Section 4.02.

(c) Any Authorized Improvements that have not been (i) reimbursed at the Closing of the PID Bonds, (ii) completed by Owner, or (iii) accepted by the City by the time the PID Bonds are issued, will be payable periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.02 and the Indenture. Such payments shall be made by the Trustee no more frequently than monthly and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the Construction Manager. If the City Construction Representative 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 the City Construction Representative's comments, the Certification for Payment can be submitted to the Trustee for payment.

(d) The general process for funding of Authorized Improvements from funds on deposit in a Project Fund is as follows:

(1) the Owner shall deliver to the City's Construction Representative and the City Engineer the following:

(i) a Certification for Payment substantially in the form attached hereto as Exhibit "F-2" executed by the Construction Manager and the Project Engineer evidencing the

Actual Costs,

(ii) evidence of the acceptance by the City of those Authorized Improvements to be funded by the respective series of PID Bond and the conveyance to the City (for Completed Authorized Improvements only), and

(iii) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid.

(2) After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be funded by proceeds of a series of PID Bonds were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and the City Construction Representative will verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City Construction Representative agrees to conduct such review and cost verification in an expeditious manner and within 30 business days after the Certification for Payment is submitted to the City and the Owner agrees to cooperate with the City Construction Representative in conducting each such review and to provide the City Construction Representative with such additional information and documentation as is reasonably necessary for the City Construction Representative to conclude each such review. Upon confirmation by the City Construction Representative that Authorized Improvements to be funded by the PID Bonds have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), verification and approval by the City Construction Representative of the Actual Costs of those Authorized Improvements, the City shall within thirty (30) calendar days accept those completed Authorized Improvements not previously accepted by the City Construction Representative, shall sign the Certification for Payment and forward the executed Certification for Payment to the Trustee for payment.

(e) In addition to the submitted items required in 4.02(d) above, in order to obtain the final progress payment for an Authorized Improvement funded by a series of PID Bonds pursuant to this Section 4.02, the Owner shall have provided to the City an assignment of the warranties and guaranties, if applicable, and a two-year maintenance bond for such Authorized Improvement.

Section 4.03. Assignment of Right to Payment of Unreimbursed Costs.

Owner's right, title and interest into the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, all or any portion of Owner's right, title, or interest under this Agreement to receive payment of its unreimbursed Actual Costs, including either PID Bond proceeds or Special Assessment Revenues, (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political

subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by the Owner without any obligation to investigate or confirm the Transfer. A Transferee shall be responsible for all continuing disclosure requirements and obligations as agreed to by the Owner and the City in the Disclosure Agreement of Owner.

ARTICLE V. PID BONDS

Section 5.01. PID Bond Issuance.

Subject to the satisfaction of conditions set forth in this Article V, the City may issue PID Bonds solely for the purposes of acquiring or constructing Authorized Improvements. Contemporaneously herewith, the Owner has requested issuance of PID Bonds. The issuance of PID Bonds is subject to all of the following conditions.

(a) The City has evaluated and determined that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of capital, or potential for liability.

(b) [INTENTIONALLY OMITTED].

(c) All costs incurred by the City that are associated with the administration of the PID shall be paid out of special assessment revenue levied against property within the PID. City administration costs shall include those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting and legal and financial reporting requirements.

(d) The adoption of the Service and Assessment Plan and the Assessment Ordinance levying Special Assessments on all or any portion of the Property benefitted by such Authorized Improvements in amounts sufficient to pay all costs related to such PID.

(e) The City has formed and utilized its own financing team including, but not limited to, bond counsel, Financial Advisor, PID Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(f) The City has chosen and utilized its own continuing disclosure consultant and arbitrage rebate consultant, if applicable or required. Any and all costs incurred by these activities will be included in City administration costs recouped from Special Assessments. The continuing disclosure will be divided into City disclosure and the disclosures of the Owner and the Consenting Parties, and the City will not be responsible or liable for Owner or Consenting Parties disclosure but the City's disclosures professional will be used for all disclosures.

(g) The aggregate principal amount of PID Bonds issued and to be issued shall not exceed \$15,000,000.

(h) The PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvements for which such PID Bonds are being issued.

(i) Delivery by the Owner to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the Authorized Improvements increase the value of the property.

(j) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(k) The Owner is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Special Assessments.

(l) The Owner is not in material default under this Agreement or, with respect to the Property, in default of any material terms in any other agreement to which Owner and the City are parties.

(m) No outstanding PID Bonds are in default and no reserve funds established for outstanding PID Bonds have been drawn upon that have not been replenished.

(n) The PID Administrator has certified that the specified portions of the costs of the Authorized Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(o) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the City's required standards for similar developments including without limitation any Applicable Regulations.

(p) The City has determined that the amount of proposed Special Assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the project costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be creditworthy.

(q) Unless otherwise approved by City Council at the time of issuance of a series of PID Bonds, the maturity for a series of PID Bonds shall be 35 years.

(r) The final maturity for any PID Bonds shall be not later than 45 years from the Effective Date.

(s) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(t) If the applicable portion of Authorized Improvements has not already been constructed and to the extent proceeds from a series of PID Bonds are insufficient to fund such Actual Costs, Owner shall, at the time of closing the PID Bonds, provide a completion guarantee or other similar type of credit support in the amount of the difference between the Actual Costs and the PID Bond Proceeds available to fund such Actual Costs related to the applicable Authorized Improvement, or Segment thereof (without limiting any other provision, in the event Owner does not or cannot provide such funding, the City shall not be required to sell such PID Bonds, and Owner shall reimburse the City for all expenses and liabilities incurred by the City in connection with the proposed issuance of the PID Bonds).

(u) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(v) The Owner agrees to provide and cause the Consenting Parties to provide periodic information and notices of material events regarding such entities and such entities' development within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by the Owner or the Consenting Parties in connection with the issuance of PID Bonds.

(w) The Owner provides the necessary information to satisfy the City's Director of Public Works or his designee that the Actual Costs are reasonable.

(x) The Owner and the Consenting Parties are not in default under any Continuing Disclosure Agreement related to an issuance of PID Bonds to which it is a party.

(y) For the issuance of a series of bonds for the purpose of refunding any PID Bonds, the amount of assessment necessary to pay the Refunding Bonds shall not exceed the amount of the assessments that were levied to pay the PID Bonds that are being refunded.

(z) The aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District shall be \$3.20 per \$100.00 taxable assessed valuation. Notwithstanding the foregoing, Owner may voluntarily elect to have the initial Tax Equivalent Assessment Rate of Special Assessments be less than \$3.20 and this shall not require approval by City Council.

(aa) Owner has completed and the City has accepted the Authorized Improvements, or Segment thereof, for any previous phase of the Property.

(bb) If, at the time of PID Bond issuance, the Commercial Parcel and/or the Multifamily Parcel has not been sold to a third party, and the certificate of occupancy has not been issued for development on the Commercial Parcel or the Multifamily Parcel; or, (2) the value to lien ratio, as determined by an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, is less than 3:1 on the Commercial Parcel or the Multifamily Parcel the funds from the PID Bond proceeds attributable to the Assessments for the respective Commercial Parcel and/or the Multifamily Parcel as applicable, shall be restricted until such time as that parcel is sold to a third party and (1) a certificate of occupancy has been issued for development on either the respective Commercial Parcel or the Multifamily Parcel; or, (2) the value to lien ratio is more than 3:1, as determined by an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, on the respective Commercial Parcel or the Multifamily Parcel, at which point the funds attributable to such parcel shall be released and the funds attributable to the remaining parcels described in this subsection will continue to be restricted until the conditions herein are satisfied. If a portion of the Commercial Parcel and/or the Multifamily Parcel is sold to a third party and (1) a certificate of occupancy has been issued for development on such portion of the respective Commercial Parcel or the Multifamily Parcel, as applicable; or, (2) the value to lien ratio is more than 3:1, an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City,

on such portion of the respective Commercial Parcel or the Multifamily Parcel, as applicable, funds will be released on a pro-rata basis calculated on the basis of the Estimated Buildout Value, as defined in the SAP, of the purchased portion of such Commercial Parcel and/or the Multifamily Parcel.

(cc) Notwithstanding subsection (bb) above, until the portion of Authorized Improvements associated with F.M. 1660 to be funded by PID Bond proceeds or Special Assessments has been constructed and accepted by the City, PID Bond funds equivalent to the Future Phase 2 Subdivision Special Assessments (less Annual Collection Costs as defined in the Service and Assessment Plan) shall be “restricted” from access by the Owner until such time as the portion of Authorized Improvements associated with F.M. 1660 to be funded by PID Bond proceeds or Special Assessments has been constructed and accepted by the City. For the purposes of this Agreement, “acceptance” by the City means the recording of a final approved plat for the Future Phase 2 Subdivision. [OPEN ISSUE]

Section 5.02. Disclosure Information.

Prior to the issuance of PID Bonds by the City, the Owner agrees to provide all relevant information, including financial information, that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. The Owner agrees, represents, and warrants that any information provided by the Owner for inclusion in a disclosure document for an issue of PID Bonds will not, to the Owner's actual knowledge, contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Owner further agrees that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

Section 5.03 Qualified Tax-Exempt Status.

(a) (a) Generally. In any calendar year in which PID Bonds are issued, the Owner agrees to pay the City its actual additional costs (“**Additional Costs**”) the City may incur in the issuance of its own public securities or obligations on its own taxing power of municipal revenues (the “City Obligations”), as described in this section, if the City Obligations are deemed not to qualify for the designation of qualified tax-exempt obligations (“**QTEO**”), as defined in section 265(b)(3) of the Internal Revenue Code (“IRC”) as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law; provided, however that if the City fails to use diligent, good faith efforts to issue PID Bonds as required by Article V and that failure causes PID Bonds to be issued in a different calendar year or not be issued at all, the City shall refund to Owner all Additional Costs paid by Owner as a result of such failure. Additionally, the City will provide the Owner on an annual basis no later than December 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process however such projection is not a binding amount under this agreement but merely an expression of the City's then expected amount of Obligations to be issued during the next calendar year. On or before January 15th of the following calendar year, the final Additional Costs shall be calculated. By January 31st of such year, any funds in excess of the final Additional Costs that remain in such segregated account on December 31st of the preceding calendar year shall be refunded to the Owner and any deficiencies in the estimated Additional Costs paid to the City by the Owner shall be remitted to the City by the Owner).

(b) Issuance of PID Bonds prior to City Obligations. In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its Financial Advisor, shall estimate the Additional Costs based on the market conditions as they exist approximately forty five (45) days prior using independent third party public pricing information to the date of the pricing of the PID Bonds (the “Estimated Costs”). The Estimated Costs are an estimate of the increased cost to the City to issue its City Obligations as non QTEO. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to the Owner and the Owner shall have twenty (20) days to review and provide input on the calculation to the City. The Owner shall pay such Estimated Costs on or before the earlier of: (i) twenty (20) business days after the date of said invoice, or (ii) fifteen (15) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any series of PID Bonds until the Owner has paid the invoice of Estimated Costs related to the PID Bonds then being issued.

(c) Upon the City’s issuance of the City Obligations, and if the City actually issues PID Bonds in that calendar year, the Financial Advisor shall calculate the Additional Costs to the City of issuing its City Obligations as non QTEO. The City will, within five (5) business days of the issuance of the City Obligations, provide written notice to the Owner of the amount of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to the Owner the difference between the Additional Costs and the Estimated Costs within ten (10) business days of the date of the City’s notice to the Owner required under this paragraph. If the Additional Costs are more than the Estimated Costs, the Owner will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City’s notice required under this paragraph. If the Owner does not pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City’s notice required under this paragraph, the Owner shall not be paid any reimbursement amounts under any PID agreement related to the Property until such payment of Additional Costs is made in full. If the City does not issue the City Obligations by the end of the calendar year in which PID Bonds are issued, the City will refund to the Owner the Additional Costs paid by the Owner in such calendar year within ten (10) business days after the end of such calendar year.

(d) Issuance of City Obligations prior to PID Bonds.

(1) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City, with assistance from the Financial Advisor, shall calculate the Estimated Costs based on the market conditions as they exist approximately forty five (45) days prior to the date of the pricing of the City Obligations. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to the Owner and the Owner shall have twenty (20) days to review and provide input on the calculation to the County. The Owner shall pay such Estimated Costs to the City at least fifteen (15) days prior to the pricing the City Obligations. If the Owner has not paid the Estimated Costs to the City by the required time, the City, at its option, may elect to designate the City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year.

(2) Upon the City's approval of the City Obligations, and if the City actually issues PID Bonds in that calendar year, the Financial Advisor shall calculate the actual Additional Costs to the City of issuing non QTEO City Obligations. The City will, within five (5) business days of the issuance of the City Obligations, provide written notice to the Owner of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to the Owner the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice to the Owner. If the Additional Costs are more than the Estimated Costs, the Owner will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice. If the Owner does not pay to the City the difference between the Additional Costs and the Estimated Costs as required under this paragraph, then the Owner shall not be paid any reimbursement amounts under any PID agreement related to the Property until such payment of Additional Costs is made in full.

(e) To the extent any Owner(s) or property owner(s) (including the Owner, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property owner (including the Owner, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or property owner(s) (including the Owner, as applicable) as necessary so as to put all developers and property owners (including the Owner, if applicable) so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within 15 business days after its receipt of such subsequent payments of such Additional Costs.

(f) The City shall charge Additional Costs attributable to any other developer or property owner on whose behalf the City has issued debt in the same manner as described in this section, and the Owner shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Owner's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Owner. The portion owed by the Owner shall be determined by dividing the total proceeds from any debt issued on behalf of the Owner in such calendar year by the total proceeds from any debt issued by the City pursuant to the PID Act for the benefit of all developers (including the Owner) in such calendar year.

Section 5.04. Tax Certificate.

If in connection with the issuance of PID Bonds, the City is required to deliver a certificate as to tax exemption (a "**Tax Certificate**") to satisfy requirements of the Internal Revenue Code, the Owner agrees 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 represents that 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 such date. To the extent that it exercises control or direction over the use or investment of the PID Bond proceeds (including, but not limited to, the use of the Authorized Improvements), the Owner further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that

would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

Section 5.03. Special Obligations.

THE PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN AN INDENTURE) AND ANY OTHER FUNDS HELD UNDER AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH 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 AN INDENTURE. THE OWNERS OF PID 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 AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF PID BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES. NONE OF THE CITY, NOR ANY OF ITS ELECTED OR APPOINTED OFFICIALS NOR ANY OF ITS OFFICERS, EMPLOYEES, CONSULTANTS OR REPRESENTATIVES SHALL INCUR ANY LIABILITY HEREUNDER TO THE OWNER OR ANY OTHER PARTY IN THEIR INDIVIDUAL CAPACITIES BY REASON OF THIS AGREEMENT OR THEIR ACTS OR OMISSIONS UNDER THIS AGREEMENT UNLESS SUCH ACT OR OMISSION IS IN VIOLATION OF STATE OR FEDERAL LAW AND IS DONE RECKLESSLY OR INTENTIONALLY.

ARTICLE VI. ADDITIONAL PROVISIONS

Section 6.01. Redemption Agreement.

[INTENTIONALLY OMITTED]

Section 6.02. Home Buyer Disclosure.

Owner shall comply with, and cause Meritage to comply with, the Home Buyer Disclosure Program attached hereto as Exhibit "H" and made a part hereof.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.01. Representations and Warranties of City.

The City makes the following representation and warranty for the benefit of the Owner:

(a) The City represents and warrants that the City is a home-rule municipal corporation of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has the full legal right, power and authority under the PID Act, its charter, and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt an

Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

(b) The City represents and warrants that this Agreement is a valid and enforceable obligation of the City in accordance with its terms.

(c) The City represents and warrants that it will not unreasonably withhold, condition, or delay payment for any Authorized Improvement that has been constructed and dedicated to the City in accordance with this Agreement.

(d) The City represents and warrants that the City Council has reviewed this Agreement, been advised by legal counsel, and has properly authorized its City Manager to execute this Agreement.

(e) The City agrees to provide the information required by its underwriter to facilitate the completion of bond offering documents to effectuate the sale of the PID Bonds.

Section 7.02. Representations 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 the Owner is a limited liability company duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, has the authority to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Owner represents and warrants that the Owner has the power and authority to enter into this Agreement, has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.

(c) The Owner represents and warrants that this Agreement is a valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) The Owner covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to cause such Segment to be completed in accordance with this Agreement.

(e) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project or identified in the SAP, and (ii) it will diligently follow all procedures set forth in this Agreement.

(f) Until final acceptance by the City of each Authorized Improvement, or segment thereof, 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 generally accepted accounting practices and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

(g) The Owner agrees to provide the information required pursuant to the Disclosure Agreement of Owner in connection with the issuance of PID Bonds and to cause the Consenting Parties to provide the information required pursuant to disclosure agreements executed by the Consenting Parties in connection with the issuance of PID Bonds.

(h) The Owner represents and warrants that no portion of the Property is designated and claimed for agricultural use as described in Section 23.41 of the Texas Tax Code.

ARTICLE VIII. DEFAULT AND REMEDIES; INDEMNIFICATION

Section 8.01. Default and Remedies.

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) calendar days of the receipt of such notice (or five (5) business days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subsection (d) below.

(c) Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VIII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and 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. Each party shall be responsible for payment of all costs of their respective attorney's fees.

(d) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party (other than the payment of a monetary sum) is delayed as a result of circumstances which are beyond the

reasonable control of such Party (which circumstances may include, without limitation, pending litigation, governmental action or refusal to act, acts of God, pandemics, 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) ("**Force Majeure**"), 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) calendar days after the claiming Party becomes aware of the same, unless prevented by such "force majeure" event from doing so, 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 VIII.

Section 8.02. Indemnification and Hold Harmless by Owner.

THE OWNER HEREBY COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY CITY, AND THE PAST, PRESENT AND FUTURE OFFICERS, AGENTS, SERVANTS AND EMPLOYEES THEREOF, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "THIRD PARTY CLAIMS" OR "TPC") AGAINST THE CITY, WHETHER THREATENED, ANTICIPATED, OR ASSERTED, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE OWNER, (INCLUDING THE NEGLIGENCE OF THE OWNER'S EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND AGENTS) OCCURRING DURING THE CONSTRUCTION OF ANY PORTION OF THE AUTHORIZED IMPROVEMENTS; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH TPC SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE TPC EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT (BUT NOT GROSS) NEGLIGENCE. THE OWNER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST TPC CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS TPC THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE OWNER AND THE CITY, THE OWNER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL TPC AND EXPENSES EQUIVALENT TO THE OWNER'S OWN PERCENTAGE OF RESPONSIBILITY. THE OBLIGATIONS UNDER THIS SECTION 8.02 SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT CONSISTENT WITH THE TERMS OF SECTIONS 9.04 AND 9.12 BELOW.

Section 8.03 Claims and Release.

(a) If the City notifies the Owner of any Third Party Claim, the Owner shall assume on behalf of the City and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel selected by the Owner but reasonably satisfactory to the City; provided, that City has the right to be represented by advisory counsel of their own selection and at their own expense; and provided further, that if any such Third Party Claim involves the Owner and the City and the City has been advised in writing by counsel that there

may be legal defenses available to it which are inconsistent with those available to the Owner, then City has the right to select separate counsel to participate in the investigation and defense of and response to such Claim on City's own behalf, and the Owner shall pay or reimburse the City for all reasonable legal fees and costs incurred by the City because of the selection of such separate counsel. It is hereby understood and agreed that if any Third Party Claim is caused by the City's gross negligence, the City shall provide and pay for its own legal counsel.

(b) Other than to the extent caused by an event of default by the City, the Owner hereby releases the City with respect to all Claims regarding any alleged, established or admitted negligent or wrongful act or omission of the City, or any agents, contractors, representatives or employees of the City, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE CITY but excluding Claims to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this Section will survive the expiration or earlier termination of this Agreement.

(c) The Owner or the Owner's contractor shall obtain performance and payment bonds as required by Chapter 2253, Public Work Performance and Payment Bonds, of the Texas Government Code. After inspection and prior to acceptance of public improvements by the City that benefit the Project, the Owner or the Owner's contractor shall provide a two (2) year maintenance bond.

ARTICLE IX. GENERAL PROVISIONS

Section 9.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Hutto
 Attn: City Manager
 500 West Live Oak Street
 Hutto, Texas 78634

With a copy to: Bojorquez Law Firm, PC
 Attn: Dottie Palumbo, City Attorney
 11675 Jollyville Road, Suite 300
 Austin, Texas 78759
 Facsimile: (512) 250-0749

If to Owner: MA Durango Farms, LLC

Attn: Wyatt Henderson
230 Klattenhoff Lane, Ste. 102
Hutto, Texas 78634

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Steve Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
Facsimile: (512) 404-2234

Section 9.02. Fee Arrangement/Administration..

(a) In addition to any costs paid by the Owner pursuant to that certain Professional Services Agreement dated February 19, 2020, all fees of legal counsel related to the issuance of the applicable PID Bonds including fees for the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing from the proceeds of the PID Bonds. It is hereby acknowledged and agreed that fees for the City's Bond Counsel, Trustee, Trustee's Counsel, Financial Advisor, the Underwriter, and Underwriter's Counsel will be paid at the Issue Date of the PID Bonds in accordance with the budget attached as Exhibit "G" hereto. Pursuant to a separate agreement, the City may contract with a third party to serve as the PID Administrator and 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 9.03. Assignment.

(a) Notwithstanding subsection 4.03 above, Owner may assign in whole or part its rights and obligations under this Agreement to persons purchasing all or a portion of the Property in accordance with Section 9.03 but not to an individual purchaser of a Lot within a recorded final plat. This Agreement may be assigned by Owner without the consent of the City to (i) affiliates of the Owner or (ii) any third-party entity that is not in default in the payment of taxes, assessments, fees, or any agreements with the City and that entity has the financial capacity to perform this Agreement and Owner will be released from its obligations under this Agreement upon delivery of a notice of assignment to the City.

(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) This Agreement shall be binding upon the Parties, their grantees, successors, assigns, or subsequent purchaser. In the event of an assignment of fee ownership, in whole or in part, of the Property by Owner, only the Designated Successor or Assign and then current owners of any portion of the Property so assigned shall be liable under this Agreement for any subsequent default occurring after the conveyance and affecting only the portion or portions of the Property so assigned. Any reference to Owner or City shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to

the benefit of the respective successors and assigns thereof whether so expressed or not. Each contract, deed or conveyance of any kind conveying all or a portion of the Property will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not they are set out in full or by reference in said contract, deed or conveyance.

Section 9.04. Term of Agreement.

The term of this Agreement shall begin on the Effective Date and shall continue until the Maturity Date; *provided*, that unless extended by both parties pursuant to a written amendment to this Agreement, this Agreement shall automatically terminate three (3) years after the date of the execution of this Agreement, if a Special Assessment is not levied by such date. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Actual Costs expended prior to the termination of this Agreement and/or dissolution of the District remaining unpaid shall survive such termination and/or dissolution.

Section 9.05. 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 shall apply:

- (a) Words importing a gender do not exclude any other gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
- (e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
- (f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.
- (g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.
- (h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."

(i) Unless the context otherwise requires, a reference to the "Property," the "Authorized Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."

(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval," "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 9.06. 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 shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 9.07. Time.

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 9.08. Applicable Law and Venue.

THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS AGREEMENT, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WILLIAMSON COUNTY, TEXAS. BY EXECUTING THIS AGREEMENT, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 9.09. Amendments.

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

Section 9.10. Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 9.11. Entire Agreement.

This Agreement contains the entire agreement of the Parties.

Section 9.12. Severability; Waiver.

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 9.13. No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein shall give or be construed to give any person or entity, other than the parties hereto and their respective successors and permitted assigns, any legal or equitable rights hereunder.

Section 9.14. Reservation of Rights.

To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.

Section 9.15. No Joint Venture.

It is acknowledged and agreed by the parties hereto that the terms of this Agreement are not intended to and shall not be deemed to create a partnership of joint venture among parties. Neither party shall have any authority to act on behalf of the other party under any circumstances.

Section 9.16. 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 9.17. 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, the PID Bond Ordinance and the Indenture.

Section 9.18. City's Acceptance of Authorized Improvements. The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements and will work with the Owner in good faith to expedite review and acceptance of such Authorized Improvements

Section 9.19. Boycotts and Foreign Business Engagements.

(a) The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

(b) The Owner represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Owner and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owner and the Consenting Parties each 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.

(c) Firearm Entity/Trade Association and Energy Company Boycotts. Section 2274.002 of the Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19", and by Senate Bill 13, 87th Texas Legislature, Regulation Session (SB 13")), as amended, is inapplicable because Owner is a company with less than 10 full-time employees.

Section 9.20. HB 1295 Compliance.

Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the District. For further information please go to the Texas Ethics Commission website via the following link.
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

Section 9.21. No Personal liability of Public Officials or the City.

To the extent permitted by State law, neither the City, any City agent or representative, nor any public official or employee shall be personally liable or responsible for any liability arising under or related to this Agreement.

Section 9.22. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

- Exhibit "A" - Definitions
- Exhibit "B" - Property Description for Development
- Exhibit "B-2" - Commercial Parcel
- Exhibit "B-3" - Multifamily Parcel
- Exhibit "C" - Concept Plan
- Exhibit "D" - Authorized Improvements
- Exhibit "E" - *-Intentionally Deleted-*
- Exhibit "F-1" - Form of Closing Disbursement Request (Closing Disbursement)
- Exhibit "F-2" - Form of Certification for Payment
- Exhibit "G" - Budget
- Exhibit "H" - Home Buyer Disclosure Program
- Exhibit "H-1" - Notice of Obligation Pay Public Improvement District Assessments to the City of Hutto, Texas

[Signature Pages to Follow]

CITY:

THE CITY OF HUTTO, TEXAS

By: _____
Name: _____

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

 This instrument was acknowledged before me on the ____ day of _____, 2021
by _____, the _____ of the City of Hutto, Texas, on behalf of said City..

(SEAL)

Notary Public, State of Texas

Name printed or typed
Commission Expires: _____

OWNER:

MA Durango Farms LLC,
a Texas limited liability company

By: _____

Name: Wyatt Henderson

Title: Manager

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 2021 by Wyatt Henderson, Manager of MA Durango Farms LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

It is hereby acknowledged that the Consenting Parties are executing this Agreement solely due to the fact that they are an owner of a portion of the Property and, except for its obligations expressly set forth under the Landowner's Agreement, Consenting Parties have no rights, duties, or obligations to the City, the Owner, or otherwise in connection with this Agreement.

Meritage Homes of Texas, LLC

an Arizona limited liability company

By: _____

Name: _____

Title: _____

Vantage at Hutto, LLC

a Delaware limited liability company

By: _____

Name: _____

Title: _____

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:

"Actual Cost(s)" means the Owner's demonstrated costs for designing and constructing the Authorized Improvements. Cost(s) may include (a) the costs incurred by or on behalf of Owner for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, (b) the costs incurred in preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (e) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (f) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses plus interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore.

"Additional Actual Costs" means any additional Actual Costs the City incurs issuing the PID Bonds.

"Additional Named Insured" means a person, organization, or governmental entity identified as an insured party in the policy declarations or an addendum to the policy decorations for a certificate of insurance.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Installments" shall mean the annual installment payment on a Special Assessment as calculated pursuant to the Service and Assessment Plan and approved by the City Council.

"Applicable Regulations" means (i) City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City as may be modified by this Agreement, the Development Agreement and/or the PUD; and (ii) any State or Federal law, regulation, rule, policy, or similar requirement applicable to the Project.

"Assessed Property" or **"Assessed Properties"** means property within the District that benefits from an Authorized Improvement and on which Special Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to the Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

"Assessment Ordinance" means the ordinance adopted by the City Council approving the Service and Assessment Plan and levying Special Assessments, as described in Article III of this Agreement.

"Association Regulations" has the meaning as set forth in Section 2.05.

"Attorney General" means the Texas Attorney General's Office.

"Authorized Improvements" means the Authorized Improvements listed in the PID Act and includes the public improvements which benefit the Property and are described on Exhibit "D" hereto.

"Bond Issuance Request" means written request made by Owner to the City to issue PID Bonds as evidenced by Owner's expenditure of necessary amounts for financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

"Certification for Payment" shall mean that certain certification substantially in the form attached hereto as Exhibit "F-2" hereto.

"City" has the meaning given in the recitals to this Agreement.

"City Construction Representative" means the employee or designee of the City carrying out the duties as described in this Agreement.

"City Council" means the duly elected governing body and council of the City.

"City Code" means the Ordinances of the City, together with all related policies, administrative rules and technical criteria manuals, as modified by the Development Agreement.

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

"City Manager" means the city manager of the City.

"Closing Disbursement Request" shall mean that certain request substantially in the form attached hereto as Exhibit "F-1".

"Commercial Parcel" shall mean the approximately ____ acre parcel shown on Exhibit "B-2" attached hereto.

"Completed Authorized Improvements" means any Authorized Improvement that has been 100% completed, dedicated and conveyed by the Owner and accepted by the City.

"Concept Plan" means the concept plan attached hereto as Exhibit "C".

"Consenting Parties" has the meaning given in the recitals of this Agreement.

"Construction Manager" means initially the Owner, and thereafter subject to change in accordance with Section 2.04 of this Agreement.

"County" means Williamson County, Texas.

"Delinquent Collection Actual Costs" means interest, penalties and expenses incurred or imposed with respect to any delinquent installment of a Special Assessment, or an Annual Installment, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment, and the costs related to foreclosing the lien against the Assessed Property, including attorney's fees to the extent permitted under Texas law.

"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 9.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital, or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

"Development Agreement" has the meaning given in the recitals to this Agreement.

"Disclosure Agreement of Owner" means an agreement entered into by the Owner and a dissemination agent in connection with the issuance of PID Bonds pursuant to which the Owner agrees to provide certain information regarding the development of the District and the Authorized Improvements for the benefit of the owners of the PID Bonds.

"District" has the meaning given in the recitals to this Agreement.

"End User" means any tenant, user, or owner of a fully developed and improved lot.

"Effective Date" has the meaning given in the recitals to this Agreement.

"Financial Advisor" means Hilltop Securities, Inc.

"Force Majeure" has the meaning as set forth in Section 8.01(d).

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

"Future Phase 2 Subdivision" means the portion of the Property that is not a part of the Phase 1 Subdivision.

"Good Engineering Practices" means the basis for engineering, operation, or maintenance activities and are themselves based on established codes, standards, published technical reports or recommended practices or similar documents.

"Home Buyer Disclosure Program" means the disclosure program, administered by the PID Administrator as set forth in a document in the form of Exhibit "H" or another form agreed to

by the City and the Owner(s) that establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the District.

"Indenture" or **"Trust Indenture"** means the Indenture of Trust entered into in connection with the issuance of the PID Bonds, between the City and the Trustee setting forth terms and conditions related to such PID Bonds.

"Insurance Policy Documents" means true and correct copies of the relevant policy of insurance including all declarations, definitions, schedules, endorsements, exclusions, exceptions, riders, waivers, jackets, modifications, notices, descriptions of deductibles and of self-insured retentions and all other instruments and other documents governing insurance coverage under such policy.

"Issue Date" means the date of the initial delivery of the PID Bonds.

"Landowner Agreement" has the meaning given in Section 3.02 of this Agreement.

"Landowners" has the meaning given in Section 3.02 of this Agreement.

"Maturity Date" means the date one year after the last Annual Installment is collected.

"Multifamily Parcel" shall mean the approximately 5 acre parcel shown on Exhibit "B-3" attached hereto.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from Authorized Improvements, as determined by the City Council. Such Parcels include alleys, private roads, and easements that create an exclusive use for a public utility provider and accrue no special benefit from the Authorized Improvements. Property identified as Non-Benefitted Property at the time the Special Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel shall not be assessed.

"Owner" has the meaning given in the recitals to this Agreement.

"Owners Association" means a homeowners association or property owners association.

"Owner Expended Funds" means the funds expended by the Owner to date to pay Actual Costs of the Authorized Improvements that have not been previously reimbursed by the City.

"Parcel" means a property identified by either a tax map identification number assigned by the Williamson 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 Williamson County, or by any other means determined by the City Council.

"Party" means the Owner or the City, as parties to this Agreement, and **"Parties"** means collectively, the Owner and the City.

"Phase 1 Subdivision" means the portion of the Property that is part of the Durango Farms Phase 1 Final Plat, dated April 14, 2020, recorded in the Williamson County Real Property Records under document # 2020131845.

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

"PID Administrator" means an employee of the City and/or third-party designee of the City who shall have the responsibilities provided for herein, in an Indenture relating to the PID Bonds or in any other agreement approved by the City Council.

"PID Bond Ordinance" means and refers to an ordinance or ordinances of the City Council that authorize and approve the issuance and sale of a series of PID Bonds and provide for their security and payment, either under the terms of a PID Bond Ordinance or a trust indenture related to a series of PID Bonds.

"PID Bonds" means those certain City of Hutto Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District) that are secured by Special Assessments levied on the District.

"PID Bond Proceeds" means the par amount of the PID Bonds.

"Prepayment" means the payment of all or a portion of a Special Assessment before the due date thereof.

"Project" has the meaning given in the recitals to this Agreement.

"Project Engineer" means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently Randall Jones & Associates Engineering, Inc.

"Project Fund" means the separate and unique fund established by the City under such name pursuant to the Indenture.

"Property" has the meaning given in the recitals to this Agreement.

"PUD" has the meaning given in the recitals to this Agreement.

"Redemption Agreement" shall have the meaning given in Section 6.02 of this Agreement.

"Segment" or **"Segments"** means the discrete portions of the Authorized Improvements identified as such.

"Service and Assessment Plan" or "SAP" means the Durango Farms Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented or updated from time to time), to be adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the District having terms, provisions and findings approved and agreed to by the Owner, as required by Article III of this Agreement. The

Parties hereby acknowledge that the Service and Assessment Plan may be amended, supplemented or updated from time to time.

"Special Assessment" means the 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 created by such subdivision or reduction according to the provisions hereof and the PID Act.

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

"State" means the State of Texas.

"Tax Certificate" has the meaning given in Section 5.03 of this Agreement.

"Tax Code" means the Texas Tax Code.

"Tax Equivalent Assessment Rate" means the ad valorem tax equivalent of an Annual Installment due on a parcel at the time of an issuance of PID Bonds on \$100 of assessed valuation of the assessed parcel.

"Third Party Claims" or **"TPC"** has the meaning given in Section 8.02 of this Agreement.

"Third-Party Contractor" has the meaning given in Section 2.04 of this Agreement.

"Transfer" has the meaning given in Section 4.03 of this Agreement.

"Transferee" has the meaning given in Section 4.03 of this Agreement.

"Trustee" means the trustee under an Indenture, and any successor thereto permitted under an Indenture and any other Trustee under a future Indenture.

Exhibit "B"

PROPERTY DESCRIPTION FOR DEVELOPMENT

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 1 of 3

"EXHIBIT _"

DESCRIPTION OF 94.560 ACRES OF LAND IN THE J. SHELTON SURVEY, ABSTRACT NO. 560, THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE W.J. BROWN SURVEY, ABSTRACT NO. 105, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 96.99 ACRE TRACT DESIGNATED AS TRACT ONE AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 94.560 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of the said 96.99 acre tract, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, same being the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, for the northeast corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the easterly southeast corner of the said 201.06 acre tract, crossing the said 96.99 acre tract, with the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, with the east line of the tract described herein, the following five (5) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,186.28 feet, an arc distance of 167.73 feet, and a chord which bears S 05°38'19" E, a distance of 167.59 feet to a calculated point-of-tangency, from which a destroyed Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found bears S 84°08'53" W, a distance of 0.45 feet,
2. S 09°45'32" E, a distance of 467.63 feet to a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found at a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 1,106.28 feet, an arc distance of 335.98 feet, and a chord which bears S 01°06'29" E, a distance of 334.69 feet to a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found at a point-of-tangency,
4. S 07°51'42" W, a distance of 790.50 feet to a 3/4-inch iron rod found at an angle point, and
5. S 07°39'43" W, a distance of 421.01 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the west line of the said 3.722 acre tract, in the north line of a certain called 0.51 acre tract described in the deed to Nadine Carole Johnson and Dennis Johnson of record in Document No. 2006083936, Official Public Records of Williamson County, Texas, for a southeast corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "RPLS 1433" found in the west right-of-way line of said F.M. 1660 at the northeast corner of the said 0.51 acre tract bears S 82°31'24" E, a distance of 21.83 feet;

THENCE N 82°16'34" W, leaving the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, crossing the said 96.99 acre tract, with the north line of the said 0.51 acre tract, and with a south line of the tract described herein, a distance of 179.38 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northwest corner of the said 0.51 acre tract, for a re-entrant corner of the tract described herein;

THENCE S 07°29'25" W, continuing across the said 96.99 acre tract, with the west line of the said 0.51 acre tract, with the east line of the tract described herein, a distance of 114.42 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 1433" found at a re-entrant corner of the said 96.99 acre tract, at the southwest corner of the said 0.51 acre tract, same being the northwest corner of a certain called 4/5ths of an acre described in the special warranty deed with life estate to Robert W. Kaderka and wife, Bonnie Kaderka of record in Document No. 2015074295, Official Public Records of Williamson County, Texas, for an angle point in the east line of the tract described herein;

THENCE S 07°42'22" W, with the east line of the said 96.99 acre tract, with the west line of the said 4/5ths of an acre tract, and with the west line of a certain called 0.51 acre tract described in the deed to Bruce Craig Cunningham of record in Volume 1954, Page 227, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 180.55 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 2 of 3

THENCE S 06°40'19" W, with the east line of the said 96.99 acre tract, with the west line of the said 0.51 acre tract, and with the west line of a certain called 0.484 acre tract described in the deed to Marla Dawn Burns of record in Document No. 9722814, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 200.68 feet to a ½-inch iron rod found in the north line of a certain called 0.480 acre tract described in the deed to John A. Drummond, Sr. of record in Document No. 9662944, Official Public Records of Williamson County, Texas, at the southwest corner of the said 0.484 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 81°53'59" W, with the north line of the said 0.480 acre tract and a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 10.57 feet to a fence corner post found at a re-entrant corner;

THENCE S 08°03'45" W, with the west line of the said 0.480 acre tract and the west line of a certain called 0.59 acre tract described in the deed to Jonathan M. Wagner and Marci H. Wagner of record in Document No. 2016117309, Official Public Records of Williamson County, Texas, with the east line of the said 96.99 acre tract, with the east line of the tract described herein, a distance of 223.01 feet to a concrete monument found in the north line of a certain called 2.47 acre tract described in the deed to Charles E. Holland and Deborah D. Holland of record in Volume 868, Page 561, Deed Records of Williamson County, Texas, at the southwest corner of the said 0.59 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 82°23'05" W, with the north line of the said 2.47 acre tract, with a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 242.61 feet to a 3/8-inch iron rod found at the northwest corner of the said 2.47 acre tract, at the northeast corner of Block 4, Hutto and Metcalfe Addition, a subdivision according to the plat of record in Book 66, Page 148, Deed Records of Williamson County, Texas, and as shown on the Revised Map of City of Hutto of record in Cabinet A, Slide 221, Plat Records of Williamson County, Texas, for a re-entrant corner of the tract described herein;

THENCE S 07°38'01" W, with the west line of the said 2.47 acre tract and an east line of the said 96.99 acre tract, with the east line of said Block 4 and Block 3, said Hutto and Metcalfe Addition, with an east line of the tract described herein, a distance of 298.64 feet to a ½-inch iron rod found at the southeast corner of said Block 3, Hutto and Metcalfe Addition, and the northeast corner of a certain called 0.659 acre tract described in the deed to Dennis O. Johnson and Nadine C. Johnson of record in Document No. 2001074832, Official Public Records of Williamson County, Texas, for the southerly southeast corner of the tract described herein;

THENCE S 77°34'56" W, crossing the said 96.99 acre tract, with the north line of the said 0.659 acre tract, with the south line of the tract described herein, a distance of 253.79 feet to a ½-inch iron rod found at the northwest corner of the said 0.659 acre tract, and the northeast corner of Lot 2, Block 2, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein,

THENCE S 77°37'39" W, continuing across the said 96.99 acre tract, with the north line of said Lot 2, Block 2, Hutto and Metcalfe Addition, with the south line of the tract described herein, a distance of 91.78 feet to a concrete monument found in a west line of the said 96.99 acre tract, at the intersection of the south line of an alley and the east right-of-way line of East Street, a 60-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, at the northwest corner of said Lot 2, Block 2, Hutto and Metcalfe Addition, for the southerly southwest corner of the tract described herein;

THENCE N 12°28'30" W, with the east right-of-way line of said East Street, the west line of the said 96.99 acre tract, with the west line of Lot 6, Block 2, and the west line of Block 5, said Hutto and Metcalfe Addition, with a west line of the tract described herein, a distance of 439.34 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at the northeast terminus of said East Street, at the northwest corner of said Block 5, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE N 82°21'12" W, with the south line of the said 96.99 acre tract, with the north terminus of said East Street, with the northeast terminus of Capitol Street, a 50-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, with the south line of the tract describe herein, a distance of 220.17 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point in the north right-of-way line of said Capitol Street, at the east corner of Block 9, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE S 76°41'29" W, with the south line of the said 96.99 acre tract, with the north right-of-way line of said Capitol Street, with the south line of Block 9 and Block 13, said Hutto and Metcalfe Addition, a distance of 350.53 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 4, Block F, Hutto Square Section 1, a subdivision according to the plat of record in Cabinet W, Slides 263-267, Plat Records of Williamson County, Texas, at a southwest corner of the said 96.99 acre tract, for a southwest corner of the tract described herein;

THENCE with the west line of the said 96.99 acre tract, the east line of said Hutto Square Section 1, the east line of Hutto Square Section 2, a subdivision according to the plat of record in Cabinet Y, Slides 154-157, Plat Records of Williamson County, Texas, with the east line of Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138-139, Plat Records of Williamson County, Texas, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°40'21" E, a distance of 55.89 feet to a ½-inch iron rod with a plastic cap stamped "4391" found at the north corner of Lot 4, the east corner of Lot 5, southeast corner of Lot 39, and the south corner of Lot 40, Block F, said Hutto Square Section 1, for an angle point of the tract described herein,
2. N 07°38'18" E, a distance of 655.93 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 48, Block F, said Hutto Square Section 2, for an angle point of the tract described herein,
3. N 07°46'41" E, a distance of 230.55 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 4391" found at the northeast corner of Lot 51 and the southeast corner of Lot 52, Block F, said Hutto Square Section 2, for an angle point of the tract described herein, and
4. N 07°46'30" E, a distance of 2,059.60 feet to a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract, for the northwest corner of the tract described herein;

THENCE S 82°15'43" E, with the north line of the said 96.99 acre tract and a south line of the said 201.06 acre tract, with the north line of the tract described herein, a distance of 1,222.52 feet to the **POINT OF BEGINNING** and containing 94.560 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 03rd day of May 2019 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 – State of Texas



Exhibit "B-2"

COMMERCIAL PARCEL

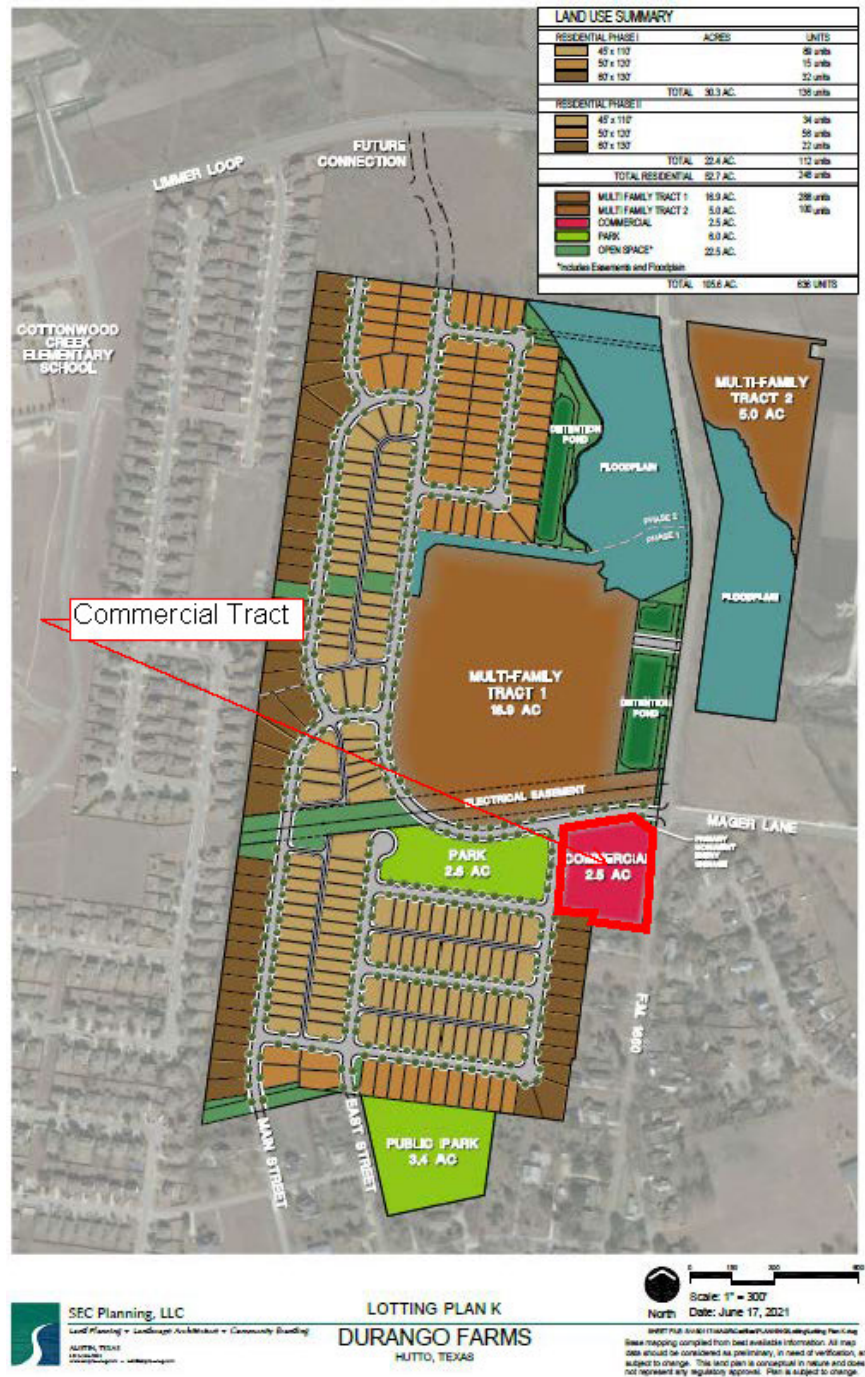
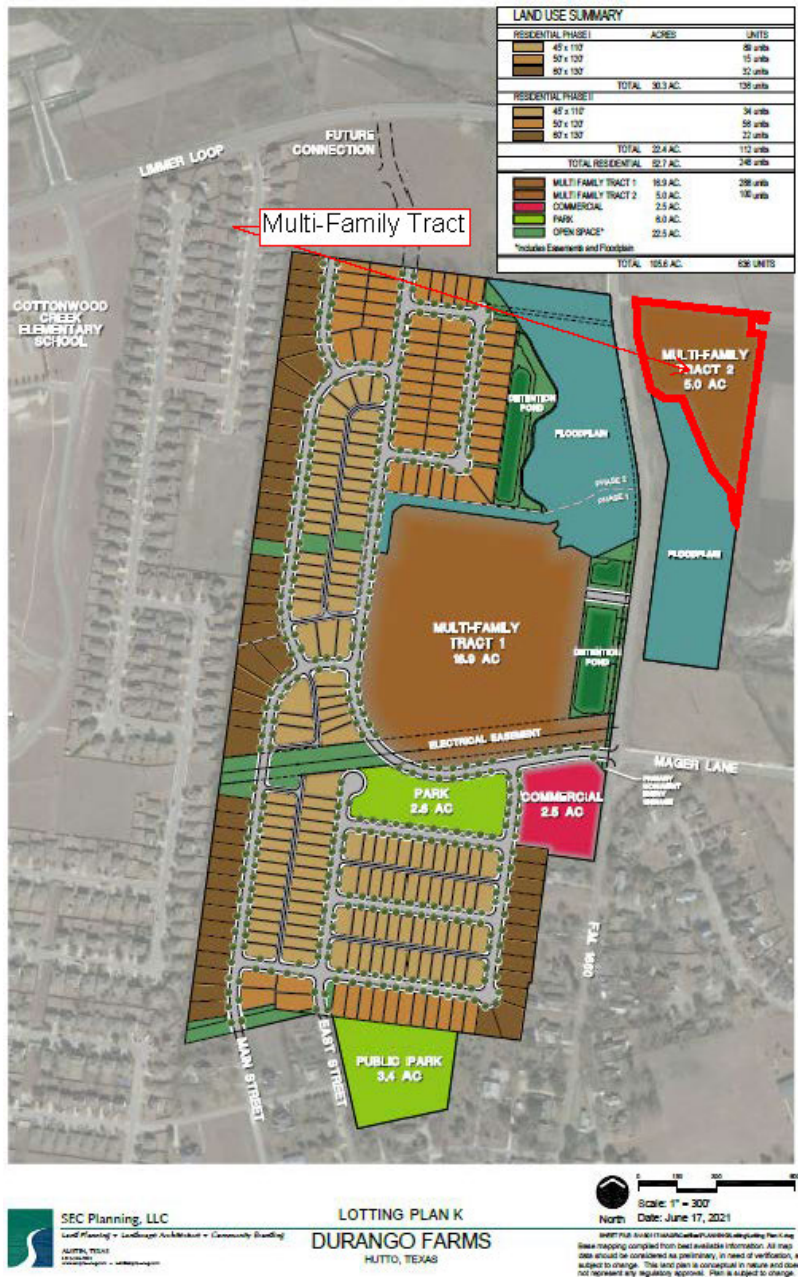


Exhibit "B-3" MULTIFAMILY PARCEL



CONCEPT PLAN

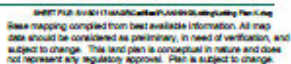


Exhibit "D"

AUTHORIZED IMPROVEMENTS

•**Note:** At the time of execution of this Agreement, the only Authorized Improvements (and estimated costs) that can be determined with certainty are the Authorized Improvements which are listed below:

- *Streets*

Improvements include subgrade stabilization (including excavation and drainage), concrete 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 the Project. 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 City.

- *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 the District and will be owned and operated by the City.

- *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 the District and will be owned and operated by the City.

- *Drainage*

[TO BE ADDED]

- *Traffic Signal & Intersection Improvements*

[TO BE ADDED]

Exhibit "E"

-INTENTIONALLY DELETED

Exhibit "F-1"

FORM OF CLOSING DISBURSEMENT REQUEST

(Closing Disbursement Request – Durango Farms)

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for MA Durango Farms, LLC (the "**Owner**") and requests payment to the Owner from the applicable account of the Project Fund from _____, (the "**Trustee**") in the amount of \$ _____ to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Durango Farms Public Improvement District (the "**District**"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City of Hutto, Texas (the "**City**") and the Trustee dated as of _____, 20__ (the "**Indenture**") relating to the "[INSERT NAME OF BONDS]" (the "**PID Bonds**").

In connection with the above referenced payment, the Owner represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner and is knowledgeable as to the matters set forth herein.
2. This request for payment for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior Certification for Payment submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation 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.
4. The Owner is in compliance with the terms and provisions of the PID Financing Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.
5. All conditions set forth in the Indenture and the PID Financing Agreement 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 said review.

Payments requested hereunder shall be made as directed below:

[Information regarding amount and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

MA Durango Farms, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from [Actual Costs of Issuance Account] [_____ Account of the Project Fund] upon delivery of the PID Bonds.

CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

Exhibit "F-2"

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Durango Farms)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the "**Construction Manager**") requests payment from [the applicable account of the Project Fund] from the City of Hutto (the "**City**") in the amount of \$ _____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Durango Farms Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Durango Farms Public Improvement District Financing and Reimbursement Agreement between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Authorized Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Authorized Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Authorized Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.
6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Special Assessments it owes or an entity under common control with the Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.
7. The work with respect to the Authorized Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Authorized Improvements (or

its completed Segment). *[Include bracketed language if final progress payment for such Authorized Improvement]*

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or Segment thereof) has been completed and the City has accepted such Authorized Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.][*Include bracketed language if final progress payment for such Authorized Improvement*]

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Authorized Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. *[Include bracketed language if final progress payment for such Authorized Improvement]*

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

MA Durango Farms, LLC,
a Texas limited liability company, as
CONSTRUCTION MANAGER

By: _____
Name: _____
Title: _____

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

By:

Name: _____

Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Authorized Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from [the appropriate account of the Project Fund] [the Reimbursement Fund] to the Construction Manager or to any person designated by the Construction Manager.

CITY OF HUTTO, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT FORM NO. ____

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Actual Costs</u>
----------------	---	---------------------

ATTACHMENT B TO CERTIFICATION FOR PAYMENT FORM NO. _____

[Include Attachment B bracketed if final progress payment for such Authorized Improvement]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C TO CERTIFICATION FOR PAYMENT FORM NO. ____

INVOICE LEDGER

Invoice Ledger Entity: MA Durango Farms, LLC Project: Durango Farms Public Improvement District								
Certification of Payment Form No. ____	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub-Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

Exhibit "G"

BUDGET

City Attorney	\$10,000 opinion fee per series of bonds
City's Financial Advisor	\$25,000 plus 2.00% of par value of each series of bonds
Bond Counsel	2.50% of par value of each series of bonds, minimum of \$50,000 per series
Underwriter	2.00% of par value of each series of bonds
Underwriter's Counsel	1.00% of par value of each series of bonds

Exhibit "H"

**DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT
LOT TYPE _____
HOMEBUYER DISCLOSURE**

HOME BUYER DISCLOSURE PROGRAM

1. A person who proposes to sell or otherwise convey real property that is located in a public improvement district shall first give to the purchaser of the property the written notice titled "Notice of Obligation to Pay Public Improvement District Assessment to the City of Hutto, Texas", the form of which is attached hereto as Exhibit "H-1, as may be modified by Section 5.014 of the Texas Property Code.
2. A Builder¹ for an Assessed Property shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City upon receipt of written request by the City which sets forth the City's mailing address and other contact information.
3. A Builder for an Assessed Property shall prominently display signage provided by the Owner or the PID Administrator in the Builder's model homes, if any, located within the Property.
4. If prepared and provided by the City and approved by Owner (such approval not to be unreasonably withheld), a Builder for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers for an Assessed Property.
6. The Owner must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

¹ Builder" means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit "H-1" to Financing Agreement

DURANGO FARMS PID – LOT TYPE [__]: HOMEBUYER DISCLOSURE

**NOTICE OF OBLIGATION TO PAY
IMPROVEMENT DISTRICT ASSESSMENT
TO THE CITY OF HUTTO, TEXAS**

CONCERNING THE FOLLOWING PROPERTY

(INSERT PROPERTY ADDRESS)

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Hutto, Texas, for the costs of a portion of (the "**Authorized Improvements**"), undertaken for the benefit of the property within the "Durango Farms Public Improvement District" (the "**District**"), created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Hutto, Texas. The exact amount of each annual installment will be approved each year by the City of Hutto 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 Hutto Texas.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser: _____

DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT

FINANCING AND REIMBURSEMENT AGREEMENT

BETWEEN

MA DURANGO FARMS, LLC, a Texas limited liability company

AND

THE CITY OF HUTTO, TEXAS

**DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT
FINANCING AND REIMBURSEMENT AGREEMENT**

This **DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT FINANCING AND REIMBURSEMENT AGREEMENT** (this "**Agreement**"), dated as of __, 2021, (the "**Effective Date**"), is entered into between **MA Durango Farms, LLC**, a Texas limited liability company (including its Designated Successors and Assigns, the "**Owner**"), and the **CITY OF HUTTO, TEXAS** (the "**City**"), a home-rule municipal corporation of the State of Texas. The Owner and the City are sometimes collectively referenced in this Agreement as the "**Parties**," or, each individually, as the "**Party**." The Owner's and City's entry into this Agreement is being consented to by Vantage at Hutto, LLC, ("**Vantage**") and Meritage Homes of Texas, LLC, an Arizona limited liability company ("**Meritage**") (Vantage and Meritage collectively the "**Consenting Parties**").

Recitals:

WHEREAS, Owner and the Consenting Parties own a total of approximately 105.6 acres of land, with Vantage owning approximately 16.9 acres, Meritage owning approximately 21.1 acres, and Owner owning approximately 67.4 acres; more particularly described on Exhibit "B" attached hereto and made a part hereof (the "**Property**");

WHEREAS, the City Council of the City (the "**City Council**") approved the Amended and Restated Development Agreement, effective January 7, 2021, which provides for the terms and conditions of development standards for the Property (as may be amended from time to time, the "**Development Agreement**");

WHEREAS, it is intended that the Property will be developed as a Mixed Use development to be known as "**Durango Farms**" (the "**Project**") as further described in the Concept Plan which is attached hereto as Exhibit "C" hereto and made a part hereof;

WHEREAS, the City Council also approved a Planned Unit Development by zoning the Property pursuant to Ordinance No. 0-19-10-17-10C (the "**PUD**"), as the same may be amended from time to time;

WHEREAS, the City Council authorized the formation of the Durango Farms Public Improvement District pursuant to Resolution No. R-2020-068 on August 6, 2020 (the "**District**") in accordance with the PID Act;

WHEREAS, the Owner of the Property desires and intends to design, construct and install and/or make financial contributions to certain on-site and off-site public improvements to serve the development of the Property and pursuant to the terms of this Agreement, the City has agreed to accept and to pay or reimburse the Owner for a portion of certain public improvements that will serve the Property in the District, as generally described on Exhibit "D" and Exhibit "D-1" attached hereto and made a part hereof (the "**Authorized Improvements**");

WHEREAS, pursuant to the terms of this Agreement, the City has agreed that the Authorized Improvements provide a special benefit to the City and to allow financing of the Authorized Improvements conferring special benefits to the Property through the District.

WHEREAS, \$3.20 is the aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District, and \$15,000,000 is the maximum par amount of PID Bonds that will be financed to fund or reimburse eligible improvements to the Owner; and

WHEREAS, contemporaneously herewith the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for the issuance of PID Bonds and Owner's compliance with the City's PID Policy and this Agreement and the Development Agreement, and in accordance with the terms of this Agreement and any other legal requirements, will consider : (i) the adoption of the Service and Assessment Plan (or amendment thereto) for the District; (ii) the adoption of an Assessment Ordinance for the District and (iii) authorizing the issuance of PID Bonds, in one or more series at the City's sole discretion, for the purpose of financing the costs of the Authorized Improvements and paying associated costs as described herein;

WHEREAS, prior to consideration of the sale of a series of PID Bonds: (a) the City Council shall have considered, approved and adopted this Agreement; (b) the City shall have considered, reviewed and approved the Home Buyer Disclosure Program; (c) owners of the Property constituting all of the acreage in the District at the time of the issuance of the PID Bonds shall have executed a Landowner Agreement (as defined in Section 3.02, herein); and (d) the Owner shall have delivered a fully executed copy of the Landowner Agreement to the City; and

WHEREAS, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, accept the Authorized Improvements, or Segments thereof, provided for in this Agreement and the Owner will be paid or reimbursed for the costs of the Authorized Improvements, or Segments thereof, solely from Special Assessments or from the proceeds of the PID Bonds, for the costs of acquisition, construction and improvement of the Authorized Improvements or Segments thereof that are completed, dedicated to and accepted by the City, subject to the terms and limitations set forth herein.

WHEREAS, the City agrees to pay or reimburse the Owner for the Actual Costs of the Authorized Improvements with the proceeds of an issuance of PID Bonds or special assessment revenues derived from the District in accordance with the terms and provisions of this Agreement. Subject to the limitations of the PID Act, the City Charter and the City's PID Policy, the City has the authority to issue, from time to time, one or more series of PID Bonds, the proceeds of which will be used to pay the costs of Authorized Improvements, or Segments thereof, including indebtedness to pay capitalized interest and a reserve fund permitted by the PID Act for revenue bonds issued under the PID Act and indebtedness issued to pay the City's costs of issuance in accordance with this Agreement.

WHEREAS, the City has determined that it is in its best interests to enter into this Agreement with the Owner for the construction and/or acquisition of the Authorized Improvements, or Segments, thereof, which will result in the efficient and effective implementation of each 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. RECITALS AND DEFINED TERMS

The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes. Unless otherwise defined herein, capitalized terms used herein are set forth in Exhibit "A" attached hereto and made a part hereof and in the Service and Assessment Plan.

ARTICLE II. CONSTRUCTION OF AUTHORIZED IMPROVEMENTS; ACCEPTANCE

Section 2.01. Authorized Improvements.

The Owner shall be responsible for construction of all the Authorized Improvements, or Segments thereof, to be completed, in a good and workmanlike manner, and in accordance with all Applicable Regulations. The costs of the Authorized Improvements are subject to change and shall be updated by the Owner and the City in a manner consistent with the Service and Assessment Plan and the PID Act. The actual or estimated Actual Costs, as applicable, of the Authorized Improvements will be reviewed annually by the Parties and included in an annual update of the Service and Assessment Plan adopted and approved by the City. The currently anticipated Authorized Improvements are identified in Exhibit "D" hereto. The Service and Assessment Plan may need to be amended over time if there are any changes to the specification or plans relating to an Authorized Improvement. The Parties acknowledge that the Authorized Improvements described in Exhibit "D" are subject to change, and that the Service and Assessment Plan will provide information on the Authorized Improvements for the District and will control when in conflict with Exhibit "D". The Owner shall be responsible for payment of the Actual Costs of the Authorized Improvements. The costs of the Authorized Improvements are eligible for payment or reimbursement by the City as provided in Article II hereof. If the Owner is unable or unwilling to perform its obligations with respect to the construction of the Authorized Improvements, the City may complete the construction of the Authorized Improvements and use Special Assessment Revenues and PID Bond proceeds to pay the Cost thereof in accordance with the terms hereof, particularly Section 2.04(ii).

Section 2.02. Inspections; Acquisition of Authorized Improvements.

(a) To the extent not previously approved, the Owner will obtain approval of construction plans as required by all Applicable Regulations, for an Authorized Improvement from the City prior to commencing construction of such Authorized Improvement. Approval by the City, the City Engineer or the City Construction Representative, of any plans, designs or specifications submitted by Owner pursuant to this Agreement or pursuant to all Applicable Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Owner, the Project Engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an

assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Owner or Owner's Project Engineer, or such engineer's officers, agents, servants or employees. Approval by the City Engineer or City Construction Representative signifies the City's approval on only the general design concept of the improvements to be constructed or the improvements constructed.

(b) The City shall have the right to inspect, at any time, the construction of all Authorized Improvements necessary to support the Project, including water, wastewater/sanitary sewer, drainage, roads, streets, alleys, park facilities, electrical, entryway monumentation and street lights and signs in accordance with all Applicable Regulations. The City's inspections and/or approvals shall not release the Owner from its responsibility to construct, or cause the construction of, Authorized Improvements in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this Agreement, it shall not be a breach or violation of this Agreement if the City withholds building permits, certificates of occupancy or City utility services as to any portion of the Project if Owner is in default under this Agreement and the Development Agreement to construct the required Authorized Improvements or Segments thereof, according to the approved engineering plans and all Applicable Regulations. Acceptance by the City shall not be unreasonably withheld, conditioned or delayed.

(c) The Owner shall dedicate, convey, or otherwise provide for the benefit of the City the Authorized Improvements, or Segments thereof, identified on Exhibit "D" of this Agreement (as the same may be adjusted pursuant to the Service and Assessment Plan) upon completion of said Authorized Improvements, or Segments thereof, and the City will accept such dedication of such Authorized Improvements, or Segments thereof, after confirming that the Authorized Improvements, or Segments thereof, have been completed in accordance with this Agreement, the Development Agreement and all Applicable Regulations.

(d) From and after the inspection and acceptance by the City of the Authorized Improvements, or Segments thereof, and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City.

Section 2.03. Designation of Construction Manager, Project Engineers.

(a) The City hereby designates the Owner, as the initial 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 II, subject to the City's review and approval of design specifications and easement locations.

(b) If the Construction Manager is (i) unable (not caused by Force Majeure) or unwilling to perform its duties and responsibilities hereunder or (ii) is not performing the duties and responsibilities of the Construction Manager in accordance with the terms of this Agreement, the City shall provide written notice to the Owner of such non-performance (the "**Non-performance**"). The Owner shall have thirty (30) calendar days (or such longer period of time as agreed upon in writing by the Parties) to correct the Non-performance from the date of the City's

written notification. If the Non-performance is not cured, the City may either allow the Owner additional time to cure the Non-performance based on adequate assurance in writing by the Owner that the Construction Manager will perform or if required by the City, adequate funds shall be held in escrow or be deposited into a segregated account of the Project Fund as identified in the Trust Indenture, or the City may replace the Construction Manager any time after the cure period has elapsed.

Section 2.04. Designation of Construction Manager Subcontractor.

The Owner may subcontract out all or some of the duties of Construction Manager to a third party, with the written consent of the City, such consent not to be unreasonably withheld, conditioned, or delayed. Owner may designate a homebuilder, an individual, company, partnership, or other entity (each a "**Third-Party Contractor**"), as a subcontractor for construction management services for one or more Authorized Improvements or Segments thereof. The Owner shall provide written notice to the City within three (3) business days of such designation. Within five (5) business days after executing a contract with a Third-Party Contractor, the Owner shall:

- (i) provide a copy of the executed contract to the City Construction Representative, and

- (ii) obtain from the Third-Party Contractor a collateral assignment of the Owner's rights under the contract with the Third-Party Contractor solely as they relate to the Authorized Improvements or Segments thereof related to the contract with the Third-Party Contractor, in a form satisfactory to the City Construction Representative, which authorizes the City to utilize the services of such Third-Party Contractor to complete the construction of such Authorized Improvements or Segments, thereof, if the Owner fails to do so as provided in this Agreement.

Section 2.05. Mandatory Owners Association.

- (a) Prior to the sale of any platted single-family lots within the District, the Owner shall create an Owners Association for the Property (but may exclude from the Owner's Association jurisdiction lots platted for the purpose of multi-family residential or commercial use), and shall establish bylaws, rules, regulations and restrictive covenants (collectively the "**Association Regulations**") to assure the Owners Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Owners Association pursuant to this Section.

- (b) Owner agrees to execute and record against the Property a deed restriction requiring compliance with all building material restrictions outlined in the Development Agreement.

- (c) The Owners Association will have a binding, continuing responsibility for the implementation and enforcement of the Association Regulations. The Association Regulations shall establish periodic Owners Association dues and assessments, to be charged and paid by the single-family lot owners within the Property, that are and will be sufficient to (i) pay the Owners Association's Annual Installments of Special Assessments (if any), and (ii) to provide funds required for the management and operation of the Owners Association.

(d) The Owners Association dues and assessments that are established, maintained and collected by the Owners Association shall be in addition to, and not in lieu of, any and all other fees, charges and Special Assessments that will be applicable to the Property.

Section 2.06. Change Orders for Authorized Improvements.

All change orders for applicable Authorized Improvements shall be approved by the Owner, Construction Manager and the City Construction Representative, to the extent any such change order causes an increase to the total costs of the Authorized Improvements in excess of \$100,000. The Construction Manager shall provide copies of all approved change orders to the Financial Advisor and Trustee within five (5) business days after approval.

Notwithstanding any provision contained herein to the contrary, the Owner must obtain the approval of the City Construction Representative for any change order that would substantially change the character or nature of an Authorized Improvement or Segment thereof. A substantial change shall be a modification to the Authorized Improvement or Segment thereof such that it constitutes a new Authorized Improvement or Segment thereof beyond the scope of this Agreement.

Section 2.07. Payment and Performance Bonds for Authorized Improvements.

For each construction contract for any part of the Authorized Improvements, the Owner or Owner's contractor shall execute a performance bond in favor of the City and a payment bond for the construction and work covered by those contracts, which bonds shall be in accordance with Texas Government Code, Chapter 2253 and all Applicable Regulations. The performance bond requirement will be reduced by an amount equal to any PID Bond proceeds held by the Trustee in the Project Fund and any additional financial support by the Owner at the time of the issuance of PID Bonds, if applicable, and agreed upon by the Owner and the City.

Section 2.08. Maintenance of Project, Warranties.

The Owner shall maintain each Authorized Improvement, or Segment thereof, in good and safe condition in accordance with applicable all Applicable Regulations until such Authorized Improvement, or Segment thereof, is accepted by the City. The City's acceptance of Authorized Improvements, or Segment thereof, shall be in accordance with all Applicable Regulations and procedures for the acceptance of subdivision improvements. Prior to such acceptance, the Owner shall be responsible for performing any required maintenance on such Authorized Improvement, or Segment thereof. On or before the acceptance by the City of an Authorized Improvement, or Segment thereof, the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Authorized Improvement, or Segment thereof, and shall provide the City with a two year maintenance bond from the date of final acceptance of the Authorized Improvements, or Segment thereof, that guarantee the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Authorized Improvements, or Segment thereof, for each Authorized Improvement to be accepted by the City.

Section 2.09. Sales and Use Tax Exemptions.

(a) The Parties understand that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the current Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in Section 151.309 of Tax Code and 34 Tex. Admin. Code, sec. 3.291.

(b) Upon request of the Owner, and to the extent provided by law, 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 34 Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

Section 2.10. Regulatory Requirements.

(a) Notwithstanding anything to the contrary contained herein, the Owners shall be responsible for the costs of designing, constructing, and obtaining the City's acceptance of the Authorized Improvements, in accordance with all Applicable Regulations, the City-approved plans and specifications, and Recognized and Generally Accepted Good Engineering Practices, as such term is defined and interpreted by the Federal Occupational Safety and Health Administration.

(b) With respect to the construction of the Authorized Improvements, it is understood that their construction will be exempt from any public bidding or other purchasing and procurement policies pursuant to the current Texas Local Government Code Section 252.022(a)(9), which states that a project is exempt from such policies if "paving drainage, street widening, and other 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. The Owner will request bids from at least three (3) independent, competent contractors for the construction of the Authorized Improvements in the Phase 1 Subdivision and provide copies of the bids to the City, however the Owner may choose, in their reasonable discretion, to use one of the selected independent, competent contractors for the Phase 1 Subdivision for construction of the Authorized Improvements in the Future Phase 2 Subdivision without soliciting any additional bids, so long as cost estimate for the Authorized Improvements in the Future Phase 2 Subdivision are reasonable and comparable to the costs of the Authorized Improvements in the Phase 1 Subdivision.

Section 2.11. Insurance.

(a) All contractors, subcontractors, engineers, and consultants shall carry and maintain throughout the term of this Agreement (except as specifically noted below) the following insurance policies:

(i) Workers' compensation and employers' liability insurance coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act and minimum policy limits for employers' liability of \$1,000,000 bodily injury for each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund. The insurance required by this subsection shall be in effect commencing not later than the commencement of construction of any portion of the Project.

(ii) Automobile liability insurance for all owned, non-owned, and hired motor vehicles used, with respect to the Property or the Project in a minimum amount of \$1,000,000, combined single limit.

(iii) Commercial general liability policy with a minimum limit of \$1,000,000 per occurrence for bodily injury and/or property damage, with a minimum aggregate of \$1,000,000 and blanket contractual coverage, independent contractors' coverage and explosion, collapse, and underground (X, C & U) coverage.

(iv) For contractors/subcontractors providing professional engineering, architectural or design services under this Agreement, engineers' professional liability insurance or other errors and omissions insurance coverage for the non-engineer professionals with a minimum limit of \$1,000,000 per claim and in the aggregate to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission committed or alleged to have been committed with respect to plans, maps, drawings, analyses, reports, surveys, change orders, designs or specifications prepared or alleged to have been prepared by the assured. The insurance required by this subsection shall be in effect commencing not later than the commencement of submission to City for approval of permits for construction of any phase of the Project. The insurance will be renewed or extended as necessary to remain in force as for claims made for two (2) years after final acceptance of the applicable Projects by the City.

(v) For work that involves asbestos or any hazardous materials or risk of air, water or soil pollution, the following will be in addition to the other insurance required hereunder:

- a. Asbestos abatement endorsement or pollution coverage to the commercial general liability policy with minimum bodily injury and property damage limits of \$1,000,000 per occurrence for coverages A&B and products/completed operations coverage with a separate aggregate of \$1,000,000. This policy cannot exclude asbestos or any hazardous materials or pollution and shall provide “occurrence” coverage without a sunset clause.
- b. Pollution coverage in accordance with federal and state regulations requiring an MCS 90 endorsement with a \$5,000,000 limit when transporting asbestos in bulk in conveyances of gross vehicle weight rating of 10,000 pounds or more. All other transporters of asbestos shall provide either an MCS 90 endorsement with minimum limits of \$1,000,000 or an endorsement to their commercial general liability insurance policy that provides coverage for bodily injury and property damage arising out of the transportation of asbestos or other hazardous materials. The endorsement must, at a minimum, provide a \$1,000,000 limit of liability and cover events caused by the hazardous properties of airborne asbestos arising from fire, wind, hail, lightning, overturn of conveyance, collision with other vehicles or objects, and loading and unloading of conveyances.

(b) The insurance required under Section 2.11(a)(v) will only be required for the entity that is actually performing work involving asbestos or any hazardous materials or risk of air, water or soil pollution. For example, if the Owner's contractor (instead of the Owner) is performing such work, the contractor, not the Owner, will be required to carry such insurance. The insurance required by this subsection shall be in effect commencing not later than the commencement of each phase of construction if that phase will include work involving asbestos or any hazardous materials or risk of air, water or soil pollution.

(c) The Owner or Owner's contractor shall not cause or permit any insurance required hereunder to be canceled or lapse during the term of this Agreement. With respect to subsections 2.11(a)(i), (ii) and (iii), insurance coverage is to be written by companies duly authorized to do the business of insurance in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A-VII or better or otherwise approved in writing by the City. Additionally, with respect to subsections 2.11(a)(i), (ii) and (iii), all policies will contain a provision in favor of the City waiving subrogation and other rights of recovery against the City, and will be endorsed to provide the City with a 30-day advance notice of cancellation or change in coverage, where permitted by policy language. The City will be an additional insured as its interests may appear on the commercial general and automobile liability policies. All policies will provide primary coverage as applicable, with any insurance maintained by the City being excess and non-contributing. The Owner or Owner's contractor shall submit copies of all Insurance Policy Documents and certificates of insurance to the City providing evidence of insurance coverage

required by this Agreement on or before the commencement of the Projects except that asbestos, hazardous waste, pollution, and professional engineers and other errors and omissions policy documents need not be provided until those covered by such insurance commence work on the Projects or as otherwise provided in this Agreement. Copies of all Insurance Policy Documents will be promptly delivered to the City at the time the policies are issued, including copies of any and all changed or new Insurance Policy Documents. The Owner or Owner's contractor will be responsible for (i) overseeing its contractors with respect to such contractors' obtaining and maintaining the insurance required hereunder and (ii) obtaining and keeping copies of such Insurance certificates evidencing the insurance coverages required hereunder.

(d) All endorsements, waivers, and notices of cancellation shall be in favor of the City and policies of commercial general liability and automobile insurance shall provide that City is an additional insured and certificates of insurance evidencing same will be delivered to the City as provided in the Notices Section of this Agreement or such other address as the City may notify the Owner or Owner's contractor in writing.

(e) The Owner or Owner's contractor shall be responsible for paying premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Owner (not by its contractors and any subcontractors). All deductibles or self-insured retentions shall be disclosed on the Insurance Policy Documents. The insurance coverages required under this Agreement are required minimums and are not intended to limit or otherwise establish the responsibility or liability of the Owner under this Agreement.

Section 2.12. Remedy.

Owner's sole remedies for nonperformance of this Article II by the City shall be to seek specific performance, judicial injunction, or any legal damages directly arising from such nonperformance pursuant to the terms of this Agreement. Each party shall be responsible for payment of all costs of their respective attorney's fees.

ARTICLE III. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 3.01. Apportionment and Levy of Assessments.

The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement and to levy Special Assessments. The Owner acknowledges and agrees that the Service and Assessment Plan must meet the requirements of Texas Local Government Code §§ 372.013 and 372.014 and be presented to the City Council for review and approval prior to a series of PID Bonds being issued. The Owner may request the City provide the Owner with a copy of any Service and Assessment Plan update prior to consideration by the City Council for so long as the Owner owns any Assessed Property in the District. The Service and Assessment Plan will be modified as required to comply with the requirements of the PID Act and the Texas Attorney General's Office. The annual indebtedness defined by the Service and Assessment Plan shall be consistent with the terms for the issuance of PID Bonds as set forth in this Agreement.

The City shall use its best efforts to levy Special Assessments on the Assessed Properties in accordance herewith and with each Service and Assessment Plan. It is contemplated that the City will issue one series of PID Bonds, to pay or reimburse the Owner for a portion of the Actual Costs of the Authorized Improvements. The Parties anticipate that the Actual Cost to construct the Authorized Improvements will be greater than the net proceeds of the PID Bonds or the Special Assessment Revenues available for reimbursement of the costs of the Authorized Improvements and the Owner shall fund the difference.

Section 3.02. Acceptance of Special Assessments; Recordation of Covenants Running with the Land.

Concurrently with the levy of the Special Assessments, the Owner, the Consenting Parties, and any other owners of land within the District and the City shall execute a "**Landowner Agreement**" (herein so called) in which the Owner, Consenting Parties, and other owners, if applicable, (the "**Landowners**") shall (i) approve and accept the apportionment of assessments in the Service and Assessment Plan and the levy of the Special Assessments and (ii) the Home Buyer Disclosure Program. The Landowner Agreement further shall (a) evidence the Landowners' intent that all Special Assessments be covenants running with the land that (i) shall bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such property take their title subject to and expressly assume the terms and provisions of the Special Assessments and (b) provide that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for state, municipality, county or school district ad valorem taxes.

Section 3.03. Collection of Assessments.

(a) So long as the City is obligated to reimburse the Owner for the costs of the Authorized Improvements hereunder or any PID Bonds are outstanding, the City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to an Assessment Ordinance. The Annual Installment of such Special Assessments will be updated at least annually in 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 will deposit or cause to be deposited the collected Special Assessment Revenues into a segregated account, or if PID Bonds have been issued, then transferred to the Trustee and deposited in the funds and accounts in the priority set forth in the respective Indenture, as further described in Section 4.02 below.

(b) Further notwithstanding anything to the contrary contained herein, the City covenants to use diligent, good faith efforts to contract with the Williamson County Tax Assessor-Collector for the collection of the Special Assessments such that the Special Assessments will be included on the ad valorem tax bill(s) for the Assessed Properties and will be collected as part of and in the same manner as ad valorem taxes.

ARTICLE IV.
PAYMENT OF ACTUAL COSTS OF AUTHORIZED IMPROVEMENTS

Section 4.01. Overall Requirements.

(a) Any payment obligation of the City hereunder shall be payable solely from Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds in accordance with this Agreement. No other funds, revenues, taxes, or income of any kind other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds shall be used to pay the City's obligations hereunder. The obligations of the City under this Agreement shall not, under any circumstance, give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than Special Assessment Revenues or, if PID Bonds are issued, the proceeds of such bonds. None of the City nor any of its elected or appointed officials or any of its respective officers, employees, consultants or representatives shall incur any liability hereunder to the Owner or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

(b) The City does not warrant, either expressed or implied, that the aggregate amount of all Special Assessment Revenues or proceeds of all PID Bonds will be sufficient for the construction or acquisition of all of the Authorized Improvements. The Parties anticipate that the Actual Costs will be greater than the aggregate amount of all Special Assessment Revenues or, if PID Bonds are issued, the net proceeds of such bonds available for Authorized Improvements. The Owner shall bear one hundred percent (100%) of the Actual Costs of constructing the Authorized Improvements not paid from the proceeds of PID Bonds or Special Assessment Revenues.

(c) Upon completion of an Authorized Improvement, or Segment thereof, the Owner shall dedicate or convey, and the City shall accept or acquire, as more particularly described in Article III above, the given Authorized Improvement, or Segment thereof, after such Authorized Improvement, or Segment thereof, is completed and has been accepted by the City. Upon written acceptance of an Authorized Improvement, or Segment thereof, and subject to any applicable maintenance-bond period, the City shall be responsible for all operation and maintenance of such Authorized Improvement, including all costs thereof and relating thereto.

(d) The procedures set forth in Section 4.02(d) below shall apply to all Certifications for Payment regardless of which account within the applicable Project Fund the actual funds are being paid from.

(e) Contemporaneously with the execution of this Agreement, the City will consider the adoption of the Assessment Ordinance that (i) approves the Service and Assessment Plan identifying the costs of the Authorized Improvements for the District and the Special Assessments and (ii) levies said Special Assessments. The City will levy and collect such Special Assessments in accordance with the terms hereof, the approved Service and Assessment Plan, as amended or updated, and the applicable Assessment Ordinance as further provided in this Agreement.

(f) The aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions

within the District shall be \$3.20. Notwithstanding the foregoing, Owner may voluntarily elect to have the Tax Equivalent Assessment Rate of Special Assessments be less than \$3.20 and this shall not require approval by City Council.

Section 4.02. Payments for Authorized Improvements Upon the Issuance of PID Bonds.

(a) As more particularly described in Section 5.01 hereof, the City will, concurrently herewith, consider the adoption of a resolution consenting to the issuance of PID Bonds to reimburse the Owner for Actual Costs of those Authorized Improvements that are complete at the time of bond issue.

(b) The proceeds from the issuance of the PID Bonds will be held by the Trustee in various segregated accounts under the Project Fund established pursuant to an Indenture. Those sums held in the various segregated accounts will be advanced to the Owner by the Trustee to fund the Actual 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 hereto in Exhibit "F-2". At least thirty (30) calendar days prior to the time of the closing of a series of PID Bonds, the Owner may submit a Closing Disbursement Request substantially in the form attached hereto in Exhibit "F-1" executed by the Construction Manager and the Project Engineer to the City Construction Representative to be reimbursed for those Owner Expended Funds accrued to date of such Closing Disbursement Request and not previously reimbursed. The City Construction Representative shall conduct a review to verify the Owner Expended Funds specified in such Closing Disbursement Request. Prior to disbursement of proceeds, the City Construction Representative will sign the Closing Disbursement Request and deliver said Closing Disbursement Request to the Trustee. At the closing of the PID Bonds, the Owner shall be reimbursed an amount equal to the applicable Owner Expended Fund in accordance with the procedures set forth in Section 4.02.

(c) Any Authorized Improvements that have not been (i) reimbursed at the Closing of the PID Bonds, (ii) completed by Owner, or (iii) accepted by the City by the time the PID Bonds are issued, will be payable periodically as construction progresses. The procedures for such progress payments are contained in this Section 4.02 and the Indenture. Such payments shall be made by the Trustee no more frequently than monthly and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the Construction Manager. If the City Construction Representative 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 the City Construction Representative's comments, the Certification for Payment can be submitted to the Trustee for payment.

(d) The general process for funding of Authorized Improvements from funds on deposit in a Project Fund is as follows:

(1) the Owner shall deliver to the City's Construction Representative and the City Engineer the following:

(i) a Certification for Payment substantially in the form attached hereto as Exhibit "F-2" executed by the Construction Manager and the Project Engineer evidencing the

Actual Costs,

(ii) evidence of the acceptance by the City of those Authorized Improvements to be funded by the respective series of PID Bond and the conveyance to the City (for Completed Authorized Improvements only), and

(iii) waivers of liens for the work on the applicable Authorized Improvements through the previous Certification for Payment, receipts for payment and verification in form acceptable that any subcontractors have been paid.

(2) After the Certification for Payment is submitted to the City Construction Representative, the City shall conduct a review to confirm those Authorized Improvements to be funded by proceeds of a series of PID Bonds were constructed in accordance with the plans therefor (for Completed Authorized Improvements only) and the City Construction Representative will verify the Actual Costs of Authorized Improvements specified in such Certification for Payment. The City Construction Representative agrees to conduct such review and cost verification in an expeditious manner and within 30 business days after the Certification for Payment is submitted to the City and the Owner agrees to cooperate with the City Construction Representative in conducting each such review and to provide the City Construction Representative with such additional information and documentation as is reasonably necessary for the City Construction Representative to conclude each such review. Upon confirmation by the City Construction Representative that Authorized Improvements to be funded by the PID Bonds have been constructed in accordance with the plans therefor and this Agreement (for Completed Authorized Improvements only), verification and approval by the City Construction Representative of the Actual Costs of those Authorized Improvements, the City shall within thirty (30) calendar days accept those completed Authorized Improvements not previously accepted by the City Construction Representative, shall sign the Certification for Payment and forward the executed Certification for Payment to the Trustee for payment.

(e) In addition to the submitted items required in 4.02(d) above, in order to obtain the final progress payment for an Authorized Improvement funded by a series of PID Bonds pursuant to this Section 4.02, the Owner shall have provided to the City an assignment of the warranties and guaranties, if applicable, and a two-year maintenance bond for such Authorized Improvement.

Section 4.03. Assignment of Right to Payment of Unreimbursed Costs.

Owner's right, title and interest into the payments of unreimbursed Actual Costs shall be the sole and exclusive property of Owner (or its Transferee) and no other third party shall have any claim or right to such funds unless Owner transfers its rights to its unreimbursed Actual Costs to a Transferee in writing and otherwise in accordance with the requirements set forth herein. Owner has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, all or any portion of Owner's right, title, or interest under this Agreement to receive payment of its unreimbursed Actual Costs, including either PID Bond proceeds or Special Assessment Revenues, (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written approval of the City Council if such conveyance, transfer, assignment, mortgage, pledge or other encumbrance would result in the payments hereunder being pledged to the payment of debt service on public securities issued by any other state of the United States or political

subdivision thereof. Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City may rely conclusively on any written notice of a Transfer provided by the Owner without any obligation to investigate or confirm the Transfer. A Transferee shall be responsible for all continuing disclosure requirements and obligations as agreed to by the Owner and the City in the Disclosure Agreement of Owner.

ARTICLE V. PID BONDS

Section 5.01. PID Bond Issuance.

Subject to the satisfaction of conditions set forth in this Article V, the City may issue PID Bonds solely for the purposes of acquiring or constructing Authorized Improvements. Contemporaneously herewith, the Owner has requested issuance of PID Bonds. The issuance of PID Bonds is subject to all of the following conditions.

(a) The City has evaluated and determined that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of capital, or potential for liability.

(b) [INTENTIONALLY OMITTED].

(c) All costs incurred by the City that are associated with the administration of the PID shall be paid out of special assessment revenue levied against property within the PID. City administration costs shall include those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting and legal and financial reporting requirements.

(d) The adoption of the Service and Assessment Plan and the Assessment Ordinance levying Special Assessments on all or any portion of the Property benefitted by such Authorized Improvements in amounts sufficient to pay all costs related to such PID.

(e) The City has formed and utilized its own financing team including, but not limited to, bond counsel, Financial Advisor, PID Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(f) The City has chosen and utilized its own continuing disclosure consultant and arbitrage rebate consultant, if applicable or required. Any and all costs incurred by these activities will be included in City administration costs recouped from Special Assessments. The continuing disclosure will be divided into City disclosure and the disclosures of the Owner and the Consenting Parties, and the City will not be responsible or liable for Owner or Consenting Parties disclosure but the City's disclosures professional will be used for all disclosures.

(g) The aggregate principal amount of PID Bonds issued and to be issued shall not exceed \$15,000,000.

(h) The PID Bonds shall be in an amount estimated to be sufficient to fund the Authorized Improvements for which such PID Bonds are being issued.

(i) Delivery by the Owner to the City of a certification or other evidence from an independent appraiser acceptable to the City confirming that the Authorized Improvements increase the value of the property.

(j) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(k) The Owner is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Special Assessments.

(l) The Owner is not in material default under this Agreement or, with respect to the Property, in default of any material terms in any other agreement to which Owner and the City are parties.

(m) No outstanding PID Bonds are in default and no reserve funds established for outstanding PID Bonds have been drawn upon that have not been replenished.

(n) The PID Administrator has certified that the specified portions of the costs of the Authorized Improvements to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(o) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the City's required standards for similar developments including without limitation any Applicable Regulations.

(p) The City has determined that the amount of proposed Special Assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the project costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be creditworthy.

(q) Unless otherwise approved by City Council at the time of issuance of a series of PID Bonds, the maturity for a series of PID Bonds shall be 35 years.

(r) The final maturity for any PID Bonds shall be not later than 45 years from the Effective Date.

(s) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(t) If the applicable portion of Authorized Improvements has not already been constructed and to the extent proceeds from a series of PID Bond are insufficient to fund such Actual Costs, Owner shall, at the time of closing the PID Bonds, provide a completion guarantee or other similar type of credit support in the amount of the difference between the Actual Costs and the PID Bond Proceeds available to fund such Actual Costs related to the applicable Authorized Improvement, or Segment thereof (without limiting any other provision, in the event Owner does not or cannot provide such funding, the City shall not be required to sell such PID Bonds, and Owner shall reimburse the City for all expenses and liabilities incurred by the City in connection with the proposed issuance of the PID Bonds).

(u) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(v) The Owner agrees to provide and cause the Consenting Parties to provide periodic information and notices of material events regarding such entities and such entities' development within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by the Owner or the Consenting Parties in connection with the issuance of PID Bonds.

(w) The Owner provides the necessary information to satisfy the City's Director of Public Works or his designee that the Actual Costs are reasonable.

(x) The Owner and the Consenting Parties are not in default under any Continuing Disclosure Agreement related to an issuance of PID Bonds to which it is a party.

(y) For the issuance of a series of bonds for the purpose of refunding any PID Bonds, the amount of assessment necessary to pay the Refunding Bonds shall not exceed the amount of the assessments that were levied to pay the PID Bonds that are being refunded.

(z) The aggregate initial Tax Equivalent Assessment Rate of Special Assessments (including the Annual Installment) plus all ad valorem taxes levied by all political subdivisions within the District shall be \$3.20 per \$100.00 taxable assessed valuation. Notwithstanding the foregoing, Owner may voluntarily elect to have the initial Tax Equivalent Assessment Rate of Special Assessments be less than \$3.20 and this shall not require approval by City Council.

(aa) Owner has completed and the City has accepted the Authorized Improvements, or Segment thereof, for any previous phase of the Property.

(bb) If, at the time of PID Bond issuance, the Commercial Parcel and/or the Multifamily Parcel has not been sold to a third party, and a building permit has not been issued for development on the Commercial Parcel or the Multifamily Parcel; or, (2) the value to lien ratio, as determined by an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, is less than 3:1 on the Commercial Parcel or the Multifamily Parcel the funds from the PID Bond proceeds attributable to the Assessments for the respective Commercial Parcel and/or the Multifamily Parcel as applicable, shall be restricted until such time as that parcel is sold to a third party and (1) a building permit has been issued for development on either the respective Commercial Parcel or the Multifamily Parcel; or, (2) the value to lien ratio is more than 3:1, as determined by an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, on the respective Commercial Parcel or the Multifamily Parcel, at which point the funds attributable to such parcel shall be released and the funds attributable to the remaining parcels described in this subsection will continue to be restricted until the conditions herein are satisfied. If a portion of the Commercial Parcel and/or the Multifamily Parcel is sold to a third party and (1) a building permit has been issued for development on such portion of the respective Commercial Parcel or the Multifamily Parcel, as applicable; or, (2) the value to lien ratio is more than 3:1, an independent third-party appraisal or other acceptable method of valuation as reasonably determined by the City, on such portion of the respective Commercial

Parcel or the Multifamily Parcel, as applicable, funds will be released on a pro-rata basis calculated on the basis of the Estimated Buildout Value, as defined in the SAP, of the purchased portion of such Commercial Parcel and/or the Multifamily Parcel.

(cc) Notwithstanding subsection (bb) above, until the Authorized Improvements associated with F.M. 1660 that are identified in the SAP to be funded by PID Bond proceeds or Special Assessments has been constructed and accepted by the City, PID Bond funds equivalent to the Future Phase 2 Subdivision Special Assessments (less Annual Collection Costs as defined in the Service and Assessment Plan) shall be “restricted” from access by the Owner until such time as the portion of Authorized Improvements associated with F.M. 1660 that are identified in the SAP to be funded by PID Bond proceeds or Special Assessments has been constructed and accepted by the City. For the purposes of this Agreement, “accepted by the City” means the recording of a final approved plat for the Future Phase 2 Subdivision.

Section 5.02. Disclosure Information.

Prior to the issuance of PID Bonds by the City, the Owner agrees to provide all relevant information, including financial information, that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. The Owner agrees, represents, and warrants that any information provided by the Owner for inclusion in a disclosure document for an issue of PID Bonds will not, to the Owner's actual knowledge, contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and the Owner further agrees that it will provide a certification to such effect as of the date of the closing of any PID Bonds.

Section 5.03 Qualified Tax-Exempt Status.

(a) (a) Generally. In any calendar year in which PID Bonds are issued, the Owner agrees to pay the City its actual additional costs (“**Additional Costs**”) the City may incur in the issuance of its own public securities or obligations on its own taxing power of municipal revenues (the “City Obligations”), as described in this section, if the City Obligations are deemed not to qualify for the designation of qualified tax-exempt obligations (“**QTEO**”), as defined in section 265(b)(3) of the Internal Revenue Code (“IRC”) as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law; provided, however that if the City fails to use diligent, good faith efforts to issue PID Bonds as required by Article V and that failure causes PID Bonds to be issued in a different calendar year or not be issued at all, the City shall refund to Owner all Additional Costs paid by Owner as a result of such failure. Additionally, the City will provide the Owner on an annual basis no later than December 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process however such projection is not a binding amount under this agreement but merely an expression of the City's then expected amount of Obligations to be issued during the next calendar year. On or before January 15th of the following calendar year, the final Additional Costs shall be calculated. By January 31st of such year, any funds in excess of the final Additional Costs that remain in such segregated account on December 31st of the preceding calendar year shall be refunded to the Owner and any deficiencies in the estimated Additional Costs paid to the City by the Owner shall be remitted to the City by the Owner).

(b) Issuance of PID Bonds prior to City Obligations. In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its Financial Advisor, shall estimate the Additional Costs based on the market conditions as they exist approximately forty five (45) days prior using independent third party public pricing information to the date of the pricing of the PID Bonds (the “Estimated Costs”). The Estimated Costs are an estimate of the increased cost to the City to issue its City Obligations as non QTEO. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to the Owner and the Owner shall have twenty (20) days to review and provide input on the calculation to the City. The Owner shall pay such Estimated Costs on or before the earlier of: (i) twenty (20) business days after the date of said invoice, or (ii) fifteen (15) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any series of PID Bonds until the Owner has paid the invoice of Estimated Costs related to the PID Bonds then being issued.

(c) Upon the City’s issuance of the City Obligations, and if the City actually issues PID Bonds in that calendar year, the Financial Advisor shall calculate the Additional Costs to the City of issuing its City Obligations as non QTEO. The City will, within five (5) business days of the issuance of the City Obligations, provide written notice to the Owner of the amount of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to the Owner the difference between the Additional Costs and the Estimated Costs within ten (10) business days of the date of the City’s notice to the Owner required under this paragraph. If the Additional Costs are more than the Estimated Costs, the Owner will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City’s notice required under this paragraph. If the Owner does not pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City’s notice required under this paragraph, the Owner shall not be paid any reimbursement amounts under any PID agreement related to the Property until such payment of Additional Costs is made in full. If the City does not issue the City Obligations by the end of the calendar year in which PID Bonds are issued, the City will refund to the Owner the Additional Costs paid by the Owner in such calendar year within ten (10) business days after the end of such calendar year.

(d) Issuance of City Obligations prior to PID Bonds.

(1) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City, with assistance from the Financial Advisor, shall calculate the Estimated Costs based on the market conditions as they exist approximately forty five (45) days prior to the date of the pricing of the City Obligations. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to the Owner and the Owner shall have twenty (20) days to review and provide input on the calculation to the County. The Owner shall pay such Estimated Costs to the City at least fifteen (15) days prior to the pricing the City Obligations. If the Owner has not paid the Estimated Costs to the City by the required time, the City, at its option, may elect to designate the City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year.

(2) Upon the City's approval of the City Obligations, and if the City actually issues PID Bonds in that calendar year, the Financial Advisor shall calculate the actual Additional Costs to the City of issuing non QTEO City Obligations. The City will, within five (5) business days of the issuance of the City Obligations, provide written notice to the Owner of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to the Owner the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice to the Owner. If the Additional Costs are more than the Estimated Costs, the Owner will pay to the City the difference between the Additional Costs and the Estimated Costs within fifteen (15) business days of the date of the City's notice. If the Owner does not pay to the City the difference between the Additional Costs and the Estimated Costs as required under this paragraph, then the Owner shall not be paid any reimbursement amounts under any PID agreement related to the Property until such payment of Additional Costs is made in full.

(e) To the extent any Owner(s) or property owner(s) (including the Owner, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property owner (including the Owner, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or property owner(s) (including the Owner, as applicable) as necessary so as to put all developers and property owners (including the Owner, if applicable) so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within 15 business days after its receipt of such subsequent payments of such Additional Costs.

(f) The City shall charge Additional Costs attributable to any other developer or property owner on whose behalf the City has issued debt in the same manner as described in this section, and the Owner shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Owner's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Owner. The portion owed by the Owner shall be determined by dividing the total proceeds from any debt issued on behalf of the Owner in such calendar year by the total proceeds from any debt issued by the City pursuant to the PID Act for the benefit of all developers (including the Owner) in such calendar year.

Section 5.04. Tax Certificate.

If in connection with the issuance of PID Bonds, the City is required to deliver a certificate as to tax exemption (a "**Tax Certificate**") to satisfy requirements of the Internal Revenue Code, the Owner agrees 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 represents that 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 such date. To the extent that it exercises control or direction over the use or investment of the PID Bond proceeds (including, but not limited to, the use of the Authorized Improvements), the Owner further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that

would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

Section 5.03. Special Obligations.

THE PID BONDS ARE SPECIAL OBLIGATIONS OF THE CITY SECURED SOLELY BY PLEDGED REVENUES (AS DEFINED IN AN INDENTURE) AND ANY OTHER FUNDS HELD UNDER AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH 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 AN INDENTURE. THE OWNERS OF PID 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 AN INDENTURE, AS AND TO THE EXTENT PROVIDED IN SUCH INDENTURE. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF PID BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES. NONE OF THE CITY, NOR ANY OF ITS ELECTED OR APPOINTED OFFICIALS NOR ANY OF ITS OFFICERS, EMPLOYEES, CONSULTANTS OR REPRESENTATIVES SHALL INCUR ANY LIABILITY HEREUNDER TO THE OWNER OR ANY OTHER PARTY IN THEIR INDIVIDUAL CAPACITIES BY REASON OF THIS AGREEMENT OR THEIR ACTS OR OMISSIONS UNDER THIS AGREEMENT UNLESS SUCH ACT OR OMISSION IS IN VIOLATION OF STATE OR FEDERAL LAW AND IS DONE RECKLESSLY OR INTENTIONALLY.

ARTICLE VI. ADDITIONAL PROVISIONS

Section 6.01. Redemption Agreement.

[INTENTIONALLY OMITTED]

Section 6.02. Home Buyer Disclosure.

Owner shall comply with, and cause Meritage or any other homebuilder to comply with, the Home Buyer Disclosure Program attached hereto as Exhibit "H" and made a part hereof.

ARTICLE VII. REPRESENTATIONS AND WARRANTIES

Section 7.01. Representations and Warranties of City.

The City makes the following representation and warranty for the benefit of the Owner:

(a) The City represents and warrants that the City is a home-rule municipal corporation of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has the full legal right, power and authority under the PID Act, its charter, and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt an

Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

(b) The City represents and warrants that this Agreement is a valid and enforceable obligation of the City in accordance with its terms.

(c) The City represents and warrants that it will not unreasonably withhold, condition, or delay payment for any Authorized Improvement that has been constructed and dedicated to the City in accordance with this Agreement.

(d) The City represents and warrants that the City Council has reviewed this Agreement, been advised by legal counsel, and has properly authorized its City Manager to execute this Agreement.

(e) The City agrees to provide the information required by its underwriter to facilitate the completion of bond offering documents to effectuate the sale of the PID Bonds.

Section 7.02. Representations 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 the Owner is a limited liability company duly organized and validly existing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, has the authority to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Owner represents and warrants that the Owner has the power and authority to enter into this Agreement, has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Owner.

(c) The Owner represents and warrants that this Agreement is a valid and enforceable obligation of the Owner and is enforceable against the Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) The Owner covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to cause such Segment to be completed in accordance with this Agreement.

(e) The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any Authorized Improvements that are not part of the Project or identified in the SAP, and (ii) it will diligently follow all procedures set forth in this Agreement.

(f) Until final acceptance by the City of each Authorized Improvement, or segment thereof, 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 generally accepted accounting practices and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

(g) The Owner agrees to provide the information required pursuant to the Disclosure Agreement of Owner in connection with the issuance of PID Bonds and to cause the Consenting Parties to provide the information required pursuant to disclosure agreements executed by the Consenting Parties in connection with the issuance of PID Bonds.

(h) The Owner represents and warrants that no portion of the Property is designated and claimed for agricultural use as described in Section 23.41 of the Texas Tax Code.

ARTICLE VIII. DEFAULT AND REMEDIES; INDEMNIFICATION

Section 8.01. Default and Remedies.

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) calendar days of the receipt of such notice (or five (5) business days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subsection (d) below.

(c) Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VIII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and 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. Each party shall be responsible for payment of all costs of their respective attorney's fees.

(d) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party (other than the payment of a monetary sum) is delayed as a result of circumstances which are beyond the

reasonable control of such Party (which circumstances may include, without limitation, pending litigation, governmental action or refusal to act, acts of God, pandemics, 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) ("**Force Majeure**"), 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) calendar days after the claiming Party becomes aware of the same, unless prevented by such "force majeure" event from doing so, 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 VIII.

Section 8.02. Indemnification and Hold Harmless by Owner.

THE OWNER HEREBY COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY CITY, AND THE PAST, PRESENT AND FUTURE OFFICERS, AGENTS, SERVANTS AND EMPLOYEES THEREOF, FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS (TOGETHER, "THIRD PARTY CLAIMS" OR "TPC") AGAINST THE CITY, WHETHER THREATENED, ANTICIPATED, OR ASSERTED, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS, ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF THE OWNER, (INCLUDING THE NEGLIGENCE OF THE OWNER'S EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND AGENTS) OCCURRING DURING THE CONSTRUCTION OF ANY PORTION OF THE AUTHORIZED IMPROVEMENTS; AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH TPC SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE TPC EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT (BUT NOT GROSS) NEGLIGENCE. THE OWNER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST TPC CAUSED BY THE CITY'S SOLE NEGLIGENCE. IF THE CITY INCURS TPC THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF THE OWNER AND THE CITY, THE OWNER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL TPC AND EXPENSES EQUIVALENT TO THE OWNER'S OWN PERCENTAGE OF RESPONSIBILITY. THE OBLIGATIONS UNDER THIS SECTION 8.02 SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT CONSISTENT WITH THE TERMS OF SECTIONS 9.04 AND 9.12 BELOW.

Section 8.03 Claims and Release.

(a) If the City notifies the Owner of any Third Party Claim, the Owner shall assume on behalf of the City and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel selected by the Owner but reasonably satisfactory to the City; provided, that City has the right to be represented by advisory counsel of their own selection and at their own expense; and provided further, that if any such Third Party Claim involves the Owner and the City and the City has been advised in writing by counsel that there

may be legal defenses available to it which are inconsistent with those available to the Owner, then City has the right to select separate counsel to participate in the investigation and defense of and response to such Claim on City's own behalf, and the Owner shall pay or reimburse the City for all reasonable legal fees and costs incurred by the City because of the selection of such separate counsel. It is hereby understood and agreed that if any Third Party Claim is caused by the City's gross negligence, the City shall provide and pay for its own legal counsel.

(b) Other than to the extent caused by an event of default by the City, the Owner hereby releases the City with respect to all Claims regarding any alleged, established or admitted negligent or wrongful act or omission of the City, or any agents, contractors, representatives or employees of the City, INCLUDING ALL CLAIMS CAUSED BY THE NEGLIGENCE OR STRICT LIABILITY OF THE CITY but excluding Claims to the extent caused by the gross negligence or willful misconduct of the City. The provisions of this Section will survive the expiration or earlier termination of this Agreement.

(c) The Owner or the Owner's contractor shall obtain performance and payment bonds as required by Chapter 2253, Public Work Performance and Payment Bonds, of the Texas Government Code. After inspection and prior to acceptance of public improvements by the City that benefit the Project, the Owner or the Owner's contractor shall provide a two (2) year maintenance bond.

ARTICLE IX. GENERAL PROVISIONS

Section 9.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to City: City of Hutto
 Attn: City Manager
 500 West Live Oak Street
 Hutto, Texas 78634

With a copy to: Bojorquez Law Firm, PC
 Attn: Dottie Palumbo, City Attorney
 11675 Jollyville Road, Suite 300
 Austin, Texas 78759
 Facsimile: (512) 250-0749

If to Owner: MA Durango Farms, LLC

Attn: Wyatt Henderson
230 Klattenhoff Lane, Ste. 102
Hutto, Texas 78634

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attn: Steve Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
Facsimile: (512) 404-2234

Section 9.02. Fee Arrangement/Administration..

(a) In addition to any costs paid by the Owner pursuant to that certain Professional Services Agreement dated February 19, 2020, all fees of legal counsel related to the issuance of the applicable PID Bonds including fees for the preparation of customary bond documents and the obtaining of Attorney General approval for the PID Bonds, will be paid at closing from the proceeds of the PID Bonds. It is hereby acknowledged and agreed that fees for the City's Bond Counsel, Trustee, Trustee's Counsel, Financial Advisor, the Underwriter, and Underwriter's Counsel will be paid at the Issue Date of the PID Bonds in accordance with the budget attached as Exhibit "G" hereto. Pursuant to a separate agreement, the City may contract with a third party to serve as the PID Administrator and 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 9.03. Assignment.

(a) Notwithstanding subsection 4.03 above, Owner may assign in whole or part its rights and obligations under this Agreement to persons purchasing all or a portion of the Property in accordance with Section 9.03 but not to an individual purchaser of a Lot within a recorded final plat. This Agreement may be assigned by Owner without the consent of the City to (i) affiliates of the Owner or (ii) any third-party entity that is not in default in the payment of taxes, assessments, fees, or any agreements with the City and that entity has the financial capacity to perform this Agreement and Owner will be released from its obligations under this Agreement upon delivery of a notice of assignment to the City.

(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) This Agreement shall be binding upon the Parties, their grantees, successors, assigns, or subsequent purchaser. In the event of an assignment of fee ownership, in whole or in part, of the Property by Owner, only the Designated Successor or Assign and then current owners of any portion of the Property so assigned shall be liable under this Agreement for any subsequent default occurring after the conveyance and affecting only the portion or portions of the Property so assigned. Any reference to Owner or City shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to

the benefit of the respective successors and assigns thereof whether so expressed or not. Each contract, deed or conveyance of any kind conveying all or a portion of the Property will conclusively be held to have been executed, delivered, and accepted subject to the following covenants, conditions and restrictions, regardless of whether or not they are set out in full or by reference in said contract, deed or conveyance.

Section 9.04. Term of Agreement.

The term of this Agreement shall begin on the Effective Date and shall continue until the Maturity Date; *provided*, that unless extended by both parties pursuant to a written amendment to this Agreement, this Agreement shall automatically terminate three (3) years after the date of the execution of this Agreement, if a Special Assessment is not levied by such date. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Actual Costs expended prior to the termination of this Agreement and/or dissolution of the District remaining unpaid shall survive such termination and/or dissolution.

Section 9.05. 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 shall apply:

- (a) Words importing a gender do not exclude any other gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
- (e) A reference to any Party includes, with respect to Owner, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
- (f) All references in this Agreement to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.
- (g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.
- (h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."

(i) Unless the context otherwise requires, a reference to the "Property," the "Authorized Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."

(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval," "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 9.06. 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 shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 9.07. Time.

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 9.08. Applicable Law and Venue.

THIS AGREEMENT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS AGREEMENT, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WILLIAMSON COUNTY, TEXAS. BY EXECUTING THIS AGREEMENT, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 9.09. Amendments.

This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

Section 9.10. Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 9.11. Entire Agreement.

This Agreement contains the entire agreement of the Parties.

Section 9.12. Severability; Waiver.

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 9.13. No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein shall give or be construed to give any person or entity, other than the parties hereto and their respective successors and permitted assigns, any legal or equitable rights hereunder.

Section 9.14. Reservation of Rights.

To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws.

Section 9.15. No Joint Venture.

It is acknowledged and agreed by the parties hereto that the terms of this Agreement are not intended to and shall not be deemed to create a partnership of joint venture among parties. Neither party shall have any authority to act on behalf of the other party under any circumstances.

Section 9.16. 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 9.17. 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, the PID Bond Ordinance and the Indenture.

Section 9.18. City's Acceptance of Authorized Improvements. The City hereby agrees that it will not unreasonably withhold the final acceptance of any of the Authorized Improvements and will work with the Owner in good faith to expedite review and acceptance of such Authorized Improvements

Section 9.19. Boycotts and Foreign Business Engagements.

(a) The Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Owner understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Owner and exists to make a profit.

(b) The Owner represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Owner and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Owner and the Consenting Parties each 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.

(c) Firearm Entity/Trade Association and Energy Company Boycotts. Section 2274.002 of the Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19", and by Senate Bill 13, 87th Texas Legislature, Regulation Session (SB 13")), as amended, is inapplicable because Owner is a company with less than 10 full-time employees.

Section 9.20. HB 1295 Compliance.

Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the District. For further information please go to the Texas Ethics Commission website via the following link.
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

Section 9.21. No Personal liability of Public Officials or the City.

To the extent permitted by State law, neither the City, any City agent or representative, nor any public official or employee shall be personally liable or responsible for any liability arising under or related to this Agreement.

Section 9.22. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

- Exhibit "A" - Definitions
- Exhibit "B" - Property Description for Development
- Exhibit "B-2" - Commercial Parcel
- Exhibit "B-3" - Multifamily Parcel
- Exhibit "C" - Concept Plan
- Exhibit "D" - Authorized Improvements
- Exhibit "E" - *-Intentionally Deleted-*
- Exhibit "F-1" - Form of Closing Disbursement Request (Closing Disbursement)
- Exhibit "F-2" - Form of Certification for Payment
- Exhibit "G" - Budget
- Exhibit "H" - Home Buyer Disclosure Program
- Exhibit "H-1" - Notice of Obligation Pay Public Improvement District Assessments to the City of Hutto, Texas

[Signature Pages to Follow]

CITY:

THE CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

 This instrument was acknowledged before me on the ____ day of _____, 2021
by _____, the _____ of the City of Hutto, Texas, on behalf of said City..

(SEAL)

Notary Public, State of Texas

Name printed or typed
Commission Expires: _____

OWNER:

MA Durango Farms LLC,
a Texas limited liability company

By: _____

Name: Wyatt Henderson

Title: Manager

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 2021 by Wyatt Henderson, Manager of MA Durango Farms LLC, a Texas limited liability company, on behalf of said limited liability company.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires: _____

It is hereby acknowledged that the Consenting Parties are executing this Agreement solely due to the fact that they are an owner of a portion of the Property and, except for its obligations expressly set forth under the Landowner's Agreement, Consenting Parties have no rights, duties, or obligations to the City, the Owner, or otherwise in connection with this Agreement.

Meritage Homes of Texas, LLC

an Arizona limited liability company

By: _____

Name: Elliot Jones

Title: Vice President, Land Acquisition

Vantage at Hutto, LLC

a Delaware limited liability company

By: _____

Name: _____

Title: _____

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:

"Actual Cost(s)" means the Owner's demonstrated costs for designing and constructing the Authorized Improvements. Cost(s) may include (a) the costs incurred by or on behalf of Owner for the design, planning, acquisition, installation, construction and/or implementation of such Authorized Improvement, (b) the costs incurred in preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs incurred by or on behalf of the Owner for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, (e) taxes (property and franchise) related to the Authorized Improvements that benefit the properties within the boundaries of the District, (f) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, and (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses plus interest, if any, calculated from the respective dates of the expenditures until the date of reimbursement therefore.

"Additional Actual Costs" means any additional Actual Costs the City incurs issuing the PID Bonds.

"Additional Named Insured" means a person, organization, or governmental entity identified as an insured party in the policy declarations or an addendum to the policy decorations for a certificate of insurance.

"Agreement" has the meaning given in the recitals to this Agreement.

"Annual Installments" shall mean the annual installment payment on a Special Assessment as calculated pursuant to the Service and Assessment Plan and approved by the City Council.

"Applicable Regulations" means (i) City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City as may be modified by this Agreement, the Development Agreement and/or the PUD; and (ii) any State or Federal law, regulation, rule, policy, or similar requirement applicable to the Project.

"Assessed Property" or **"Assessed Properties"** means property within the District that benefits from an Authorized Improvement and on which Special Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to the Service and Assessment Plan) and which includes any and all Parcels within the District other than Non-Benefitted Property.

"Assessment Ordinance" means the ordinance adopted by the City Council approving the Service and Assessment Plan and levying Special Assessments, as described in Article III of this Agreement.

"Association Regulations" has the meaning as set forth in Section 2.05.

"Attorney General" means the Texas Attorney General's Office.

"Authorized Improvements" means the Authorized Improvements listed in the PID Act and includes the public improvements which benefit the Property and are described on Exhibit "D" hereto.

"Bond Issuance Request" means written request made by Owner to the City to issue PID Bonds as evidenced by Owner's expenditure of necessary amounts for financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.

"Certification for Payment" shall mean that certain certification substantially in the form attached hereto as Exhibit "F-2" hereto.

"City" has the meaning given in the recitals to this Agreement.

"City Construction Representative" means the employee or designee of the City carrying out the duties as described in this Agreement.

"City Council" means the duly elected governing body and council of the City.

"City Code" means the Ordinances of the City, together with all related policies, administrative rules and technical criteria manuals, as modified by the Development Agreement.

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

"City Manager" means the city manager of the City.

"Closing Disbursement Request" shall mean that certain request substantially in the form attached hereto as Exhibit "F-1".

"Commercial Parcel" shall mean the approximately 2.5 acre parcel shown on Exhibit "B-2" attached hereto.

"Completed Authorized Improvements" means any Authorized Improvement that has been 100% completed, dedicated and conveyed by the Owner and accepted by the City.

"Concept Plan" means the concept plan attached hereto as Exhibit "C".

"Consenting Parties" has the meaning given in the recitals of this Agreement.

"Construction Manager" means initially the Owner, and thereafter subject to change in accordance with Section 2.04 of this Agreement.

"County" means Williamson County, Texas.

"Delinquent Collection Actual Costs" means interest, penalties and expenses incurred or imposed with respect to any delinquent installment of a Special Assessment, or an Annual Installment, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment, and the costs related to foreclosing the lien against the Assessed Property, including attorney's fees to the extent permitted under Texas law.

"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 9.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital, or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Owner.

"Development Agreement" has the meaning given in the recitals to this Agreement.

"Disclosure Agreement of Owner" means an agreement entered into by the Owner and a dissemination agent in connection with the issuance of PID Bonds pursuant to which the Owner agrees to provide certain information regarding the development of the District and the Authorized Improvements for the benefit of the owners of the PID Bonds.

"District" has the meaning given in the recitals to this Agreement.

"End User" means any tenant, user, or owner of a fully developed and improved lot.

"Effective Date" has the meaning given in the recitals to this Agreement.

"Financial Advisor" means Hilltop Securities, Inc.

"Force Majeure" has the meaning as set forth in Section 8.01(d).

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

"Future Phase 2 Subdivision" means the portion of the Property that is not a part of the Phase 1 Subdivision.

"Good Engineering Practices" means the basis for engineering, operation, or maintenance activities and are themselves based on established codes, standards, published technical reports or recommended practices or similar documents.

"Home Buyer Disclosure Program" means the disclosure program, administered by the PID Administrator as set forth in a document in the form of Exhibit "H" or another form agreed to

by the City and the Owner(s) that establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the District.

"Indenture" or **"Trust Indenture"** means the Indenture of Trust entered into in connection with the issuance of the PID Bonds, between the City and the Trustee setting forth terms and conditions related to such PID Bonds.

"Insurance Policy Documents" means true and correct copies of the relevant policy of insurance including all declarations, definitions, schedules, endorsements, exclusions, exceptions, riders, waivers, jackets, modifications, notices, descriptions of deductibles and of self-insured retentions and all other instruments and other documents governing insurance coverage under such policy.

"Issue Date" means the date of the initial delivery of the PID Bonds.

"Landowner Agreement" has the meaning given in Section 3.02 of this Agreement.

"Landowners" has the meaning given in Section 3.02 of this Agreement.

"Maturity Date" means the date one year after the last Annual Installment is collected.

"Multifamily Parcel" shall mean the approximately 5 acre parcel shown on Exhibit "B-3" attached hereto.

"Non-Benefitted Property" means Parcels within the boundaries of the District that accrue no special benefit from Authorized Improvements, as determined by the City Council. Such Parcels include alleys, private roads, and easements that create an exclusive use for a public utility provider and accrue no special benefit from the Authorized Improvements. Property identified as Non-Benefitted Property at the time the Special Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel shall not be assessed.

"Owner" has the meaning given in the recitals to this Agreement.

"Owners Association" means a homeowners association or property owners association.

"Owner Expended Funds" means the funds expended by the Owner to date to pay Actual Costs of the Authorized Improvements that have not been previously reimbursed by the City.

"Parcel" means a property identified by either a tax map identification number assigned by the Williamson 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 Williamson County, or by any other means determined by the City Council.

"Party" means the Owner or the City, as parties to this Agreement, and **"Parties"** means collectively, the Owner and the City.

"Phase 1 Subdivision" means the portion of the Property that is part of the Durango Farms Phase 1 Final Plat, dated April 14, 2020, recorded in the Williamson County Real Property Records under document # 2020131845.

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

"PID Administrator" means an employee of the City and/or third-party designee of the City who shall have the responsibilities provided for herein, in an Indenture relating to the PID Bonds or in any other agreement approved by the City Council.

"PID Bond Ordinance" means and refers to an ordinance or ordinances of the City Council that authorize and approve the issuance and sale of a series of PID Bonds and provide for their security and payment, either under the terms of a PID Bond Ordinance or a trust indenture related to a series of PID Bonds.

"PID Bonds" means those certain City of Hutto Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District) that are secured by Special Assessments levied on the District.

"PID Bond Proceeds" means the par amount of the PID Bonds.

"Prepayment" means the payment of all or a portion of a Special Assessment before the due date thereof.

"Project" has the meaning given in the recitals to this Agreement.

"Project Engineer" means the civil engineer or firm of civil engineers selected by the Owner to perform the duties set forth herein, which is currently Randall Jones & Associates Engineering, Inc.

"Project Fund" means the separate and unique fund established by the City under such name pursuant to the Indenture.

"Property" has the meaning given in the recitals to this Agreement.

"PUD" has the meaning given in the recitals to this Agreement.

"Redemption Agreement" shall have the meaning given in Section 6.02 of this Agreement.

"Segment" or **"Segments"** means the discrete portions of the Authorized Improvements identified as such.

"Service and Assessment Plan" or "SAP" means the Durango Farms Public Improvement District Service and Assessment Plan (as such plan is amended, supplemented or updated from time to time), to be adopted by the City Council in the Assessment Ordinance for the purpose of assessing allocated costs against property located within the District having terms, provisions and findings approved and agreed to by the Owner, as required by Article III of this Agreement. The

Parties hereby acknowledge that the Service and Assessment Plan may be amended, supplemented or updated from time to time.

"Special Assessment" means the 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 created by such subdivision or reduction according to the provisions hereof and the PID Act.

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

"State" means the State of Texas.

"Tax Certificate" has the meaning given in Section 5.03 of this Agreement.

"Tax Code" means the Texas Tax Code.

"Tax Equivalent Assessment Rate" means the ad valorem tax equivalent of an Annual Installment due on a parcel at the time of an issuance of PID Bonds on \$100 of assessed valuation of the assessed parcel.

"Third Party Claims" or **"TPC"** has the meaning given in Section 8.02 of this Agreement.

"Third-Party Contractor" has the meaning given in Section 2.04 of this Agreement.

"Transfer" has the meaning given in Section 4.03 of this Agreement.

"Transferee" has the meaning given in Section 4.03 of this Agreement.

"Trustee" means the trustee under an Indenture, and any successor thereto permitted under an Indenture and any other Trustee under a future Indenture.

Exhibit "B"

PROPERTY DESCRIPTION FOR DEVELOPMENT

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 1 of 3

"EXHIBIT _"

DESCRIPTION OF 94.560 ACRES OF LAND IN THE J. SHELTON SURVEY, ABSTRACT NO. 560, THE E. THOMASON SURVEY, ABSTRACT NO. 844, AND THE W.J. BROWN SURVEY, ABSTRACT NO. 105, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF A CERTAIN CALLED 96.99 ACRE TRACT DESIGNATED AS TRACT ONE AND DESCRIBED IN THE DEED TO JERRY E. ROZNOVAK AND WIFE, HILDA ROZNOVAK OF RECORD IN VOLUME 443, PAGE 472, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 94.560 ACRES OF LAND, AS SURVEYED BY LANDDEV CONSULTING, LLC, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½-inch iron rod with a plastic cap stamped "RJ Survey" (Grid Coordinates: N= 10,177,139.20, E= 3,174,174.80) found in the west right-of-way line of F.M. 1660, a variable-width right-of-way, in the north line of the said 96.99 acre tract, at the easterly southeast corner of a certain called 201.06 acre tract described in the deed to Billie B. Davenport of record in Volume 1079, Page 938, Deed Records of Williamson County, Texas, same being the southwest corner of a certain called 4.758 acre tract described in the deed to the State of Texas of record in Volume 476, Page 605, Deed Records of Williamson County, Texas, same being the northwest corner of a certain called 3.722 acre tract described in the deed to the State of Texas of record in Volume 476, Page 607, Deed Records of Williamson County, Texas, for the northeast corner and **POINT OF BEGINNING** of the tract described herein;

THENCE leaving the easterly southeast corner of the said 201.06 acre tract, crossing the said 96.99 acre tract, with the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, with the east line of the tract described herein, the following five (5) courses and distances:

1. with the arc of a curve to the left, having a radius of 1,186.28 feet, an arc distance of 167.73 feet, and a chord which bears S 05°38'19" E, a distance of 167.59 feet to a calculated point-of-tangency, from which a destroyed Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found bears S 84°08'53" W, a distance of 0.45 feet,
2. S 09°45'32" E, a distance of 467.63 feet to a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found at a point-of-curvature,
3. with the arc of a curve to the right, having a radius of 1,106.28 feet, an arc distance of 335.98 feet, and a chord which bears S 01°06'29" E, a distance of 334.69 feet to a Texas Department of Transportation (TXDOT) Type-1 concrete right-of-way monument found at a point-of-tangency,
4. S 07°51'42" W, a distance of 790.50 feet to a 3/4-inch iron rod found at an angle point, and
5. S 07°39'43" W, a distance of 421.01 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the west line of the said 3.722 acre tract, in the north line of a certain called 0.51 acre tract described in the deed to Nadine Carole Johnson and Dennis Johnson of record in Document No. 2006083936, Official Public Records of Williamson County, Texas, for a southeast corner of the tract described herein, from which a ½-inch iron rod with a plastic cap stamped "RPLS 1433" found in the west right-of-way line of said F.M. 1660 at the northeast corner of the said 0.51 acre tract bears S 82°31'24" E, a distance of 21.83 feet;

THENCE N 82°16'34" W, leaving the west right-of-way line of said F.M. 1660, and the west line of the said 3.722 acre tract, crossing the said 96.99 acre tract, with the north line of the said 0.51 acre tract, and with a south line of the tract described herein, a distance of 179.38 feet to a 1/2-inch iron rod with a plastic cap stamped "RJ Survey" found at the northwest corner of the said 0.51 acre tract, for a re-entrant corner of the tract described herein;

THENCE S 07°29'25" W, continuing across the said 96.99 acre tract, with the west line of the said 0.51 acre tract, with the east line of the tract described herein, a distance of 114.42 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 1433" found at a re-entrant corner of the said 96.99 acre tract, at the southwest corner of the said 0.51 acre tract, same being the northwest corner of a certain called 4/5ths of an acre described in the special warranty deed with life estate to Robert W. Kaderka and wife, Bonnie Kaderka of record in Document No. 2015074295, Official Public Records of Williamson County, Texas, for an angle point in the east line of the tract described herein;

THENCE S 07°42'22" W, with the east line of the said 96.99 acre tract, with the west line of the said 4/5ths of an acre tract, and with the west line of a certain called 0.51 acre tract described in the deed to Bruce Craig Cunningham of record in Volume 1954, Page 227, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 180.55 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point;

LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

THENCE S 06°40'19" W, with the east line of the said 96.99 acre tract, with the west line of the said 0.51 acre tract, and with the west line of a certain called 0.484 acre tract described in the deed to Marla Dawn Burns of record in Document No. 9722814, Official Public Records of Williamson County, Texas, with the east line of the tract described herein, a distance of 200.68 feet to a ½-inch iron rod found in the north line of a certain called 0.480 acre tract described in the deed to John A. Drummond, Sr. of record in Document No. 9662944, Official Public Records of Williamson County, Texas, at the southwest corner of the said 0.484 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 81°53'59" W, with the north line of the said 0.480 acre tract and a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 10.57 feet to a fence corner post found at a re-entrant corner;

THENCE S 08°03'45" W, with the west line of the said 0.480 acre tract and the west line of a certain called 0.59 acre tract described in the deed to Jonathan M. Wagner and Marci H. Wagner of record in Document No. 2016117309, Official Public Records of Williamson County, Texas, with the east line of the said 96.99 acre tract, with the east line of the tract described herein, a distance of 223.01 feet to a concrete monument found in the north line of a certain called 2.47 acre tract described in the deed to Charles E. Holland and Deborah D. Holland of record in Volume 868, Page 561, Deed Records of Williamson County, Texas, at the southwest corner of the said 0.59 acre tract, same being a southeast corner of the said 96.99 acre tract, for a southeast corner of the tract described herein;

THENCE N 82°23'05" W, with the north line of the said 2.47 acre tract, with a south line of the said 96.99 acre tract, with a south line of the tract described herein, a distance of 242.61 feet to a 3/8-inch iron rod found at the northwest corner of the said 2.47 acre tract, at the northeast corner of Block 4, Hutto and Metcalfe Addition, a subdivision according to the plat of record in Book 66, Page 148, Deed Records of Williamson County, Texas, and as shown on the Revised Map of City of Hutto of record in Cabinet A, Slide 221, Plat Records of Williamson County, Texas, for a re-entrant corner of the tract described herein;

THENCE S 07°38'01" W, with the west line of the said 2.47 acre tract and an east line of the said 96.99 acre tract, with the east line of said Block 4 and Block 3, said Hutto and Metcalfe Addition, with an east line of the tract described herein, a distance of 298.64 feet to a ½-inch iron rod found at the southeast corner of said Block 3, Hutto and Metcalfe Addition, and the northeast corner of a certain called 0.659 acre tract described in the deed to Dennis O. Johnson and Nadine C. Johnson of record in Document No. 2001074832, Official Public Records of Williamson County, Texas, for the southerly southeast corner of the tract described herein;

THENCE S 77°34'56" W, crossing the said 96.99 acre tract, with the north line of the said 0.659 acre tract, with the south line of the tract described herein, a distance of 253.79 feet to a ½-inch iron rod found at the northwest corner of the said 0.659 acre tract, and the northeast corner of Lot 2, Block 2, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein,

THENCE S 77°37'39" W, continuing across the said 96.99 acre tract, with the north line of said Lot 2, Block 2, Hutto and Metcalfe Addition, with the south line of the tract described herein, a distance of 91.78 feet to a concrete monument found in a west line of the said 96.99 acre tract, at the intersection of the south line of an alley and the east right-of-way line of East Street, a 60-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, at the northwest corner of said Lot 2, Block 2, Hutto and Metcalfe Addition, for the southerly southwest corner of the tract described herein;

THENCE N 12°28'30" W, with the east right-of-way line of said East Street, the west line of the said 96.99 acre tract, with the west line of Lot 6, Block 2, and the west line of Block 5, said Hutto and Metcalfe Addition, with a west line of the tract described herein, a distance of 439.34 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at the northeast terminus of said East Street, at the northwest corner of said Block 5, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE N 82°21'12" W, with the south line of the said 96.99 acre tract, with the north terminus of said East Street, with the northeast terminus of Capitol Street, a 50-foot right-of-way, as shown on the said Hutto and Metcalfe Addition subdivision plat, with the south line of the tract describe herein, a distance of 220.17 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found at an angle point in the north right-of-way line of said Capitol Street, at the east corner of Block 9, said Hutto and Metcalfe Addition, for an angle point in the south line of the tract described herein;

THENCE S 76°41'29" W, with the south line of the said 96.99 acre tract, with the north right-of-way line of said Capitol Street, with the south line of Block 9 and Block 13, said Hutto and Metcalfe Addition, a distance of 350.53 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 4, Block F, Hutto Square Section 1, a subdivision according to the plat of record in Cabinet W, Slides 263-267, Plat Records of Williamson County, Texas, at a southwest corner of the said 96.99 acre tract, for a southwest corner of the tract described herein;

Williamson County, Texas
J. Shelton Survey, Abstract No. 560
E. Thomason Survey, Abstract No. 844
W.J. Brown Survey, Abstract No. 105

94.560 Acres
Page 3 of 3

THENCE with the west line of the said 96.99 acre tract, the east line of said Hutto Square Section 1, the east line of Hutto Square Section 2, a subdivision according to the plat of record in Cabinet Y, Slides 154-157, Plat Records of Williamson County, Texas, with the east line of Hutto Square Section 3, a subdivision according to the plat of record in Cabinet CC, Slides 138-139, Plat Records of Williamson County, Texas, with the west line of the tract described herein, the following four (4) courses and distances:

1. N 07°40'21" E, a distance of 55.89 feet to a ½-inch iron rod with a plastic cap stamped "4391" found at the north corner of Lot 4, the east corner of Lot 5, southeast corner of Lot 39, and the south corner of Lot 40, Block F, said Hutto Square Section 1, for an angle point of the tract described herein,
2. N 07°38'18" E, a distance of 655.93 feet to a ½-inch iron rod with a plastic cap stamped "RJ Survey" found in the east line of Lot 48, Block F, said Hutto Square Section 2, for an angle point of the tract described herein,
3. N 07°46'41" E, a distance of 230.55 feet to a ½-inch iron rod with a plastic cap stamped "RPLS 4391" found at the northeast corner of Lot 51 and the southeast corner of Lot 52, Block F, said Hutto Square Section 2, for an angle point of the tract described herein, and
4. N 07°46'30" E, a distance of 2,059.60 feet to a concrete monument found in the east line of Lot 91, Block F, said Hutto Square Section 3, at the northwest corner of the said 96.99 acre tract, same being a re-entrant corner of the said 201.06 acre tract, for the northwest corner of the tract described herein;

THENCE S 82°15'43" E, with the north line of the said 96.99 acre tract and a south line of the said 201.06 acre tract, with the north line of the tract described herein, a distance of 1,222.52 feet to the **POINT OF BEGINNING** and containing 94.560 acres of land, more or less.

BEARING BASIS: Texas Coordinate System, Central Zone, NAD83, Grid.

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That I, Ernesto Navarrete, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the parcel of land described herein is based upon a survey performed upon the ground under my direct supervision during the month of April, 2019.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 03rd day of May 2019 A.D.

LANDDEV CONSULTING, LLC
5508 Highway 290 West, Suite 150
Austin, Texas 78735


Ernesto Navarrete
Registered Professional Land Surveyor
No. 6642 - State of Texas



LandDev Consulting, LLC • 5508 Highway 290 West, Suite 150, Austin, TX 78735 • (512) 872-6696
TBPE Firm No. 16384 | TBPLS Firm No. 10194101

Exhibit "B-2"

COMMERCIAL PARCEL

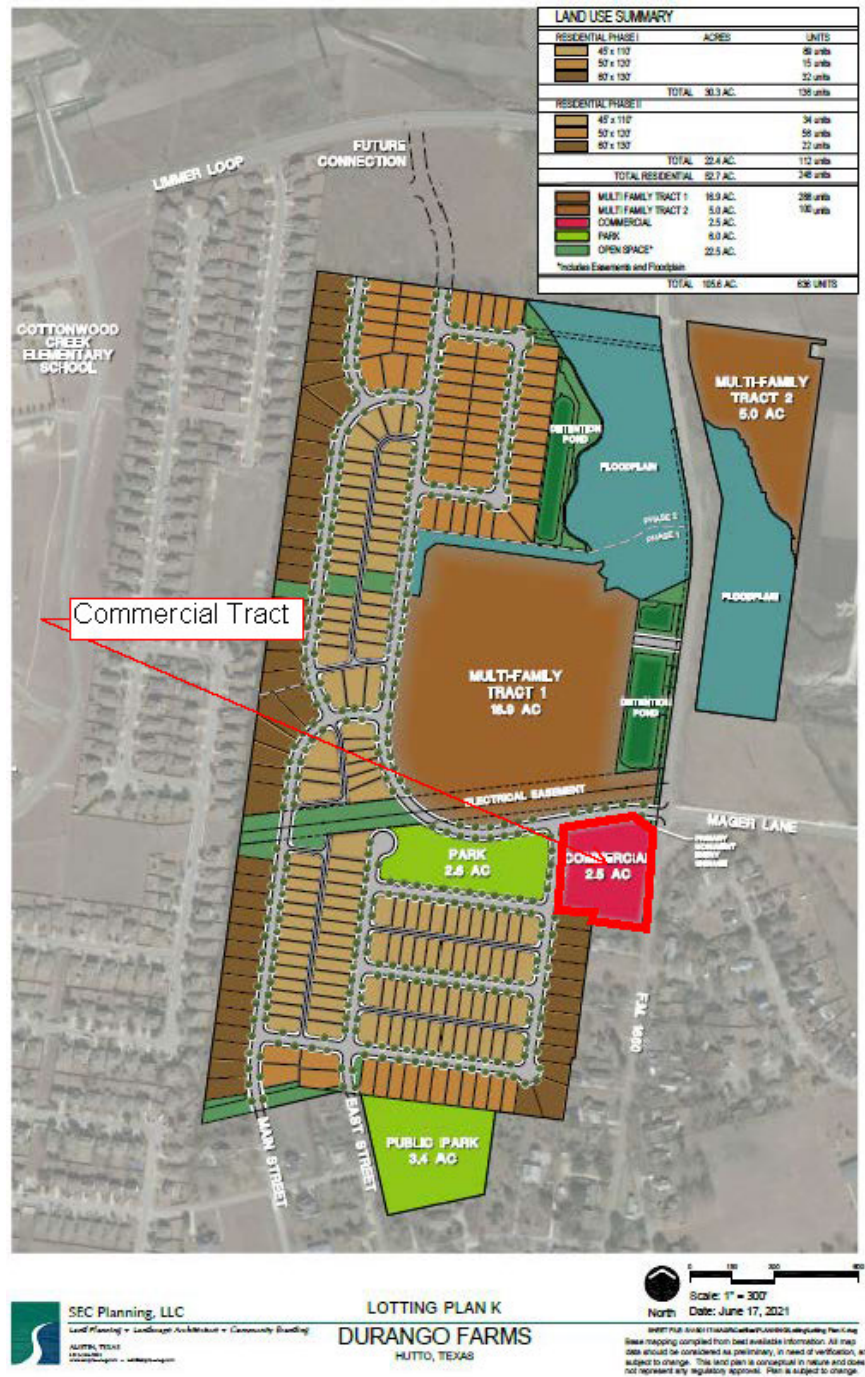
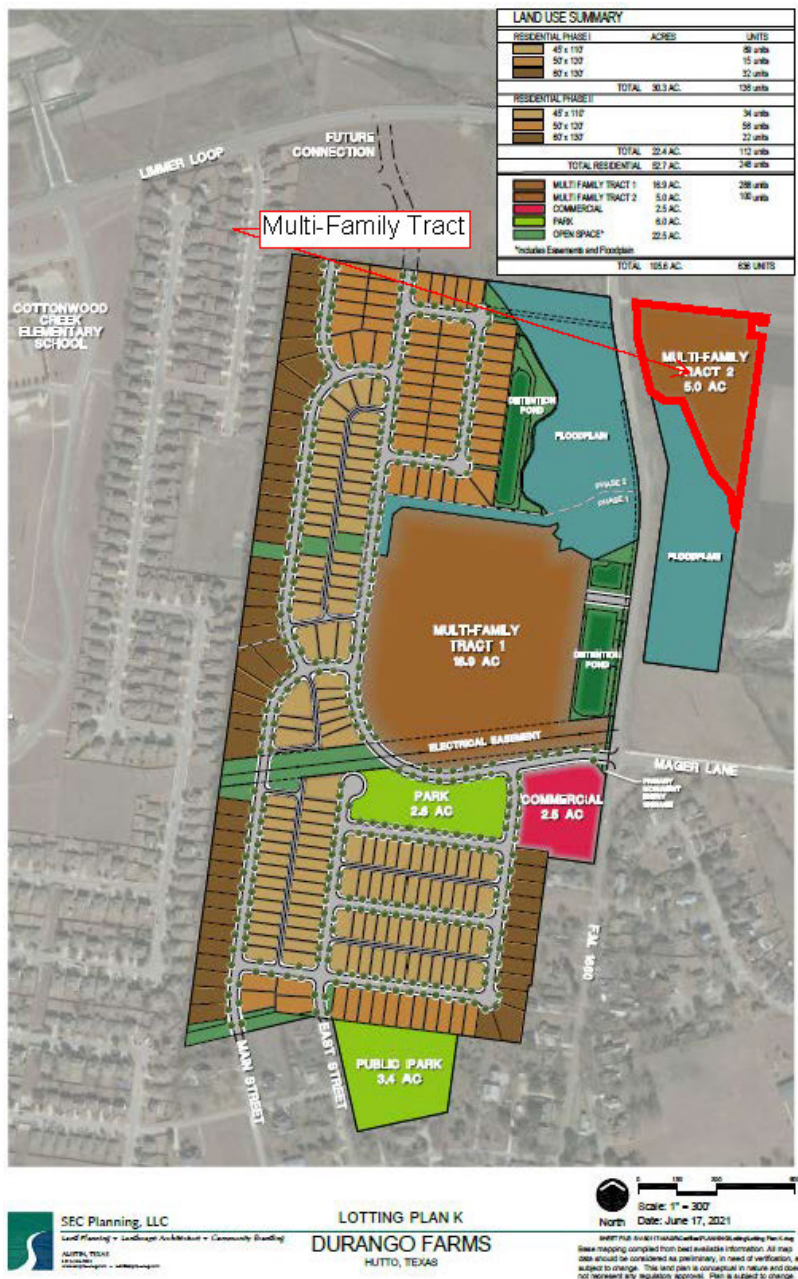


Exhibit "B-3" MULTIFAMILY PARCEL



CONCEPT PLAN

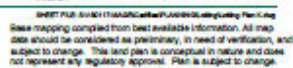


Exhibit "D"

AUTHORIZED IMPROVEMENTS

•**Note:** At the time of execution of this Agreement, the only Authorized Improvements (and estimated costs) that can be determined with certainty are the Authorized Improvements which are listed below. Terms not defined herein have the definition given in the SAP:

A. Section 1 Improvements

- *Streets*

Improvements including subgrade stabilization (including lime treatment and compaction), concrete and reinforcing steel for roadways, testing, handicapped ramps, and streetlights. All related earthwork, excavation and embankment, erosion control, retaining walls, intersections, signage, lighting, and sleeving are included. The street improvements will provide street access to each Lot within Section 1.

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Section 1.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Section 1.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Section 1.

- *Erosion Control, Excavation, and Embankment*

Improvements including stabilized construction entrance, silt fencing, inlet protection, permanent erosion control by applying top soil and hydromulch in all disturbed areas, dry stack walls, clearing and grubbing of all right of ways and alleys and excavating all right of ways, alleys and wet utilities, onsite storage of materials and import and haul off of materials, as necessary.

- *Detention Pond*

Improvements including walls, outfall structures, access ramps, gates, signage and all necessary appurtenances required to create detention ponds within Section 1.

- *Soft Costs/Contingency*

Includes 15% soft costs (inclusive of 4% construction management fee), 5% contingency for bid improvements, and 10% contingency for non-bid improvements.

B. Section 2 Improvements

- *Water*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide water service to all Lots within Section 2.

- *Wastewater*

Improvements including trench excavation and embedment, trench safety, PVC piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances required to provide wastewater service to all Lots within Section 2.

- *Drainage*

Improvements including earthen channels, swales, curb and drop inlets, RCP piping and boxes, headwalls, concrete flumes, rock rip rap, concrete outfalls, and testing as well as all related earthwork, excavation, and erosion control necessary to provide storm drainage for all Lots in Section 2.

- *Erosion Control, Excavation, and Embankment*

Improvements including stabilized construction entrance, silt fencing, inlet protection, permanent erosion control by applying top soil and hydromulch in all disturbed areas, dry stack walls, clearing and grubbing of all right of ways and alleys and excavating all right of ways, alleys and wet utilities, onsite storage of materials and import and haul off of materials, as necessary.

- *Soft Costs/Contingency*

Includes 15% soft costs (inclusive of 4% construction management fee), 5% contingency for bid improvements, and 10% contingency for non-bid improvements.

C. Major Improvements

- *FM 1660*

Improvements including permanently changing the existing 3 way traffic signal into a four way traffic signal and other general intersection improvements, including adding turn lanes and deceleration lanes accomplished by the widening of the pavement sections north and south of the existing intersection. The FM 1660 improvements will be owned and operated by TXDOT.

Exhibit "E"

-INTENTIONALLY DELETED

Exhibit "F-1"

FORM OF CLOSING DISBURSEMENT REQUEST

(Closing Disbursement Request – Durango Farms)

FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for MA Durango Farms, LLC (the "**Owner**") and requests payment to the Owner from the applicable account of the Project Fund from _____, (the "**Trustee**") in the amount of \$ _____ to be transferred from the applicable account of the Project Fund upon the delivery of the PID Bonds for costs incurred in the establishment, administration, and operation of the Durango Farms Public Improvement District (the "**District**"), as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City of Hutto, Texas (the "**City**") and the Trustee dated as of _____, 20__ (the "**Indenture**") relating to the "[INSERT NAME OF BONDS]" (the "**PID Bonds**").

In connection with the above referenced payment, the Owner represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Owner, is qualified to execute this Closing Disbursement Request on behalf of the Owner and is knowledgeable as to the matters set forth herein.
2. This request for payment for the below referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds have not been the subject of any prior Certification for Payment submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation 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.
4. The Owner is in compliance with the terms and provisions of the PID Financing Agreement, the Indenture, the Service and Assessment Plan, and the Development Agreement.
5. All conditions set forth in the Indenture and the PID Financing Agreement 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 said review.

Payments requested hereunder shall be made as directed below:

[Information regarding amount and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

MA Durango Farms, LLC
a Texas limited liability company

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and shall include said payments in the City Certificate submitted to the Trustee directing payments to be made from [Actual Costs of Issuance Account] [_____ Account of the Project Fund] upon delivery of the PID Bonds.

CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

Exhibit "F-2"

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Durango Farms)

CERTIFICATION FOR PAYMENT FORM NO. _____

The undersigned _____ (the "**Construction Manager**") requests payment from [the applicable account of the Project Fund] from the City of Hutto (the "**City**") in the amount of \$ _____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Durango Farms Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Durango Farms Public Improvement District Financing and Reimbursement Agreement between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Authorized Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Authorized Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Authorized Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.
6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Special Assessments it owes or an entity under common control with the Construction Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.
7. The work with respect to the Authorized Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Authorized Improvements (or

its completed Segment). *[Include bracketed language if final progress payment for such Authorized Improvement]*

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or Segment thereof) has been completed and the City has accepted such Authorized Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.][*Include bracketed language if final progress payment for such Authorized Improvement*]

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Authorized Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. *[Include bracketed language if final progress payment for such Authorized Improvement]*

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

MA Durango Farms, LLC,
a Texas limited liability company, as
CONSTRUCTION MANAGER

By: _____
Name: _____
Title: _____

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

By:

Name: _____

Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Authorized Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from [the appropriate account of the Project Fund] [the Reimbursement Fund] to the Construction Manager or to any person designated by the Construction Manager.

CITY OF HUTTO, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A TO CERTIFICATION FOR PAYMENT FORM NO. ____

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Actual Costs</u>
----------------	---	---------------------

ATTACHMENT B TO CERTIFICATION FOR PAYMENT FORM NO. _____

[Include Attachment B bracketed if final progress payment for such Authorized Improvement]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C TO CERTIFICATION FOR PAYMENT FORM NO. ____

INVOICE LEDGER

Invoice Ledger Entity: MA Durango Farms, LLC Project: Durango Farms Public Improvement District								
Certification of Payment Form No. ____	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub-Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

Exhibit "G"

BUDGET

City Attorney	\$10,000 opinion fee per series of bonds
City's Financial Advisor	\$25,000 plus 2.00% of par value of each series of bonds
Bond Counsel	2.50% of par value of each series of bonds, minimum of \$50,000 per series
Underwriter	2.00% of par value of each series of bonds
Underwriter's Counsel	1.00% of par value of each series of bonds

Exhibit "H"

DURANGO FARMS PUBLIC IMPROVEMENT DISTRICT HOMEBUYER DISCLOSURE

HOME BUYER DISCLOSURE PROGRAM

1. A person who proposes to sell or otherwise convey real property that is located in a public improvement district shall first give to the purchaser of the property the written notice titled "Notice of Obligation to Pay Public Improvement District Assessment to the City of Hutto, Texas", the form of which is attached hereto as Exhibit "H-1", as may be modified by Section 5.014 of the Texas Property Code. In the event state law conflicts with the form of notice provided herein, state law shall control.
2. A Builder¹ for an Assessed Property shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City upon receipt of written request by the City which sets forth the City's mailing address and other contact information.
3. A Builder for an Assessed Property shall prominently display signage provided by the Owner or the PID Administrator in the Builder's model homes, if any, located within the Property.
4. If prepared and provided by the City and approved by Owner (such approval not to be unreasonably withheld), a Builder for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers for an Assessed Property.
6. The Owner must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

¹ Builder" means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit "H-1" to Financing Agreement

DURANGO FARMS PID – LOT TYPE []: HOMEBUYER DISCLOSURE

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO

CITY OF HUTTO, TEXAS CONCERNING THE FOLLOWING PROPERTY

[insert property address]

LOT TYPE 1 PRINCIPAL ASSESSMENT: []

As the purchaser of the real property described above, you are obligated to pay assessments to Hutto, 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 Durango Farms Public Improvement District (the "District") created under 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 Hutto. The exact amount of each annual installment will be approved each year by the Hutto 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 Hutto.

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.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

Signature of Purchaser

STATE OF TEXAS

§

§

COUNTY OF WILLIAMSON

§

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, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-144 approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District Project).
Meeting: Thursday, October 7, 2021
Department: Legal
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

None

AGENDA ITEM REPORT



To: City Council
Subject: Consideration and possible action on Resolution No. R-2021-146 approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for "City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project).
Meeting: Thursday, October 7, 2021
Department: City Secretary
Staff Contact:

BACKGROUND INFORMATION:

SUMMARY OF REQUEST:

STAFF REVIEW:

FINANCIAL IMPACT:

POLICY IMPLICATIONS:

ATTACHMENTS:

1. City of Hutto - Cottonwood Creek PID IA#1 - S2021 PLOM
2. Hutto, Texas - Cottonwood Creek PID S2021 Developer CDA
3. Hutto, Texas - Cottonwood Creek PID IA#1 S2021 Issuer CDA
4. Appendix G Report - Cottonwood Creek PID
5. Indenture 09.13.2021
6. Bond Counsel Opinion 03.18.2021
7. Resolution approving the PLOM (Hutto Cottonwood)

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [OCTOBER 8], 2021

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 statutes, regulations, published rulings and court decisions existing on the date hereof, subject to the matters described under “TAX MATTERS” herein.

\$10,215,000*

CITY OF HUTTO, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

Dated Date: Date of Delivery

Interest to Accrue from Closing Date

Due: September 1, as shown on the inside cover

The City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project) (the “Bonds”), are being issued by the City of Hutto, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The Bonds will bear interest at the rates set forth on the inside cover page hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing March 1, 2022*, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry-only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by Wilmington Trust, National Association, as trustee (the “Trustee”), to Cede & Co. as the registered owner thereof. See “BOOK-ENTRY-ONLY SYSTEM.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance expected to be adopted by the City Council of the City (the “City Council”) on October 21, 2021, and an Indenture of Trust, dated as of October 1, 2021 (the “Indenture”), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of District Formation Expenses, and (3) the Bond Issuance Costs of the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds. See “THE IMPROVEMENT AREA #1 PROJECTS” and “APPENDIX B — Form of Indenture.” Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Pledged Revenues (as defined herein), consisting primarily of the Improvement Area #1 Assessments (as defined herein) levied against assessed parcels in Improvement Area #1 of the Cottonwood Creek Public Improvement District (the “District”), in accordance with the Service and Assessment Plan (as defined herein) and other funds comprising the Trust Estate (as defined herein), all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation. 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.” Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds. The Bonds are not credit enhanced or rated and no application has been made for a rating on the Bonds.

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D — Form of Opinion of Bond Counsel.” Certain legal matters will be passed upon for the City by its general counsel, Bojorquez Law Firm, for the Underwriter by its counsel, Norton Rose Fulbright US LLP and for the Developer by its counsel, Metcalfe Wolff Stuart & Williams, LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about November 18, 2021 (the “Closing Date”).

FMSbonds, Inc.

* Preliminary; subject to change.
102520971.7

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

CUSIP Prefix: _____^(a)

\$10,215,000*

CITY OF HUTTO, TEXAS,

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

\$ _____ % Term Bonds, Due September 1, 20 __, Priced to Yield ____%; CUSIP ____^{(a) (b) (c)}

\$ _____ % Term Bonds, Due September 1, 20 __, Priced to Yield ____%; CUSIP ____^{(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 S&P Global Market Intelligence 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 service 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."

* Preliminary; subject to change.

CITY OF HUTTO, TEXAS

CITY COUNCIL

<u>Name</u>	<u>Place</u>	<u>Term Expires (May)</u>
Mike Snyder	Mayor	2022
Robin Sutton	Councilmember, Place 1	2023
Dan Thornton	Councilmember, Place 2	2024
Mandi Villarreal Salvo	Councilmember, Place 3	2022
Peter Gordon	Councilmember, Place 4	2023
Krystal Kinsey	Councilmember, Place 5	2024
Tanner Rose	Councilmember, Place 6, Mayor Pro Tem	2022

**CEO/CITY
MANAGER**
Warren Hutmacher

**ASSISTANT CITY
MANAGER**
Matt Wojnowski

**CITY
SECRETARY**
Holly Nagy

**CHIEF FINANCIAL
OFFICER**
Angie Rios

PID ADMINISTRATOR
P3Works, LLC

SPECIAL ASSESSMENT CONSULTANT
Development Planning & Financing Group, Inc.

FINANCIAL ADVISOR TO THE CITY
Hilltop Securities Inc.

BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.

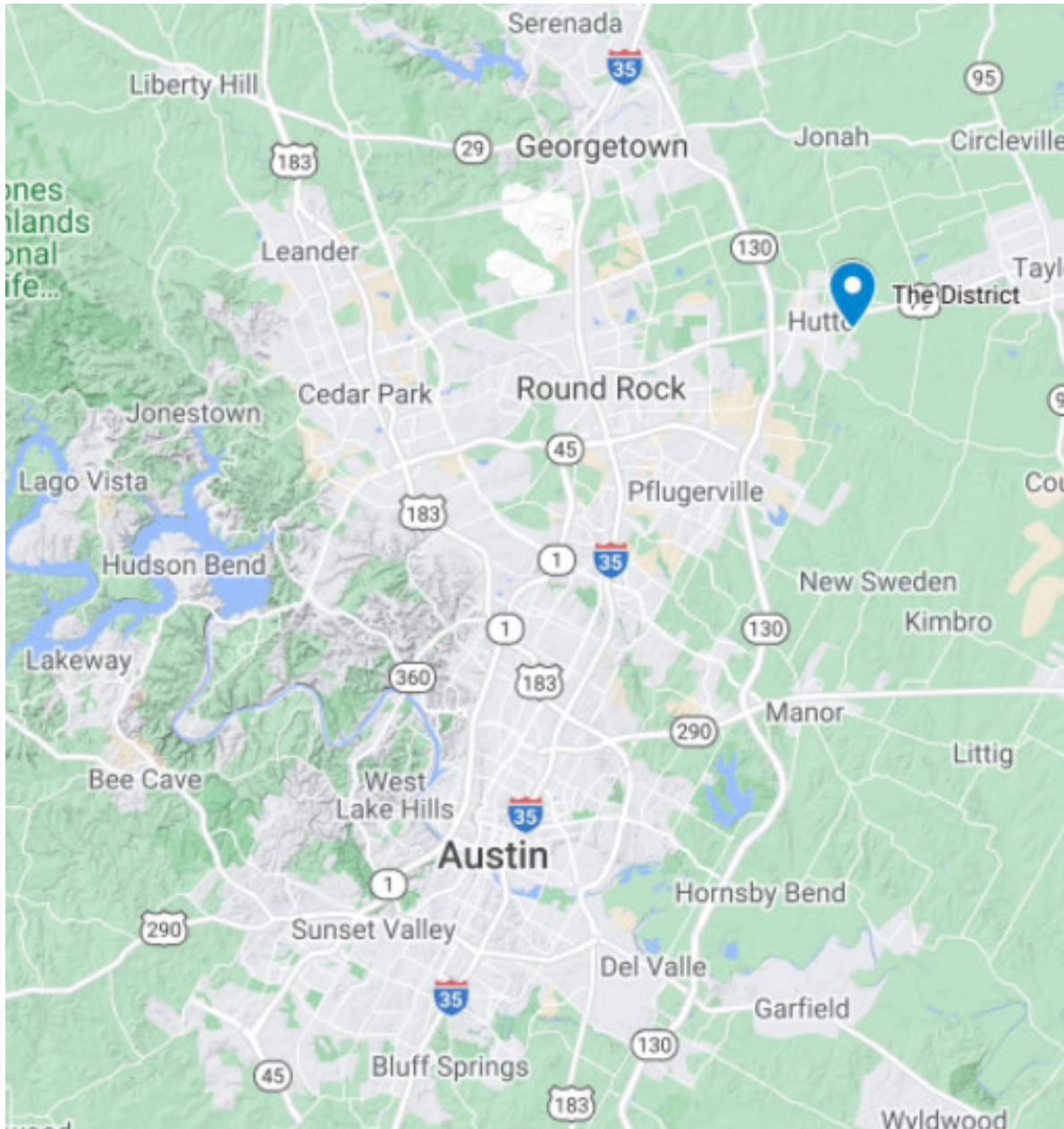
For additional information regarding the City, please contact:

Mr. Warren Hutmacher
City Manager
City of Hutto
500 West Live Oak Street
Hutto, TX 78634
Phone: (512) 759-4030
warren.hutmacher@huttotx.gov

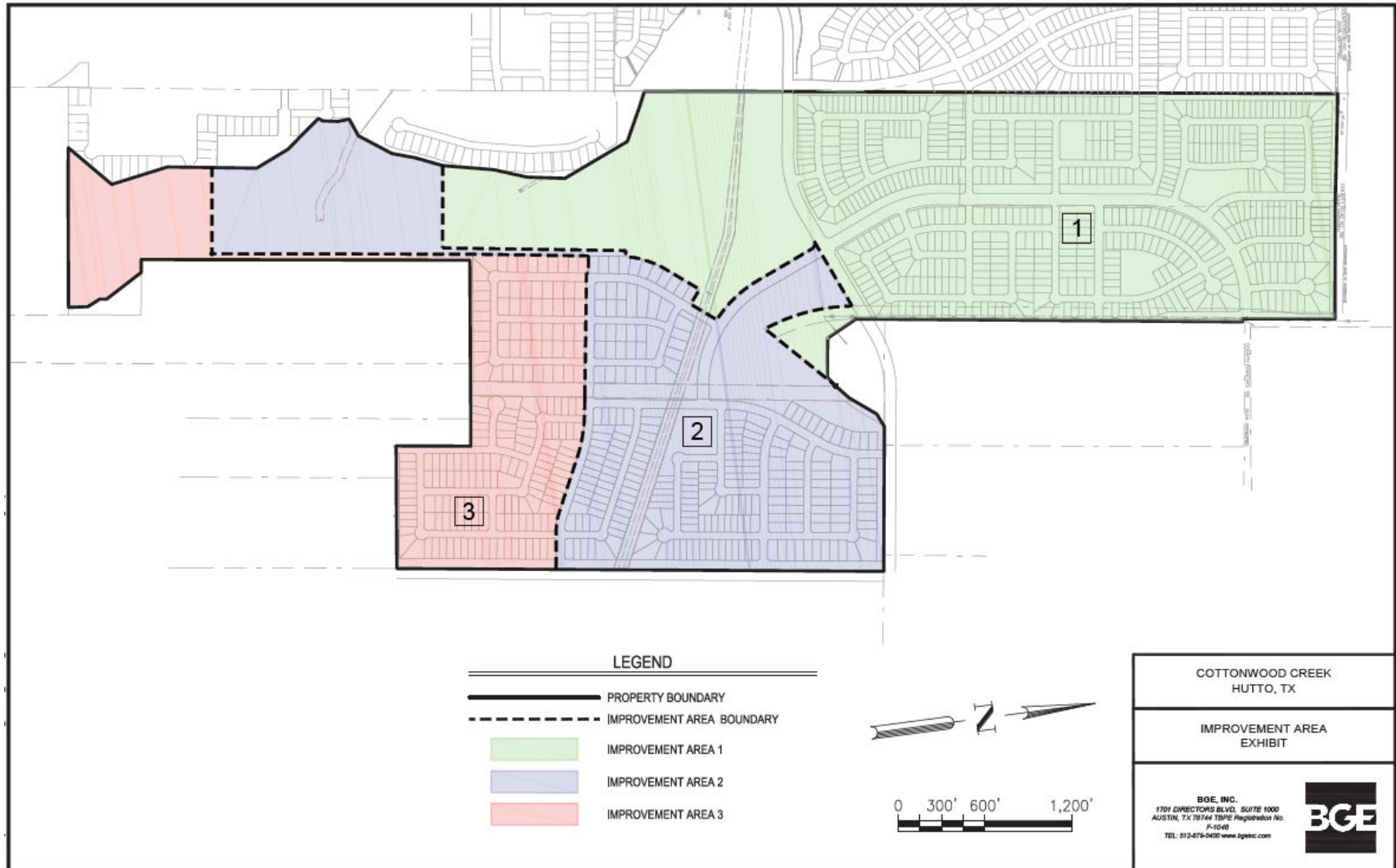
Jim S. Sabonis
Hilltop Securities Inc.
1201 Elm Street, Suite 3400
Dallas, TX 75201
Phone: 214-953-4000
jim.sabonis@hilltopsecurities.com

Andre Ayala
Hilltop Securities Inc.
1201 Elm Street, Suite 3400
Dallas, TX 75201
Phone: 214-953-4000
andre.ayala@hilltopsecurities.com

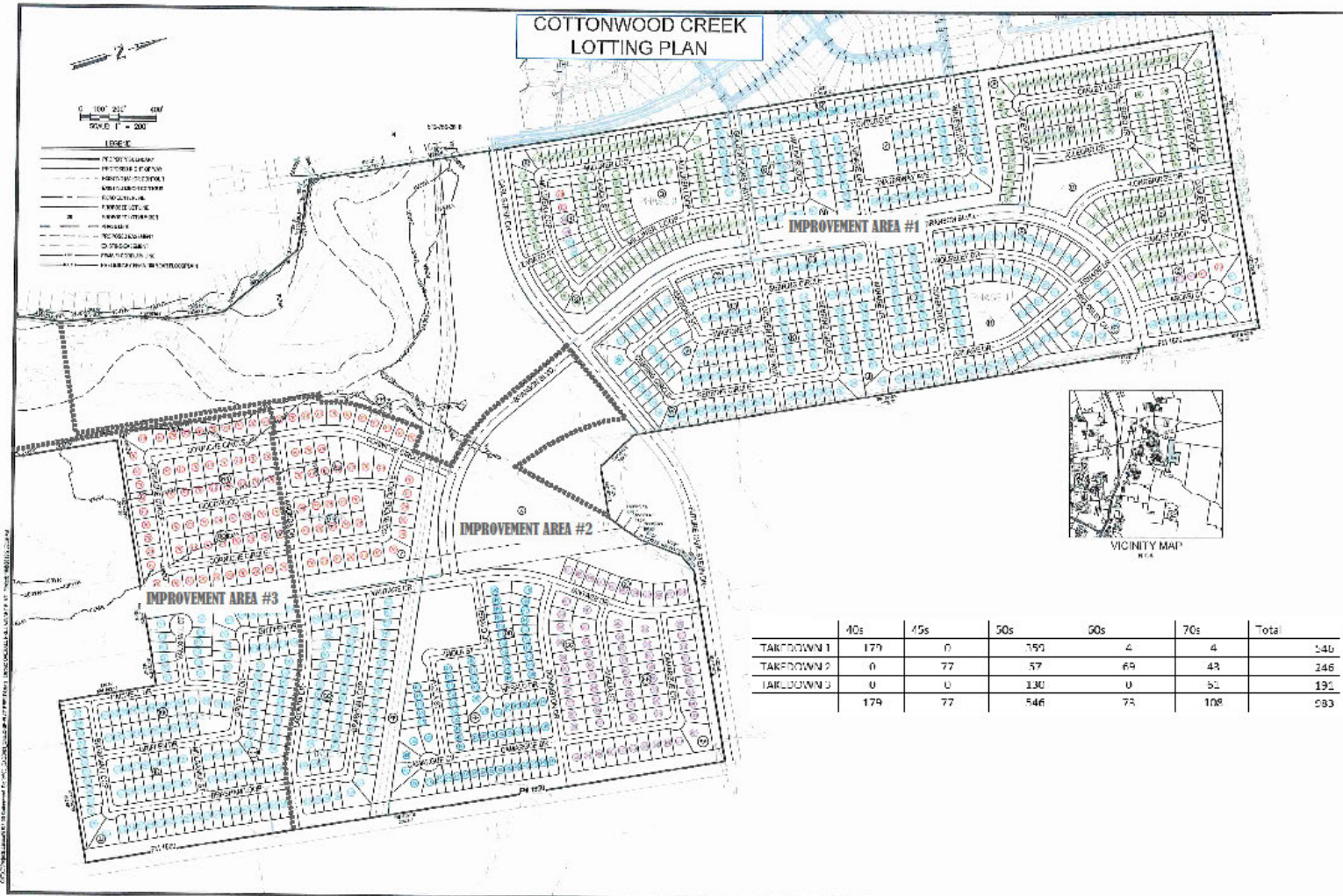
AREA LOCATION OF THE DISTRICT



MAP OF THE DISTRICT INCLUDING IMPROVEMENT AREA #1



MAP SHOWING LOTTING PLAN OF THE DISTRICT



FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES AN "OFFICIAL STATEMENT" OF 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 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 DEVELOPERS 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 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. CITY NEITHER PLANS TO ISSUE ANY UPDATES OR REVISIONS NOR PLANS 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.

(REMAINDER OF PAGE IS INTENTIONALLY LEFT BLANK.)

TABLE OF CONTENTS

INTRODUCTION	1	Reduction of Assessments	27
PLAN OF FINANCE.....	2	Priority of Lien	27
Development Plan.....	2	Foreclosure Proceedings.....	27
Developer as Homebuilder	3	THE CITY	28
Future Bond Financings and Refunding		Background.....	28
Bonds	3	City Government	28
The Bonds	4	THE DISTRICT.....	28
LIMITATIONS APPLICABLE TO INITIAL		General.....	28
PURCHASERS.....	4	Powers and Authority of the City	29
DESCRIPTION OF THE BONDS	5	THE IMPROVEMENT AREA #1 PROJECTS	29
General Description.....	5	General.....	29
Redemption Provisions.....	5	Improvement Area #1 Projects	29
BOOK-ENTRY-ONLY SYSTEM	7	Costs of Improvement Area #1 Projects.....	30
SECURITY FOR THE BONDS SIMILARLY		Ownership and Maintenance of	
SECURED	9	Improvement Area #1	
General.....	9	Improvements	31
Pledged Revenues	10	THE DEVELOPMENT	31
Collection and Deposit of Improvement		Overview.....	31
Area #1 Assessments	10	Development Plan.....	31
Unconditional Levy of Improvement		Development Agreement	33
Area #1 Assessments	11	Financing and Reimbursement	
Perfected Security Interest.....	12	Agreement	33
Pledged Revenue Fund	12	Additional Improvements and	
Bond Fund	13	Amenities	34
Project Fund.....	13	Photographs of the Development.....	34
Reserve Account of the Reserve Fund.....	14	Zoning/Permitting.....	34
Delinquency & Prepayment Reserve		Education	35
Account of the Reserve Fund	14	Environmental.....	35
Administrative Fund	15	Natural Gas Pipelines and Easements.....	35
Defeasance	15	Mineral Rights	35
Events of Default	16	Utilities	36
Remedies in Event of Default.....	16	THE LANDOWNER	36
Restriction on Owner's Actions.....	17	Description of the Landowner	36
Application of Revenues and Other		THE DEVELOPER	36
Moneys after Event of Default	18	General.....	36
Investment or Deposit of Funds.....	18	Description of the Developer.....	36
Against Encumbrances	18	Executive Biography of Principals of	
Other Obligations or Other Liens;		Lennar Corp.....	37
Refunding Bonds; Future Bonds	19	Executive Biography of Local	
SOURCES AND USES OF FUNDS ⁽¹⁾	19	Management of the Developer	38
DEBT SERVICE REQUIREMENTS ⁽¹⁾	20	History and Financing of the District	38
OVERLAPPING TAXES AND DEBT.....	21	PID ADMINISTRATOR.....	39
ASSESSMENT PROCEDURES	23	THE SPECIAL ASSESSMENT CONSULTANT	39
General.....	23	APPRAISAL OF PROPERTY WITHIN	
Assessment Methodology	23	IMPROVEMENT AREA #1	40
Collection and Enforcement of		The Appraisal.....	40
Assessment Amounts.....	24	BONDHOLDERS' RISKS	40
Assessment Amounts.....	25	Infectious Disease Outbreak	41
Prepayment of Assessments	26	Assessment Limitations	42

No Credit Rating.....	43	Litigation — The Developer.....	56
Potential Future Changes in State Law Regarding Public Improvement Districts.....	44	SUITABILITY FOR INVESTMENT	56
Risks Related to the Current Real Estate Market.....	44	ENFORCEABILITY OF REMEDIES	56
Competition	44	NO RATING.....	56
Loss of Tax Exemption.....	45	CONTINUING DISCLOSURE.....	57
Bankruptcy.....	45	The City	57
Direct and Overlapping Indebtedness, Assessments and Taxes	45	The City’s Compliance with Prior Undertakings.....	57
Depletion of Reserve Account of the Reserve Fund	46	The Developer	57
Regulation.....	46	The Developer’s Compliance with Prior Undertakings.....	58
Hazardous Substances	46	UNDERWRITING	58
100-Year Flood Plain.....	46	REGISTRATION AND QUALIFICATION OF BONDS FOR SALE	58
Risk from Weather Events.....	47	LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.....	58
Exercise of Mineral Rights	47	INVESTMENTS.....	58
Bondholders’ Remedies and Bankruptcy	47	INFORMATION RELATING TO THE TRUSTEE61	
Judicial Foreclosures	48	SOURCES OF INFORMATION	61
No Acceleration	49	General.....	61
Limited Secondary Market for the Bonds.....	49	Source of Certain Information	62
Bankruptcy Limitation to Bondholders’ Rights.....	49	Experts	62
Management and Ownership	49	Updating of Limited Offering Memorandum	62
General Risks of Real Estate Investment and Development.....	49	FORWARD-LOOKING STATEMENTS	62
Use of Appraisal	50	AUTHORIZATION AND APPROVAL	63
Availability of Utilities.....	50		
Dependence upon Developer.....	51	APPENDIX A General Information Regarding the City and Surrounding Area	
Forensic Audit	51	APPENDIX B Form of Indenture	
TAX MATTERS.....	51	APPENDIX C Form of Service and Assessment Plan	
Opinion	51	APPENDIX D Form of Opinion of Bond Counsel	
Federal Income Tax Accounting Treatment of Original Issue Discount.....	52	APPENDIX E-1 Form of Disclosure Agreement of Issuer	
Collateral Federal Income Tax Consequences	52	APPENDIX E-2 Form of Disclosure Agreement of Developer	
State, Local and Foreign Taxes	53	APPENDIX F Financing and Reimbursement Agreement	
Information Reporting and Backup Withholding.....	53	APPENDIX G Appraisal of Improvement Area #1	
Future and Proposed Legislation	53		
LEGAL MATTERS.....	54		
Legal Proceedings.....	54		
Legal Opinions.....	54		
Litigation — The City	54		

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

PRELIMINARY LIMITED OFFERING MEMORANDUM

\$10,215,000*

CITY OF HUTTO, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

(COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover and the appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Hutto, Texas (the “City”), of its \$10,215,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 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. 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, AND/OR INTEREST ON THE BONDS. THE BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. SEE “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BONDHOLDERS’ RISKS,” AND “SUITABILITY FOR INVESTMENT.”

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the Bonds expected to be adopted by the City Council of the City (the “City Council”) on October 21, 2021 (the “Bond Ordinance”), and an Indenture of Trust, dated as of October 1, 2021 (the “Indenture”), expected to be entered into by and between the City and Wilmington Trust, National Association, 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 levied pursuant to the PID Act (“Assessments”), being those special assessments (the “Improvement Area #1 Assessments”) levied pursuant to an ordinance adopted by the City Council on June 3, 2021 (the “Assessment Ordinance”) against assessed parcels (the “Improvement Area #1 Assessed Property”) located within Improvement Area #1 (as defined herein) of the Cottonwood Creek Public Improvement District (the “District”), all to the extent and upon the conditions described in the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “ASSESSMENT PROCEDURES.”

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

Set forth herein are brief descriptions of the City, the District, the Developer (as defined herein), the Landowner (as defined herein), the PID Administrator (as defined herein), the Special Assessment Consultant (as defined herein) the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein), the Financing and Reimbursement Agreement (as defined herein), and the Development Agreement (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The form of Indenture appears in APPENDIX B and

* Preliminary; subject to change.

the form of Service and Assessment Plan appears as APPENDIX C. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

The District consists of approximately 370.312 acres making up a master-planned single family residential community known as Cotton Brook, formerly known as Meadows at Cottonwood Creek (the “Development”). In 2003, Hutto 372, Ltd., a Texas limited partnership (the “Landowner”), acquired approximately 372 acres of the property for a long-term residential development project. See “THE DEVELOPMENT — Overview.” Pursuant to a contract dated November 8, 2017, the Landowner agreed to sell approximately 314.2 acres of property within the District to Lennar Homes of Texas Land and Construction Company, Ltd., a Texas limited partnership (“Lennar” or “Developer”), a subsidiary of Lennar Corporation, which is developing the property. The Developer closed on approximately 139.6 acres of property in Improvement Area #1 (as defined below) of the District in two transactions on October 30, 2019 and October 2, 2020. On November 12, 2019, the Developer acquired an additional 46.68 acres from John Leschber for inclusion in Improvement Area #1. The Developer expects to close on the property in Improvement Area #2 of the District (as defined below) from the Landowner on October 31, 2021 and to close on the property in Improvement Area #3 of the District from the Landowner in October 2023. See “THE LANDOWNER” and “THE DEVELOPER — History and Financing of the District.”

The Developer expects the District to include approximately 918 single-family homes and 73 duplexes developed over eight phases. Phases 1-4 of the Development (together, “Improvement Area #1” of the District) include approximately 186.341 acres and is expected to include approximately 546 single-family homes and four duplexes. The remaining 372 single-family homes and 69 duplexes are expected to be developed in subsequent Phases 4-8, grouped into two improvement areas of the District (“Improvement Area #2” and “Improvement Area #3” and, together, the “Future Improvement Areas”). Additionally, an approximately 14 acre site in a Future Improvement Area has been reserved for possible use as a school.

The Developer began constructing the improvements required to provide water, roads, and drainage to the lots within Improvement Area #1 of the District (collectively, the “Improvement Area #1 Improvements”) in November 2020. As of August, 2021 the Developer has completed construction of approximately 60% of the Improvement Area #1 Improvements, including all improvements necessary to serve all lots in Phase 1 and Phase 3 of the District. The Developer expects to complete all Improvement Area #1 Improvements to serve Phases 2 and 4 of the District by the third or fourth quarter of 2022. The Improvement Area #1 Improvements, Bond Issuance Costs (as defined herein), and Improvement Area #1’s allocable share of the District Formation Expenses (as defined herein) make up the “Improvement Area #1 Projects”. The Improvement Area #1 Projects are described in “THE IMPROVEMENT AREA #1 PROJECTS” herein. See “THE DEVELOPMENT.” The layout of Improvement Area #1 is shown on “DISTRICT MAP INCLUDING IMPROVEMENT AREA #1 MAP” on page iii, and the concept plan for the District is shown in the “MAP SHOWING LOTTING PLAN OF THE DISTRICT” on page iv.

The City will finance and/or pay the Developer for a portion of the actual costs, paid or incurred by or on behalf of the Developer, of the Improvement Area #1 Projects through the issuance of the Bonds. The balance of the costs of the Improvement Area #1 Improvements will be funded by the Developer without reimbursement by the City. The City and the Developer entered into a Financing and Reimbursement Agreement, effective as of June 3, 2021 (the “Financing and Reimbursement Agreement”), which provides, in part, for the deposit of the Improvement Area #1 Assessments and the proceeds from the issuance and sale of the Bonds, and the payment of the actual costs of the Improvement Area #1 Improvements. See “THE IMPROVEMENT AREA #1 PROJECTS,” “APPENDIX C — Form of Service and Assessment Plan” and “APPENDIX F — Form of Financing and Reimbursement Agreement.”

In addition to the Improvement Area #1 Improvements, the Developer will construct (i) certain additional wastewater improvements (the “Additional Improvements”) to serve the District; and (ii) certain public and private amenities to serve the District, including (a) open space, hike and bike trails, and potential multi-purpose fields anticipated to be open to general public (the “Public Amenities”), and (b) two amenity centers which may be limited to community residents (the “Private Amenities,” and, together with the Public Amenities, the “Amenities”).

The Private Amenities will be dedicated to and maintained by the Homeowners' Association. The Public Amenities will be dedicated to and maintained by the City or the Hutto Parks Foundation. See "THE DEVELOPMENT — Additional Improvements and Amenities".

The costs of the Additional Improvements and the Amenities will be financed through Developer corporate cash funding and will not be reimbursed by the City. See "THE DEVELOPMENT — Development Plan, "— Development Agreement" and "— Additional Improvements and Amenities" and "THE DEVELOPER — History and Financing of the District."

The table below summarizes the estimated budgeted cost for each type of improvement benefitting the entire District and Developer funds spent on construction of the improvements as of August, 2021.

<u>Total Budgeted Costs⁽¹⁾</u>			
<u>Type of Improvement</u>	<u>Budgeted Cost</u>	<u>Developer Funds Spent as of August 2021</u>	<u>Remaining Costs</u>
Improvement Area #1 Projects	\$15,075,684	\$8,975,049	\$6,100,635
Additional Improvements ⁽²⁾	2,466,675	1,735,604	731,071
Amenities ⁽³⁾	3,500,000	295,000	3,205,000
Future Improvement Area Improvements ⁽⁴⁾	14,532,170	-	14,532,170
City PID Fee ⁽⁵⁾	2,000,000	-	2,000,000
Total Budgeted Costs	\$37,574,529	\$11,005,653	\$26,568,876

(1) Preliminary, subject to change.

(2) Pursuant to the Development Agreement and the Service and Assessment Plan, the Developer has agreed to construct certain wastewater improvements to serve the District at its own expense.

(3) The Amenities are intended to serve the entire District, and some or all of the Amenities may be completed after the development of Improvement Area #1.

(4) Future Improvement Area Improvement costs are based the Engineer's Report by BGE dated May 12, 2021. Such costs are preliminary, and are not necessary to complete Improvement Area #1 of the District.

(5) Pursuant to the Development Agreement, the Developer must pay a City PID Fee equal to \$2,034.59 per residential lot in the District to the City. The City PID Fee related to Improvement Area #1 is anticipated to be \$1,110,886 and such amount is due within 10 days of the issuance of the Bonds. Bond proceeds may not be used to pay the City PID Fee. See "THE DEVELOPMENT – Development Agreement."

Developer as Homebuilder

The Developer expects to construct all of the approximately 918 single-family homes and 73 duplexes planned within the District, and does not currently anticipate contracting with merchant homebuilders for sale of any of the lots. As of August, 2021, all 160 lots in Phase 1 and all 138 lots in Phase 3 are complete, the Developer has begun construction on approximately 75 homes in Phase 1, of which 22 homes are under contract with purchasers and 31 homes have been closed with end users. See "THE DEVELOPMENT — Development Plan – Single-Family Lot Development."

Future Bond Financings and Refunding Bonds

As provided for in the Service and Assessment Plan, the financing plan for the District contemplates that as Future Improvement Areas are developed, additional Assessments in such Future Improvement Areas may be levied by the City, and bonds may be issued to fund the cost of Public Improvements allocable to such Future Improvement Area ("Future Improvement Area Bonds").

Additionally, in the Indenture, the City has reserved the right to issue bonds to refund all or a portion of the Bonds ("Refunding Bonds") on parity with the Bonds.

The Bonds, the Refunding Bonds, if any, and the Future Improvement Area Bonds, if any, are separate and distinct issues of securities. The Future Improvement Area Bonds, if any, will be secured by separate assessments. Any Refunding Bonds or Future Improvement Area Bonds are not offered pursuant to

this Limited Offering Memorandum. Investors interested in purchasing any other City obligations should refer to the offering documents related thereto, when and if available.

The Bonds

Proceeds of the Bonds will be used for the purpose of paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of District Formation Expenses, and (3) the Bond Issuance Costs of the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds. See "SOURCES AND USES OF FUNDS," "THE IMPROVEMENT AREA #1 PROJECTS" and "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 the Improvement Area #1 Assessments, 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 of Texas (the "State") or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

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 the investment letter and any other 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 #1 Improvements, the Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the

Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor's decision to purchase the Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

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

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

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

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from their date of delivery to the Underwriter (the "Closing Date") and will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on each March 1 and September 1, commencing March 1, 2022* (each, an "Interest Payment Date"), until maturity or prior redemption. Wilmington Trust, National Association is the initial Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$100,000 of principal and any integral multiple of \$1,000 in excess thereof ("Authorized Denominations"). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See "BOOK-ENTRY-ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, 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 the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption (the "Redemption Price").

Extraordinary Optional Redemption. The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. See "ASSESSMENT PROCEDURES — Prepayment of Assessments" for the definition and description of Prepayments. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

* Preliminary; subject to change.

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

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

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

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

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

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the Bonds to be redeemed before giving of such notice of redemption, such notice may state that the City may condition redemption on 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 City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. Upon written direction from the City, the Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Partial Redemption. If less than all of the Bonds are to be redeemed pursuant to the option, extraordinary option, or mandatory sinking fund redemption provisions, Bonds shall be redeemed in increments of \$1,000 by lot, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

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

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by 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, or that they will do so on a timely basis or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission (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 detail information from the City or Paying Agent/Registrar, on the payment date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of 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 SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT PROCEDURES OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

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

General

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

The principal of, premium, if any, and interest on the Bonds Similarly Secured are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Improvement Area #1 Assessments expected to be levied against the Improvement Area #1 Assessed Property and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. In accordance with the PID Act, the City has caused the preparation of a service and assessment plan ("Original Service and Assessment Plan"), which describes the special benefit received by the Improvement Area #1 Assessed Property, provides the basis and justification for the determination of special benefit on the Improvement Area #1 Assessed Property, establishes the methodology for the levy of the Improvement Area #1 Assessments and provides for the allocation of

Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured. Concurrently with the sale of the Bonds, the City expects to approve an amended and restated service and assessment plan (as updated, amended and supplemented from time to time, the “Service and Assessment Plan”), which amends and restates the Original Service and Assessment Plan in its entirety and reflects the final terms of 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 #1 Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future landowners within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of applicable law to finance the Improvement Area #1 Projects by levying Assessments upon the Improvement Area #1 Assessed Property. For a description of the assessment methodology and the amounts of Assessments anticipated to be levied in Improvement Area #1, see “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

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

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

“Additional Interest Rate” means the additional 0.50% interest charged on the Improvement Area #1 Assessments as authorized by Section 372.018 of the PID Act.

“Annual Installment” means, with respect to the Improvement Area #1 Assessed Property, each annual payment of: (i) the principal of and interest on the Improvement Area #1 Assessments as shown on the Improvement Area #1 Assessment Roll (as defined herein) attached to the Service and Assessment Plan, as the same may be updated from time to time, or in an Annual Service Plan Update, and as shown in Exhibit G-1 to the Service and Assessment Plan, and calculated as provided in the Service and Assessment Plan, (ii) Annual Collection Costs, and (iii) the Additional Interest.

“Assessment Revenues” means the revenues received by the City from the collection of Improvement Area #1 Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

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

“Pledged Revenues” means, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Annual Installments collected for the payment of Annual Collection Costs (as defined herein) and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund” and “APPENDIX C — Form of Service and Assessment Plan.”

Collection and Deposit of Improvement Area #1 Assessments

The Improvement Area #1 Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds Similarly Secured are shown on the Improvement Area #1 Assessment Roll. The Improvement Area #1 Assessments (excluding the portion of the Annual Installments of the Improvement Area #1 Assessments collected for Annual Collection Costs and Delinquent Collection Costs), together with the interest thereon, will be deposited in the Pledged Revenue Fund for the payment of the principal of and interest on the Bonds Similarly Secured, as and to the extent provided in the Service and Assessment Plan and the Indenture. See “SECURITY FOR THE BONDS SIMILARLY SECURED — Pledged Revenue Fund.”

The Improvement Area #1 Assessments assessed to pay debt service on the Bonds Similarly Secured together with interest thereon, are payable annually in installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured (excluding the portion of the Assessments levied for Annual Collection Costs and the Additional Interest). An Annual Installment of an Improvement Area #1 Assessment has been made payable in the Assessment Ordinance in each City fiscal year preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to pay debt service requirements attributable to the Improvement Area #1 Assessments in the Service and Assessment Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

The portions of the installments collected to pay Annual Collection Costs and Delinquent Collection Costs will be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

Unconditional Levy of Improvement Area #1 Assessments

The City levied Improvement Area #1 Assessments on the property within Improvement Area #1 to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each fiscal year. The Improvement Area #1 Assessments became effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Improvement Area #1 Assessment may be paid immediately in full or in periodic annual installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the Improvement Area #1 Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each lot within Improvement Area #1 began to accrue on the date specified in the Service and Assessment Plan and, prior to issuance of the Bonds Similarly Secured, is calculated at a rate specified in the Assessment Ordinance. After issuance of the Bonds Similarly Secured, Additional Interest on the Improvement Area #1 Assessments for each lot within Improvement Area #1 will accrue at the Additional Interest Rate. Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated annually and shall be due when billed on or about October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

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

There is no discount or premium for the early payment of Improvement Area #1 Assessments.

The PID Act provides that the Improvement Area #1 Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) are a first and prior lien (the “Assessment Lien”) against the Improvement Area #1 Assessed Property, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Improvement Area #1 Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” herein. The Assessment Lien is superior to any homestead rights of a property owner that are properly claimed after the adoption of the Assessment Ordinance. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. See “BONDHOLDERS’ RISKS — Assessment Limitations.”

Failure to pay an Annual Installment when due will not accelerate the payment of the remaining Annual Installments of the Improvement Area #1 Assessments and such remaining Annual Installments (including interest)

will continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

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

Pledged Revenue Fund

The City will create under the Indenture a Pledged Revenue Fund to be held by the Trustee. Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, (iii) third to pay other Actual Costs of the Improvement Area #1 Projects, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth below, on each March 1, beginning March 1, 20__, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

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

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

Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency & Prepayment Reserve Requirement, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Improvement Area #1 Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Bond Fund

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

If amounts in the Principal and Interest Account are insufficient to pay the amounts due on the Bonds on an Interest Payment Date, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency pursuant to 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.

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

Project Fund

Money on deposit in the Project Fund shall be used for the purposes specified in the Indenture. Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates.

Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein. For the form of Certificate for Payment see Exhibit E-2 to “APPENDIX F — Form of Financing and Reimbursement Agreement.”

Except as provided in the following two paragraphs, money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Projects such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed. In making any determination pursuant to this paragraph, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

Upon the filing of a City Certificate stating that all of the Improvement Area #1 Projects have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Improvement Area #1 Projects are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another

Account or Subaccount in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Projects or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds Similarly Secured, and initially funded with proceeds of the Bonds in the amount of the Reserve Account Requirement. Pursuant to the Indenture, the "Reserve Account Requirement" for the Bonds Similarly Secured is the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced as a result of (1) an optional redemption or (2) an extraordinary optional redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the Closing Date, the Reserve Account Requirement is \$ _____ which is an amount equal to the [Maximum Annual Debt Service] on the Bonds Similarly Secured as of the date of issuance.

In the event of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & Prepayment Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds Similarly Secured due on such date, the Trustee shall transfer first from the Delinquency & Prepayment Reserve Account of the Reserve Fund, and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

Whenever, on any Interest Payment Date, or on any other date at the request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund, in accordance with the Indenture, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Improvement Area #1 Projects if such application and the expenditure of funds is expected to occur within three years of the date hereof.

Delinquency & Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Delinquency & Prepayment Reserve Account will be created within the Reserve Fund, held by the Trustee for the benefit of the Bonds. The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2022, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. The "Delinquency & Prepayment Reserve Requirement" means an amount equal to [5.5]% of the principal amount of the

then Outstanding Bonds. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in the Indenture provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer. The Additional Interest shall continue to be collected and deposited pursuant to the Indenture until the Bonds are no longer Outstanding.

Upon an extraordinary optional redemption of Bonds Similarly Secured due to Prepayments, after transferring funds from the Reserve Account of the Reserve Fund to the Redemption Fund, if 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 as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & Prepayment Reserve Account 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 the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess to the Redemption Fund to redeem Bonds Similarly Secured as provided in the Indenture.

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

Administrative Fund

The City will create under the Indenture an Administrative Fund held by the Trustee. Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with the Indenture. See "APPENDIX C — Form of Service and Assessment Plan."

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

Defeasance

Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of the Indenture (a "Defeased Debt"), when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys

deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current State law, 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 of America, 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 will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

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

- (i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;
- (ii) The failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;
- (iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and
- (iv) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the

rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

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

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 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 actual knowledge thereof or has been notified in writing, or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy under the Indenture.

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

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

Application of Revenues and Other Moneys after Event of Default

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

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

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

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

In the event funds are not adequate to cure any of the Events of Default described above, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

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

Investment or Deposit of Funds

Money in any Fund or Account established pursuant to the Indenture, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days.

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

Against Encumbrances

The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds Similarly Secured, or any Refunding Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

So long as Bonds Similarly Secured are Outstanding under the Indenture, the City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds, and Refunding Bonds, secured by any pledge

of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

Other Obligations or Other Liens; Refunding Bonds; Future Bonds

The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from the Trust Estate.

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

The City reserves the right to issue Future Improvement Area Bonds for any purpose permitted by the PID Act, pursuant to a separate indenture, for any Future Improvement Areas subject to the conditions of the Financing and Reimbursement Agreement.

Notwithstanding anything to the contrary in the Indenture no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds or subordinate obligations are scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and/or September 1 of the years in which interest is scheduled to be paid.

SOURCES AND USES OF FUNDS⁽¹⁾

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

Sources of Funds:	
Principal Amount	\$
Total Sources	<u>\$</u>
Use of Funds:	
Deposit to Project Account of Project Fund	\$
Deposit to Cost of Issuance Account of Project Fund	
Deposit to Reserve Account of Reserve Fund	
Deposit to the Administrative Fund	
Underwriter's Discount ⁽²⁾	
Total Uses	<u>\$</u>

⁽¹⁾ To be updated and completed upon pricing.

⁽²⁾ Includes Underwriter's counsel's fee of \$_____.

DEBT SERVICE REQUIREMENTS⁽¹⁾

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

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$	\$	\$
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
Total	\$	\$	\$

⁽¹⁾ To be updated and completed upon pricing.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

OVERLAPPING TAXES AND DEBT

The land within the District lies within the corporate limits of the City. The land within the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments. In addition to the taxes and the Assessments described above, the Developer anticipates that each owner of a single-family lot within the District will pay an annual maintenance and operation fee and/or a property owners' association fee to the homeowners' association (the "Homeowners' Association") formed by the Developer.

The District is located within the City, Williamson County (the "County") (including the Williamson County FM/RD Road Fund), the Hutto Independent School District ("Hutto ISD"), East Williamson County Higher Education Center ("EWCHec") Williamson County Emergency Services District #3 ("Williamson County ESD #3"), and the Upper Brushy Creek Water Control and Improvement District #1A ("Upper Brushy Creek WCID #1A"), all of which may levy ad valorem taxes upon land within 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 special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in the District.

Overlapping Taxes

<u>Taxing Entity</u>	Tax Year 2021 <u>Ad Valorem Tax Rate⁽¹⁾</u>
City of Hutto	\$0.5364
Hutto ISD	1.4203
EWCHec	0.0446
Williamson County (including FM/RD Road Fund)	0.4408
Williamson County ESD #3	0.1000
Upper Brushy Creek WCID #1A	<u>0.0175</u>
Total Current Tax Rate	<u>\$2.5597</u>
 Estimated Average Annual Installment in Improvement Area #1 of the District as an Equivalent Tax Rate	 <u>\$0.3731⁽²⁾</u>
 Estimated Total Tax Rate and Average Annual Installment in Improvement Area #1 of the District as an Equivalent Tax Rate	 <u>\$2.9328⁽²⁾</u>

⁽¹⁾ As reported by the Williamson Central Appraisal District. Per \$100 taxable appraised value.

⁽²⁾ Derived from information in the Service and Assessment Plan. Assumes an average home taxable value of \$327,377. Preliminary; subject to change.

Source: Williamson Central Appraisal District, Appraisal (as defined herein) and the Service and Assessment Plan.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #1 of the District, and City debt to be secured by the Improvement Area #1 Assessments:

<u>Overlapping Debt</u>			
<u>Taxing or Assessing Entity</u>	<u>Total Outstanding Debt as of October 1, 2021</u>	<u>Estimated % Applicable⁽¹⁾</u>	<u>Direct and Estimated Overlapping Debt⁽¹⁾</u>
The City (Improvement Area #1 Assessments - The Bonds) ⁽²⁾	\$ 10,215,000	100.00%	\$10,215,000
The City (Ad Valorem)	181,785,000	1.24%	2,247,199
Williamson County	1,116,790,000	0.04%	459,876
EWCHCEC	-	0.63%	-
Hutto ISD	395,534,318	0.67%	2,643,219
Williamson County ESD #3	-	0.70%	-
Upper Brushy Creek WCID #1A	-	0.06%	-
Total	\$1,704,324,318		\$15,565,293

⁽¹⁾ Based on \$35,000,000 prospective market value at completion of the lots in Improvement Area #1 as calculated in the Appraisal and on the Tax Year 2020 Taxable Assessed Valuation for the taxing entities as certified by the Williamson Central Appraisal District.

⁽²⁾ Preliminary; subject to change.

Source: Municipal Advisory Council of Texas (gross outstanding debt secured by property taxes), the Williamson Central Appraisal District and the Service and Assessment Plan.

If land is devoted principally to agricultural use, the landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on the land's agricultural value. Agricultural use includes production of crops or livestock. It also can include leaving the land idle for a government program or for normal crop or livestock rotation.

If land qualified for an agricultural valuation and the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous three years in which the land received the lower agricultural valuation. The rollback tax is the difference between taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxed on a higher market value plus interest charged for each year from the date on which taxes would have been due. If the land use changes to a non-agricultural use on only a portion of a larger tract, the landowner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land where use changed and not the entire tract.

The property in Improvement Area #1 of the District is not subject to an agricultural valuation. Portions of the property in Future Improvements Areas of the District remain subject to an agricultural valuation. The Developer expects to remove each subsequent phase of the Development from agricultural valuation as development progresses. The Developer will pay all applicable rollback taxes in full prior to purchase of parcels or lots by homeowners.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meanings given in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of Authorized Improvements through Assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the “Improvement Area #1 Assessment Roll”), which Improvement Area #1 Assessment Roll shows the land within Improvement Area #1 of the District to be assessed, the amount of the benefit to and the Improvement Area #1 Assessment against each Lot or Parcel of land and the number of Annual Installments in which the Improvement Area #1 Assessment is divided. The Improvement Area #1 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 #1 Projects and funding the same with Improvement Area #1 Assessments. The City levied the Improvement Area #1 Assessments and adopted the Assessment Ordinance on June 3, 2021, after which the Improvement Area #1 Assessments became legal, valid and binding liens upon the Improvement Area #1 Assessed Property.

Under the PID Act, the costs of Improvement Area #1 Projects may be assessed by the City against the Improvement Area #1 Assessed Property in the District so long as the special benefit conferred upon the Improvement Area #1 Assessed Property by the Improvement Area #1 Projects equals or exceeds the Assessments. The costs of the Improvement Area #1 Projects may be assessed using any methodology that results in the imposition of equal shares of cost on Improvement Area #1 Assessed Property similarly benefited. The allocation of benefits and assessments to the benefitted land within the District is set forth in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX 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 Improvement Area #1 Assessed Property as a result of the Improvement Area #1 Projects, provides the basis and justification for the determination that such special benefit exceeds the Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Improvement Area #1 Projects to Parcels in a manner that results in equal shares of costs being apportioned to Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Projects are being funded with proceeds of the Bonds, which are payable from and secured by the Pledged Revenues, including the Improvement Area #1 Assessments.

As further set forth in the Service and Assessment Plan, the benefits received by the property in Improvement Area #1 of the District for the Improvement Area #1 Projects are currently allocated among the Improvement Area #1 Assessed Property within Improvement Area #1 based on Estimated Buildout Value (as defined in the Service and Assessment Plan). Upon division or subdivision, the PID Administrator shall reallocate the Assessment for each newly formed lot based on Estimated Buildout Value.

The City has determined that such method of allocation will result in the imposition of equal shares of the Improvement Area #1 Assessments on Parcels similarly situated within Improvement Area #1 of the District. The Improvement Area #1 Assessments and interest thereon are expected to be paid in Annual Installments as described above. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer, all other current owners of property within the District and all future owners and developers within the District. See “APPENDIX C — Form of Service and Assessment Plan.”

The Service and Assessment Plan identifies four “Lot Types” in Improvement Area #1: (1) Lot Type 1 being a 40’ lot, (2) Lot Type 2 being a 50’ lot, (3) Lot Type 3 being a 70’ lot, and (4) Lot Type Duplex being a 60’ lot anticipated to contain a duplex unit. See “THE DEVELOPMENT – Development Plan.”

The table below shows the estimated value to lien analysis in Improvement Area #1 of the District.

Improvement Area #1 Estimated Value to Lien Ratios⁽¹⁾

<u>Lot Type</u>	<u>Number of Lots⁽²⁾</u>	<u>Average Base Lot Value⁽³⁾</u>	<u>Estimated Base Home Price⁽⁴⁾</u>	<u>Total Estimated Buildout Value⁽⁴⁾</u>	<u>Maximum Assessment Per Unit⁽⁵⁾</u>	<u>Estimated Ratio of Base Lot Value to Assessment</u>	<u>Estimated Ratio of Home Price to Assessment</u>
Duplex	4	\$102,000	\$500,000 ⁽⁶⁾	\$2,000,000	\$28,574	3.57:1	17.50:1
40'	233	68,000	281,000	65,473,000	16,058	4.23:1	17.50:1
50'	305	85,000	359,000	109,495,000	20,516	4.14:1	17.50:1
70'	4	119,000	445,000	1,780,000	25,431	4.68:1	17.50:1
Total/Avg.	546			\$178,748,000			

(1) Preliminary; subject to change.

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

(3) Per information provided by the Developer.

(4) Provided by Developer based on comparable home prices in the area.

(5) Pursuant to the Service and Assessment Plan, the maximum Improvement Area #1 Assessment (the "Maximum Assessment") that can be levied on a Lot within Improvement Area #1 of the District is equal to an amount that will not exceed the amounts shown on Exhibit H to the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan."

(6) Value for a duplex lot is based on a combined \$250,000 value for each unit on the lot.

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 #1 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 #1 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 municipal ad valorem taxes. See "BONDHOLDERS' RISKS — Assessment Limitations" herein.

In the Indenture, the City will covenant to collect, or cause to be collected, Improvement Area #1 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 #1 Assessment Roll and a calculation of the Annual Installment for each Parcel. Assessments for Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

In the Indenture, the City will covenant, agree and warrant that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Improvement Area #1 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 #1 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 #1 Assessment or the corresponding Improvement Area #1 Assessed Property.

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

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

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

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

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

Assessment Amounts

Assessment Amounts. The Maximum Assessment for each lot type has been established by the methodology described in the Service and Assessment Plan and are shown on Exhibit H to the Service and Assessment Plan. If a new Lot Type is created, the Maximum Assessment for the new Lot Type shall be calculated so that the average Annual Installment results in an equivalent tax rate of \$3.08, inclusive of all overlapping taxes for local taxing entities.

The Improvement Area #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel consisting of (i) the annual portion allocable to principal and interest on the Improvement Area #1 Assessment for each Parcel, (ii) the Additional Interest and (iii) the component of the Annual Installment allocable to Annual Collection Costs. The Annual Installments may not exceed the amounts shown on the Improvement Area #1 Assessment Roll. The Improvement Area #1 Assessments have been levied against the Parcels comprising the Improvement Area #1 Assessed Property as indicated on the Improvement Area #1 Assessment Roll. See "APPENDIX C — Form of Service and Assessment Plan."

The Annual Installments shown on the Improvement Area #1 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).

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the Improvement Area #1 Assessments allocable to Improvement Area #1 have been allocated to the Improvement Area #1 Assessed Property within Improvement Area #1 based on Estimated Buildout Value. As the existing Parcels or

Lots within Improvement Area #1 are subsequently divided, the Improvement Area #1 Assessments will be apportioned pro rata according to the Estimated Buildout Value of the newly created Parcels or Lots. See “ASSESSMENT PROCEDURES — Assessment Methodology” and “APPENDIX C — Form of Service and Assessment Plan.” The following table reflects the estimated allocation of Improvement Area #1 Assessments to be levied and collected.

Estimated Allocation of Improvement Area #1 Assessments⁽¹⁾

	Number	Estimated Base Home Price ⁽³⁾	Maximum Assessment Per Unit ⁽⁴⁾	Total Improvement Area #1 Assessment	Estimated Average Annual Installment per Unit ⁽⁵⁾	Equivalent Tax Rate per \$100 Assessed Value
Lot Size	of Lots ⁽²⁾					
Duplex	4	\$500,000 ⁽⁶⁾	\$28,574	\$ 114,295	\$1863.93	\$0.3728
40'	233	281,000	16,058	3,741,618	1047.53	0.3728
50'	305	359,000	20,516	6,257,365	1338.30	0.3728
70'	4	445,000	25,431	101,723	1658.90	0.3728
Total/Avg.⁽⁷⁾	546			\$10,215,000		

(1) Preliminary; subject to change.

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

(3) Provided by Developer based on comparable home prices in the area.

(4) Pursuant to the Service and Assessment Plan, the Maximum Assessment that can be levied on a Lot within the District is equal to an amount that will not exceed the amounts shown on Exhibit H to the Service and Assessment Plan. See “APPENDIX C — Form of Service and Assessment Plan.”

(5) Derived from information in the Service and Assessment Plan. Based on Annual Installments due from 2022 to 2050 due to the release of the accounts within the Reserve Fund reducing the Annual Installment due January 31, 2051. Preliminary; subject to change.

(6) Value for a duplex lot is based on a combined \$250,000 value for each unit on the lot.

(7) Total Improvement Area #1 Assessments may not add due to rounding.

The Bonds are secured by a lien on and pledge of the Trust Estate consisting primarily of Pledged Revenues, including the Improvement Area #1 Assessments. See “SECURITY FOR THE BONDS SIMILARLY SECURED” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment of Assessments

Voluntary Prepayments. Pursuant to the PID Act and the Indenture, the owner of any Improvement Area #1 Assessed Property may voluntarily prepay (a “Prepayment”) all or part of any Improvement Area #1 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 #1 Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Improvement Area #1 Assessments.

Mandatory Prepayments. If (i) Improvement Area #1 Assessed Property is transferred to a person or entity that is exempt from payment of the Improvement Area #1 Assessment, or (ii) the owner of Improvement Area #1 Assessed Property causes the Improvement Area #1 Assessed Property to become Non-Benefited Property (as defined in the Service and Assessment Plan), the owner transferring the Improvement Area #1 Assessed Property or causing the change in status shall pay to the PID Administrator the full amount of the Improvement Area #1 Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer or change in status.

True-Up of Assessments if Maximum Assessment Exceeded at Plat. Prior to the City approving a final subdivision plat, the PID Administrator will certify that such plat will not cause the Assessment for any Lot within to exceed the Maximum Assessment. If the PID Administrator determines that the resulting Improvement Area #1 Assessment for any Lot will exceed the Maximum Assessment, then (1) the Improvement Area #1 Assessment applicable to each Lot shall each be reduced to the Maximum Assessment, and (2) the person or entity filing the plat shall pay to the City the amount the Assessment was reduced, plus Prepayment Costs and Delinquent Collection Costs, if any, prior to the City approving the final plat. The City’s approval of a plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such amounts. See “ASSESSMENT PROCEDURES — Assessment Methodology” and “APPENDIX C — Form of Service and Assessment Plan.”

Prepayment as a Result of an Eminent Domain Proceeding or Taking. If any portion of any Parcel of Improvement Area #1 Assessed Property is taken from a landowner as a result of eminent domain proceedings or if a transfer of any portion of any Parcel of Improvement Area #1 Assessed Property is made to an entity with the authority to condemn all or a portion of the Improvement Area #1 Assessed Property in lieu of or as a part of an eminent domain proceeding (a "Taking"), the portion of the Improvement Area #1 Assessed Property that was taken or transferred (the "Taken Property") shall be reclassified as Non-Benefited Property.

For the Improvement Area #1 Assessed Property that is subject to the Taking as described in the preceding paragraph, the Improvement Area #1 Assessment that was levied against the Improvement Area #1 Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Improvement Area #1 Assessed Property (the Improvement Area #1 Assessed Property less the Taken Property) (the "Remaining Property") following the reclassification of the Taken Property as Non-Benefited Property. The landowner will remain liable to pay in Annual Installments, or payable as otherwise provided by the Service and Assessment Plan, as updated, or the PID Act, the Improvement Area #1 Assessment that remains due on the Remaining Property. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the landowner will be required to make a Prepayment in an amount necessary to ensure that the Improvement Area #1 Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Improvement Area #1 Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

Notwithstanding the preceding paragraphs under this subsection, if the landowner notifies the City and the PID Administrator that the Taking prevents the Remaining Property from being developed as shown on a final plat, such landowner shall, upon receipt of the compensation for the Taken Property, be required to prepay the total amount of the Assessment levied against both the Taken Property and Remaining Property. The landowner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Improvement Area #1 Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection, the Improvement Area #1 Assessments shall not be reduced to an amount less than the outstanding Bonds Similarly Secured.

Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Improvement Area #1 Projects are less than the Improvement Area #1 Assessments, the Trustee shall apply amounts on deposit in the Project Account that are not expected to be used for purposes of the Project Account to redeem outstanding Bonds, in accordance with the Indenture.

Priority of Lien

The Improvement Area #1 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 #1 Assessment is paid and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any Improvement Area #1 Assessed Property may pay the entire Improvement Area #1 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 #1 Assessments on homestead property (unless the lien associated with the Improvement Area #1 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 #1 Assessment will be subject to the lien established for remaining unpaid installments of the Improvement Area #1 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 #1 Assessments against such property as they become due and payable. Judicial foreclosure proceedings are not mandatory. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and in such event there could be an additional delay in payment of the principal of and interest on the Bonds or such payment may not be made in full. The City is not required under any circumstance to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessment on the corresponding Improvement Area #1 Assessed Property.

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

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

THE CITY

Background

The City of Hutto is located in eastern Williamson County between the cities of Round Rock and Taylor on US Highway 79. The City is approximately 25 miles northeast of Austin. The City continues to transform from a rural Texas farm town to one of Austin’s fastest growing suburbs. The impetus for the City’s growth has been quality, affordable housing and quality public schools coupled with the access to larger job markets. The City’s 2010 census population was 14,698. The City’s 2021 estimated population is approximately 35,000.

City Government

The City is a political subdivision and is a home rule municipality of the State, duly organized and existing under the laws of the State. The City was incorporated in 1911, and prior to 2004 operated as a general law city under the laws of the State. At an election held in February 2004, the voters of the City by a majority vote adopted a home rule charter. The City operates under a City Manager form of government. The governing body of the City currently consists of the Mayor and six members of the City Council. The City Manager is the chief administrative officer for the City.

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

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay

for certain improvements. The District includes approximately 370.312 acres and lies entirely within the corporate limits of the City. The District was created by a resolution of the City adopted on April 1, 2021, in accordance with the PID Act (the “Creation Resolution”) for the purpose of undertaking and financing the cost of certain public improvements within the District, including the Improvement Area #1 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the District property. A map of the property within the District is included on page iii hereof.

Powers and Authority of the City

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City’s extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in the District, or portions thereof, payable in full or 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 #1 Projects. See “THE IMPROVEMENT AREA #1 PROJECTS.” 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 roadway, water, sanitary sewer, and storm drainage improvements within the District comprising the Improvement Area #1 Projects and to finance the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through the Pledged Revenues. See “ASSESSMENT PROCEDURES” and “APPENDIX C — Form of Service and Assessment Plan.”

THE IMPROVEMENT AREA #1 PROJECTS

General

The Improvement Area #1 Projects consist of the (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of District Formation Expenses, and (3) the Bond Issuance Costs of the Bonds, including funding a reserve fund for the payment of principal and interest on the Bonds. A portion of the costs of the below described Improvement Area #1 Projects will be funded with proceeds of the Bonds. The balance of the costs of the Improvement Area #1 Projects will be funded by the Developer without reimbursement by the City. See “APPENDIX C — Form of Service and Assessment Plan.”

Improvement Area #1 Projects

Improvement Area #1 Improvements. The Improvement Area #1 Projects include the following Improvement Area #1 Improvements, all of which will be constructed according to City standards:

Water Improvements. 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 the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City..

Drainage Improvements. Improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the Improvement Area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Street Improvements. Improvements include subgrade stabilization (including excavation and drainage), concrete 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. 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 City.

Bond Issuance Costs and District Formation Expenses. The Improvement Area #1 Projects also consist of the following Bond Issuance Costs: (i) initial deposit to the Reserve Account, (ii) capitalized interest during and after the period of construction of the Improvement Area #1 Projects, (iii) costs associated with the organization, administration and first year of operation of the District, including the deposit to the Administrative Fund, and (iv) costs related to issuing the Bonds, including the Underwriter's discount and attorney's fees.

Costs of Improvement Area #1 Projects

The Developer is responsible for the completion of the construction, acquisition or purchase of the Improvement Area #1 Improvements, and the Developer or its designee will act as construction manager. The City will pay projects costs for an Improvement Area #1 Improvement (or completed segment or phase) from proceeds of the Bonds upon approval of a Certificate for Payment pursuant to the Financing and Reimbursement Agreement and the Indenture. The Developer will be paid for costs actually incurred in developing and constructing the Improvement Area #1 Improvements within the District from the Project Account of the Project Fund no more than monthly pursuant to the Financing and Reimbursement Agreement.

The following table reflects the total expected costs of the Improvement Area #1 Projects.

Expected Costs of Improvement Area #1 Projects⁽¹⁾

Improvements	Improvement Area #1 Projects
Improvement Area #1 Improvements⁽²⁾	
Water Improvements	\$2,201,224
Drainage Improvements	4,098,093
Street Improvements	7,211,005
<i>Subtotal⁽³⁾</i>	<i>\$13,510,321</i>
Bond Issuance Costs & District Formation Expenses	
Debt Service Reserve	604,240
Underwriter's Discount ⁽⁴⁾	306,450
Costs of Issuance	639,310
Administrative Fund for First Year Annual Collection Costs	25,000
<i>Subtotal⁽³⁾</i>	<i>1,575,000</i>
Total⁽³⁾	\$15,085,321

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

(2) Per the Engineer's Report prepared by BGE, Inc. dated May 2021.

(3) Totals may not add due to rounding.

(4) Includes Underwriter's counsel's fee.

The cost of the Improvement Area #1 Projects is expected to be approximately \$15,085,321*. A portion of such costs in the amount of \$10,215,000* is expected to be paid with proceeds of the Bonds. The balance of the costs of the Improvement Area #1 Projects, in the total approximate amount of \$4,870,321*, will be funded by the Developer and will not be reimbursed by the City. As of August, 2021, the Developer has spent approximately \$8,975,049 on constructing the Improvement Area #1 Improvements. See "THE DEVELOPER — History and Financing of the District" and "APPENDIX F — Financing and Reimbursement Agreement."

The Appraisal (as defined below) estimates that the value of 546 developed lots within Improvement Area #1 of the District under certain conditions, including the completion of all the Improvement Area #1 Improvements and Additional Improvements listed in the Service and Assessment Plan, as of July 1, 2021, is \$35,000,000. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety in order to understand the meaning

* Preliminary; subject to change.

and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the property within the District in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See "APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1" for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

Ownership and Maintenance of Improvement Area #1 Improvements

The Improvement Area #1 Improvements will be dedicated to and accepted by the City in accordance with the terms of the Financing and Reimbursement Agreement and will constitute a portion of the City's infrastructure improvements. The City will provide for the ongoing maintenance and repair of the applicable Improvement Area #1 Improvements constructed and conveyed, as outlined in the Service and Assessment Plan.

THE DEVELOPMENT

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

Overview

The Development is an approximately 370.312-acre master-planned single family residential community known as Cotton Brook, formerly known as Meadows at Cottonwood Creek, located in the City's corporate limits on the southeast side of the City, south of Highway 79, north of FM 1660, and approximately 2 miles east of the FM 685/Highway 79 intersection. The District is approximately 25 miles from Austin, Texas.

The Developer purchased and currently owns approximately 183.99 acres in the Development, including all of the property within Improvement Area #1, except for approximately 31 lots which have closed with homeowners in Improvement Area #1 as of the Closing Date. The Landowner owns the remaining property in the Development. Pursuant to a contract dated November 8, 2017, the Landowner agreed to sell its remaining property within the District to the Developer, which expects to close on the remaining property in the District in two transactions in October 2021 and October 2023. See "THE DEVELOPER — History and Financing of the District."

Development Plan

Public Improvements. The Developer expects to complete the Development in eight phases comprising three expected Improvement Areas (including Improvement Area #1) over a period of approximately four years. The Developer has completed all Improvement Area #1 Improvements necessary to serve Phase 1 and Phase 3 of the Development. The Developer expects to complete all remaining Improvement Area #1 Improvements to serve Phases 2 and 4 of the District by the third or fourth quarter of 2022. See "THE IMPROVEMENT AREA #1 PROJECTS."

Additional Improvements. Pursuant to the Development Agreement and the Service and Assessment Plan, the Developer has agreed to construct certain additional wastewater improvements to serve the District (the "Additional Improvements"). The Developer is currently constructing such improvements and expects to complete them by September 2022. See "THE DEVELOPMENT – Additional Improvements and Amenities."

Single-Family Lot Development. The Development is planned to include the following five residential product types: 40' lots, 45' lots, 50' lots, 60' duplex lots and 70' lots. The Developer expects to construct all of the approximately 918 single-family homes and 73 duplex lots planned within the District. As of August, 2021, all 160 lots in Phase 1 are complete, approximately 65 homes in Phase 1 are under construction by the Developer, of which 55 homes are under contract with purchasers. As of the Closing Date, the Developer anticipates that approximately [25] homes will have closed with end users. [Developer to update prior to posting] The following table shows the actual and expected number and type of lots within each phase.

Expected Single-Family Lots within the Development

Phase	40' Lots	45' Lots	50' Lots	70' Lots	Duplex Lots	Total Number of Lots
<i>Improvement Area #1</i>						
Phase 1	47	-	109	2	2	160
Phase 2	-	-	101	-	-	101
Phase 3	94	-	40	2	2	138
Phase 4	92	-	55	-	-	147
<i>Subtotal</i>	<i>233</i>	<i>-</i>	<i>305</i>	<i>4</i>	<i>4</i>	<i>546</i>
<i>Future Improvement Area #2</i>						
Phase 5	-	77	-	-	69	146
Phase 6	-	-	75	-	-	75
<i>Subtotal</i>	<i>-</i>	<i>77</i>	<i>75</i>	<i>-</i>	<i>69</i>	<i>221</i>
<i>Future Improvement Area #3</i>						
Phase 7	-	-	112	-	-	112
Phase 8	-	-	-	104	-	104
<i>Subtotal</i>	<i>-</i>	<i>-</i>	<i>112</i>	<i>104</i>	<i>-</i>	<i>216</i>
Total	233	77	492	108	73	983

⁽¹⁾ Per Cottonwood Creek Lotting Plan, dated August 18, 2021.

The Developer's current expectations regarding buildout of the single-family lots and homes within the District are shown in the following tables.

Expected Buildout of Single-Family Lots within the Development⁽¹⁾

Phase	Quantity of Lots	Actual/Expected Infrastructure Start Date	Expected Infrastructure Completion Date	Expected Final Home Sale Date
<i>Improvement Area #1</i>				
Phase 1	160	Complete	Complete	March 2022
Phase 2	101	July 2021	March 2022	June 2023
Phase 3	138	Complete	Complete	October 2022
Phase 4	147	Sept. 2021	June 2022	Sept. 2023
<i>Future Improvement Area #2</i>				
Phase 5	146	Jan. 2022	October 2022	TBD
Phase 6	75	TBD	TBD	TBD
<i>Future Improvement Area #3</i>				
Phase 7	112	TBD	TBD	TBD
Phase 8	104	TBD	TBD	TBD

⁽¹⁾ These projections regarding final buildout and final sale dates were provided by the Developer. Expected buildout and final sale date projections in the Appraisal may vary.

Expected Sale of Single-Family Homes to Residents by Lot Type In Improvement Area #1⁽¹⁾

Expected Final Sale Date	40' Lots	50' Lots	70' Lots	Duplex Lots	Total Lots
2021	75	95	-(2)	-(2)	170
2022	60	120	-(2)	-(2)	180
2023	98	90	-(2)	-(2)	188
Total	233	305			538⁽²⁾

⁽¹⁾ These projections regarding expected absorption were provided by the Developer. Absorption projections in the Appraisal may vary. Numbers include model homes.

⁽²⁾ All 4 70' lots and 4 duplex lots in Improvement Area #1 will be used as model lots until Phase 8 of the Development.

The Developer's current expectations regarding estimated home prices in the District are as follows:

Expected Single-Family Lot Values and Home Prices in Improvement Area #1 the District

Improvement Area #1	Quantity of Lots	Base Lot Value ⁽²⁾	Total Lot Value	Base Home Price	Projected Total Final Value
40' Lots	233	\$68,000	\$15,844,000	\$281,000	\$65,473,000
50' Lots	305	85,000	25,925,000	359,000	109,495,000
70' Lots	4	119,000	476,000	445,000	1,780,000
Duplex Lots	4	102,000	408,000	500,000	2,00,000
Total	546		\$42,653,000		\$178,748,000

⁽¹⁾ Unless otherwise noted, projections herein were provided by the Developer. Expected buildout and final sale date projections in the Appraisal may vary.

⁽²⁾ As provided by the Developer.

Development Agreement

The City, the Developer and the Landowner entered into a Second Amended and Restated Development Agreement dated as of [September 16], 2021 (the "Development Agreement"). Pursuant to the Development Agreement, the Developer dedicated a wastewater easement to the City and compensated the City for the costs of connection to the City's lift station and force main. The City agreed to provide 1,100 living unit equivalents ("LUEs") of water and wastewater service to the Development, plus the right of the Developer to obtainable additional service for the school site in the Development, if utilized.

Additionally, the Developer agreed to dedicate a minimum of eight acres of open space suitable for multi-purposes fields to the City or the Hutto Parks Foundation. The Developer also agreed to designate a school site in the District and to sell such site to Hutto ISD, unless the parties fail to reach agreement within five years, in which case the Developer is released from such obligation.

Pursuant to the Development Agreement, the Developer must pay a "City PID Fee" equal to \$2,034.59 per residential lot in the District to the City. If bonds are issued for the District or any phases thereof, the City PID Fee will be payable for such phases within 10 days of the issuance of such bonds. If assessment are levied but bonds are not issued for a phase of the Development, then the City PID Fee for such phase will be payable in installments at the same time and in the same ratio as Developer is reimbursed for eligible projects cost from assessments. The total City PID Fee for the Development is expected to be \$2,000,000. The City PID Fee related to Improvement Area #1 is anticipated to be \$1,110,886, and such amount is due within 10 days of the issuance of the Bonds. Bond proceeds may not be used to pay the City PID Fee.

Financing and Reimbursement Agreement

The City and Developer entered into the Financing and Reimbursement Agreement as of June 3, 2021, pursuant to which the Developer agreed to construct the Authorized Improvements for the District and certain other improvements, including two amenity centers. The City agreed to reimburse the Developer for a portion of the costs

of the Authorized Improvements from assessment revenues or bonds secured by assessment revenues. The total amount of bonds issued to finance the District shall not exceed \$20,000,000, and the equivalent tax rate of any annual installments of assessments plus all other overlapping taxing jurisdictions shall not exceed \$3.08 per \$100 taxable assessed valuation based on the Estimated Buildout Value of the homes. See “THE DEVELOPMENT – Additional Improvements and Amenities” and “APPENDIX F – Form of Financing and Reimbursement Agreement.”

Additional Improvements and Amenities

Additional Improvements. Pursuant to the Development Agreement and the Service and Assessment Plan, the Developer has agreed to construct the Additional Improvements to provide wastewater service to the District. The Additional Improvements needed to serve Improvement Area #1 of the District are expected to cost approximately \$2,466,675, which amount will be funded by Developer corporate cash funding without reimbursement from the City. Following their completion, the Additional Improvements will be owned and operated by the City. As of August, 2021, the Developer has spent approximately \$1,735,604 on the construction of the Additional Improvements, and the Developer expects to complete such improvements by September 2022.

Amenities. The Developer will construct the Amenities to serve the entire District, including (a) Public Amenities consisting of open space, hike and bike trails, and potential multi-purpose fields anticipated to be open to general public, and (b) Private Amenities consisting of a primary amenity center, including a pool, covered seating, restroom facilities, shaded playscape, parking lot, and open space, and a secondary amenity center, including a pavilion and playscape with open space (together, the “Amenity Centers”) which may be limited to community residents. Approximately 138 acres in the District will be devoted to open spaces.

The Private Amenities will be dedicated to and maintained by the Homeowners’ Association. The Public Amenities will either be dedicated to and maintained by the City, dedicated to and maintained by the Hutto Parks Foundation, or dedicated to and maintained by the Homeowners’ Association. Pursuant to the Development Agreement, the Developer will dedicate a minimum of eight acres of open space suitable for multi-purposes fields to the City or the Hutto Parks Foundation.

The costs of the Amenities will be financed through Developer corporate cash funding and will not be reimbursed by the City. The Developer expects to complete the Amenities by 2024 at a total cost of \$3,500,000, of which \$295,000 has been spent as of August, 2021.

Photographs of the Development

The following photograph shows the current development within the District.

[Provided; not included in draft for purposes of file size]

Zoning/Permitting

The development of property within the District is governed as a Planned Unit Development (the “PUD”) pursuant to City Ordinance O-2021-037 approved on June 17, 2021, and all applicable City ordinances and regulations (the “Applicable Regulations”), as set forth in the Development Agreement and PUD. For purposes of administering the Applicable Regulations that pertain to zoning, the District shall meet the standards of Single Family: SF-1; Dwelling: Single Household Attach (Townhouse): SF-2; and Non-Residential: B-1 (with permitted uses of parks, amenity centers, and schools).

Education

The Development is served by the Hutto ISD. Hutto ISD operates seven elementary schools, two middle schools and one high school. Ray Elementary, which is approximately 2.15 miles from the District, Farley Middle School, which is approximately 2.1 miles from the District and Hutto High School, which is approximately 1.5 miles from the District, are expected to serve the District.

GreatSchools.org rated Farley Middle School and Hutto High School as “average” and Ray Elementary School as “below average.” As a result of disruptions due to the COVID-19 pandemic (the “Pandemic”), the Texas Education Agency annual school report cards were not issued for schools or school districts for the 2019-2020 school year.

Pursuant to the Development Agreement, the Developer is required to office a school site for sale to Hutto ISD in the District. If the parties are unable to come to an agreement within five years of the effective date of the Development Agreement, this obligation shall cease to be effective. As of the date hereof, the Developer and Hutto ISD have entered into discussions involving a school site, but no agreement has been executed.

Environmental

Site Evaluation. A Phase One Environmental Site Assessment of approximately 314 acres within the District, including 183.99 acres within Improvement Area #1, (the “Phase One”) was completed in April 2018. Based on the information presented in the Phase One, there was no evidence that the Development was under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review revealed no evidence of current or historical recognized environmental conditions (“RECs”) involving the site. However, the Phase One noted the existence of two pipelines crossing the property. See “THE DEVELOPMENT – Natural Gas Pipelines and Easements.”

Endangered Species. According to the website for the United States Fish and Wildlife Service, both the Whooping Crane and the Golden-cheeked Warbler are endangered species in Williamson County, as are four species of insects and four species of arachnids. The Developer is not aware of any endangered species located on District property.

Natural Gas Pipelines and Easements

The property in the District is crossed by three underground natural gas pipelines, two 20-inch pipelines in an easement running West-to-East across the District, and a 30-inch pipeline in an easement running North-to-South. All three pipelines are active and run through easements owned by their respective owners. The easement for the West-to-East running pipelines crosses through a portion of the open space in Improvement Area #1, but it is not adjacent to any planned lots in Improvement Area #1. The North-to-South running pipeline easement does not cross Improvement Area #1.

Mineral Rights

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

While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues. Additionally, while the City has not adopted an oil and gas ordinance to regulate oil and gas drilling within its territorial jurisdiction, the City has adopted the 2018 International Fire Code which includes regulations for well drilling that include oil and gas drilling within the City’s jurisdiction.

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

Utilities

Water and Wastewater. The City will provide retail water supply and retail sewer service to the lots within the District. Pursuant to the Development Agreement, the City agreed to provide 1,100 living unit equivalents (“LUEs”) of water and wastewater service to the Development, plus the right of the Developer to obtainable additional service for the school site in the Development, if utilized. The Developer agreed to extend and replace the existing wastewater line from FM 1660 to the City’s treatment facilities. See “THE DEVELOPMENT – Additional Improvements and Amenities.”

Additional Utilities. The Developer anticipates additional utilities to be provided by: (1) Telephone/Cable/Data – Spectrum; (2) Electric – Oncor Electric; and (3) Natural Gas – Atmos.

THE LANDOWNER

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

Description of the Landowner

The Landowner, Hutto 372 Ltd., is a partnership between John Lewis and Buck Branson. Between the two of them, they have nearly 90 years of experience in the real estate world. They have been part of over \$200 million dollars in developments, real estate investments and brokerages of similar deals.

THE DEVELOPER

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

General

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

Description of the Developer

The Developer is a wholly-owned subsidiary of Lennar Corporation (“Lennar”). Lennar stock trades on the NASDAQ under the symbol LEN. Lennar is subject to the informational requirements of the Securities and Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information filed by Lennar can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC’s internet website at <http://www.sec.gov>. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the NASDAQ, 1 Liberty Street, New York, New York 10006. All documents subsequently filed by Lennar pursuant to the requirements of the Securities and Exchange Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

In addition, Lennar makes available on its website <https://investors.lennar.com/financials> its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have electronically filed with the SEC as well as other financial institutions. **Unless otherwise specified, information contained on Lennar's website, available by hyperlink from Lennar's website or on the SEC's website, is not incorporated into this Limited Offering Memorandum.**

Since 1954, Lennar has had the privilege of helping over one million families move into the next stage of life with a new home. We build in some of the nation's most popular cities, and our communities cater to all lifestyles, with new homes for all stages of life, whether you are a first-time or move-up buyer, a multigenerational family, or Active Adult.

Lennar is a national homebuilder that operates in various states with deliveries of 52,925 new homes in fiscal 2020. Lennar was founded as a local Miami homebuilder in 1954. Lennar completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. During the 1980s and 1990s, Lennar entered and expanded operations in a number of homebuilding markets, including California, Florida and Texas, through both organic growth and acquisitions, such as Pacific Greystone Corporation in 1997. In 1997, Lennar completed the spin-off of our then commercial real estate business, LNR Property Corporation. In 2000, Lennar acquired U.S. Home Corporation, which expanded its operations into New Jersey, Maryland, Virginia, Minnesota and Colorado and strengthened its position in other states. From 2002 through 2005, Lennar acquired several regional homebuilders, which brought it into new markets and strengthened its position in several existing markets. From 2010 through 2013, Lennar expanded its homebuilding operations into the Atlanta, Oregon, Seattle and Nashville markets. In 2017 Lennar acquired WCI Communities, a luxury homebuilder in Florida. Through the 2018 acquisition of CalAtlantic Communities Lennar increased its local market scale and additionally it allowed it to enter the Salt Lake City and Indianapolis markets. As a result, Lennar became the nation's largest homebuilder in terms of consolidated revenues, with fiscal year 2020 consolidated revenues of \$22.5 billion.

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

Projects			
<u>Name of Community</u>	<u>City</u>	<u>Number of Lots</u>	<u>Status of Development</u>
Stonefield ⁽²⁾	Buda	698	Fully Developed
Enclave at Estancia ⁽¹⁾	Austin	370	Under Development
Avana	Austin	850	Fully Developed
Cool Springs	Kyle	387	Under Development
Greenwood	Austin	821	Under Development
Plum Creek North ⁽¹⁾	Kyle	1208	Under Development
Bastrop Grove	Bastrop	1012	Under Development
Colorado Crossing	Austin	81	Fully Developed
Bradshaw Crossing	Austin	876	Fully Developed
East Village	Bee Cave	69	Fully Developed
Retreat at Steiner Ranch	Austin	106	Fully Developed

⁽¹⁾ Development was funded partly through a public improvement district.

⁽²⁾ Development was funded partly through a municipal utility district.

Executive Biography of Principals of Lennar Corp.

Rick Beckwitt: Co-Chief Executive Officer. Rick Beckwitt is Co-Chief Executive Officer and Co-President of Lennar Corporation (NYSE: LEN). He joined Lennar in March 2006 as an Executive Vice President. He became President in April 2011 and was promoted to Chief Executive Officer in April 2018. Beckwitt serves on the Board of Directors of Eagle Materials Inc. (NYSE: EXP), one of the nation's leading manufacturers of construction products and building materials. He is also on the Board of Directors of Five Point Holdings, LLC (NYSE: FPH), the largest developer of mixed-use, master planned communities in Coastal California.

Beckwitt has been involved in the homebuilding and construction industry for more than 30 years. From 1993 to 2003, he was on the Board of Directors of D.R. Horton, Inc. (NYSE: DHI), one of the leading homebuilding

102520971.7

companies in the United States. From 1993 to March 2000, he held various executive officer positions at D.R. Horton, including President of the Company. From March 2000 to March 2006, Beckwitt was the owner and Managing Partner of EVP Capital, L.P., a private venture capital and real estate advisory company. From 1986 to 1993, Beckwitt worked in the Mergers and Acquisitions and Corporate Finance Departments at Lehman Brothers, specializing in the homebuilding and building products industries. Prior to that, he worked for various homebuilding and construction companies, including his own. Beckwitt graduated with honors from Claremont McKenna College in 1981. He lives in Dallas, Texas with his wife, Barb, and has two children.

Jon Jaffe: Co-Chief Executive Officer. Jon Jaffe is Co-Chief Executive Officer and Co-President of Lennar Corporation (NYSE:LEN). He joined Lennar in 1983 as Regional President of Homebuilding Operations. Jaffe became Vice President in 1994 and in 1995, he moved to California to lead the company's expansion into that state and the West. Jaffe spearheaded Lennar's efforts to acquire land, other homebuilders and developers including such companies as Bramalea Homes, Pacific Greystone Homes, Coto de Caza, Stevenson Ranch and CalAtlantic Homes. Additionally, he oversaw Lennar's acquisition of Mare Island, Hunters Point, El Toro and Treasure Island. These acquisitions helped transition Lennar into the nation's leading homebuilder.

Jaffe serves as a member of the Board of Directors of Lennar Corporation as well as Five Point Holdings, LLC (NYSE: FPH), Opendoor and True Anthem. Jaffe received an undergraduate degree in architecture from the University of Florida and pursued graduate studies in the same field at Georgia Tech University.

Executive Biography of Local Management of the Developer

Rob Hutton: Regional President. Rob Hutton is Regional President for Lennar. In this role, he is responsible for Lennar's operations throughout Texas and oversees the building, selling and delivery of more than 8,000 homes per year. Hutton has been involved in the real estate industry for over 40 years. He began his career in the brokerage business in the early 1980's, selling both commercial and investment properties.

He started in the homebuilding industry with Milburn Homes, the largest private builder in Central Texas. Three years later, Continental Homes, a publicly traded builder, acquired Milburn and Hutton became the Director of Sales and Marketing. Five years later, Continental was acquired by the D.R. Horton Co. and he became the Division President for Horton's Central Texas operation. After 13 years of growing the division into one of the company's largest divisions (peak of 3,000 annual homes sales), Hutton left the company to join Lennar as a Regional President. Over the decades he's done it all, from sweeping sidewalks of model homes to training hundreds of sales agents to designing sprawling Master Planned Communities to helping over 75,000 people find the home of their dreams. Hutton has lived in Austin for the past 50 years and, along with his wife of 37 years, has raised three children (and two German Shepherds).

Charlie Coleman: Division President, Lennar Austin. Charlie Coleman is the Division President for Lennar Austin and oversees building, selling and delivering more than 2000 homes per year in the Austin market. After graduation from Pace University in 1993, Coleman entered the finance world. In 2002 Coleman entered the homebuilding industry as a VP of finance for Pulte Homes. Before joining Lennar Austin (previously Cal Atlantic Homes) in 2016, he served as Division President for two other national homebuilders in four different divisions. His leadership and production has been nationally recognized and is one of the most respected division presidents in the homebuilding industry.

Kevin Pape: Vice President, Land Development, Lennar Austin. Kevin Pape has overseen land development projects throughout Austin, Houston, Dallas and San Antonio for the past 25 years and has worked for a single-family residential developer in the Austin Metroplex since 2011. Pape is tasked with supplying a land pipeline and overseeing the development of 2000-3000 units per year in the Austin market. Prior to joining the Lennar team, Pape worked for other prominent, national homebuilders leading local land development projects.

History and Financing of the District

The Developer purchased 139.628 acres of the property within the District on October 31, 2019 and October 2, 2020 from the Landowner for \$17,487 per acre, and an additional 46.68 acres of the property within the District on November 12, 2019, from John Leschber for \$25,935 per acre. The total purchase price for the property acquired by Developer in the District was \$3,648,392. The Developer's acquisition was made on a cash basis through corporate funding and no third-party financing was used to acquire or has been used to subsequently

develop the property within the District. The Developer expects to purchase the remaining property in the District from the Landowner for \$3,219,825. The purchase price of the District plus the total budgeted costs to construct the Improvement Area #1 Projects, any Future Improvement Area Improvements, the Additional Improvements, the Amenities and the City PID Fee is approximately \$44,442,746. The costs of the Improvement Area #1 Projects not paid from Bond proceeds, the Additional Improvements and the Amenities have been or will be financed through corporate cash funding. Thus, there are currently no liens on the property within the District which were incurred by the Developer, and the Developer does not currently anticipate incurring any liens on the property within the District for as long as the Developer owns such property (with the exception of the Assessment Lien). The PID Act provides that the Assessment Lien is a first and prior lien against the Improvement Area #1 Assessed Property within the District and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes.

PID ADMINISTRATOR

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

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

The PID Administrator's duties will include:

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

THE SPECIAL ASSESSMENT CONSULTANT

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

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

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

- Preparation of financial analyses and projections;
- Preparation of financial feasibility studies, including compliance analyses with debt covenants;
- Identification of available and applicable public/private financing alternatives;
- Preparation of fiscal and economic impact studies;

- Negotiation of development agreements;
- Evaluation of development impact fee arrangements;
- Tracking of reimbursable development costs; and
- Structuring of Financing and Reimbursement Agreements.

The financing programs that are involved usually include some type of public financing and/or public/private partnerships. These have included land secured financings such as municipal utility districts (MUDs), public improvement districts (PIDs), tax increment reinvestment zones (TIRZs), community facility districts (CFDs), as well as general obligation, revenue and assessment bonds. The firm has been involved in the formation, structuring, feasibility analysis and issuance of more than \$16.0 billion of bonds for more than 2,500 special taxing districts (or their equivalents) since 1991. The firm's Texas Region office has been involved as a consultant to developers for more than \$600 million in PID bonds in Texas since 2011.

APPRAISAL OF PROPERTY WITHIN IMPROVEMENT AREA #1

The Appraisal

General. Aegis Group, Inc., Austin, Texas (the “Appraiser”) prepared an appraisal report (the “Appraisal”) for the City and the Underwriter dated as of July 1, 2021 (the “Appraisal Date”), based upon a physical inspection of Improvement Area #1 of the District conducted on July 1, 2021 (the “Physical Inspection Date”). The Appraisal was prepared at the request of the City and the Underwriter. The description herein of the Appraisal is intended to be a brief summary only of the Appraisal as it relates to the District. The Appraisal is attached hereto as APPENDIX G and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See “APPENDIX G — Appraisal of Improvement Area #1.”

The effective date of the appraisal is July 1, 2021. In developing its opinion of market value of the subject property as of this date, the Appraiser incorporated the most recent available market data and statistics. The Appraiser noted that although the shutdowns resulting from the Pandemic had a sudden and negative impact on the local economy, recent statistics from the Texas Workforce Commission suggest the local economy has rebounded sharply in recent months, and that from a real estate perspective, so far the impacts of the Pandemic have not been consistent. Effective March 10, 2021, Governor Abbott proclaimed, “all businesses of any type are allowed to open 100%.” See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak” and “APPENDIX G — Appraisal of Improvement Area #1– Description.”

Value Estimates. The Appraiser estimated the prospective market value of the fee simple interest in 546 developed lots in Improvement Area #1 if sold in bulk, under certain extraordinary assumptions and hypothetical conditions including that all Improvement Area #1 Projects and all Additional Improvements listed in the Service and Assessment Plan had been completed. The Appraisal Report does not reflect the value of Improvement Area #1 as if sold to a single purchaser in a single transaction. The hypothetical conditions include the assumption that all of the Improvement Area #1 Projects have been completed in accordance with plans and specifications as of the dates specified below. See “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT — Development Plan” and “APPENDIX G — Appraisal of Improvement Area #1.”

The value estimate for the 546 lots comprising the Improvement Area #1 Assessed Property if sold in bulk using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal, as of July 1, 2021, is \$35,000,000. None of the City, the Developer nor the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer and the Underwriter make no representation as to the reasonableness of such assumptions.

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 SIMILARLY SECURED ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING THE TRUST ESTATE, AS AND TO THE EXTENT PROVIDED IN THE INDENTURE. THE BONDS SIMILARLY SECURED DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE CITY AND ARE PAYABLE SOLELY FROM THE SOURCES IDENTIFIED IN THE INDENTURE. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF MONEY RAISED OR TO BE RAISED BY TAXATION, OR OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS COMPRISING 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.

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 #1 of the District to pay Improvement Area #1 Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the property within the Improvement Area #1 of District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such property.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District, including Improvement Area #1, should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

Infectious Disease Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as the Pandemic by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas (the "State"). On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID- 19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the Pandemic which has been subsequently extended and is still in effect. In addition, certain local officials, including the City and Williamson County, have also declared a local state of disaster. Pursuant to

Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. However, on July 29, 2021, the Governor issued Executive Order GA-38, which supersedes all pre-existing executive orders related to COVID-19 and rescinds them in their entirety, except for Executive Order GA-13 (relating to detention in county and municipal jails) and Executive Order GA-37 (related to migrant transport). Executive Order GA-38 combines several previous executive orders into one order and continues the prohibition against governmental entities in Texas, including counties, cities, school districts, public health authorities, and government officials from requiring or mandating any person to wear a face covering and subjects a governmental entity or official to a fine of up to \$1,000 for noncompliance. It also prohibits governmental entities from: (i) compelling any individual to receive a COVID-19 vaccine administered under emergency use authorization, and (ii) enforcing any requirements to show proof of vaccination before receiving a service or entering any place (other than nursing homes, hospitals, and similar facilities) if the public or private entity that has adopted such requirement receives public funds through any means. Executive Order No. GA-39 relating to prohibiting vaccine mandates and vaccine passports subject to legislative action supersedes only paragraph No. 2 of Executive Order GA-38, and does not supersede or otherwise affect the remaining paragraphs of Executive Order GA-38. The remaining paragraphs of Executive Order GA-38 remain in effect until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Limited Offering Memorandum.

Since the disaster declarations were made, the Pandemic has affected travel, commerce, and financial markets globally, and is widely expected to continue causing volatility, affecting economic growth and financial markets worldwide. Stock values and crude oil prices, in the United States and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the State and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, may reduce or negatively affect economic conditions in the City and lead to unemployment for property owners within the District or may otherwise have a negative impact on the sale of parcels, lots or homes within the District. The Bonds are secured by Improvement Area #1 Assessments levied on benefitted property within Improvement Area #1 of the District. If lot or home sales are negatively impacted by the Pandemic, the Developer will continue to be responsible for the payment of the Improvement Area #1 Assessments.

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition. None of the City, the Financial Advisor, the Underwriter or the Developer can predict the impact the Pandemic may have on the City, the financial and operating condition of the Developer, the projected buildout schedule, home prices and buildout values or an investment in the Bonds.

Assessment Limitations

Annual Installments of Improvement Area #1 Assessments are billed to property owners of Improvement Area #1 Assessed Property within the District. 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 #1 Assessment payments in the future.

In order to pay debt service on the Bonds, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in the District, 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” herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1 of the District, any Improvement Area #1 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 #1 Assessments, the liens securing such delinquent ad valorem taxes and delinquent Improvement Area #1 Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Improvement Area #1 Assessments would then be an unsecured personal liability of the original property owner.

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

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer is not eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Improvement Area #1 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, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE IMPROVEMENT AREA #1 ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

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.

Potential Future Changes in State Law Regarding Public Improvement Districts

During prior 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 87th Legislative Session of the State ended on May 31, 2021, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. However, it is impossible to predict with certainty the impact that any future legislation will or may have on the security for the Bonds.

The 87th Legislature passed HB 1543, which is 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 purchaser is entitled to terminate the contract. If the Developer does not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated development schedule may be affected. No assurances can be given that projected development schedule presented in this Limited Offering Memorandum will be realized.

Risks Related to the Current Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot and home sales within the District.

Competition

The housing industry in the Austin area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever commence or be completed in accordance with the Developer's expectations. The competitive position of the Developer 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.

The Appraisal identified the following communities which are believed to compete with the Development:

Subdivision	Builder	Front Footage	Avg. Home Price
Brooklands	Castlerock	50	\$390,000
Brooklands	Pacesetter	40	\$295,000
Mager Meadows	DR Horton	50	\$351,500
Mustang Creek	DR Horton	50	\$326,000
Emory Crossing	Taylor Morrison	40	\$355,500
Emory Crossing	Taylor Morrison	50	\$399,000
Crosscreek	Meritage	45	\$338,000
Crosscreek	Meritage	50	\$393,000
Highlands	Meritage	60	\$384,500
Highlands	Ashton Woods	60	\$361,500
Highlands	Lennar	60	\$398,000
Carmel Creek	Weekley	60	\$365,000
Carmel Creek	M/I	50	\$415,000
Carmel Creek	M/I	60	\$490,000

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. For more information on competitive projects, see “APPENDIX G — Appraisal of Improvement Area #1 – Absorption Analysis.”

Loss of Tax Exemption

The Indenture will contain 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” herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of 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.

Bankruptcy

The payment of Improvement Area #1 Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Improvement Area #1 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 #1 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 #1 Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #1 of the District to pay the Improvement Area #1 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners to pay the Improvement Area #1 Assessments.

Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within Improvement Area #1 of the District to pay the Improvement Area #1 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 will provide 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.

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.

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 take into account 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 the Phase One performed on property within the District.

100-Year Flood Plain

Approximately 75 acres within the District, including approximately 33 acres within Improvement Area #1, is located within an official FEMA 100-year flood plain, Zone A, as shown on the current FEMA Flood Insurance Rate Map Number 48491C0520F, Williamson County, Texas dated December 20, 2019 (the “Flood Plain”). The Developer expects to raise approximately 2 acres of land in Future Improvement Areas out of the 100-year flood plain via the LOMR/CLOMR process with FEMA. The remaining Flood Plain in the District is within the open space that the Developer expects to dedicate to the City.

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

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains and freezes. Texas experienced a winter storm 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 such weather events and the impact they may have on the City, including land within the District.

Exercise of Mineral Rights

As described herein under “THE DEVELOPMENT — Mineral Rights,” there are certain mineral rights reservations located within the District and not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Williamson County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Improvement Area #1 Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

Bondholders’ Remedies and Bankruptcy

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 at least twenty-five percent (25%) of the owners 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 the District or sell property within 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 — 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 #1 Assessments, or delinquent ad valorem taxes, against such property owner.

In addition, in 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) (“Tooke”) that a waiver of sovereign immunity must be provided for by statute in “clear and unambiguous” language. In so ruling, the Court declared that statutory language such as “sue and be sued”, in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which,

according to the Court, waives “immunity from suit for contract claims against most local governmental entities in certain circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods or services to cities.

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“Wasson”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgment, 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 Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of moneys due under a contract).

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the 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 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 Improvement Area #1 Assessments may be adversely affected by the effects of market conditions on the foreclose sale price, and by other factors, including taxpayers’ right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Limited Secondary Market for the Bonds

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event an Owner thereof determines to solicit purchasers for the Bonds. Even if a liquid secondary market exists, there can be no 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 #1 subject to the Improvement Area #1 Assessments, existing real estate and financial market conditions and other factors.

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) Annual Collection Costs 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.

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.

General Risks of Real Estate Investment and Development

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

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 completion of the Public Improvements as planned, 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 initiated or completed without the Developer obtaining a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results for the Developer.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and any subsequent owners to pay the Improvement Area #1 Assessments when due. Any or all of the foregoing could reduce the willingness and ability of such owners to pay the Improvement Area #1 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 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.

Use of Appraisal

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

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

The effective date of the appraisal is July 1, 2021. In developing its opinion of market value of the subject property as of this date, the Appraiser incorporated the most recent available market data and statistics. The Appraiser noted that although the shutdowns resulting from the Pandemic had a sudden and negative impact on the local economy, recent statistics from the Texas Workforce Commission suggest the local economy has rebounded sharply in recent months, and that from a real estate perspective, so far the impacts of the Pandemic have not been consistent. Effective March 10, 2021, Governor Abbott proclaimed, "all businesses of any type are allowed to open 100%." See "BONDHOLDERS' RISKS — Infectious Disease Outbreak" and "APPENDIX G — Appraisal of Improvement Area #1— Description."

Availability of Utilities

The progress of development within the District is also dependent upon the City providing an adequate supply of water and adequate wastewater services. If the City fails to supply water services or fails to provide adequate wastewater services to the property within the District, the development of the land in the District could be adversely affected. See "THE DEVELOPMENT — Utilities."

Dependence upon Developer

The Developer initially had the obligation for payment of 100% of the total Improvement Area #1 Assessments. As of the September 1, 2021, the Developer has the obligation for payment of approximately 94% of the total Improvement Area #1 Assessments. The ability of the Developer to make full and timely payment of the Improvement Area #1 Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Improvement Area #1 Assessments if necessary, or as to whether the Developer will advance such funds.

Moreover, the City will pay the Developer, or the Developer's designee, from proceeds of the Bonds for project costs actually incurred in developing and constructing the Improvement Area #1 Projects within the District. See "THE IMPROVEMENT AREA #1 PROJECTS." There can be no assurances given as to the financial ability of the Developer to complete the Improvement Area #1 Projects or any other improvements.

Forensic Audit

Pursuant to City Council action on June 4, 2020, the City Council engaged Eide Bailly, CPA and Business Advisors (the "Forensic Auditors"), to perform a forensic accounting examination (the "Forensic Audit") of City expenditures for the fiscal year ending on September 30, 2019. The Forensic Audit is intended to assist the City in further identifying the underlying reasons for the General Fund expenditures made during fiscal year 2019. In addition, the City asked the Forensic Auditors to review the appropriateness of City spending practices, including those of the City Council, City Manager's Office, and City in general, and to investigate any apparent fraud, theft, waste, abuse or collusion, and whether the City adhered to applicable laws and regulations. The Forensic Audit was presented to City Council on January 21, 2021. The City does not believe that the results of the Forensic Audit will have a material adverse financial impact on the City or its operations.

TAX MATTERS

Opinion

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

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

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

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that

Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

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

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

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

Collateral Federal Income Tax Consequences

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

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

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

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

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

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

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 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.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the unqualified approving legal opinion of the Attorney General of the State 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.

McCall, Parkhurst & Horton L.L.P., Dallas, Texas, serves as Bond Counsel to the City. Norton Rose Fulbright US LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

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 the State, 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 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 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 Pledged Revenues. 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 herein under the captions or subcaptions "PLAN OF FINANCE — The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS — Legal Proceedings" (first paragraph only), "LEGAL MATTERS — Legal Opinions," "CONTINUING DISCLOSURE — The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and "APPENDIX B — Form of Indenture" and such firm is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions 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 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 Improvement Area #1 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 Pledged Revenues, or in any way contesting the completeness or accuracy of this Limited Offering

Memorandum or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any documents relating to the Bonds.

[to be provided]

Litigation — The Developer

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

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by 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.” 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 SEC (the “Rule”), the City, the PID Administrator Wilmington Trust, National Association, as dissemination agent (the “Dissemination Agent”), will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement of 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 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 Issuer.” Under certain circumstances, the failure of the City to comply with its obligations under the Disclosure Agreement of 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 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 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 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 Issuer or from any statement made pursuant to the Disclosure Agreement of Issuer.

The City's Compliance with Prior Undertakings

During the last five years, the City has complied in all material respects with its continuing disclosure agreements made in accordance with the Rule, except as provided below. For the fiscal year ended September 30, 2017, the City timely filed certain annual financial information in accordance with its prior undertakings. The information filed however did not contain information of the general type in certain tables labeled "Classification of Assessed Valuation" and "Computation of Self-Supporting Debt" that were part of its prior undertakings. The information for these tables has been included in subsequent annual filings.

The Developer

Pursuant to the Rule, the Developer, the PID Administrator and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of 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 Developer, certain information regarding the Development and the Public Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 — Form of Disclosure Agreement of Developer." Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of Developer would allow the Owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

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

The Developer's Compliance with Prior Undertakings

The Developer, acting through its North Texas division, has previously entered into certain continuing disclosure agreements related to public securities. During the last five years, the Developer has complied in all material respects with its continuing disclosure agreements.

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 a reoffering discount of \$_____ less an underwriting discount of \$_____). The Underwriter's obligations are subject to certain conditions precedent and if obligated

to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the Pandemic. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes. See “BONDHOLDERS’ RISKS — Infectious Disease Outbreak” herein.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the 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 or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A)

the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

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

obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

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

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

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

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

balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application by 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, the technical or financial feasibility of the project, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

Additional information about the Trustee may be found at its website at www.wilmingtontrust.com. 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 Developer, the Development and the Improvement Area #1 Projects generally and, in particular, the information included in the maps on pages (ii), (iii) and (iv), and in the sections captioned "PLAN OF FINANCE — Development Plan" and "— Developer as Homebuilder," "THE IMPROVEMENT AREA #1 PROJECTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Authorized Improvements 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, to the Developer's knowledge after due inquiry, the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading. At the time of delivery

of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

The information regarding the Service and Assessment Plan in this Limited Offering Memorandum has been provided by the PID Administrator and the Special Assessment Consultant 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 has been provided by Aegis Group, Inc. and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Aegis Group, Inc. has consented to the inclusion of the Appraisal herein.

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the 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 ninety (90) days after the date the City delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

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

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

AUTHORIZATION AND APPROVAL

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

CITY OF HUTTO, TEXAS

Mayor

ATTEST:

City Secretary

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

The following information has been provided for informational purposes only.

General Information

The City is a residential community located in central Texas approximately 25 miles northeast of Austin, between the cities of Round Rock and Taylor on US Highway 79. The City continues to transform from a rural Texas farm town to one of Austin's fastest growing suburbs. The impetus for the City's growth has been quality, affordable housing and quality public schools coupled with the access to larger job markets. The City's 2010 census population was 14,698. The City's 2021 estimated population is approximately 35,000.

Historical Employment in the City (Average Annual)

	Average Annual				
	2021 ⁽¹⁾	2020	2019	2018	2017
Civilian Labor Force	15,776	15,413	15,373	14,450	13,710
Total Employed	14,937	14,470	14,957	14,022	13,285
Total Unemployed	839	943	416	428	425
Unemployment Rate	5.3%	6.1%	2.7%	3%	3.1%

⁽¹⁾ Data through June 2021.

Source: Texas Labor Market Information

Major Employers in the City

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

<u>Employer</u>	<u>Employees</u>
Hutto ISD	1200
Paradigm	300
HEB	200
Brycom	183
Home Depot	170
Lowe's Home Improvement	160
Victory Plumbing	115
City of Hutto	114
JRS	91
Western	63

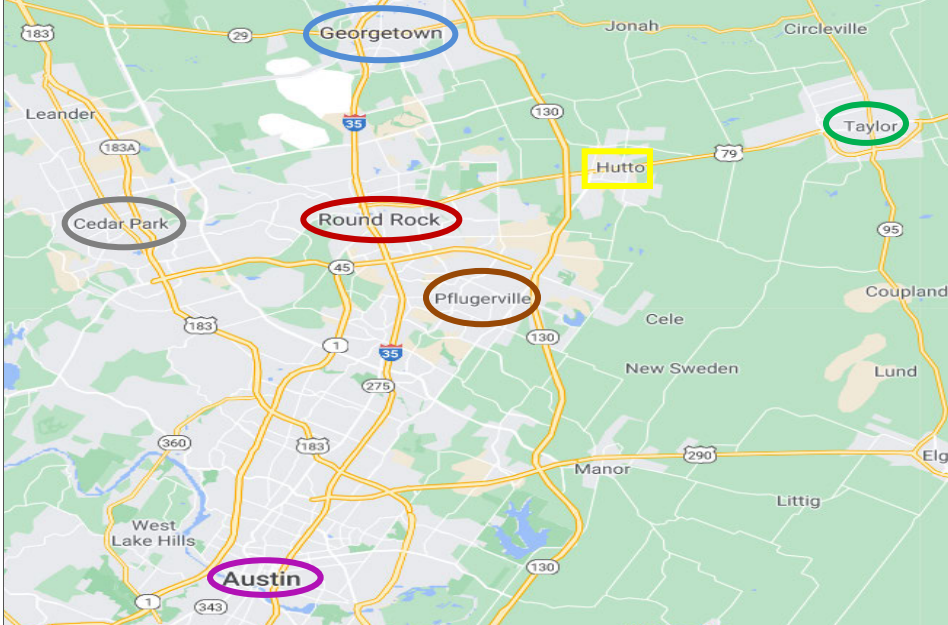
Source: City's 2020 CAFR

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

Regional Employers

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

City of Taylor, TX Approximately 9 Miles from Hutto		City of Georgetown, TX Approximately 14 Miles from Hutto		City of Round Rock, TX Approximately 9 Miles from Hutto		City of Cedar Park, TX Approximately 22 Miles from Hutto	
Employer	Employees	Employer	Employees	Employer	Employees	Employer	Employees
ERCOT	600	Georgetown ISD	1,911	Dell Inc.	13,000	Leander ISD	920
Taylor ISD	500	Williamson County	1,785	Round Rock ISD	6,955	Cedar Park Regional Medical Center	600
Durcon Inc.	400	City of Georgetown	876	City of Round Rock	1,019	CoreSlab Structures	340
Baylor Scott & White	180	Airborn, Inc.	602	Round Rock Premium Outlets	800	ETS Lindgren	315
Corrections Corp of America	160	St. David's Hospital	457	Seton Medical Center Williamson	750	National Oilwell Varco	240
HEB	160	Southwestern University	436	Baylor Scott & White Healthcare	750	BMC Corp.	220
City of Taylor	150	Wesleyan Homes	392	St. David's Round Rock Medical Center	689	BHI	200
Wal-Mart	125	Caring Home Health	310	Emerson Automation Solutions	682	Firefly Aerospace	150
Floydco Inc.	120	Smile Doctors	300	Amazon	600	Texas Materials Group	100
Burrows Cabinets	100	Lone Star Circle of Care	256	United Parcel Services	563	Innovative Funding Services	100



City of Pflugerville, TX Approximately 10 Miles from Hutto	
Employer	Employees
Pflugerville ISD	1,659
City of Pflugerville	384
Wal-Mart	325
Curative	300
Mtech	268
Cash Construction Co.	250
Costco	200
Flextronics	195
Target	177
Home Depot	165

City of Austin, TX Approximately 30 Miles from Hutto	
Employer	Employees
State Government	39,086
University of Texas at Austin	27,426
HEB	18,035
Federal Government	17,100
City of Austin	14,772
Dell Computer Corporation	14,030
Ascension Seton	11,227
Austin ISD	11,005
St David's Healthcare	10,836
Walmart Stores Inc.	7,500

Source: For information relating to the Cities of Austin, Cedar Park, Georgetown, Pflugerville, Round Rock, and Taylor, Texas, the individual City's 2021 CAFR.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX B
FORM OF INDENTURE

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX C
FORM OF SERVICE AND ASSESSMENT PLAN

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF ISSUER

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF DEVELOPER

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX F

FORM OF FINANCING AND REIMBURSEMENT AGREEMENT

(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

APPENDIX G

APPRAISAL OF IMPROVEMENT AREA #1

**CITY OF HUTTO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER

This Continuing Disclosure Agreement of Developer dated as of [October 21], 2021 (this “Disclosure Agreement”) is executed and delivered by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (acting solely in its capacity as the “Dissemination Agent”) with respect to the “City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project)” (the “Bonds”). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the 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. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of [October 1], 2021, 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:

“Additional Improvements” shall mean those certain improvements which the Developer will construct pursuant to the terms of the Development Agreement and the Financing and Reimbursement Agreement, as identified in the Service and Assessment Plan.

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

“Agreement of Sale and Purchase” shall mean, with respect to lots or land within Improvement Area #1 of the District, any agreement of sale and purchase between a Homebuilder and the Developer to purchase lots or to purchase land.

“Amenities” shall mean those public and private amenities to serve the District, including (a) open space, hike and bike trails, and potential multi-purpose fields anticipated to be open to general public, and (b) a primary amenity center, including a pool, covered seating, restroom facilities, shaded playscape, parking lot, and open space, and a secondary amenity center, including a pavilion and playscape with open space which may be limited to community residents.

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

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.

“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.

“Developer” shall mean Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, and each other Person, through assignment, who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements or Additional Improvements and their designated successors and assigns.

“Developer Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“Developer’s Affiliates” means any entity that controls, is controlled by, or is under common control with the Developer and is involved in the construction of the Improvement Area #1 Improvements or the Additional Improvements, or the development of lots within the District, and their designated successors and assigns.

“Development Agreement” shall mean that [Second] Amended and Restated Development Agreement between the Developer and the Issuer, effective as of [September 16], 2021, as may be amended from time to time.

“Disclosure Agreement of Issuer” shall mean the Continuing Disclosure Agreement of Issuer dated as of [October 21], 2021 executed and delivered by and among the Issuer, the Administrator and the Dissemination Agent.

“Dissemination Agent” shall mean Wilmington Trust, National Association, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Cottonwood Creek Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Financial Advisor” shall mean the person or independent firm designated by the Issuer as its financial advisor. The Issuer has selected Hilltop Securities Inc. as the current Financial Advisor.

“Financing and Reimbursement Agreement” shall mean that Financing and Reimbursement Agreement between the Developer and the Issuer, and consented to by Hutto 372, Ltd., a Texas limited partnership, effective as of June 3, 2021.

“Homebuilder(s)” shall mean any merchant homebuilder 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 Account” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessed Property” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessment” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Improvements” shall have the meaning assigned to such term in the Indenture.

“Issuer” shall mean the City of Hutto, Texas.

“Listed Events” shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“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.

“Quarterly Ending Date” shall mean each March 31, June 30, September 30 and December 31, beginning December 31, 2021.

“Quarterly Filing Date” shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

“Quarterly Information” shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

“Quarterly Report” shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Significant Homebuilder” shall mean a Homebuilder that then owns ten percent (10%)¹ or more of the single family residential lots within Improvement Area #1.

“Significant Homebuilder Listed Events” shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

“Trustee” shall mean Wilmington Trust, National Association, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer and any Significant Homebuilder, 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 December 31, 2021, the information required for the preparation of the Quarterly Report (with respect to each party, the “Quarterly Information”). The Developer and any Significant Homebuilder shall provide, or cause to be provided, such Quarterly Information until such party’s obligations terminate pursuant to Section 7 of this Disclosure Agreement. For the avoidance of doubt, (i) if the 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.

(b) The Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Developer and/or Significant Homebuilder pursuant to subsection (a) above and (ii) provide to the Developer and/or Significant Homebuilder, as applicable, each Quarterly Report for review no later than twenty (20) days after each Quarterly Ending Date. The Developer and/or any Significant Homebuilder, as applicable, shall review the Quarterly Report and, upon such review, shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide to the Administrator the Certification Letter and authorize the Administrator to provide such Quarterly Report and Certification Letter to the Dissemination Agent pursuant to subsection (c) below. In all cases, the Developer and/or any Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such party contained in the Quarterly Report.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in this

¹ At closing of the Bonds, based on the Developer’s current concept plan, ten percent (10%) of the total single family residential lots within Improvement Area #1 of the District is currently equal to approximately fifty five (55) lots.

Section 3 and the Certification Letter(s) provided by the Developer and/or any Significant Homebuilder, as applicable. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s) with the MSRB and provide a copy of such report to the Issuer, the Financial Advisor 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 and the Certification Letter(s) must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that the Developer, any Significant Homebuilder or the Administrator does not provide the information required by subsection (a) or (b) of this Section, 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 Developer, Significant Homebuilder or Administrator, as applicable, 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 is provided by the Developer or any Significant Homebuilder to the Dissemination Agent, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If the Developer and/or any Significant Homebuilder timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the information to the Dissemination Agent, or the failure of the Dissemination Agent to provide such information to the Participating Underwriter in a timely manner, shall not be deemed a default by the Developer, or any Significant Homebuilder, as applicable, under this Disclosure Agreement.

(d) Such Quarterly Report shall be in a form similar to that as attached in Exhibit A hereof and shall include:

(i) In a form similar to that as Table 3(d)(i) in Exhibit A attached hereto, the composition of the property within Improvement Area #1 subject to the Improvement Area #1 Assessments, as of the Quarterly Ending Date, including:

- A. The number of single family residential parcels;
- B. The number of acres of single family residential parcels;
- C. The number of platted single family residential lots;
- D. The number of single family residential lots identified in the original Service and Assessment Plan; and
- E. An explanation as to any change to the number of lots/parcels within Improvement Area #1 from the original Service and Assessment Plan;

(ii) In a form similar to that as Table 3(d)(ii) in Exhibit A attached hereto, the landowner composition of Improvement Area #1, including:

- A. The number of lots owned by each type of landowner (i.e., Developer, Homebuilders, end-user); and

B. The percentage of single family residential lots relative to the total single family residential lots for the Developer, each Homebuilder, and end-users (end-users reported collectively), as of the Quarterly Ending Date;

(iii) In a form similar to that as Table 3(d)(iii) in Exhibit A attached hereto, for each parcel designated as single family residential, lot absorption statistics by lot type, on a running total basis, including:

A. The number of single family lots platted in Improvement Area #1;

B. The number of single family lots in Improvement Area #1 owned by the Developer closed with a Homebuilder;

C. The number of single family lots in Improvement Area #1 owned by the Developer under contract (but not closed) with a Homebuilder; and

D. The number of single family lots in Improvement Area #1 owned by the Developer not closed or under contract with a Homebuilder;

(iv) In a form similar to that as Table 3(d)(iv) in Exhibit A attached hereto, for each parcel designated as single family residential, for the Developer and for each Homebuilder, broken down by lot type and phase, on a running total basis:

A. The number of homes under construction in Improvement Area #1;

B. The number of completed homes not under contract with end-users in Improvement Area #1;

C. The number of homes under contract with end-users in Improvement Area #1;

D. The number of homes closed with (delivered to) end-users in Improvement Area #1;

E. The average sales price of homes closed with end-users; and

F. The estimated date of completion of all homes to be constructed by the Homebuilder;

(v) In a form similar to that as Table 3(d)(v) in Exhibit A attached hereto, with respect to the Amenities:

A. Type of Amenity;

B. Total expected construction budget;

C. Total costs spent to date;

D. Expected or actual construction start date;

E. Status of construction; and

F. Expected or actual construction completion date;

(vi) In a form similar to that as Table 3(d)(vi) in Exhibit A attached hereto, materially adverse changes or determinations to permits/approvals for the development of Improvement Area #1 that necessitate changes to the land use plans of the Developer;

(vii) In a form similar to that as Table 3(d)(vii) in Exhibit A attached hereto, the occurrence of any new or modified mortgage debt on the land owned by the Developer, including the amount, interest rate and terms of repayment; and

(e) In a form similar to that as Tables 3(e)(i)-(iii) in Exhibit A attached hereto, with respect to each category of the Improvement Area #1 Improvements, as set forth in the Service and Assessment Plan, and the Additional Improvements, the Developer shall provide or cause to be provided the following information to the Administrator for inclusion in each Quarterly Report:

(i) Construction budget and timeline for the Improvement Area #1 Improvements, including:

A. Total budget costs of all Improvement Area #1 Improvements;

B. Total actual costs of the Improvement Area #1 Improvements drawn from the Improvement Account, as of the Quarterly Ending Date;

C. Total actual costs of Improvement Area #1 Improvements financed with other sources of funds (non-bond financed), as of the Quarterly Ending Date;

D. Forecast completion date; and

E. Actual Issuer acceptance date;

(ii) Construction budget and timeline for the Additional Improvements, including:

A. Total budgeted costs of all Additional Improvements;

B. Total actual costs of all Additional Improvements, as of the Quarterly Ending Date;

C. Forecast completion date; and

D. Actual Issuer acceptance date; and

(iii) Narrative update on construction milestones for the Improvement Area #1 Improvements and Additional Improvements since the date of the prior Quarterly Report.

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 #1 Assessments levied within Improvement Area #1 on a parcel owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 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 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including the Improvement Area #1 Improvements, the Additional Improvements and the Amenities;

(iii) Material default by the Developer or any of the Developer's Affiliates on any loan with respect to the acquisition, development or permanent financing of Improvement Area #1 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 #1 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 #1 or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's Affiliates;

(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer; and

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Sections 5 or 6 herein.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Bonds:

(i) Failure to pay any real property taxes or Improvement Area #1 Assessments levied within Improvement Area #1 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 #1 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(c) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of the Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under an Agreement of Sale and Purchase; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever the Developer obtains knowledge of the occurrence of a Developer Listed Event, the Developer shall promptly notify the Administrator and the Dissemination Agent in writing and the Developer 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, the Financial Advisor and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Developer becomes aware of the occurrence of such Developer Listed Event. If the Developer timely notifies the Dissemination Agent of the occurrence of a Developer 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 the Developer under this Disclosure Agreement.

Whenever a Significant Homebuilder obtains knowledge of the occurrence of a Significant Homebuilder Listed Event, the applicable Significant Homebuilder shall promptly notify the Administrator and the Dissemination Agent in writing and such Significant Homebuilder shall direct the Dissemination Agent in writing to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Significant Homebuilder becomes aware of the occurrence of such Significant Homebuilder Listed Event. If the Significant Homebuilder timely notifies the Dissemination Agent of the occurrence of a Significant Homebuilder 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 the Significant Homebuilder under this Disclosure Agreement.

Any notice under the two (2) preceding paragraphs shall be accompanied with the text of the disclosure that the Developer or Significant Homebuilder, as applicable, desires to make, the written authorization of the Developer or the Significant Homebuilder, as applicable, for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer or Significant Homebuilder, as applicable, desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the Developer or Significant Homebuilder, as applicable, becomes aware of the occurrence of the Developer Listed Event or Significant Homebuilder Listed Event, as applicable).

In all cases, the Developer or the Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Developer or the Significant Homebuilder, as applicable, 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 the Developer or Significant Homebuilder, as applicable, becomes aware of the occurrence of the applicable Listed Event.

(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 the Administrator, the Developer and the Significant Homebuilder, if applicable, 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 Developer or Significant Homebuilder, as applicable, 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 Developer or Significant Homebuilder, as applicable, 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 Developer and Significant Homebuilder, as applicable, 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 Administrator, the Participating Underwriter, the Issuer, the Financial Advisor, the Developer, Significant Homebuilder, 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 the Developer or Significant Homebuilder to report the occurrence of a Listed Event in accordance with subsections (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from the Developer or Significant Homebuilder, as applicable; 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 by Developers.

The Developer shall cause each Person, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements or

Additional Improvements to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, and the Administrator a written acknowledgement from each Person who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements or Additional Improvements, in substantially the form attached as Exhibit E (the “Developer Acknowledgment”), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above, and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. 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 property transferred or the obligations assigned. 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 Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity meeting the definition of a “Developer” in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilders.

If a Homebuilder acquires ownership of real property in Improvement Area #1 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer shall cause such Significant Homebuilder to comply with the Developer’s disclosure obligations under Sections 3(d)(iv) and 4(b) hereof, with respect to such acquired real property until such party’s disclosure obligations terminate pursuant to Section 7 of this Disclosure Agreement; provided, however, a Significant Homebuilder who is also a Developer shall be required to provide the disclosure information required by Sections 3 and 4(a), as applicable, pursuant to Section 5 above. The Developer shall deliver to the Dissemination Agent and the Administrator, 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 Sections 4(a)(ix) and 4(b)(vi) above, the Developer or Significant Homebuilder, as applicable, shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above, and provide a copy of such notice to the Issuer, the Financial Advisor and the Participating Underwriter. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder’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 property transferred or the obligations assigned. 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. Additionally, for the avoidance of doubt, the Developer shall require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a “Significant Homebuilder” in the future.

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, or (ii) the later of (a) when all of the Improvement Area #1 Improvements and Additional Improvements are complete and at least ninety percent (90%)² of the single family residential lots within Improvement Area #1 are either under contract with Homebuilders or sold to end-users, or (b) when the Developer no longer owns at least ten percent (10%)³ of the single family residential lots within Improvement Area #1 and at least ninety percent (90%)² of the single family residential lots within Improvement Area #1 are either under contract with Homebuilders or sold to end-users.

(b) The reporting obligations of a Significant Homebuilder, if any, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Bonds remain Outstanding, or (ii) when the Significant Homebuilder no longer owns at least ten percent (10%) of the single family residential lots within Improvement Area #1.

(c) At such time that the reporting obligations of the Developer or Significant Homebuilder, if any, terminate in accordance with subsection (a) or (b) of this Section 7, the Administrator shall provide written notice to the Developer or Significant Homebuilder, as applicable, the Participating Underwriter and the Dissemination Agent in substantially the form attached as Exhibit C, thereby, terminating the applicable party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to the Developer or Significant Homebuilder 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 Financial Advisor, the Trustee, the Developer or Significant Homebuilder, as applicable, 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 the Developer's and all Significant Homebuilder's, if any, reporting obligations in accordance with subsection (a) or (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 Financial Advisor, the Trustee, the Developer or Significant Homebuilder, as applicable, and the Participating Underwriter.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out the obligations of the Developer, Significant Homebuilder, if any, and the Administrator 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 Wilmington Trust, National Association, Dallas, Texas.

² At closing of the Bonds, based on the Developer's current concept plan, ninety percent (90%) of the total single family residential lots within Improvement Area #1 of the District is equal to approximately four hundred ninety five (495) lots.

³ At closing of the Bonds, based on the Developer's current concept plan, ten percent (10%) of the total single family residential lots within Improvement Area #1 of the District is equal to approximately fifty five (55) lots.

SECTION 9. Amendment; Waiver. 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 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 the Developer or any Significant Homebuilder, 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 Developer. 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 the Developer or any Significant Homebuilder 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 the Developer or Significant Homebuilder chooses to include any information in any Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event, as applicable, in addition to that which is specifically required by this Disclosure Agreement, the Developer or the Significant Homebuilder, as applicable, shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Developer Listed Event or Significant Homebuilder Listed Event.

SECTION 11. Content of Disclosures. In all cases, the Developer or Significant Homebuilder, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 10 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of the Developer, any Significant Homebuilder or the Administrator to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary

and appropriate to cause the Developer, Significant Homebuilder and/or the 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, Significant Homebuilder or the Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer, or any Significant Homebuilder, as applicable, shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer, any Significant Homebuilder or the Administrator. Additionally, a default by the Developer of its obligations under this Disclosure Agreement shall not be deemed a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement; and, likewise, a default by any Significant Homebuilder of such Significant Homebuilder's obligations under this Disclosure Agreement shall not be deemed a default of the Developer of the Developer's obligations under this Disclosure Agreement.

SECTION 13. 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 limitation the Quarterly Report) prepared by the Developer, Significant Homebuilder and/or the Administrator 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. The Developer agrees to 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. 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) 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. 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 OR THE DEVELOPER 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 OR A SIGNIFICANT HOMEBUILDER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Developer, any Significant Homebuilder, 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 Developer, any Significant Homebuilder, the Administrator or Dissemination Agent in other than that person’s official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter,

and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

Wilmington Trust, National Association
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

**Lennar Homes of Texas Land and Construction,
Ltd.**

a Texas limited partnership

By: Lennar Texas Holding Company
a Texas corporation
Its: General Partner

By: _____

Name: _____

Title: _____

P3WORKS, LLC
(as Administrator)

By: _____
Name: _____
Title: _____

EXHIBIT A

CITY OF HUTTO, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021 (COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

DEVELOPER QUARTERLY REPORT [INSERT QUARTERLY ENDING DATE]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: Wilmington Trust, National Association
Address: 15950 North Dallas Parkway Suite 550
City: Dallas, Texas 75248
Telephone: 972-381-3154
Contact Person: Attn: _____

TABLE 3(d)(i)

IMPROVEMENT AREA #1 OVERVIEW (as of [Insert Quarterly Ending Date])				
NUMBER OF SINGLE FAMILY PARCELS, ACREAGE OF SUCH PARCELS AND NUMBER OF PLATTED SINGLE FAMILY LOTS IN IMPROVEMENT AREA #1 SUBJECT TO IMPROVEMENT AREA #1 ASSESSMENTS:				
	Improvement Area #1 ⁽¹⁾		Original Service and Assessment Plan ⁽²⁾	
	Explanation as to any change in Lots/Parcels from Original Service and Assessment Plan			
Single Family				
Total SF Parcels/Acres				
Lot Type	-		-	
40' Lot				
45' Lot				
50' Lot				
70' Lot				
Duplex Lot (60')				
[Future SF]				
Total SF Lots:				

⁽¹⁾ Single family lots represent the number of platted single family lots in Improvement Area #1, as of [Insert Quarterly Ending Date].

⁽²⁾ Single family lots represent the number of planned single family lots included in Exhibit I of the original Service and Assessment Plan.

TABLE 3(d)(ii)

LANDOWNER COMPOSITION (as of <i>[Insert Quarterly Ending Date]</i>) OF IMPROVEMENT AREA #1		
Landowner Composition	Number of Actual Single Family Residential Lots Owned	Percentage of Total Actual Single Family Residential Lots
Developer Owned		
40' Lot		
45' Lot		
50' Lot		
70' Lot		
Duplex Lot (60')		
[Future SF]		
<i>Total Developer Owned SF Lots:</i>		
[Homebuilder] Owned⁽¹⁾		
40' Lot		
45' Lot		
50' Lot		
70' Lot		
Duplex Lot (60')		
[Future SF]		
<i>Total Homebuilder Owned SF Lots:</i>		
End-User Owned		
40' Lot		
45' Lot		
50' Lot		
70' Lot		
Duplex Lot (60')		
[Future SF]		
<i>Total End-User Owned SF Lots:</i>		
<i>Total Development:</i>		

⁽¹⁾ Add additional rows for each Homebuilder.

FOR EACH PARCEL DESIGNATED AS SINGLE FAMILY RESIDENTIAL:

TABLE 3(d)(iii)

DEVELOPER ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL IN IMPROVEMENT AREA #1											
	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__	Q 20__
# of platted SF lots:											
• 40' • 45' • 50' • 70' • Duplex Lot (60') • [Future SF]											
TOTAL											
# of SF lots under contract with Homebuilders:											
• [Homebuilder] ○ 40' ○ 45' ○ 50' ○ 70' ○ Duplex (60') ○ [Future SF]											
Subtotal											
• [Homebuilder] ○ 40' ○ 45' ○ 50' ○ 70' ○ Duplex (60') ○ [Future SF]											
Subtotal											
TOTAL											
# of SF lots closed with Homebuilders:											
• [Homebuilder] ○ 40' ○ 45' ○ 50' ○ 70' ○ Duplex (60') ○ [Future SF]											
Subtotal											
• [Homebuilder] ○ 40' ○ 45' ○ 50' ○ 70' ○ Duplex (60') ○ [Future SF]											
Subtotal											
TOTAL											

# of SF lots not under contract with Homebuilders:										
• 40'										
• 45'										
• 50'										
• 70'										
• Duplex (60')										
• [Future SF]										
TOTAL										

TABLE 3(d)(iv)

[DEVELOPER] or [Homebuilder] ABSORPTION STATISTICS FOR SINGLE FAMILY RESIDENTIAL LOTS IN IMPROVEMENT AREA #1 ⁽¹⁾								
	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__	Q__ 20__
# of SF homes under construction:								
• 40'								
• 45'								
• 50'								
• 70'								
• Duplex Lot (60')								
• [Future SF]								
TOTAL								
# of completed SF homes NOT under contract with end-user:								
• 40'								
• 45'								
• 50'								
• 70'								
• Duplex Lot (60')								
• [Future SF]								
TOTAL								
# of SF homes under contract with end-user:								
• 40'								
• 45'								
• 50'								
• 70'								
• Duplex Lot (60')								
• [Future SF]								
TOTAL								
# of SF homes delivered to end-users:								
• 40'								
• 45'								
• 50'								
• 70'								
• Duplex Lot (60')								
• [Future SF]								
TOTAL								
Average home prices of homes delivered to end-users:								
• 40'								
• 45'								

• 50' • 70' • Duplex Lot (60') • [Future SF] • Average								
--	--	--	--	--	--	--	--	--

(1) Additional tables to be added for each Homebuilder

The estimated date of completion of all homes to be constructed by Developer is _____, ____.

[The estimated date of completion of all homes to be constructed by [Homebuilder] is _____, ____.]

[The estimated date of completion of all homes to be constructed by [Homebuilder] is _____, ____.]

STATUS OF DEVELOPMENT:

TABLE 3(d)(v)

STATUS OF AMENITIES					
Type of Amenity	Expected Construction Budget	Total Costs Spent to Date	Expected or Actual Construction Start Date	Status of Construction	Expected or Actual Construction Completion Date

TABLE 3(d)(vi)

PERMITS/APPROVALS	
Change or Determination to Permit/Approval	Description of the Change to the Land Use Plan

TABLE 3(d)(vii)

OCCURRENCE OF ANY NEW OR MODIFIED MORTGAGE DEBT				
Borrower	Lender	Amount	Interest Rate	Terms of Repayment

[Remainder of page intentionally left blank]

STATUS OF IMPROVEMENT AREA #1 IMPROVEMENTS AND ADDITIONAL IMPROVEMENTS:

TABLES 3(e)(i)-(iii)

IMPROVEMENT AREA #1 IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW					
	Budgeted Costs	Actual Costs Draw from [Improvement Account] as of [Insert Quarterly Ending Date]	Actual Costs financed with sources other than Bond proceeds as of [Insert Quarterly Ending Date]	Forecast Completion Date	Actual Issuer Acceptance Date
Total costs required to complete Improvement Area #1 Improvements:					
• Water	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
• Drainage	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
• Street	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
• Soft Costs	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

ADDITIONAL IMPROVEMENTS BUDGET AND TIMELINE OVERVIEW				
	Budgeted Costs	Actual Costs spent as of [Insert Quarterly Ending Date]	Forecast Completion Date	Actual Issuer Acceptance Date
Total costs required to complete Additional Improvements:				
• Additional Improvements	\$ _____	\$ _____	_____	_____

Narrative update on construction milestones for Improvement Area #1 Improvements and Additional Improvements since last Quarterly Report:

EXHIBIT B

**NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]**

[DATE]

Name of Issuer: City of Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021
(Cottonwood Creek Public Improvement District Improvement
Area #1 Project) (the “Bonds”)
CUSIP Numbers: [insert CUSIP Numbers]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that _____, a
_____ (the [“Developer⁴”] [“Significant Homebuilder”]) has not provided the
[Quarterly Information][Quarterly Report] for the period ending on [Insert Quarterly Ending Date]
with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer dated
as of [October 21], 2021, by and among Lennar Homes of Texas Land and Construction, Ltd., a
Texas limited partnership (the “Developer”), P3Works, LLC, as the “Administrator” and
Wilmington Trust, National Association, as the “Dissemination Agent.” The
[Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly
Report] will be [provided][filed] by _____.

Dated: _____

Wilmington Trust, National Association
on behalf of the Developer
(acting solely in its capacity as
Dissemination Agent)

By: _____

Title: _____

cc: City of Hutto, Texas

⁴ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer: City of Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021
(Cottonwood Creek Public Improvement District Improvement
Area #1 Project) (the “Bonds”)
CUSIP Numbers. [insert CUSIP Numbers]
Date of Delivery: _____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Wilmington Trust
15950 North Dallas Parkway Suite 550
Dallas, Texas 75248
Telephone: 972-381-3154

City of Hutto, Texas
500 West Live Oak Street
Hutto, Texas 75068

Lennar Homes of Texas Land and Construction, Ltd.

[Significant Homebuilder]

NOTICE IS HEREBY GIVEN that that _____, a
_____ (the [“Developer”] [“Significant Homebuilder”]) is no longer
responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the
Bonds, thereby, terminating such party’s reporting obligations under the Continuing Disclosure
Agreement of Developer dated as of [October 21], 2021, by and among Lennar Homes of Texas
Land and Construction, Ltd., a Texas limited partnership (the “Developer”), P3Works, LLC, as
the “Administrator” and Wilmington Trust, National Association, as the “Dissemination Agent.”

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant Homebuilder]
(solely in its capacity as Administrator)

By: _____

Title: _____

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer: City of Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021
(Cottonwood Creek Public Improvement District Improvement
Area #1 Project)
CUSIP Numbers: [insert CUSIP Numbers]
Quarterly Ending Date: _____, 20__

Re: Quarterly Report for Cottonwood Creek Public Improvement District – Improvement Area #1

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of Developer dated as of [October 21], 2021 by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership¹ (the “Developer”), P3Works, LLC, as the “Administrator”, and Wilmington Trust, National Association, as the “Dissemination Agent,” this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a “Significant Homebuilder”], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

Lennar Homes of Texas Land and Construction, Ltd.
a Texas limited partnership

By: Lennar Texas Holding Company
a Texas corporation
Its: General Partner

By: _____
Name: _____
Title: _____

OR

[SIGNIFICANT HOMEBUILDER
(as Significant Homebuilder)

By: _____
Title: _____]

¹ If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT E

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF DEVELOPER REPORTING OBLIGATIONS**

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Cottonwood Creek Public Improvement District Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements or Additional Improvements (as those terms are defined in the Disclosure Agreement of Developer) within Improvement Area #1 of the Cottonwood Creek Public Improvement District (the “District”).

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of [October 21], 2021 (the “Disclosure Agreement of Developer”) by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Initial Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (the “Dissemination Agent”) with respect to the “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project),” any person that, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Improvements or Additional Improvements within Improvement Area #1 of the District is defined as a Developer.

As a Developer, pursuant to Section 6 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Lennar Homes of Texas Land and Construction, Ltd.
a Texas limited partnership

By: Lennar Texas Holding Company
a Texas corporation
Its: General Partner
By: _____
Name: _____
Title: _____

Acknowledged by:

[INSERT ASSIGNEE NAME]

By: _____
Title: _____

EXHIBIT F

**FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT
OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS**

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Cottonwood Creek Public Improvement District Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20____, you own _____ lots within Improvement Area #1 of the Cottonwood Creek Public Improvement District (the “District”), which is equal to approximately _____% of the single family residential lots within Improvement Area #1 of the District.

Pursuant to Section 2 of the Continuing Disclosure Agreement of Developer dated as of [October 21], 2021 (the “Disclosure Agreement of Developer”) by and among Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership (the “Developer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association (the “Dissemination Agent”) with respect to the “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project),” any entity that owns ten percent (10%) or more of the single family residential lots within Improvement Area #1 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 7 of the Disclosure Agreement of Developer, you acknowledge and assume the reporting obligations under Sections 3(d)(iv) and 4(b) of the Disclosure Agreement of Developer for the property which is owned as detailed in the Disclosure Agreement of Developer, which is included herewith.

Sincerely,

Lennar Homes of Texas Land and Construction, Ltd.
a Texas limited partnership

By: Lennar Texas Holding Company
a Texas corporation
Its: General Partner

By: _____
Name: _____
Title: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]

By: _____
Title: _____

**CITY OF HUTTO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of [October 21], 2021 (this “Disclosure Agreement”) is executed and delivered by and between the City of Hutto, Texas (the “Issuer”), P3Works, LLC (the “Administrator”), and Wilmington Trust, National Association, Dallas, Texas (acting solely in its capacity as the “Dissemination Agent”) with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project)” (the “Bonds”). The Issuer, the Administrator and the Dissemination Agent covenant and agree as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of [October 1], 2021, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

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

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

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

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.

“Developer” shall mean Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, and its designated successors and assigns.

“Disclosure Agreement of Developer” shall mean the Continuing Disclosure Agreement of Developer relating to the Bonds dated as of [October 21], 2021 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the Director of Finance of the Issuer or his or her designee, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean Wilmington Trust, National Association, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Cottonwood Creek Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System 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.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the calendar year from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Improvement Area #1 Assessment” 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 mean, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under the Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in the Indenture, (iii) any Bond in

lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to the Indenture, and (iv) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in the Indenture.

“Owner” shall mean the registered owner of any Bonds.

“Participating Underwriter” shall mean FMSbonds, Inc. and its successors and assigns.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall mean Wilmington Trust, National Association, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as trustee, or any successor trustee pursuant to the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall, not later than six (6) months after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2021, provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, an Annual Issuer Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. 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. If the Issuer’s Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Issuer Report pursuant to Section 4 of this Disclosure Agreement. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) Upon delivery by the Issuer of the Annual Issuer Report to the Dissemination Agent together with written instructions to file such report with the MSRB, the Dissemination Agent shall:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a); and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof;

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report together with written instructions to file such with the MSRB 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, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. 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 and principal amount remaining Outstanding;

(B) The amounts in the funds and accounts under the Indenture securing the Bonds and a description of the related investments; and

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type, in substantially similar form to that shown in the tables provided under Sections 4(a)(ii)(A) and 4(a)(ii)(B) of Exhibit B attached hereto. Such information shall be provided: (a) as of the end of the Fiscal Year (for tables in Section 4(a)(ii)(A) of Exhibit B), and (b) both as of the end of the Fiscal Year and through February 1 of the calendar year immediately succeeding such Fiscal Year (for tables in Section 4(a)(ii)(B) of Exhibit B).

(iii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Improvement Area #1 Assessments in Improvement Area #1.

(iv) Until building permits have been issued for parcels or lots representing, in the aggregate, ninety-five percent (95%) of the total Improvement Area #1 Assessments levied within Improvement Area #1, the Annual Issuer Report (in the SAP Update or otherwise) shall include the number of certificates of occupancy ("COs") issued for new homes completed in Improvement Area #1 during such Fiscal Year and the aggregate number of COs issued for new homes completed within Improvement Area #1 since filing the initial Annual Issuer Report for Fiscal Year ending September 30, 2021.

(v) If the total amount of delinquencies greater than 150 days equals or exceeds ten percent (10%) of the amount of Improvement Area #1 Assessments due in any fiscal year, a list of delinquent property owners.

(vi) 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 12-month period after the end of the Fiscal Year, then the Issuer shall provide unaudited financial statements within such 12-month 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.

(c) The Issuer has designated P3Works, LLC as the initial Administrator. The Administrator shall prepare and provide the Annual Financial Information required (except for the information of the type included under the heading “Debt Service Requirements on the Bonds” and audited or unaudited financial statements of the Issuer) under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six (6) months after the end of each Fiscal Year. If no Administrator has been designated, the Issuer shall prepare and provide the Annual Financial Information required under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six (6) months after the end of each Fiscal Year.

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 #1 in the ordinary course of the Developer's business to be considered a significant event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (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 in writing to immediately 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.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual audited financial statements (or unaudited financial statements, if audited financial statements are not available) or Annual Financial Information as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting “Notice To MSRB of Failure To File.”

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 pursuant to Sections 4 and 5 of this Disclosure Agreement. 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 not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in

writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent 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 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 may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The 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 Wilmington Trust, National Association, Dallas, Texas.

SECTION 8. Amendment; Waiver. 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 Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual 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. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual 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. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of Developer 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 limitation 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 #1, 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 #1, 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 THE ISSUER, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, 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 OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 12. Assessment Timeline. The basic expected timeline for the collection of Improvement Area #1 Assessments and the anticipated procedures for pursuing the collection of delinquent Improvement Area #1 Assessments is set forth in Exhibit C which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Improvement Area #1 Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future council members, officer, agent or employee of the Issuer, the Administrator, or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor

shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Anti-Boycott Verification. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Dissemination Agent 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 Agreement. The foregoing verification is made solely to enable the City to comply with such Section 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..

SECTION 19. Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, the Dissemination Agent and the Administrator 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, Texas Government Code, and posted on any of the following pages of such officer's internet website:

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

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law and excludes the Dissemination Agent, 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. The Dissemination Agent and the Administrator understand “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator and exists to make a profit.

SECTION 20. Section 2274.002 as added by Senate Bill 13 (No Discrimination Against Fossil-Fuel Companies) Verification. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, Dissemination Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

SECTION 21. Section 2274.002 as added by Senate Bill 19 (No Discrimination Against Firearm Entities and Firearm Trade Associations) Verification. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Dissemination Agent 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 during the term of this Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, ‘discriminate against a firearm entity or firearm trade association’ (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition,

firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) 'firearm entity' means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) 'firearm trade association' means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

SECTION 22. Disclosure of Interested Parties. 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.

SECTION 23. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas and all obligations of the Parties are performable in Williamson County, Texas. Venue for any action to enforce or construe this Agreement shall be in Williamson County, Texas.

SECTION 24. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages follow.]

CITY OF HUTTO, TEXAS

By: _____
Mayor

ATTEST:

By: _____
Holly Nagy, City Secretary

WILMINGTON TRUST, NATIONAL
ASSOCIATION
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

S-2

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

SIGNATURE PAGE OF CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

S-3

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
ANNUAL ISSUER REPORT**

Name of Issuer: City of Hutto, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2021 (Cottonwood
Creek Public Improvement District Improvement Area #1 Project)
Date of Delivery: _____, 20____
CUSIP Numbers: [Insert CUSIP Numbers]

NOTICE IS HEREBY GIVEN that the City of Hutto, Texas, has not provided [an Annual Issuer Report] [annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated as of [October 21], 2021, between the Issuer, P3Works, LLC, as Administrator and Wilmington Trust, National Association, as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report] [annual audited financial statements] will be filed by _____.

Dated: _____

Wilmington Trust, National Association,
on behalf of the City of Hutto, Texas
(solely in its capacity as Dissemination Agent)

By: _____

Title: _____

cc: City of Hutto, Texas

EXHIBIT B

CITY OF HUTTO, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021 (COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

ANNUAL ISSUER REPORT*

Delivery Date: _____, 20__

CUSIP Numbers: [insert CUSIP Numbers]

DISSEMINATION AGENT

Name: Wilmington Trust, National Association
Address: 15950 North Dallas Parkway Suite 550
City: Dallas, Texas 75248
Telephone: 972-381-3154
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding Audited Financial Statements of the Issuer

Section 4(a)(i)(C)**ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE****ASSETS**

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)(A)**FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR****Debt Service Requirements on the Bonds**

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
---	------------------	-----------------	--------------

Top Improvement Area #1 Assessment Payers⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Improvement</u> <u>Area #1</u> <u>Assessments</u>
-----------------------	--------------------------------------	---	--	--

⁽¹⁾ Does not include those owing less than one percent (1%) of total Improvement Area #1 Assessments.

Assessed Value of the Improvement Area #1 of the District

The [YEAR] certified total assessed value for the land in the Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Williamson Central Appraisal District.

Section 4(a)(ii)(B)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AS OF THE END OF THE FISCAL YEAR AND AS OF FEBRUARY 1 OF THE NEXT SUCCEEDING YEAR

Foreclosure History Related to the Improvement Area #1 Assessments

<u>Time Period</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Improvement Area #1 Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

Collection and Delinquency History of Improvement Area #1 Assessments

<u>Time Period</u>	<u>Total Improvement Area #1 Assessment Levied</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 2/1</u>	<u>Delinquent % as of 2/1</u>	<u>Delinquent Amount as of 9/1</u>	<u>Delinquent % as of 9/1</u>	<u>Total Improvement Area #1 Assessments Collected⁽²⁾</u>
[FISCAL YEAR END]	\$		\$	%	\$	%	\$
[FEB. 1. OF CURRENT YEAR] ⁽³⁾	\$		\$	%	N/A	N/A	\$

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

⁽²⁾ [Does/does not] include interest and penalties.

⁽³⁾ Collected as of February 1, 20__.

History of Prepayment of Improvement Area #1 Assessments

<u>Time Period</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
[FISCAL YEAR END]		\$		\$
[FEB. 1 OF CURRENT YEAR] ⁽¹⁾		\$		\$

⁽¹⁾ As of February 1, 20__.

ITEMS REQUIRED BY SECTION 4(a)(iii) - (vi)
[Insert a line item for each applicable listing]

EXHIBIT C

BASIC EXPECTED TIMELINE FOR IMPROVEMENT AREA #1 ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES*

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Improvement Area #1 Assessments are due.
February 1	1	Improvement Area #1 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 Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing. Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding 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 Improvement Area #1 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 delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure. If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund

* Illustrates anticipated dates and procedures for pursuing the collection of delinquent Improvement Area #1 Assessments, which dates and procedures are subject to adjustment.

		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.
March 15	43/44	Trustee pays bond interest payments to Owners. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.
July 1	152/153	Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments 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. Issuer and/or Administrator to notify Dissemination Agent in writing for disclosure to MSRB of all delinquencies. Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent in writing 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. 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.
August 15	197/198	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 August 15 (day 197/198).

Foreclosure action to be filed with the court.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners.

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.

THE AEGIS GROUP, INC.
REAL ESTATE APPRAISAL & CONSULTING

4926 Spicewood Springs Road, Suite 101, Austin, Texas 78759
(512) 346-9983
info@aegisgroupinc.com

Non-Finalized Draft

Mr. Warren A. Hutmacher
City Manager
City of Hutto
500 W. Live Oak
Hutto, TX 78634
warren.hutmacher@huttotx.gov

Mr. R.R. "Tripp" Davenport
Director
FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, TX 75034
tdavenport@fmsbonds.com

RE: Improvement Area No. 1 (IA1) of the Cottonwood Creek Public Improvement District (PID), Hutto, Williamson County, Texas.

Dear Mr. Hutmacher and Mr. Davenport:

At your request, we have inspected and appraised the above-referenced tract of land. The purpose of our appraisal is to estimate the "as is" market value of Improvement Area No. 1 (IA1) of the Cottonwood Creek (Cotton Brook) PID based on the Hypothetical Condition that all of the PID bond funded infrastructure associated with the 546 lot IA1 of the Cottonwood Creek (Cotton Brook)) subdivision is in place as of the effective date of this appraisal, July 1, 2021. This is a Hypothetical Condition because although some of this infrastructure is complete, portions of these reimbursable construction items have not yet been completed.

It is our understanding that the intended use of the appraisal is to assist the City of Hutto in financing public infrastructure through the issuance of Special Assessment Revenue Bonds for the Cottonwood Creek Public Improvement District (PID) in Hutto, Texas. It is our understanding that the appraisal will be used in conjunction with the above described PID Bond offering. IA1 of the Cottonwood Creek (Cotton Brook) PID is a 546 lot residential subdivision. The bond money will be issued in one phase and will be used to fund portions of the Authorized Improvements for the 186.341 acre IA1 development. Remaining portions of the Authorized Improvements will be funded by a non-reimbursable owner contribution.

The client is the City of Hutto. The intended users of this report are the City of Hutto, FMSbonds, Inc., and prospective investors. It is acknowledged and agreed that this report will be used and printed in an offering document for the bonds.

Market Value as used herein is defined as:

"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, 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 US 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."

(Source: *The Appraisal of Real Estate*, 15th Edition, published by the Appraisal Institute, 2020.)

Based upon the data and analyses contained in this report, it is our opinion that the fee simple market value of the subject, as of July 1, 2021, is as follows:

THIRTY-FIVE MILLION DOLLARS
(\$35,000,000)

For the purpose of this appraisal, the following extraordinary assumptions are included:

- **The appraisers were provided a and/or recorded final plat for Cottonwood Phase 1 and an approved conceptual plan for the remainder of Improvement Area No. 1 (IA1). The property types and density yields were obtained from these and the Service and Assessment Plan (SAP) dated June 3, 2021. This report is based on the Extraordinary Assumption that these yields are correct.**
- **It is an Extraordinary Assumption of this report that the \$17,542,359 of Authorized Expenses noted in the SAP are sufficient to create 546 fully developed residential lots in Improvement Area 1 (IA1). This expense includes \$15,075,684 of the "PID Authorized IA1 improvements" as defined in the SAP, plus an additional \$2,466,675 in owner-financed improvements for Phase 1 as defined in the SAP.**
- **The developer has constructed portions of the PID reimbursable improvements with their own funds. As of the effective date of this report, the developer has already incurred out-of-pocket expenses for more than their non-reimbursable obligations as outlined in the SAP. When the PID bonds are issued, portions of the proceeds will be placed in trust per the "Cottonwood Creek PID Reimbursement Agreement" effective**

June 3, 2021 and used to reimburse the developer pursuant to the SAP and the Indenture of Trust for the bonds. This appraisal is based on the Extraordinary Assumption that this repayment arrangement will provide PID bond funds adequate to complete all Authorized Improvements noted in the SAP.

- **This appraisal assumes that the Development Plan for the IA1 of the Cottonwood Creek PID (Cotton Brook), as provided to the appraisers, is constructed in a workmanlike manner. It further assumes that the lots in the development will be aggressively marketed and competently managed.**
- **This appraisal is not for purposes of determining the amount of any assessments to be levied by the PID nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the PID.**

In addition, the following hypothetical conditions are included:

- **For our valuation, all of the Authorized Improvements (as defined in the SAP) needed to develop the 546 lot Cotton Brook subdivision Improvement Area No. 1 are in place as of the effective date of this appraisal, July 1, 2021. This is a Hypothetical Condition because a portion of these construction items have not yet been completed.**

The use of these Extraordinary Assumptions and Hypothetical Conditions may affect assignment results if found to be untrue or not employed.

Should you have any questions regarding the contents of this appraisal, please feel free to contact my office.

Respectfully submitted,
THE AEGIS GROUP, INC.

Christie Nelson, MAI
State Certified General Real Estate Appraiser
No. TX-1323506-G

Eldon Y. Rude, MAI
State Certified General Real Estate Appraiser
No. TX-1320841-G

IMPROVEMENT AREA NO. 1 OF THE COTTONWOOD CREEK PUBLIC
IMPROVEMENT DISTRICT (PID), HUTTO, WILLIAMSON COUNTY, TEXAS.

FOR

MR. WARREN A. HUTMACHER
CITY MANAGER
CITY OF HUTTO
500 W. LIVE OAK
HUTTO, TX 78634
warren.hutmacher@huttotx.gov

MR. R.R. "TRIPP" DAVENPORT
DIRECTOR
FMSBONDS, INC.
5 COWBOYS WAY, SUITE 300-25
FRISCO, TX 75034
tdavenport@fmsbonds.com

BY

THE AEGIS GROUP, INC.
4926 SPICEWOOD SPRINGS ROAD
SUITE 101
AUSTIN, TEXAS 78759

AS

OF

JULY 1, 2021

TABLE OF CONTENTS

<i>Letter of Transmittal</i>	1
<i>Title Page</i>	4
<i>Table of Contents</i>	5
<i>Subject Photographs</i>	6
<i>Summary of Salient Facts and Conclusions</i>	10
<i>Contingent and Limiting Conditions</i>	14

INTRODUCTION

Identification of Subject.....	16
Legal Description.....	16
Property Use as of Effective Date of Appraisal.....	16
Property History.....	16
Real Property Interest Appraised.....	17
Purpose of Appraisal.....	17
Effective Date of Appraisal	17
Date of Report.....	17
Type of Report	17
Identity of Client.....	17
Intended Users of Appraisal	18
Intended Use of Appraisal	18
Fee Simple Estate Definition	18
Market Value Definition	18
Extraordinary Assumption Definition	19
Extraordinary Assumptions	19
Hypothetical Condition Definition	19
Hypothetical Conditions	20
Scope of Work	20

DESCRIPTION

Austin Area Analysis	23
Neighborhood Analysis	35
Site Description.....	39
Appraised Value and Property Taxes	44

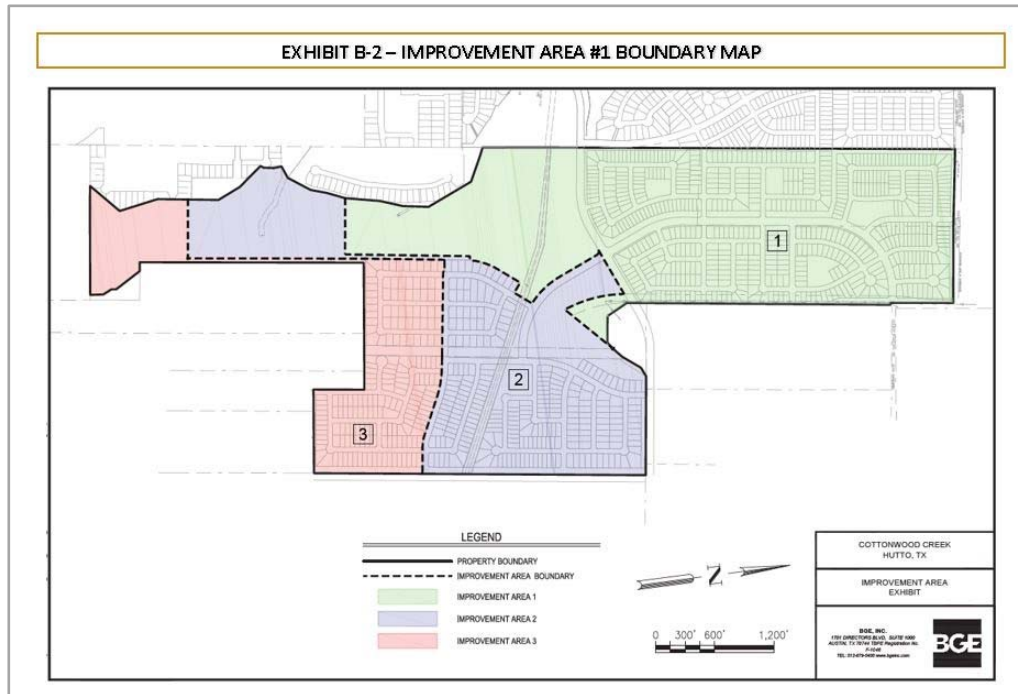
ANALYSES

Highest and Best Use Analysis	47
Subdivision Development Analysis – Public Improvement District	50
Sales Comparison Approach – Retail Lot Price Analysis	51
Discount Cash Flow Analysis.....	66
Final Value Conclusion	68
Certification	69
Qualifications of the Appraisers	70

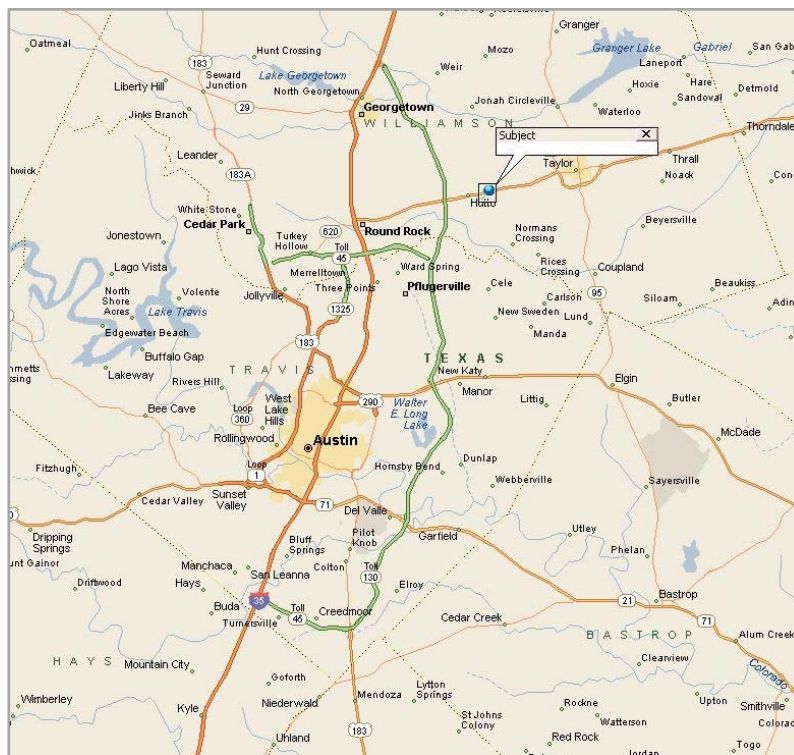
ADDENDA

June 3, 2021 Service and Assessment Plan

SUBJECT PHOTOGRAPHS



Improvement Area #1 Boundary Map From SAP



Austin Map

SUBJECT PHOTOGRAPHS



Homes Under Construction in Platted Cottonwood Phase 1



Subject Entry on Branson Boulevard off CR 132

SUBJECT PHOTOGRAPHS



On-Going Infrastructure Construction in IA1



Extension on Carl Stern Drive Under Construction

SUBJECT PHOTOGRAPHS



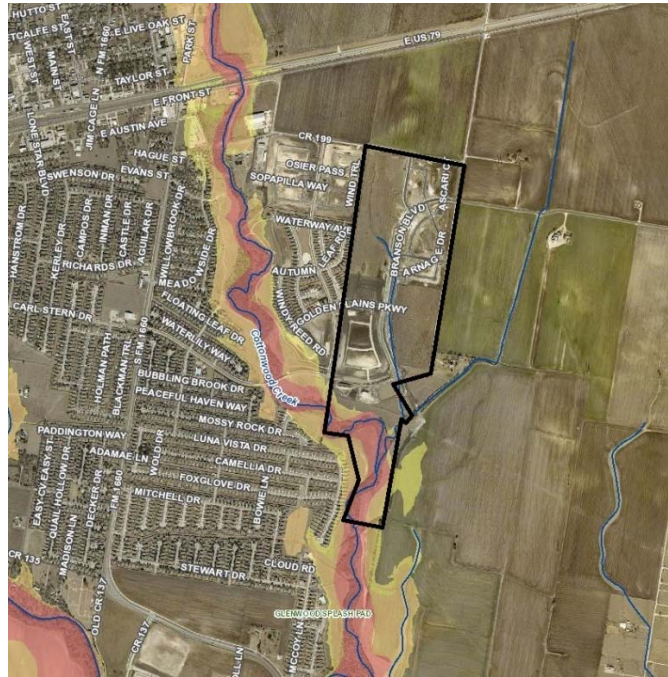
CR 199 at Subject

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Identification:	Improvement Area No. 1 (IA1) of the Cottonwood Creek Public Improvement District (PID), Hutto, Williamson County, Texas.
Interest Appraised:	Fee simple interest in the 546 developed residential lots in IA1 if sold in bulk.
Date of Appraisal Report:	Non-Finalized Draft
Date of Inspection:	July 1, 2021
Effective Date of Appraisal:	July 1, 2021
Legal Description:	<u>Unplatted Component</u> ±140.744 acres out of the Williamson Gatlin Survey, Abstract No. 271, Williamson County, Texas. <u>Platted Components</u> Lots 1-39, Block B, Lot 1, Block D, Lots 1-26, Block E Lots 1-16, Block F, Lots 1-22, Block G, Lots 1-23, Block H, Lots 1-23, Block I, Lots 1-15, Block J, and Lots 1-2, Block L, Phase 1, Cottonwood, Williamson County, Texas.
Tax Parcel I.D. Number:	<u>Unplatted Acreage</u> R020578, R602991, R587039 <u>Single Family Lots</u> R602995-R603031 R603034-R603059 R603061-R603080 R603082-R603097 R603099-R603120 R603122-R603160 <u>Platted Open Space/Non-Benefitted Property Lots</u> R602994, R603032, R603033, R603060, R603081, R603098, and R603121
Ownership:	Lennar Homes of Texas Land and Construction Ltd.
Land Size:	186.341 acres

Floodplain:

None of the subject residential lots are within the floodplain; however, Cottonwood Creek and its associated floodplain lie within IA1, just south of Carl Stern Boulevard. This area is designated as a drainage area. This is shown on the map below:



Zoning:

PUD

Entitlements:

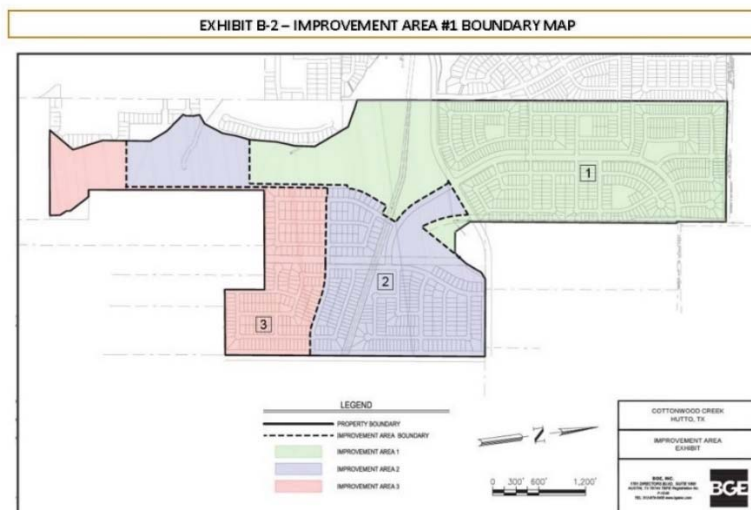
The City of Hutto authorized the creation of the Cottonwood Creek Public Improvement District (PID). This is being marketed by Lennar as the Cotton Brook subdivision. It includes 370.312 acres. The subject IA1 is a portion of this larger proposed development.

The subject is Improvement Area No. 1 of the larger Cottonwood Creek residential subdivision. The entire subdivision has an approved revised preliminary plat, will comprise 370.312 acres and will include phased development of 983 residential lots. The residential lots will be a mixture of 40', 50' and 70' lots for single family lot construction and 60' lots designated for duplex construction. Phase IA1 will include 546 lots with the following lot counts:

40' Single Family Lots	233
50' Single Family Lots:	305
70' Single Family Lots:	4
60' Duplex Lots	4
Total Residential Lots:	546

Cottonwood Creek PID (Cotton Brook) – Improvement Area No. 1

Utilities:	Water and wastewater service will be provided by the City of Hutto.
Current Improvements:	In Improvement Area No. 1, in-place improvements include roadways, drainage, water and wastewater lines.
PID Improvements:	The SAP includes the following map of Authorized Improvements for IA1:



The IA1 PID authorized improvements include streets, water, wastewater, and drainage.

District formation and bond issuance costs are also included in the PID cost authorization for IA1.

The Service and Assessment Plan, dated June 3, 2021, shows the following line item authorized expenses for IA1.

	Total Costs [a]	Owner Funded Improvements	Improvement Area #1
<i>Improvement Area #1 Improvements</i>			
Water	\$ 2,201,224	\$ -	\$ 2,201,224
Drainage	4,098,093	-	4,098,093
Streets	7,211,005	-	7,211,005
	\$ 13,510,321	\$ -	\$ 13,510,321
<i>Owner Funded Improvements</i>			
Wastewater	\$ 2,466,675	\$ 2,466,675	\$ -
	\$ 2,466,675	\$ 2,466,675	\$ -
<i>Bond Issuance Costs and District Formation Expenses</i>			
Debt Service Reserve Fund [b]	\$ 611,013	\$ -	\$ 611,013
Capitalized Interest [b]	-	-	-
Underwriter Discount [b]	306,450	-	306,450
Cost of Issuance [b]	612,900	-	612,900
First Year Annual Collection Costs	35,000	-	35,000
	\$ 1,565,363	\$ -	\$ 1,565,363
Total	\$ 17,542,359	\$ 2,466,675	\$ 15,075,684

[a] Per the Engineer's Report prepared by BGE, Inc. dated May 2021.

[b] The amounts shown for Bond Issuance Costs are estimates and are subject to change if PID Bonds are issued.

Line item projections of probable construction costs were provided in the Engineering Report-Cottonwood PID dated May 2021 and prepared by BGE, Inc.

The SAP states that for IA1, \$15,075,684 of this \$17,542,359 authorized expense will be funded by the PID bonds. Remaining portions are a non-reimbursable owner contribution.

Highest and Best Use:

"As Vacant"	Single family residential subdivision development.
"As Improved"	Residential subdivision as IA1 of the Cottonwood Creek PID (Cotton Brook) with 233 40-foot lots, 305 50-foot lots, and four 70-foot lots for single family homes. In addition, there will be four 60-foot duplex lots.

Opinion of “As Is” Market Value:

\$35,000,000

Exposure Time: Up to one year

Marketing Time: Up to one year

EXPOSURE TIME

Per *The Dictionary of Real Estate Appraisal*, 6th Edition, exposure time is “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.” Based on the demand for production lots in the submarket, an exposure time of less than one year would have been anticipated.

MARKETING TIME

Per *The Dictionary of Real Estate Appraisal*, 6th Edition, marketing time is “An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.” Based on the demand for land entitled for production lots in the submarket, a marketing time of less than one year would be anticipated.

CONTINGENT AND LIMITING CONDITIONS

This report is subject to the following limiting conditions:

The legal description furnished is assumed to be correct. The Ægis Group, Inc., assumes no responsibility for matters legal in character, nor renders any opinion as to the title, which is assumed to be good. The property is appraised having knowledgeable ownership and competent management.

The Ægis Group, Inc., has made no survey and assumes no responsibility in connection with such matters. The information identified in this report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed. The construction and condition of any improvements mentioned in the body of this report are based on observation and no engineering study has been made which would discover any latent defects. No certification as to any of the physical aspects could be given unless a proper engineering study was made.

The distribution of the total evaluation between land and improvements in this report, where applicable, applies only under the existing program of utilization. The separate estimates for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

We are not required to give testimony or attendance in court by reason of the appraisal with reference to the property in question unless arrangements have been made previously thereof. 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 anyone other than the addressee without the previous written consent of the appraisers.

Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written approval and consent of the author, particularly as to valuation conclusions, the identity of the appraisers or firm with which they are connected or any reference to the Appraisal Institute, or MAI designation.

To the best of the appraisers' knowledge, the subject property does not contain any toxic substances such as hazardous waste, asbestos or radon gas which would adversely impact the market value of the subject. Additionally, to the best of the appraisers' knowledge, there are no properties within the immediate area which contain these substances. This is not a guarantee that these substances do not occur in the subject property or within the immediate area.

The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

INTRODUCTION

IDENTIFICATION OF SUBJECT

Improvement Area No. 1 (IA1) of the Cottonwood Creek Public Improvement District (PID), Hutto, Williamson County, Texas.

LEGAL DESCRIPTION

Unplatted Component

±140.744 acres out of the Williamson Gatlin Survey, Abstract No. 271, Williamson County, Texas.

Platted Components

Lots 1-39, Block B, Lot 1, Block D, Lots 1-26, Block E
Lots 1-16, Block F, Lots 1-22, Block G, Lots 1-23, Block H, Lots 1-23, Block I, Lots 1-15, Block J, and Lots 1-2, Block L, Phase 1, Cottonwood, Williamson County, Texas.

PROPERTY USE AS OF EFFECTIVE DATE OF APPRAISAL

As of the effective date of this report, much of the infrastructure for a residential subdivision is in place for Improvement Area 1 (IA1). The remaining infrastructure is under construction. Per the Hypothetical Condition of this report, all PID funded infrastructure associated with IA1 is complete.

PROPERTY HISTORY

The subject is owned by Lennar Homes of Texas Land and Construction Ltd. It was purchased in several transactions. Conveyances within the past three years were as follows:

Date	Instrument Number	Seller
10/30/19	2019104719	Hutto 372 Ltd.
11/12/19	2019116498	Myron Thomas Johnson II and Leschber Investments LP

No other sales occurred within the past three years. Lennar Homes of Texas Land and Construction Ltd. intends to self-develop 546 lots and build all future homes under the Lennar brand. Lennar is currently building homes in the initial portions of IA1 in the following price and size ranges:

Lot Width	Use	SF	Base Home Price Range	Average Base Home Range
40'	Single family	1,275 – 2,577	\$280,000 - \$380,000	\$330,000
50'	Single family	1,622 – 2,467	\$365,000 - \$420,000	\$392,500
70'	Single family	1,844 – 2,165	N/A	N/A
60'	Duplex	1,357 – 1,578	N/A	N/A

No 70' or duplex product has yet been constructed and pricing for these products has not yet been established.

The developer reported the first 45 homes in the development (all on 50' lots) are under contract and are currently under construction.

The developer projects an absorption rate of 10 40' lots per month with an additional 10 50' lots per month. This calculates to a projection of a total of 60 closings per quarter and a projected absorption period of approximately 2.25 years (nine quarters).

When completed, the overall Cotton Brook community will have a primary and secondary amenity center with pools, a pavilion, picnic areas, and playscape. There will also be trails, walkways, open space, and pocket parks. The developer's budget for amenities was reported to be \$3,500,000.

The budget for internal landscaping, walls, monumentation, etc. was reported to be approximately \$800,000.

REAL PROPERTY INTEREST APPRAISED

Fee simple interest of the 546 developed residential lots in IA1 if sold in bulk.

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the "as is" market value of the 546 lot Improvement Area 1 (IA1) of the Cottonwood Creek (Cotton Brook) project. Our valuation is based on the hypothetical condition that all of the PID bond funded infrastructure associated with the 546 lot IA1 of the Cottonwood Creek subdivision is in place as of the effective date of this appraisal, July 1, 2021. This is a Hypothetical Condition because a portion of these reimbursable construction items have not yet been completed.

EFFECTIVE DATE OF APPRAISAL

The effective date of our appraisal is July 1, 2021.

DATE OF REPORT

The date of the report is Non-Finalized Draft.

TYPE OF REPORT

This appraisal is being reported in an "appraisal report" format. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the *Uniform Standards of Professional Appraisal Practice*, effective 2020-2021.

IDENTITY OF CLIENT

The client is the City of Hutto.

INTENDED USERS OF APPRAISAL

The intended users of this report are the City of Hutto, FMSbonds, Inc., and prospective investors. It is acknowledged and agreed that this report will be used and printed in an offering document for the bonds.

INTENDED USE OF APPRAISAL

It is our understanding that the intended use of the appraisal is to assist the City of Hutto in financing public infrastructure through the issuance of Special Assessment Revenue Bonds for Improvement Area No. 1 (IA1) of the PID created as the Cottonwood Creek PID in Hutto. It is our understanding that the appraisal will be used in conjunction with the above described PID Bond offering for IA1.

Improvement Area No. 1 (IA1) of the Cottonwood Creek PID is the initial 546 lots in the Cottonwood Creek residential subdivision. The bonds will be issued in one phase and will be used to fund portions of the Authorized Improvements for the 186.341 acre IA1. Remaining portions of the Authorized Improvements will be funded by a non-reimbursable owner contribution.

FEE SIMPLE ESTATE DEFINITION

According to *The Dictionary of Real Estate Appraisal*, Sixth Edition, published by the Appraisal Institute, the fee simple estate is "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."

MARKET VALUE DEFINITION

Market Value as used herein is defined as:

"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, 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 US 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."

(Source: *The Appraisal of Real Estate*, 15th Edition, published by the Appraisal Institute, 2020.)

EXTRAORDINARY ASSUMPTION DEFINITION

According to the 6th Edition of The Dictionary of Real Estate Appraisal, “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

EXTRAORDINARY ASSUMPTIONS

- **The appraisers were provided a and/or recorded final plat for Cottonwood Phase 1 and an approved conceptual plan for the remainder of Improvement Area No. 1 (IA1). The property types and density yields were obtained from these and the Service and Assessment Plan (SAP) dated June 3, 2021. This report is based on the Extraordinary Assumption that these yields are correct.**
- **It is an Extraordinary Assumption of this report that the \$17,542,359 of Authorized Expenses noted in the SAP are sufficient to create 546 fully developed residential lots in Improvement Area 1 (IA1). This expense includes \$15,075,684 of the “PID Authorized IA1 improvements” as defined in the SAP, plus an additional \$2,466,675 in owner-financed improvements for Phase 1 as defined in the SAP.**
- **The developer has constructed portions of the PID reimbursable improvements with their own funds. As of the effective date of this report, the developer has already incurred out-of-pocket expenses for more than their non-reimbursable obligations as outlined in the SAP. When the PID bonds are issued, portions of the proceeds will be placed in trust per the “Cottonwood Creek PID Reimbursement Agreement” effective June 3, 2021 and used to reimburse the developer pursuant to the SAP and the Indenture of Trust for the bonds. This appraisal is based on the Extraordinary Assumption that this repayment arrangement will provide PID bond funds adequate to complete all Authorized Improvements noted in the SAP.**
- **This appraisal assumes that the Development Plan for the IA1 of the Cottonwood Creek PID (Cotton Brook), as provided to the appraisers, is constructed in a workmanlike manner. It further assumes that the lots in the development will be aggressively marketed and competently managed.**
- **This appraisal is not for purposes of determining the amount of any assessments to be levied by the PID nor is it the basis upon which a determination of the benefit any constructed or installed public improvements will have on properties within the PID.**

HYPOTHETICAL CONDITION DEFINITION

According to the 6th Edition of The Dictionary of Real Estate Appraisal, a hypothetical condition is “A condition that is presumed to be true when it is known to be false. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on

the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”

HYPOTHETICAL CONDITION

- **For our valuation, all of the Authorized Improvements (as defined in the SAP) needed to develop the 546 lot Cotton Brook subdivision Improvement Area No. 1 are in place as of the effective date of this appraisal, July 1, 2021. This is a Hypothetical Condition because a portion of these construction items have not yet been completed.**

SCOPE OF WORK

Description and Analyses Sections describing and relating data concerning the area/city, the neighborhood, and the site is undertaken to develop the pertinent market characteristics and factual data for further processing in the valuation process. The analysis of all these characteristics is developed in an effort to establish the highest and best use of the site "as if vacant."

The Valuation Section is then undertaken considering all pertinent market factors that relate to the subject property as recognized in the Description and Analyses Sections of the report. The valuation process is typically approached through the use of three recognized valuation techniques, each based upon an underlying basic concept or premise. These three approaches are the Cost Approach, the Sales Comparison Approach, and the Income Approach. Each of these valuation techniques develops a value indication for the subject property, falling into a pattern of reasonable limits. Then, through the process of reconciliation, a final opinion of market value is rendered. All approaches are not always appropriate.

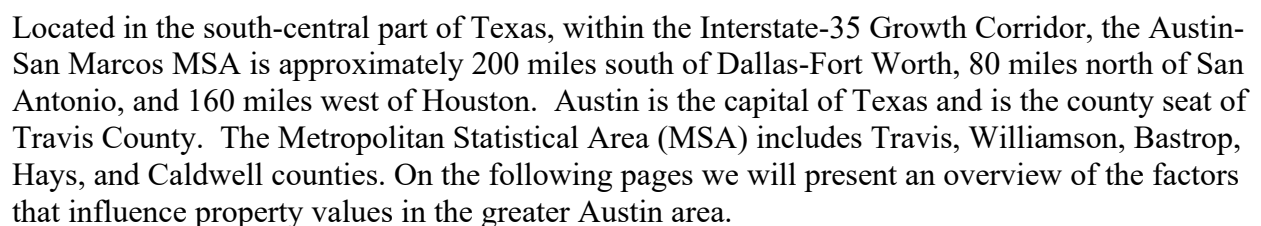
We were engaged to value the subject as though all the infrastructure within Improvement Area No. 1 is currently in place and that the 546 residential lots in IA1 are available for immediate absorption.

In order to form an opinion of value, the appraisers inspected the subject property, spoke with the developer of the subject and reviewed their plans and budgets for the project. We also interviewed other developers and brokers and surveyed the neighborhood. Appropriate comparables were identified based on our conversations with developers and homebuilders. We personally inspected each of the comparable sales used in our appraisal. We spoke with representatives of each subdivision to determine their lot pricing and absorption rates. We used this information to project lot pricing at the subject. We considered absorption reported at the comparables as well as more general information provided by our research. Using these sources, we concluded to absorption projections for the subject. Lot pricing and absorption assumptions were used in a discounted cash flow analysis to arrive at the current market value of the subject. This “as is” value is based on the Hypothetical Condition that all of the PID bond funded infrastructure associated with the Improvement Area No. 1 of the 546 lot Cotton Brook subdivision is in place as of the effective date of this appraisal, July 1, 2021. This is a Hypothetical Condition because a portion of these reimbursable construction items have not yet

been completed. Further, our value conclusion relies on the Extraordinary Assumptions as outlined in this report.

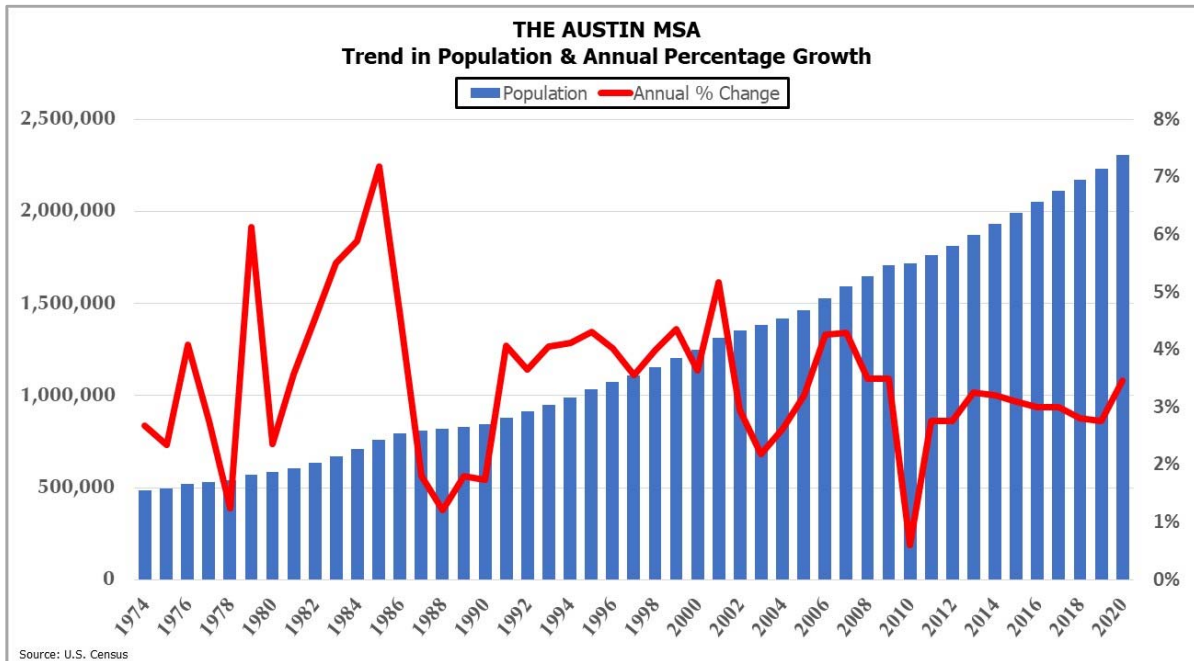
The reader's attention is directed to the following report where the data and analysis used in developing the various value estimates referenced above are included.

DESCRIPTION



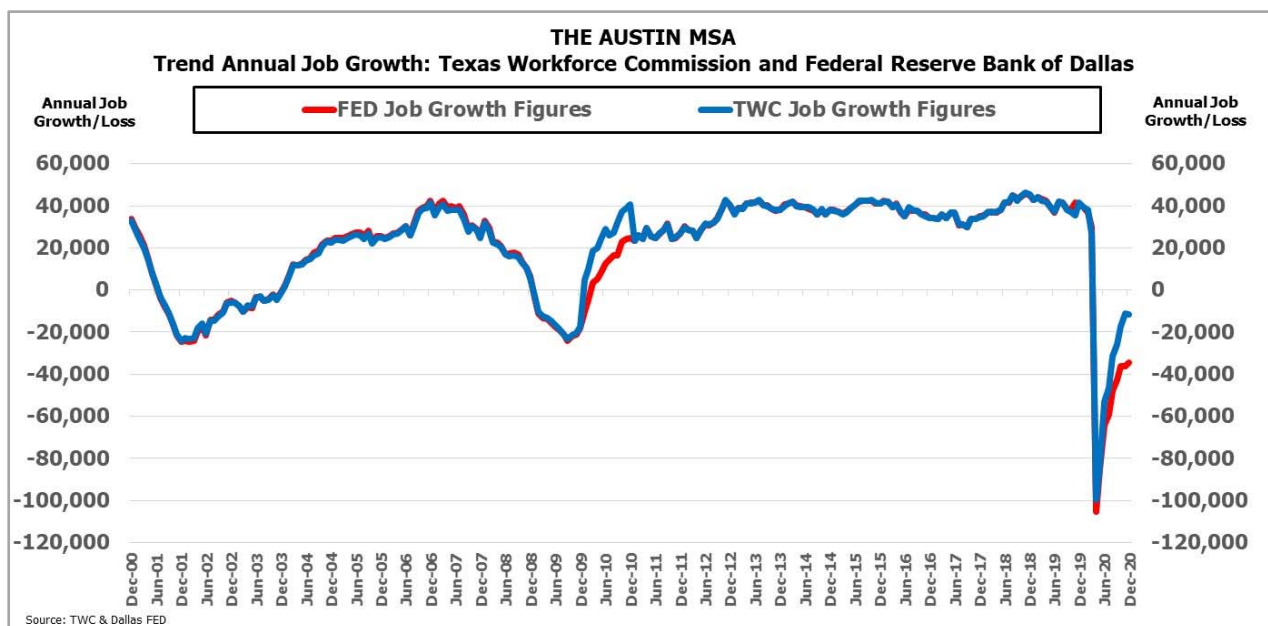
Austin MSA Population

The Austin MSA has been one of the fastest growing in the U.S. over the last several decades, exhibiting on average 3% annual population growth for over 20 years. The 2020 population estimate reflects population growth of 3.5% in the last year, which is consistent with the long-term historical averages for the region. Between 2021 and 2030 the MSA population is forecast to increase nearly 30% which translates into an annual population growth during this twelve-year period of 2.5%.



The Austin Economy

Prior to the COVID-19 Pandemic, the Austin MSA had one of the strongest economies in the U.S. Over 376,000 new jobs were created in the region from 2010 through 2019 (reflecting an average of 37,600 per year), increasing non-agricultural employment from 765,800 to over 1.1 million jobs. With the onset of the pandemic, Austin's annual rate of job growth went from 41,000 new jobs created in the 12-months ending in December to 99,900 jobs lost in the 12-months ending in April. Like most major metropolitan areas in the U.S., the greatest percentage of jobs lost during the early months of the pandemic were in the Leisure & Hospitality and Education & Health Services categories.



Since May 2020, several key sectors of Austin’s economy have regained much of the momentum they had prior to the onset of the pandemic. The exhibit summarizes annual job growth figures through December as reported by the Texas Workforce Commission (TWC) as well as the Federal Reserve Bank of Dallas (Dallas FED). After losing 100,000 jobs during the first two months of the pandemic, many of the job losses have been erased. For the 12 months ending in December, the TWC reflects the region losing 11,500 jobs, while the Dallas FED shows the region losing 34,415 jobs. The December unemployment rate in Austin was 5.1%, down from 11.4% in May.

Although regional economists expect the Austin economy will continue to regain many of the jobs lost during the initial months of the pandemic, most forecast it will be several years before the economy regains all the jobs lost due to COVID. The most promising employment statistic included in the TWC’s December 2020 figures is the fact the annual rate of job growth in the Professional and Business Services category exceeded 10,000 jobs, a figure which is consistent with the growth this important category had been exhibiting during the most recent economic expansion in the region. Many of the area’s high-paying technology jobs are included in Professional and Business Services.

The primary catalyst for the strong employment growth in the region over the last two decades has been the technology sector, with companies such as Apple, Google, Facebook, Amazon, Oracle, Intel and Samsung growing their workforces in Austin. In turn, many of the high-paying technology jobs resulted in job gains in other service-oriented sectors.

TOP 10 PUBLIC & PRIVATE EMPLOYERS-THE AUSTIN REGION			
Rank	Company	2020 Employees	Business Type
1	State of Texas	63,900	Government
2	Univ of Tx at Austin	23,925	Higher Education
3	Dell	14,030	Information Technology
4	City of Austin	13,531	Government
5	Federal Government	13,199	Government
6	Austin ISD	11,101	Public Education
7	St. David's	10,665	Healthcare
8	Ascension Seton	10,513	Healthcare
9	Samsung	8,935	Semiconductor
10	Apple	7,000	Information Technology
Source: Austin Area Chamber of Commerce			

The table summarizes the top 10 public and private employers in the Austin region, and reflects the significance the technology sector now plays in the regional economy. Austin is the seat of State government, as well as the home to the University of Texas at Austin.

Like most sun-belt cities, Austin’s major employment centers are concentrated in the downtown area as well as key suburban centers. The fact that Austin serves as the Capital of Texas and is the location of the flagship campus for the University of Texas at Austin, results in dense employment concentrations located just north of the central business district. As the exhibit on the following page suggests, Austin’s suburban employment is primarily located north, northwest, northeast and southwest of the downtown area. The primary arterials supporting

Cottonwood Creek PID (Cotton Brook) – Improvement Area No. 1

major employers and large concentrations of office and industrial space include IH 35, U.S. Highway 183, Ben White Boulevard, Mopac Expressway and Loop 360.

Based on historic growth patterns in the region, as well as the overall pro-growth mentality of Williamson County (located immediately north of Travis County), we expect employers and office development interests will continue to focus on this area for expansion in the coming decade. Although Hays County has not traditionally been looked to by major employers and developers to site large facilities, it will become more appealing as the drive times increase in north and northwest Austin. Now that SH 45 Southeast and SH 130 are complete, the transportation infrastructure in Hays County has been improved. Finally, Tesla's 2020 announcement they plan to employ up to 5,000 workers at their manufacturing facility in southeast Austin will result in increasing development interest in this sector which has traditionally not supported significant development activity.



Transportation Infrastructure

Although a number of new roadway projects have been built in the Austin region in the last decade, with the explosive population growth the area has experienced in recent years traffic congestion has only worsened. With limited local and state funds available to build new roads, most of the major roadway projects planned and built in recent years have been toll roads.

The six major roadway projects that have been built in the Austin region over the last decade (all of which are toll roads) include SH 130 which is located on the eastern edge of Austin and extends from Georgetown to Seguin, the 290 Toll Road that extends 6.2 miles from U.S. 183 to East Parmer Lane (immediately west of Manor), SH 45 North that extends from U.S. 183 to SH 130 in Pflugerville, SH 45 Southeast that extends from IH 35 in far south Austin to SH 130 south of Austin-Bergstrom International Airport, 45SW Toll which connects Loop 1 (Mopac Expressway) to FM 1626 in Hays County, and the 183A toll road extending from RM 620 to just south of SH 29 in Liberty Hill.



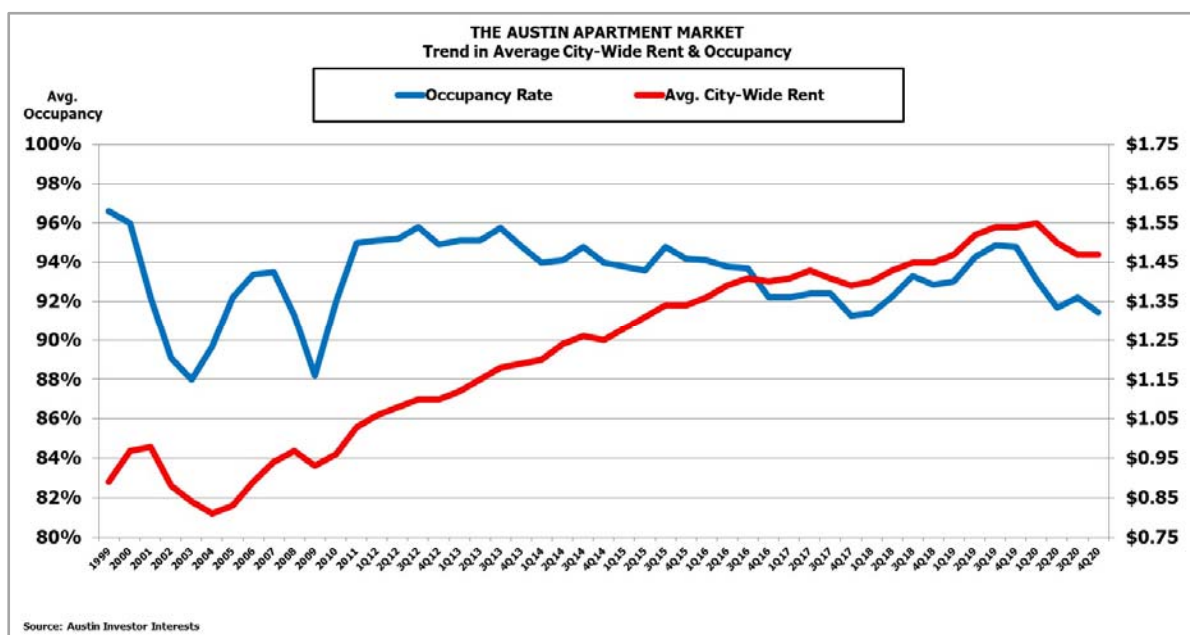
One of the most recent major roadway projects completed in the Austin region was the 11-mile Mopac Improvement Project which added two variably priced toll lanes (one northbound and one southbound) to the existing Mopac Expressway between Parmer Lane and Cesar Chavez Boulevard. Construction on this project commenced late in 2013, with the final sections of the project opening in September of 2017.

The toll road project currently under construction in the region is located in southeast Austin and is referred to as the 183 Toll Project. This \$743 million CTRMA project extends eight miles from U.S. 290 east to SH 71 just west of Bergstrom airport. The project will include the construction of three toll lanes in each direction, with non-tolled lanes in each direction as well. Construction of this project commenced in April 2016, with an estimated completion date of 2021.

THE AUSTIN METROPOLITAN STATISTICAL AREA-HOUSING

The Apartment Market

After nearly 10 years of increasing rents and strong occupancy levels, during the final three quarters of 2020 the Austin apartment market showed signs of softening. After increasing over 60% from 2010 to 2019, average market rents dropped from \$1.55 to \$1.47 per square foot from 1Q20 to 4Q20. During the same period, average occupancy dropped slightly from 93.1% to 91.5%. The two primary reasons for the slight softening in rents and occupancy levels over the last three quarters are both attributable to the pandemic. One is the fact that apartment renters, especially those living in urban apartments, have been fleeing density to purchase homes, and secondly is the fact that a higher percentage of people moving to Austin have elected to purchase a home first rather than rent.



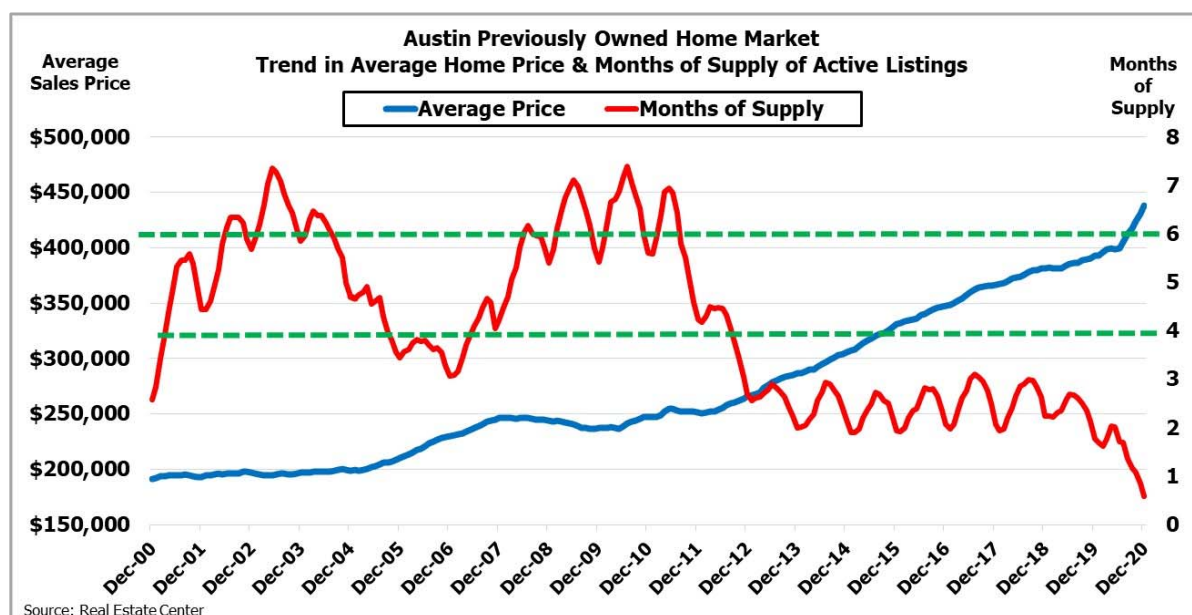
Austin Investor Interests reported in their Fourth Quarter Trends Report that average rents in Austin's primary urban sub-markets (Central Business District, East Central, South Central and the University of Texas) all dropped in excess of 5% over the last 12 months, with almost all the drop occurring between 1Q20 and 3Q20. All four of these sub-markets also experienced drops in occupancy during the same period.

As a result of the region's strong job and population growth over the last decade, developers added over 68,000 new units from 2013 to 2020. While strong demand resulted in most of the new units being absorbed, with the onset of the pandemic early last year absorption began to slow. Developers added over 9,300 new apartment units over the last four quarters, with only 2,212 of these new units absorbed over the same four quarters. As of 4Q20, Austin Investor Interests reported there were over 26,000 apartments under construction in the region.

Until the pandemic subsides, it is likely the Austin apartment market will remain bifurcated, with suburban sub-markets outperforming urban markets.

The Previously Owned Home Market

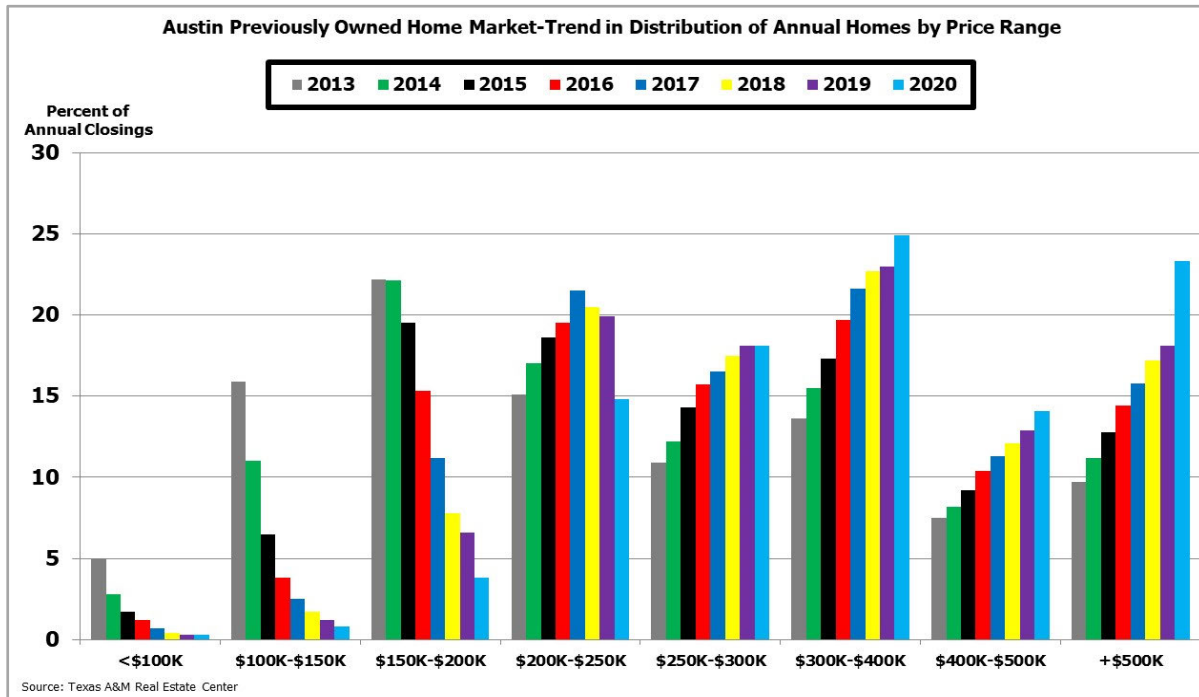
The market for previously owned homes in the Austin region has been strong for over nine years, and while sales slowed during the first few months of the pandemic, like many other markets across the U.S. the demand for homes has surged in recent months resulting in even tighter inventory levels and even more rapid increases in pricing than were documented in recent years. The sharp increase in home sales (both resale and new homes) in the Austin region in recent months has been the result of several factors, the most significant of which are strong in-migration from other parts of the U.S., the desire for more space (both indoor and outdoor), and historically low mortgage interest rates.



Equilibrium months of supply for resale inventory is generally four to six months, and as the exhibit suggests the Austin market has been below this level for many years, with this indicator dropping to new lows over the last few months. The result of this most recent drop in inventory relative to demand was not just increasing pricing, but a spike in home prices during the last half of 2020.

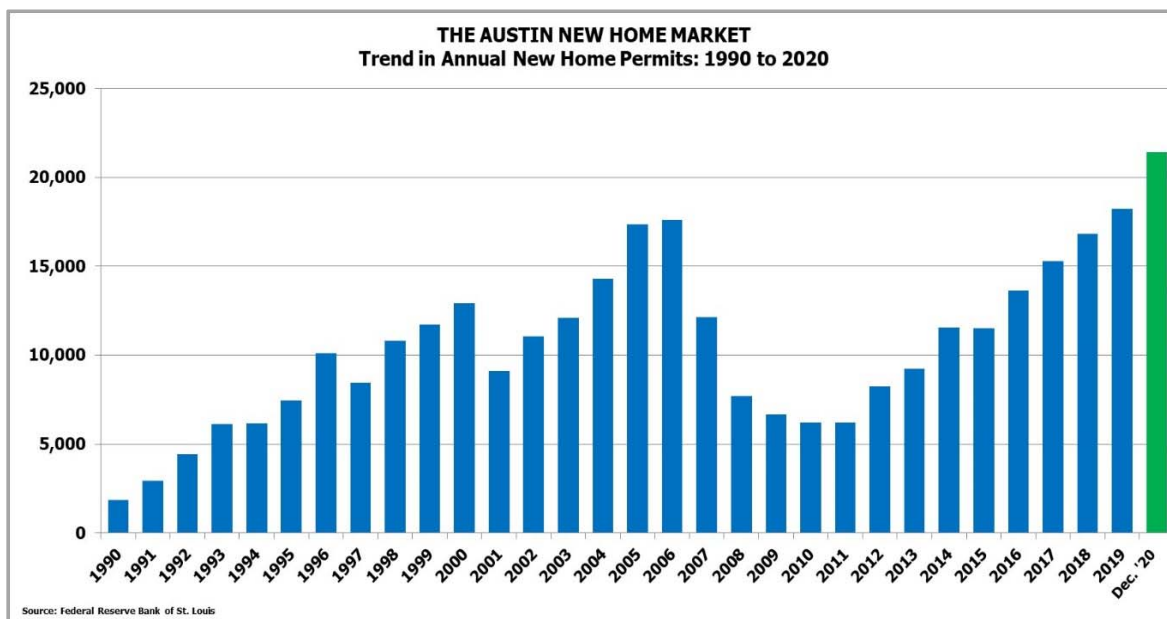
The average price of a previously owned home (SF, TH and Condo) in Austin increased over 11% in 2020 and now stands at \$438,200, while the median price of a single-family home was up nearly 16% in the last year to \$370,000. The average price is up 32% in the last five years, while the median price is up 37% in the last five years.

Based on year-end 2020 figures, the largest segment of the Austin resale market is represented by homes selling in the \$200,000 to \$300,000 price range (33%), followed by the \$300,000 to \$400,000 price range (25%). Ten years ago, over 35% of all resale homes in Austin sold at prices below \$150,000, while in 2020 this price segment represented just over 1% of all resales in the market. The primary explanations for the decrease in sales in the lower price ranges include the recent appreciation in overall pricing due to the extreme imbalance in the supply/demand for homes, as well as increased costs associated with land, entitlements, fees and construction costs (as all new home sales eventually enter the market as previously owned homes).



The New Home Market

Like the market for previously owned homes, new home sales dropped in March and April with the onset of the pandemic, with the pace of sales surging since early May. The most recent single-family permit statistics indicate there were 21,427 permits issued in the region in 2020, representing a record high as well as an 18% increase in permits issued compared to the previous year. Similar to the resale market, demand for new homes was driven by the desire for more space, renters fleeing apartments, low interest rates, as well as strong in-migration from other parts of the U.S.

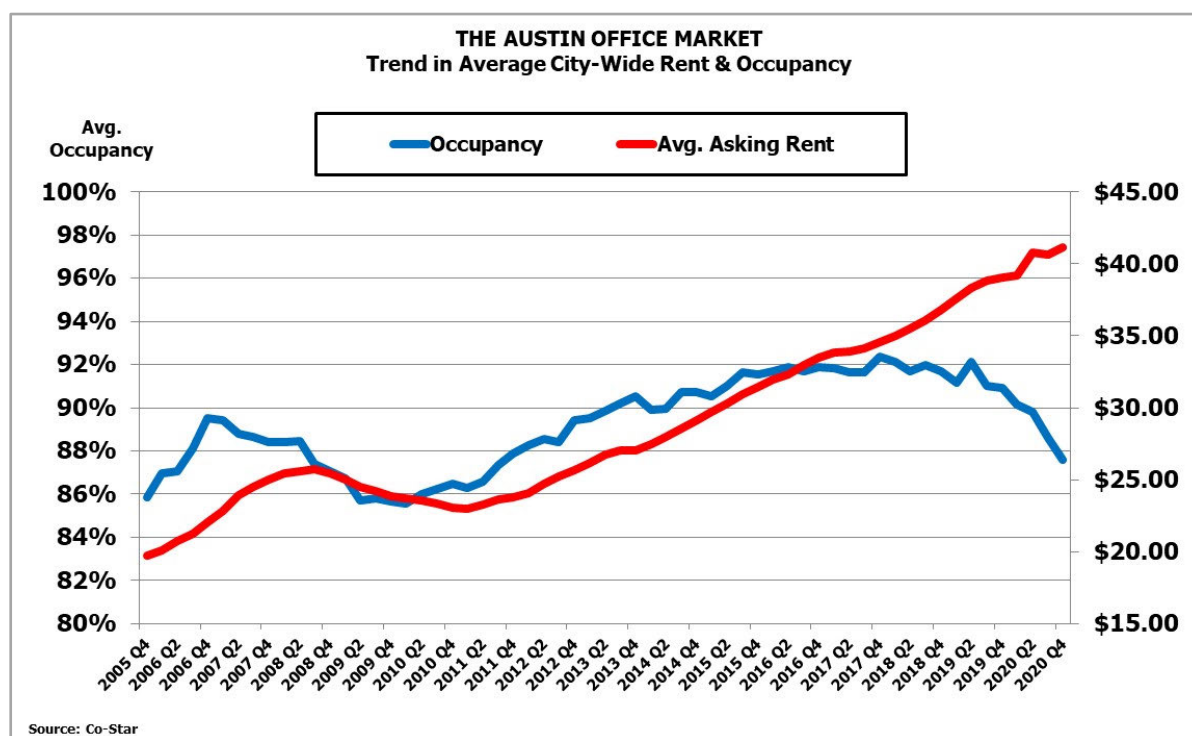


Although there continue to be pockets of new home construction within the City of Austin, new home activity is strongest in sub-markets outside the City. According to statistics from Zonda, the top five sub-markets for new home starts in 2020 were Cedar Park/Leander (2,902), Kyle/Buda (1,982), Pflugerville (1,928), Liberty Hill (1,878), and Del Valle (1,494). These five areas accounted for over 40% of all new home starts in the Austin region in the last year. New home pricing information from Zonda for 2020 indicated that just under 50% of all new home starts in 2020 were priced below \$300,000. Builders generally reported they could have sold more homes in 2020 but were held back by a lack of finished lots as well as production limitations.

AUSTIN'S COMMERCIAL REAL ESTATE SECTORS

The statistics referenced below for the Austin office, industrial and retail markets was provided by Co-Star which is an international real estate information company that conducts quarterly surveys of the commercial sectors in the Austin market. While all three of the primary commercial sectors exhibited strong fundamentals heading into the pandemic, their performance has been unequal in recent months with the office market showing the biggest changes.

The Office Market

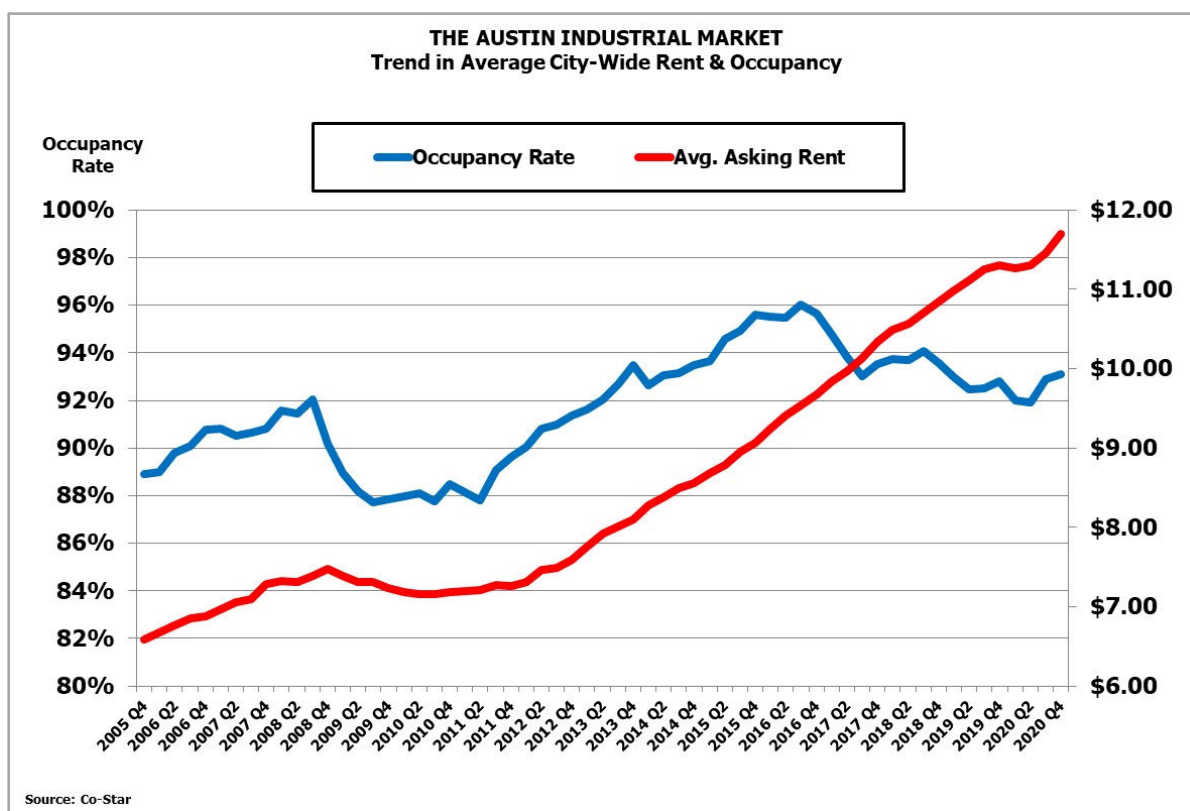


As the exhibit suggests, the dynamics in the Austin office market remained strong from the beginning of the most recent cycle until the onset of the pandemic, with stable occupancy rates and continued increases in overall rental rates resulting from more demand for office space than available supply. As of year-end 2020, the Austin market included nearly 115 million square feet of office space, with 8.8 million square feet now under construction (approximating 7.7% of total supply).

Overall average asking rents for office space were \$41.16 per square foot in 4Q20, up over \$2/SF from 4Q19. Conversely, overall occupancy rates were 87.6% in 4Q20, down from 90.9% in 4Q19. Average rents increased during the year as a result of new deliveries of Class “A” supply. Occupancy rates declined due to net absorption dropping from 1.5 million square feet in 2019 to (875,000) square feet in 2020, as well as sub-lease space increasing from 1.8 million square feet in 4Q19 to nearly 2.5 million square feet in 4Q20.

With many of the region’s major employers instituting work from home policies for their employees, as well as electing to pause hiring due to uncertainty associated with the pandemic, we anticipate there will be an increasing volume of sub-lease space available in the market in the quarters to come (due to a combination of fewer leases executed and companies deciding they do not yet need space they leased in yet unfinished buildings). The result of more sub-lease space and less leasing activity will be increasing vacancy rates and lower rents as we move through 2021.

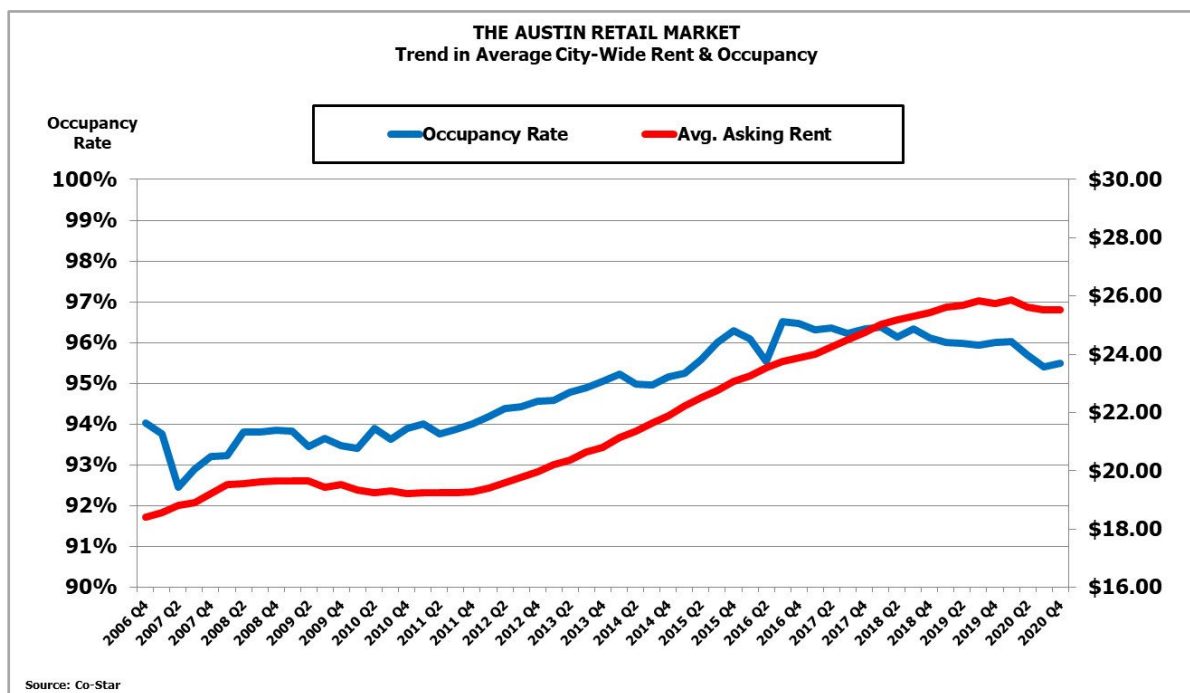
The Industrial Market



Like the office market, the industrial sector in Austin has been strong in recent years with significant increases in overall rents over the last approximately eight years. Co-Star reports indicate the total supply of industrial space in the Austin market is approximately 108 million square feet, with 11.5 million square feet currently under construction (representing 10% of total space in the market). Co-Star reported net absorption of 3.3 million square feet in 2020.

Since the onset of the pandemic, the industrial market has out-performed both the office and retail sectors. The two primary reasons for this include the explosion of e-commerce in recent months which has led to logistics operations increasing their footprint of bulk space, as well the demand for more space from the construction sector, especially companies supplying the new home industry.

The Retail Market



While in recent years the retail sector has slowed in many metropolitan areas across the U.S., in Austin the strong job and population growth during the current economic expansion have helped keep the retail market strong in the region. Co-Star reports that overall market occupancy rates for retail space in the Austin market have remained above 95% for the last eight years, with average asking rents increasing during most of this period as well. What also sets Austin apart from many cities in the U.S. is the fact the region is still seeing new construction of retail space catering to its increasing population. Co-Star reported in their 4Q20 survey that just over one million square feet of retail space was under construction in the region. Annual absorption of retail space approximated 850,000 square feet in the twelve months ending in 4Q20.

Of the three major commercial real estate sectors, the pandemic will likely have the greatest impact on retail. Most retail businesses in the region were effectively closed from mid-March through early May, which undoubtedly strained the ability of many businesses to stay current on rent obligations. Compounding the challenge for retailers has been the acceleration in the shift from brick and mortar sales to on-line sales. It is too early to determine what long term impact the pandemic will have on the retail sector in Austin, but strong market conditions going in will certainly soften the blow of the pandemic on the retail market in the Austin area.

Summary

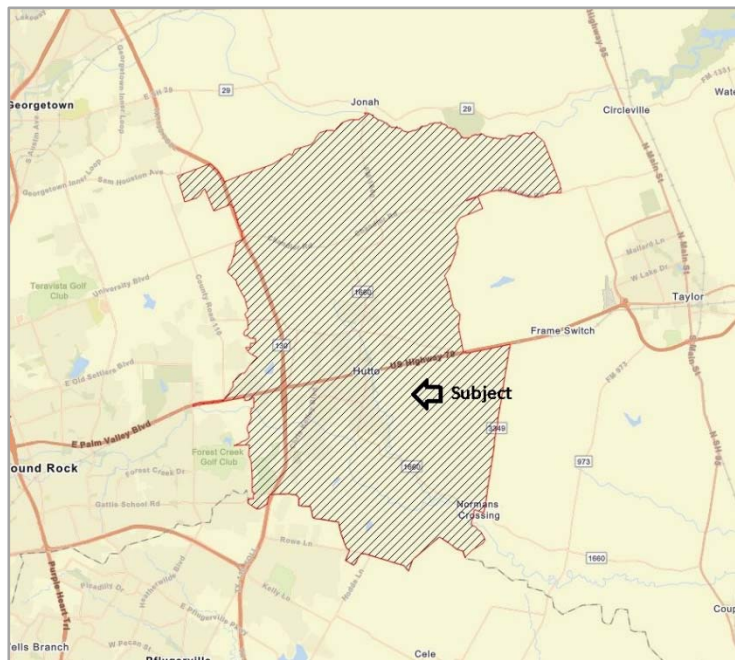
For decades the State of Texas and the University of Texas were primary drivers for the Austin economy. Over the last approximately 25 years the region's economy transformed into one of the leading technology centers in the nation. What started as major chip manufactures (IBM, Motorola, 3M, TI, Applied Materials, Samsung and others) beginning to locate facilities in Austin, followed by the growth of Dell Computer in the late 1990s, morphed into significant growth in recent years by companies such as Apple, Facebook, Google, Amazon, Tesla, Oracle, and more. The result of this corporate expansion into the Austin region has been explosive job and population growth since the beginning of the most recent cycle, which led to strong market conditions for all commercial property types, as well as the residential sectors.

Although the shutdowns resulting from the pandemic had a sudden and negative impact on the local economy, especially in the Leisure & Hospitality and Retail Trade sectors, recent statistics from the Texas Workforce Commission suggest the local economy has rebounded sharply in recent months. From a real estate perspective, so far the impacts of the pandemic have not been consistent. While the market for single-family homes has accelerated in recent months, the demand for urban apartments has slowed. While market conditions for most forms of industrial space remain strong, the demand for office and retail space have moderated. Looking at long-term trends, it is looking increasingly likely the region's real estate markets will benefit from companies (as well as their employees) looking to relocate from dense environments on the east and west coasts to suburban markets such as Austin.

NEIGHBORHOOD ANALYSIS

A neighborhood can be considered as a part of a larger city or community wherein there is a tendency towards the grouping of land utilization. As defined in the 15th Edition of *The Appraisal of Real Estate, 2020*, “The boundaries of market areas, neighborhood, and districts identify the areas that influence a subject property’s value.” A neighborhood may be an urban or suburban development, which may include residential, commercial, industrial or other land uses that are generally characterized as being homogeneous in some respects and include a unified area with some definite boundaries.

The purpose of a neighborhood analysis is to provide a bridge between the study of general influences on all property values and the analysis of a particular subject. Neighborhood boundaries are identified by determining the area in which the four forces which effect value (social, economic, government and environmental) operate in the same way they effect the subject property.



For the purpose of this analysis, the subject’s neighborhood includes the 78634 (Hutto) zip code.

Location/Access

The subject neighborhood lies northeast of downtown Austin in Williamson County. Downtown Hutto is 27 miles northeast of the Austin CBD. The SH-130 toll road provides the major access between the neighborhood and central Austin.

Transportation

SH-130 is the major north-south arterial in the neighborhood. This toll road opened in November 2006 and has been a major factor in growth in the neighborhood. It has decreased commute times and therefore added to the attractiveness of the area for residential and supporting commercial

development. FM 1660 also runs north-south through the center of the neighborhood. East-west arterials include Highway 79 and Chandler Road.

Government/Public Facilities

Hutto is an incorporated city with zoning controls, an ETJ, and municipal services.

Demographics

The following tables are from *stdbonline.com*. The first table shows population, households, and average household size. Population increased 58% between 2010 and 2020.

Summary	2000	2010	2020
Population	4,508	22,122	34,913
Households	1,493	7,065	11,091
Average Household Size	3.02	3.13	3.15

The 2020 income level per household is summarized below. Average household income was \$97,137 in 2020, median income was \$83,294, and per capita income was \$30,858.

	2020
Households by Income	Percent
Household Income Base	11,091
<\$15,000	3.5%
\$15,000-\$24,000	3.2%
\$25,000-\$34,999	4.7%
\$35,000-\$49,999	10.1%
\$50,000-\$74,999	20.9%
\$75,000-\$99,999	18.5%
\$100,000-\$149,999	24.9%
\$150,000-\$199,999	9.2%
\$200,000+	5.1%
Median Household Income	\$83,294
Average Household Income	\$97,137
Per Capita Income	\$30,858

Employment

The following tables shows 2020 employed population by industry.

Employed Population by Industry	2020
Total	16,211
Agriculture/Mining	1.0%
Construction	8.2%
Manufacturing	12.3%
Wholesale Trade	2.2%
Retail Trade	9.7%
Transportation/Utilities	4.2%
Information	1.4%
Finance, Insurance, Real Estate	5.5%
Services	46.9%
Public Administration	8.6%

stbonline.com

Education

The Hutto Independent School District has seven elementary schools, two middle schools, and one high school. Advanced education is available in Georgetown (Southwestern University), or in Austin at the University of Texas, St. Edwards University, Huston-Tillotson College, Concordia University, and Austin Community College.

Housing

Recent data from Zondahome.com shows Hutto to have had 1,344 residential starts and to have been the seventh most active submarket for new housing starts. This data was for the 12 month period ending December 31, 2020. Stdbonline.com also shows the number of housing units has increased dramatically. There are 53% more units in 2020 than to 2010. This is as follows:

	2000	2010	2020
Housing Units	1,567	7,673	11,712

For 2020, average value for owner-occupied housing units was as follows:

Owner Occupied Housing Units by Value	2020 Percent
Total	9,641
<\$50,000	3.3%
\$50,000-\$99,999	2.2%
\$100,000-\$149,999	8.7%
\$150,000-\$199,999	18.0%
\$200,000-\$249,999	33.5%
\$250,000-\$299,999	9.5%
\$300,000-\$399,999	17.4%
\$400,000-\$499,999	4.0%
\$500,000-\$749,999	1.9%
\$750,000+	1.5%
Average Home Value	\$255,020

The median home value was \$226,726 and the average home value was \$255,020.

For 2020, ±82% of housing units were owner-occupied, ±12% were rented, and ±5% were vacant.

The housing stock is quite new, with 78% of total units built since 2000.

Land Use

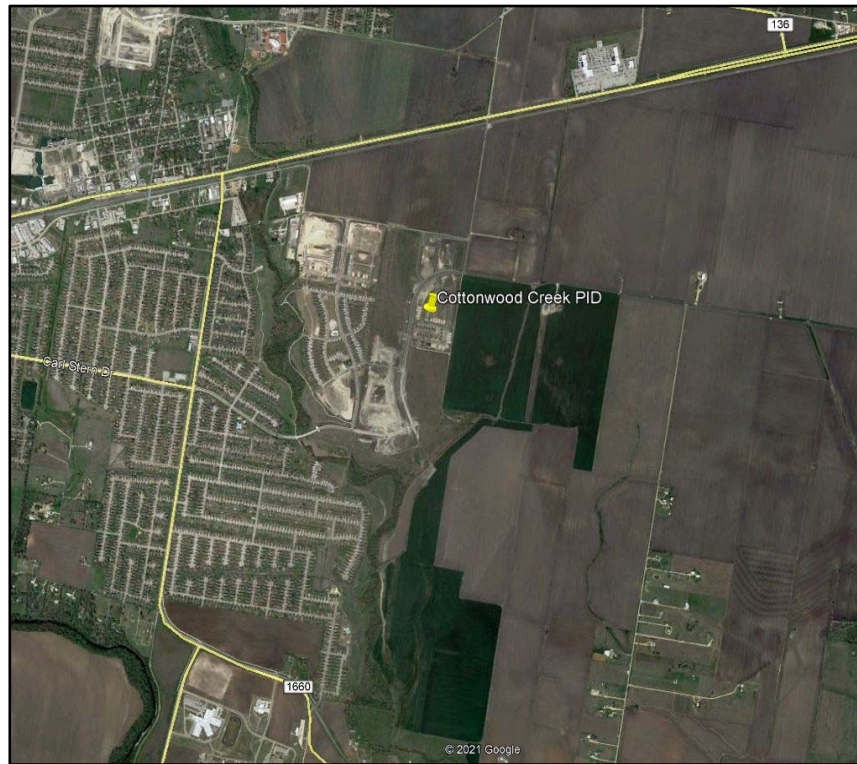
The predominant land use in Hutto is residential subdivision development. Most new housing is sold at a lower price point than in many other neighborhoods in the Austin area. Comparatively affordable housing is a major factor encouraging growth in the area. In addition to the residential development, significant retail has been developed along SH-130 and Highway 79. Most vacant acreage is found in the northern and eastern portions of the neighborhood. It is typically used for agriculture until growth in roads and utility infrastructure supports development. As the overall Austin MSA continues to grow, growth is anticipated to continue in the subject neighborhood.

Conclusion

We expect the neighborhood's population to continue the trend of rapid growth. Along with the growing population will be more demand for both residential and commercial projects. Our absorption projections for residential and commercial property types will be presented later in this report. The inventory of vacant land available for development is primarily in the eastern and northern portions of the neighborhood.

SITE DESCRIPTION

Land analysis is “a study of factual data relating to the characteristics of undeveloped land or a site that create, enhance, or detract from the utility and marketability of that parcel.” (From The Dictionary of Real Estate Appraisal, 6th Edition, 2015).



Location: Southwest corner of CR 199 and CR 132.

Zip: 78634

Legal Description: Unplatted Component

±140.744 acres out of the Williamson Gatlin Survey, Abstract No. 271, Williamson County, Texas.

Platted Components

Lots 1-39, Block B, Lot 1, Block D, Lots 1-26, Block E
Lots 1-16, Block F, Lots 1-22, Block G, Lots 1-23, Block H,
Lots 1-23, Block I, Lots 1-15, Block J, and Lots 1-2, Block L,
Phase 1, Cottonwood, Williamson County, Texas.

Tax Parcel I.D. Number: Unplatted Acreage

R020578, R602991, R587039

Single Family Lots

R602995-R603031
R603034-R603059
R603061-R603080
R603082-R603097
R603099-R603120
R603122-R603160

Platted Open Space/Non-Benefitted Property Lots

R602994, R603032, R603033, R603060, R603081, R603098,
and R603121

Land Size: 186.341 acres

Shape: Irregular

School District: Hutto ISD

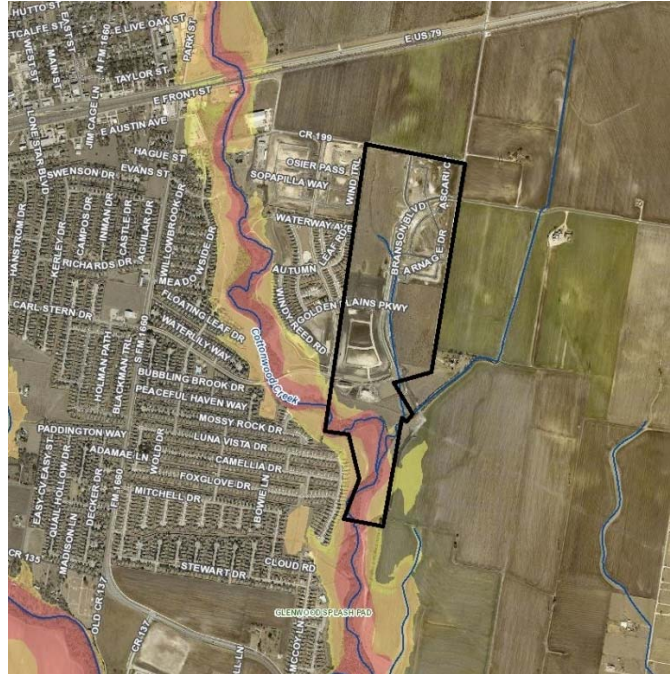
Frontage/Access: Access to Improvement Area No. 1 is off CR 199 and CR 132. Carl Stern Drive is currently under construction to be extended through IA1. This extension is part of the authorized PID improvements. Branson Drive has been constructed and is the primary arterial in the subdivision.

The PID improvements when complete will result in new roads to be constructed within the subject acreage.

Exposure/Visibility: Good from CR 119 and CR 132.

Topography/Drainage: Level

Floodplain: None of the subject residential lots are within the floodplain; however, Cottonwood Creek and its associated floodplain lie within IA1, just south of Carl Stern Boulevard. This area is designated as a drainage area. This is shown on the map below:



Zoning: The subject is zoned Planned Unit Development (PUD). This is the Meadows at Cottonwood Creek PUD.

Entitlements: The City of Hutto authorized the creation of the Cottonwood Creek Public Improvement District (PID). This is being marketed by Lennar as the Cotton Brook subdivision. It includes 370.312 acres. The subject IA1 is a portion of this larger proposed development.

The subject is Improvement Area No. 1 of the larger Cottonwood Creek residential subdivision. The entire subdivision has an approved revised preliminary plat, will comprise 370.312 acres and will include phased development of 983 residential lots. The residential lots will be a mixture of 40', 50' and 70' lots for single family lot construction and 60' lots designated for duplex construction. Phase IA1 will include 546 lots with the following lot counts:

40' Single Family Lots	233
50' Single Family Lots:	305
70' Single Family Lots:	4
60' Duplex Lots	4
Total Residential Lots:	546

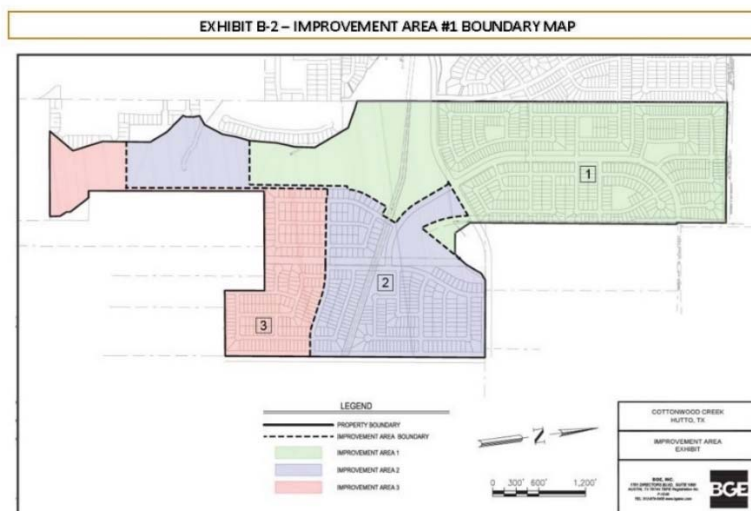
Utility Status: Water and wastewater service will be provided by the City of Hutto.

Easements/Encumbrances: Typical public utility easements are assumed to exist. A gas pipeline easement crosses the subject from east to west. It lies

south of Carl Stern Boulevard and within a designated drainage area.

Environmental Concerns: None adverse noted.

PID Infrastructure: The SAP includes the following map of Authorized Improvements for IA1:



The IA1 PID authorized improvements include streets, water, wastewater, and drainage.

District formation and bond issuance costs are also included in the PID cost authorization for IA1.

The Service and Assessment Plan, dated June 3, 2021, shows the following line item authorized expenses for IA1.

	Total Costs [a]	Owner Funded Improvements	Improvement Area #1
<i>Improvement Area #1 Improvements</i>			
Water	\$ 2,201,224	\$ -	\$ 2,201,224
Drainage	4,098,093	-	4,098,093
Streets	7,211,005	-	7,211,005
	\$ 13,510,321	\$ -	\$ 13,510,321
<i>Owner Funded Improvements</i>			
Wastewater	\$ 2,466,675	\$ 2,466,675	\$ -
	\$ 2,466,675	\$ 2,466,675	\$ -
<i>Bond Issuance Costs and District Formation Expenses</i>			
Debt Service Reserve Fund [b]	\$ 611,013	\$ -	\$ 611,013
Capitalized Interest [b]	-	-	-
Underwriter Discount [b]	306,450	-	306,450
Cost of Issuance [b]	612,900	-	612,900
First Year Annual Collection Costs	35,000	-	35,000
	\$ 1,565,363	\$ -	\$ 1,565,363
Total	\$ 17,542,359	\$ 2,466,675	\$ 15,075,684

[a] Per the Engineer's Report prepared by BGE, Inc. dated May 2021.

[b] The amounts shown for Bond Issuance Costs are estimates and are subject to change if PID Bonds are issued.

Line item projections of probable construction costs were provided in the Engineering Report-Cottonwood PID dated May 2021 and prepared by BGE, Inc.

The SAP states that for IA1, \$15,075,684 of this \$17,542,359 authorized expense will be funded by the PID bonds. Remaining portions are a non-reimbursable owner contribution.

Horizontal Improvements in Place:

As of the effective date of this report, infrastructure for a residential subdivision is in place for Phase IA1.

Vertical Improvements:

As of the effective date, vertical construction of homes is underway on 40' and 50' lots. Home pricing on 40' lots ranges from \$280,000 to \$380,000 for homes with 1,275 to 2,577 square feet. Home pricing for 50' lots ranges from \$365,000 to \$420,000 for homes with 1,622 to 2,467 square feet. No homes on 70' lots or duplex units have begun vertical construction. As of the effective date of this report, the developer reported the first 45 homes in the development (all on 50' lots) are under contract and are currently under construction.

Surrounding Property Uses:

The Cross Creek single family subdivision is adjacent to the west side of the subject. Meritage is building homes in this development. These range in size from 1,363 to 2,585 SF and have base home prices of \$338,000 to \$393,000. Other land uses west of the subject towards SH-130 are primarily completed and on-going single family subdivisions. Nearby acreage to the east is primarily vacant.

The unplatted land has an appraised value of ±\$34,057 per acre.

Beginning in 2022, the City will levy a special annual assessment on the property for the Cottonwood Creek PID. The total annual assessment begins at \$644,137.50 for all of IA1.

ANALYSES

HIGHEST AND BEST USE ANALYSIS

The term highest and best use, as used in this appraisal report and defined by *The Appraisal of Real Estate*, 15th Edition, Appraisal Institute, 2020, is:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value."

A distinction is made between the highest and best use of the land or site as though vacant and the highest and best use of the property as improved.

Highest and best use of the land as though vacant: Among all reasonable, alternative uses, the use that yields the highest present land value after payments are made for labor, capital, and entrepreneurial coordination.

Highest and best use of property as improved: The use of a property, as improved, that will maximize its value.

There are two types of highest and best use. The first type is highest and best use of land or a site as though vacant. The second is highest and best use of a property as improved. Each type requires a separate analysis. Moreover, in each case, the existing use may or may not be different from the site's highest and best use. When a site contains improvements, the highest and best use may be determined to be different from the existing use. Analysis of the highest and the best use of a property as improved implies that a property as improved may be continuation of the existing use, renovation or rehabilitation, expansion, adaptation, or conversion to another use, partial or total demolition, or some combination of these alternatives.

Highest and Best Use - As Vacant

Physically Possible

The subject site is located on the southwest corner of CR 199 and CR 132 in Hutto, Williamson County, Texas. This is the initial phase of the Cotton Brook subdivision which contains 186.341 acres. The site is level. Much of the land south of Carl Stern Boulevard is within the floodplain. This area is designated as a drainage area. Access and visibility are good from CR 119 and CR 132. As part of the IAI improvements, Carl Stern Boulevard will be extended across the subject. Water and wastewater will be provided by the City of Hutto. The Cottonwood Creek (Cotton Brook) PID will provide roadway, drainage, sanitary sewer, water, and open space to the subject. The developer is also responsible for non-reimbursable portions of development expenses.

Based upon the above physical characteristics, and considering the constraints imposed by size, location, and visibility, a residential subdivision would be a physically possible use. The lot layout would need to avoid flood prone areas towards the southern property line.

Legally Permissible

As mentioned in the *Site Description*, the subject is located within the municipal jurisdiction of the City of Hutto. It is zoned Planned Unit Development (PUD). The subject is Improvement Area No. 1 of the larger Cottonwood Creek residential subdivision. The entire subdivision has an approved revised preliminary plat, will comprise 370.312 acres and will include phased development of 983 residential lots. The residential lots will be a mixture of 40', 50' and 70' lots for single family lot construction and 60' lots designated for duplex construction. Phase IA1 will include 546 lots with the following lot counts:

40' Single Family Lots	233
50' Single Family Lots:	305
70' Single Family Lots:	4
60' Duplex Lots	4
Total Residential Lots:	546

Easements are an additional legal restriction. The site has typical public utility easements which are not adverse. It also has a gas line easement south of Carl Stern Boulevard within a designated drainage area. This decreases yield but is not adverse to the potential residential lots.

An additional factor in determining a legally permissible use is the appraisal principal of conformity. According to the 15th Edition of *The Appraisal of Real Estate*, 2020, "Conformity holds that real property value is created and sustained when the characteristics of a property conform to the demands of its market." Therefore, surrounding use becomes an important consideration in any Highest and Best Use Analysis. Land uses in the immediate area are existing and on-going single family subdivisions with land to the east remaining vacant.

Based upon the subject's physical and legal constraints, as well as surrounding property uses and trends, it would seem reasonable that residential subdivision development would be physically possible and legally probable.

Financially Feasible and Maximally Productive

The definition of highest and best use states that the highest and best use must result "in the highest present land value." In regard to the subject property, we interpret this portion of the definition to mean that the subject's land use plan must maximize density but remain within the range of supportable intensities of developments in the competing market. In other words, development which occurs on the subject site should be homogeneous with development which will occur in the competing market to be financially feasible.

Consideration of the physical and legal uses of the site supports high density mixed-use development. For a use to meet the test of financial feasibility, the benefits of ownership in the form of rents and tax advantages must exceed the costs associated with acquiring the site, developing the improvements, and operating the property. For a property use to be financially feasible, the forces of supply and demand must be in balance and the property developed must provide sufficient income to return profit to the land. Given the overall strong demand for new affordable homes in the Hutto market, the subject development is considered highly feasible.

Highest and Best Use As Vacant - Conclusion

Based upon the preceding discussion, residential subdivision development of IA1 including the 546 lots in the Cotton Brook development would be the highest and best use of the site.

Highest and Best Use – As Improved

This appraisal is based on the Hypothetical Condition that the infrastructure for the 546 lots in IA1 is complete. In reality, only portions of this infrastructure are in place as of our effective date. The 546 lots in IA1 of the Cotton Brook subdivision represent the highest and best use of the site “as improved.”

SUBDIVISION DEVELOPMENT ANALYSIS – PUBLIC IMPROVEMENT DISTRICT

Developed subdivision lots are most frequently analyzed using a discounted cash flow analysis.

As previously discussed, this section of the appraisal assignment considers the “as is” value of the subject **based on the hypothetical condition that all infrastructure associated with all of the PID “Authorized Improvements” has been completed.**

Were all 546 lots complete today, one or two public builders might purchase in bulk. However, they would anticipate absorption over time and discount accordingly. Our DCF methodology reflects this possibility.

In order to complete this analysis, we:

1. Estimated the retail value of the developed lots.
2. Estimated the rate at which the lots are expected to absorb.
3. Calculated the subject’s gross revenue per period.
4. Estimated and deducted expenses from the gross revenue per period to derive the projected periodic cash flows.
5. Input the projected periodic cash flows into a discounted cash flow (DCF) model in order to calculate the discounted value of the subject as complete.

SALES COMPARISON APPROACH - RETAIL LOT PRICE ANALYSIS

Cotton Brook is being self-developed by Lennar Homes. No developed or paper lots are offered for sale. Instead only completed homes are offered for sale.

The purpose of this appraisal is to value the lots themselves, not the developed homes. Therefore, it is necessary to examine retail lot price information from comparable subdivisions which do have sales of developed lots prior to vertical construction of homes.

The Sales Comparison Approach involves a comparison of the subject property to actual transactions of similar properties in order to arrive at an estimate of the subject's market value. One of the primary appraisal principles basic to this approach is the principle of substitution. The principle of substitution “holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.” (The *Appraisal of Real Estate*, 15th Edition, published by the Appraisal Institute, 2020.)

There are several units of comparison available to the analyst in the application of the Sales Comparison Approach. A commonly used unit of comparison in the valuation of subdivision lots is the total lot price or price per front foot. In this step the subject 546 lots are being analyzed under the hypothetical condition they are finished lots with all major infrastructure in place. Per the SAP, lot types and counts will be as follows:

40' Single Family Lots	233
50' Single Family Lots:	305
70' Single Family Lots:	4
60' Duplex Lots	4
Total Residential Lots:	546

The absorption analysis section to appear later in this report will illustrate that there is immediate demand for the subject's single family product. **The analysis to follow has been designed to estimate the “retail value” of each of the component lot types. We have based these analyses on comparable “retail” sales. A later section of the report will conclude to a likely absorption schedule and conduct a discounted cash flow analysis.**

Pricing for developed lots has increased dramatically over the past few quarters. This is attributable to increasing demand in Hutto as well as other submarkets in the Austin region, coupled with an extreme lack of supply. In this recent period, lot pricing data from as recently as six months ago has become outdated and would show values well below current July 2021 market pricing. This “gap” in lot contract pricing and current market value is exacerbated by the time delay between contracting potential lots and delivering the finished lot product. Therefore, it is difficult to use historical data, even relatively recent data, to conclude to market values for the subject lots. Also, there is relatively little “current” mid-year 2021 pricing data given the shortage of available lots. Our conclusion as to the current market value of the developed lots is based primarily on conversations with homebuilders and developers active in the subject's Hutto submarket.

The Austin Board of Realtors (ABOR) provides statistics on residential home sale prices over time. Their data includes all single family detached homes sold through the MLS system. The majority of these are resale homes as many newly constructed “production” subdivisions are not marketed through the MLS system. However, the MLS pricing trends would still reflect increasing values in the market. The MLS data shows the median sales price of single family detached homes in the subject’s Hutto ISD increased 49% between June 2020 and June 2021 (the most recent data available).

Mr. Ian Deitrich, the land acquisition manager for David Weekley Homes stated that in October 2020, they bought 38 lots in the Carmel Creek development. Mr. Deitrich believed this was one of the most recent closed sales in the Hutto submarket for finished lots. The purchase was for a mix of 50’ and 60’ lots. The sales price was \$1,400 per front foot, or \$70,000 per lot for a 50’ lot and \$84,000 per lot for a 60’ lot. Given price appreciation over the past eight months, this closed sale indicates the developed lots at the subject would have a current market value of more than \$1,400 per front foot for 50’ lots. Were typical 60’ lots available at the subject, they would also be anticipated to have a value well above \$1,440 per front foot. The previously discussed MLS data shows median resale home prices in the Hutto ISD increased 48% between October 2020 and the present. If this rate were applied to the \$1,400 per front foot paid in October 2020, the current price indication would be \$2,072 per front foot.

Mr. Elliot Jones, the land acquisition manager for Meritage stated that in August 2020, they bought a section of 60’ lots in Hutto Highlands. The price was \$1,100 per front foot, or \$66,000 per lot. In May 2021, he stated he believed these same lots would then be worth \$1,700 to \$1,800 per front foot, or \$102,000 to \$108,000 per lot. This calculates to price appreciation of $\pm 55\%$ to $\pm 63\%$ over the nine month period. This is slightly higher than the $+46\%$ price inflation noted by the MLS data between August 2020 and May 2021. Mr. Jones \$1,700 to \$1,800 per front foot estimate from May 2021 would be believed to remain generally appropriate to apply to the subject’s 45’ and 50’ lots.

In July 2021, Mr. Bryan Biel, the land acquisition manager for Pulte Group stated he thought the current market value of developed lots similar to those at the subject would be \$1,700 to \$1,800 per front foot. Mr. Biel believes market values increased very sharply in 2020 and early 2021 and have continued to increase over the last 60 days.

Mr. Ken Blaker directs land acquisition for Lennar Homes in the Austin region. In July 2021, he stated he believed the market value of the subject lots would be in the range of \$1,500 to \$1,700 per front foot were they offered for sale in the current market.

Lastly, we considered ratio analysis. A typical “rule of thumb” was that the value of developed lots represents $\pm 18\%$ to $\pm 22\%$ of the final home price. Considering the shortage of available lots in today’s market, a ratio in the upper end of this range at 20% to 22% would be believed necessary. The following table was created using on-line builder average home prices for communities in the Hutto market and a 20% or 22% lot per home ratio.

Subdivision	Builder	FF	Avg. Home Price	Lot at 20%	Lot \$/FF at 20%	Lot at 22%	Lot \$/FF at 22%
Brooklands	Castlerock	50	\$390,000	\$78,000	\$1,560	\$85,800	\$1,716
Brooklands	Pacesetter	40	\$295,000	\$59,000	\$1,475	\$64,900	\$1,623
Mager Meadows	DR Horton	50	\$351,500	\$70,300	\$1,406	\$77,330	\$1,547
Mustang Creek	DR Horton	50	\$326,000	\$65,200	\$1,304	\$71,720	\$1,434
Emory Crossing	Taylor Morrison	40	\$355,500	\$71,100	\$1,778	\$78,210	\$1,955
Emory Crossing	Taylor Morrison	50	\$399,000	\$79,800	\$1,596	\$87,780	\$1,756
Crosscreek	Meritage	45	\$338,000	\$67,600	\$1,502	\$74,360	\$1,652
Crosscreek	Meritage	50	\$393,000	\$78,600	\$1,572	\$86,460	\$1,729
Highlands	Meritage	60	\$384,500	\$76,900	\$1,282	\$84,590	\$1,410
Highlands	Ashton Woods	60	\$361,500	\$72,300	\$1,205	\$79,530	\$1,326
Highlands	Lennar	60	\$398,000	\$79,600	\$1,327	\$87,560	\$1,459
Carmel Creek	Weekley	60	\$365,000	\$73,000	\$1,217	\$80,300	\$1,338
Carmel Creek	M/I	50	\$415,000	\$83,000	\$1,660	\$91,300	\$1,826
Carmel Creek	M/I	60	\$490,000	\$98,000	\$1,633	\$107,800	\$1,797
Carmel Creek	Highlands	50	\$539,000	\$107,800	\$2,156	\$118,580	\$2,372
Minimum			\$295,000	\$59,000	\$1,205	\$64,900	\$1,326
Maximum			\$539,000	\$107,800	\$2,156	\$118,580	\$2,372
Median			\$384,500	\$76,900	\$1,502	\$84,590	\$1,652

For this analysis, the price per front foot is the most appropriate unit of comparison since the lots range in size from 40' to 60'. The reported median home price was used in our analysis. Using the builders' advertised median home prices and a 20% ratio, the subdivision comparables show a median value of \$1,502 per front foot based on a 20% ratio and \$1,652 per front foot based on a 22% ratio. This ratio analysis at the comparables generally supports a lot value of ±\$1,500 to ±\$1,650 per front foot at the subject.

In the subject Cotton Brook development, Lennar projects average home prices of \$330,000 on 40' lots and \$392,500 on 50' lots. The 20% and 22% ratio analysis has been applied to proposed home pricing at the subject. This is shown below:

Subdivision	Builder	FF	Avg. Home Price	Lot at 20%	Lot \$/FF at 20%	Lot at 22%	Lot \$/FF at 22%
Subject-Cotton Brook	Lennar	40	\$330,000	\$66,000	\$1,650	\$72,600	\$1,815
Subject-Cotton Brook	Lennar	50	\$392,500	\$78,500	\$1,570	\$86,350	\$1,727

Proposed home pricing at the subject suggests lots would have values in the range of approximately \$1,600 to \$1,800 per front foot.

The preceding analyses indicate value ranges for the subject's developed lots as follows:

Carmel Creek-Weekley	More than \$1,400/FF; perhaps as high as \$2,072/FF
Highlands/Meritage	\$1,700 - \$1,800/FF
Pulte	\$1,700 - \$1,800/FF
Ratio Analysis – Comparables	\$1,500 - \$1,650/FF
Ratio Analysis – Subject	\$1,600 - \$1,800/FF

Based on the preceding analysis, we conclude the subject's 40' and 50' developed lots have a current market value of \$1,700 per front foot. These two lot sizes have market values pricing as follows:

Frontage	Price/FF	Lot Price
40' Lots	\$1,700	\$68,000
50' Lots	\$1,700	\$85,000

The subject includes 233 40' lots (43% of inventory) and 305 50' lots (56% of inventory). There are four 70' lots and four duplex lots. Together, these 70' and duplex products represent only $\pm 1\%$ of all lot inventory in IA1 (8/546). Given their scarcity, their exact pricing would have little impact on conclusions from the DCF analysis. We conclude these eight lots will also have the same pricing of \$1,700 per front foot as concluded for the 40' and 50' lots.

These few atypically sized lots will have pricing as follows:

Frontage	Price/FF	Lot Price
70' Lots	\$1,700	\$119,000
60' Lots (Duplex)	\$1,700	\$102,000

Cumulative Retail Value

Based upon the above discussion, the cumulative retail value of the 546 single family lots at the subject, once they are completed, can be calculated as follows.

233 40' Single Family Lots at \$68,000/Lot =	\$15,844,000
305 50' Single Family Lots at \$85,000/Lot =	\$25,925,000
4 70' Single Family Lots at \$119,000/Lot =	\$ 476,000
4 60' Duplex Lots at \$102,000/Lot =	\$ 408,000
Cumulative Retail Value =	\$42,653,000

With 546 total lots, the average retail value is \$78,119. We will use a rounded **\$78,000 per lot** average in our DCF analysis to follow.

ABSORPTION ANALYSIS

In an attempt to project the demand for new single family residential homes in the subject's location, we first used demographic data from STDB Online and the United States Census Bureau to create a population model.

STDB shows the 2020 population for the neighborhood to be 34,913. STDB shows the 2025 population projection for the neighborhood at 43,206. The compounded annual growth rate is 4.35%.

The STDB shows single family residences (attached and detached) account for 82.3% of the total number of housing units. At that time the average household size was 3.15 persons.

With the above information we are now able to estimate the new demand for single family housing.

1. STDB shows an annual population growth rate of 4.35%. The number of households is projected to have an annual growth rate of 4.33%. There are numerous relatively new subdivisions in the area. Home prices in the area are affordable. The actual growth rate between 2010 and 2020 was previously shown to be 4.8% and is anticipated to escalate. We project the annual growth rate in the area to exceed the 4.35%. We calculated the estimated population change for each year by applying a growth rate of 5.0%.
2. We calculated the annual change in population by deducting the previous year's population from the current year's population.
3. We divided the projected new population by the persons per household (3.15) to give a new demand for households.
4. We applied the ratio of the population living in single family residences (82.3%) to the change in population.

The results of our demand analysis are as follows:

Year	2020	2021	2022	2023	2024	2025
Population	34,913	36,659	38,492	40,416	42,437	44,559
Change in Population	N/A	1,745	1,833	1,925	2,021	2,122
Persons per Household	3.15	3.15	3.15	3.15	3.15	3.15
New Demand for Households	N/A	554	582	611	642	674
Population Ratio in SFR	82.3%	82.3%	82.3%	82.3%	82.3%	82.3%
New Demand for SFR	N/A	456	479	503	528	554
New Demand for SFR per Quarter	N/A	114.0	119.7	125.7	132.0	138.6

This model projects the 2021 demand for new SFRs in the market area to be 456. Over the next five years, the demand for new homes will be 2,520 homes. The average quarterly new demand over this five year period is 126 units, or 42 per quarter. We realize this demand projection is likely very low. Zonda surveys data on the number of starts in various submarkets. As of the Second Quarter 2020, Zonda data showed 1,344 starts had occurred in the Hutto submarket

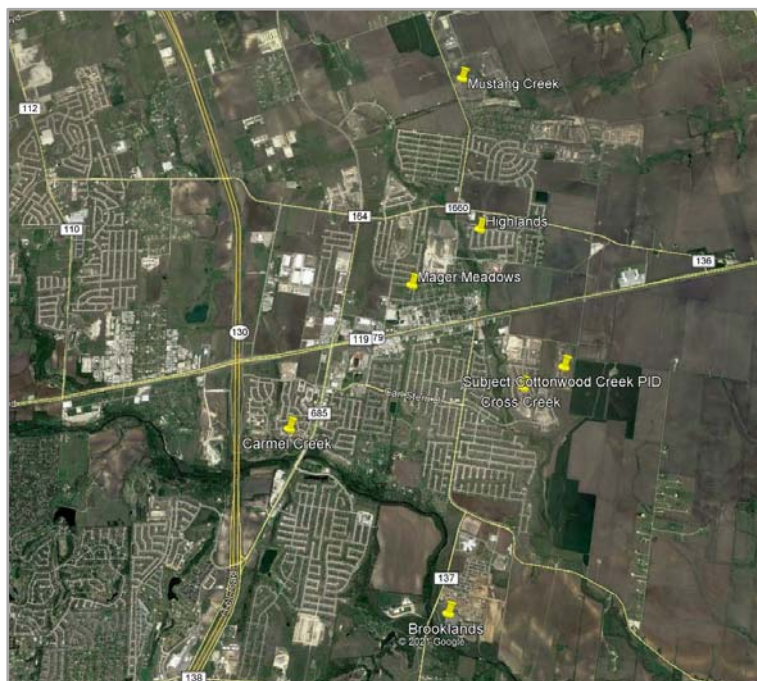
within the past 12 months. This was despite available lot inventory not meeting demand levels. Later sections of this report will show that five area subdivisions started 657 homes within the market during 2020. Total starts in the market, including all active developments, would have been even higher.

The area's median household income (MHI) is \$83,294. The percentage of household income for housing is typically 28%. This ratio includes taxes and insurance. Applying this ratio to the area's MHI indicates median housing costs are \$23,322. We used a rounded \$23,000 for housing expense, or \$1,917 per month. Taxes were estimated at ±\$655 per month based on the developer's proformaed average home price of ±\$365,000, a projected tax assessment of 80% of sales price, and a tax rate of \$2.693659/\$100. The PID assessment was estimated at \$98 per month using the total annual installment divided by the 546 lots. Insurance was estimated at \$100 per month. Therefore with a total monthly housing expense of \$1,917, less \$853 for taxes, PID, and insurance, \$1,064 per month would be available for principal and interest. We calculated a potential mortgage amount using a monthly payment (PI only) of \$1,064; 30 year amortization period; and interest rate of 3.0%. The present value calculations give a mortgage of \$252,370. Assuming down payments of 10% to 20% gives a range of house prices affordable to persons earning the MHI of \$280,411 to \$315,463. We understand house prices in Cotton Brook will be \$280,000 to \$420,000. As such, the majority of houses planned at the subject will be affordable to what persons making at least the MHI can afford. In other words the houses planned in Cotton Brook will be affordable to approximately one-half the neighborhood population.

The home prices in the subject's subdivision and the competing subdivisions fall within the range indicated in our affordable analysis above. In our opinion, homes are mostly being bought in this price range from persons moving to Hutto after being priced out of more central markets. This in migration is reason for a significant increase in the market's population and demand for new homes.

Because of the significant potential for error in calculating how many people will move to the area, we gave the population model little weight when concluding with absorption projections. Analysis of historical housing starts will support a significantly higher absorption schedule.

To more accurately project absorption, we identified six on-going subdivisions believed to compete with the subject. These subdivisions were selected based on the price range of homes being built, proximity to the subject, and lot size. All are production developments. These are as follows:



SUMMARY INFORMATION FOR ACTIVE COMMUNITIES-COTTONWOOD CREEK PID MARKET AREA								
Map Number	Community	School District	Currently Active Builders	Number Builders with More than 10 Permits	Lot Sizes	Current Range Home Pricing (Base)	Current Average Home Pricing (Base)	Range of Plan Square Footages Offered
1	Brooklands	Hutto	Pacesetter, Castlerock, Chesmar	2	40', 50'	NA	\$342,500	1,549 - 2,574
2	Mager Meadows	Hutto	DR Horton	1	50'	\$320-\$383	\$351,500	1,665 - 2,330
3	Mustang Creek	Hutto	DR Horton	1	50'	\$294-\$358	\$326,000	1,462 - 2,680
4	Cross Creek	Hutto	Meritage	1	45', 50'	Prices start in the low \$300K	\$365,500	1,363 - 2,585
5	Highlands	Hutto	Lennar, Meritage, Ashton Woods	3	50', 60'	\$327-\$426	\$376,500	1,457 - 2,897
6	Carmel Creek	Hutto	Weekley, Highland, M/I	3	50', 60'	NA	\$452,500	1,396 - 2,965

The subject is believed to compete with each of these subdivisions and to provide a product with typical market pricing.

The subject contains 233 40' lots (43% of inventory) and 305 50' lots (56% of inventory). There are four 70' lots and four duplex lots. Together, these 70' and duplex products represent only $\pm 1\%$ of all lot inventory in IA1 (8/546). Given their scarcity, the exact timing of their absorption would have little impact on conclusions from the DCF analysis. We conclude these eight lots will be absorbed over the same period that will be concluded for the 40' and 50' lots.

The developer reported the first 45 homes in the development (all on 50' lots) are under contract and are currently under construction.

Cottonwood Creek PID (Cotton Brook) – Improvement Area No. 1

The developer projects an absorption rate of 10 40' lots per month with an additional 10 50' lots per month. This calculates to a projection of a total of 60 closings per quarter and a projected absorption period of approximately 2.25 years (nine quarters) for the 546 lots included in the IA1 of the project.

We surveyed builders and developers to identify absorption rates at the comparable developments. Not all builders are included as complete information was not always available. However, this data does reflect the recent strong absorption in the area. Information from 2020 and year-to-date 2021 (January to June) is shown in the following table.

Comparable Subdivisions-2020 and YTD 2021									
Community	School District	Builder	Lot Size	Low Base Price	High Base Price	Average Base Price	YTD 2021 Total Sales and Avg Sales/Mo	2020 Total Sales & Avg. Sales Per Month	Comments
Brooklands	Hutto	Pacesetter	40'	NA	NA	\$295,000	13 (3.3/mo; 4 mo)	37 (3.1/mo.)	Gapped out
Brooklands	Hutto	Castlerock	40'	NA	NA	NA	2 (gapped out)	58 (4.8/mo)	Gapped out
Brooklands	Hutto	Castlerock	50'	NA	NA	\$390,000	16 (gapped out)	20(2.0/mo 10 mo only)	Gapped out
Mager Meadows	Hutto	DR Horton	50'	\$320,000	\$383,000	\$351,500	NA	141 (15.7/mo; 9 mo)	Gapped out
Mustang Creek	Hutto	DR Horton	50'	\$294,000	\$358,000	\$326,000	106 (21.2/mo)	NA	Initial sales 2021
Cross Creek	Hutto	Meritage	45'	NA	NA	\$338,000	48 (8.0/mo)	88 (12.6/mo.; seven mos.)	Gapped out
Cross Creek	Hutto	Meritage	50'	NA	NA	\$393,000	40 (6.7/mo)	65 (9.3/mo.; seven mos.)	Gapped out
Highlands	Hutto	Castlerock	50'	NA	NA	NA	NA	45 (3.8/mo gapped out)	No longer active Initial sales 2021
Highlands	Hutto	Ashton Woods	60'	\$327,000	\$396,000	\$361,500	8 (4.0/mo; 2 mo)	NA	
Highlands	Hutto	Lennar	60'	\$373,000	\$423,000	\$398,000	78 (13.0/mo)	92 (7.7/mo)	
Carmel Creek	Hutto	Weekley	60'	NA	NA	\$365,000	19 (3.2/mo)	48 (4.0/mo)	Gapped out
Carmel Creek	Hutto	M/I	50'	NA	NA	\$415,000	13 (3.3/mo; 4 mo)	0	
Carmel Creek	Hutto	M/I	60'	NA	NA	\$490,000	23 (3.8/mo)	34 (2.8/mo)	
Carmel Creek	Hutto	Highlands	50'	NA	NA	\$539,000	29(4.8/mo)	29 (2.4/mo)	

Source: Builders & Developers

The following table shows absorption by subdivision from 2020 and year-to-date 2021. 2021 data (through June) was also annualized to project full year absorption.

Subdivision	2020 Starts	2021 YTD Starts	2021 Starts
Brooklands	115	31	62
Mager Meadows	141	N/A	N/A
Mustang Creek	N/A	106	212
Cross Creek	153	88	176
Highlands	137	86	172
Carmel Creek	111	84	168
Average	131.4		158.0
Median	137.0		172.0

During 2020, surveyed homebuilders reported sales of 111 to 153 homes (per subdivision) during 2020. The mean and median absorption were 131.4 and 137.0 homes. Annualized 2021 data shows even higher absorption with a mean of 158 and median of 172 homes per subdivision.

Almost all of the builders and subdivisions indicated periods when they had “gapped out.” In these periods, demand outpaced supply and the builder lacked either adequate lots or completed

Cottonwood Creek PID (Cotton Brook) – Improvement Area No. 1

homes. All homebuilders reported that without problems of “gapping out,” they would have been able to sell more homes during both 2020 and/or 2021. Were adequate inventory available, the preceding data suggest more than ±158 to ±172 lots would be absorbed in a subdivision similar to those surveyed.

We also examined closings per builder per month. This absorption information was calculated from the homebuilders reported number of “active” months, net of periods of gap. This is shown below:

Community	School District	Builder	Lot Size	Low Base Price	High Base Price	Average Base Price	YTD 2021 Total Sales and Avg Sales/Mo	2020 Total Sales & Avg. Sales Per Month
Brooklands	Hutto	Pacesetter	40'	NA	NA	\$295,000	13 (3.3/mo; 4 mo)	37 (3.1/mo.)
Brooklands	Hutto	Castlerock	40'	NA	NA	NA	2 (gapped out)	58 (4.8/mo)
Brooklands	Hutto	Castlerock	50'	NA	NA	\$390,000	16 (gapped out)	20(2.0/mo 10 mo only)
Mager Meadows	Hutto	DR Horton	50'	\$320,000	\$383,000	\$351,500	NA	141 (15.7/mo; 9 mo)
Mustang Creek	Hutto	DR Horton	50'	\$294,000	\$358,000	\$326,000	106 (21.2/mo)	NA
Cross Creek	Hutto	Meritage	45'	NA	NA	\$338,000	48 (8.0/mo)	88 (12.6/mo.; 7 mos.)
Cross Creek	Hutto	Meritage	50'	NA	NA	\$393,000	40 (6.7/mo)	65 (9.3/mo.; 7 mos.)
Highlands	Hutto	Castlerock	50'	NA	NA	NA	NA	45 (3.8/mo gapped out)
Highlands	Hutto	Meritage	60'	\$343,000	\$426,000	\$384,500	NA	NA
Highlands	Hutto	Ashton Woods	60'	\$327,000	\$396,000	\$361,500	8 (4.0/mo; 2 mo)	NA
Highlands	Hutto	Lennar	60'	\$373,000	\$423,000	\$398,000	78 (13.0/mo)	92 (7.7/mo)
Carmel Creek	Hutto	Weekley	60'	NA	NA	\$365,000	19 (3.2/mo)	48 (4.0/mo)
Carmel Creek	Hutto	M/I	50'	NA	NA	\$415,000	13 (3.3/mo; 4 mo)	0
Carmel Creek	Hutto	M/I	60'	NA	NA	\$490,000	23 (3.8/mo)	34 (2.8/mo)
Carmel Creek	Hutto	Highlands	50'	NA	NA	\$539,000	29(4.8/mo)	29 (2.4/mo)
Subject Cotton Brook	Hutto	Lennar	40'	\$280,000	\$380,000	\$330,000	Na	NA
Subject Cotton Brook	Hutto	Lennar	50'	\$365,000	\$420,000	\$392,500	DO	NA

Source: Builders & Developers

The following table summarizes information by individual lot sizes and builders for periods where monthly takedowns could be determined.

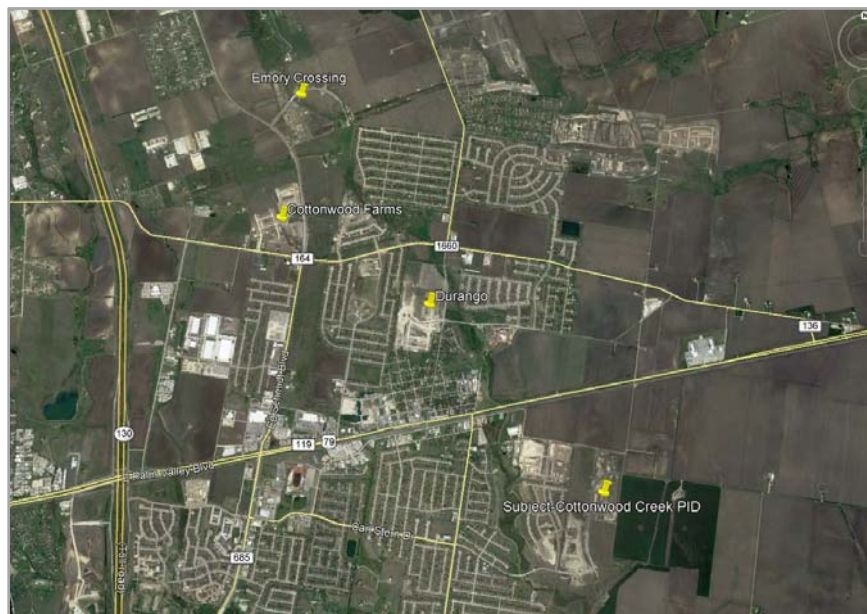
Subdivision	2020	2021
Brooklands – Pacesetter – 40'	3.1	3.3
Brooklands – Castlerock – 40'	4.8	---
Brooklands – Castlerock – 50'	2.0	---
Mager Meadows – 50'	15.7	---
Mustang Creek – 50'	---	21.2
Cross Creek – Meritage – 45'	12.6	8.0
Cross Creek – Meritage – 50'	9.3	6.7
Highlands – Castlerock – 50'	3.8	---
Highlands – Ashton Woods – 60'	---	4.0
Highlands – Lennar – 60'	7.7	13.0
Carmel Creek – Weekley – 60'	4.0	3.2
Carmel Creek – M/I – 50'	---	3.3
Carmel Creek – M/I – 60'	2.8	3.8
Carmel Creek – Highlands – 50'	2.4	4.8
Average	6.2	7.1
Median	4.0	4.3

For 2020, each individual builder and/or lot size within a given subdivision captured an average of 6.2 monthly takedowns and a median of 4.0 monthly takedowns. For 2021, absorption improved slightly with average absorption of 7.1 units and a median absorption of 4.3 units. Again, this monthly absorption was per builder and per lot size.

2021 data suggests that the subject's predominate 40' and 50' lots might each capture ± 4.3 to 7.1 units per month for a total absorption of 8.6 to 14.1 units per month with two lot types combined. Given the shortage of lots and problems with "gapping out" among almost all builders and subdivisions and during both time periods studied, we believe a monthly absorption projection higher than the average 14.1 units would be anticipated were sufficient lots available for home construction. If a $\pm 20\%$ premium were applied (to reflect that period of "gapping out" were eliminated or significantly reduced), the anticipated monthly absorption would be ± 17 units per month. This would be split between the various lot types. At 17 units per month, quarterly absorption would be projected to be 51 total units and total annual absorption within the subject would be projected to be 204 units. Absorption at this level would be believed achievable as D.R. Horton was shown to close 21 units per month in Mustang Creek.

Annual absorption of 204 units would be slightly higher than the 158 average units and 172 median units absorbed at the six subdivisions previously presented. However, as discussed, many of those developments suffered from intermittent "gapping out" and their performance suffered as a result of a lack of sufficient developed lots.

The preceding analysis suggest quarterly absorption of up to approximately 17 lots per quarter. To support this conclusion, we have also studied future inventory in the immediate area. Three additional subdivisions are beginning development in close proximity to the subject. These new projects should also be considered before concluding to absorption at the subject. These are shown in the map below:



Emory Crossing has initial vertical development underway. No homes are yet completed or closed. Taylor Morrison will be the only homebuilder. They are self-developing the subdivision.

It is located off the east side of CR 119 north at Emory Crossing Boulevard. “Improvement Area 1” will include 189 50’ lots, four 60’ lots, 125 condominium units, and 30 attached townhome units. Future phases will contain additional lot inventory. The initial section has 50’ lots with homes averaging \$355,500 and 60’ lots with an average home price of \$399,000. Actual closing data is not yet available but the Taylor Morrison website shows 22 “sold” homesites, seven “reserved” homesites, and two “inventory” homesites. More than these 31 homes would be anticipated to be contracted by the time the initial home in the subdivision is completed.

Meritage will be the only homebuilder in the Durango Farms subdivision. This is located on the west side of FM 1660 at Mager Lane. Durango will offer 45’, 50’, and 60’ lots. Homes are projected to contain 1,249 to 2,981 square feet. Pricing is not yet available and vertical construction has not begun. Ultimately, Durango Farms will include 248 single family lots in addition to mixed-use components.

Ashton Woods is developing the Cottonwood Farms subdivision at the northwest corner of CR 119 and Limmer Loop. Starlight will build on 40’ lots with Ashton Woods building on 45’ lots. The development will ultimately include 448 residential lots with pricing “from the \$300’s.” Initial home sales are projected to occur in the Third Quarter of 2021.

Each of these developments will have lots available at the same time as the subject. These competing developments might be anticipated to compete for the same homebuyer base as will the subject. However, other subdivisions currently studied in our absorption analysis will become built out or have a decreasing supply of vacant developed lots. When both existing and under construction competing projects are considered, the 40’ and 50’ lots at the subject would be expected to absorb at a combined rate of approximately 17 lots per month, or 51 lots per quarter. **We concluded to a rounded absorption of 17 unit per month, or 51 units per quarter.** This will be split between the product types on a pro-rata basis.

At this rate, the initial 546 lots in IA1 would absorb over 11 quarters, or as follows:

Quarter	Lots Absorbed
1	51
2	51
3	51
4	51
5	51
6	51
7	51
8	51
9	51
10	51
11	36

All 546 lots in IA1 would be expected to absorb within 11 quarters, or 2.75 years.

Cumulative Retail Value

As addressed earlier, the cumulative retail value of the 546 single family lots at the subject, once they are completed, can be calculated as follows.

233 40' Single Family Lots at \$68,000/Lot =	\$15,844,000
305 50' Single Family Lots at \$85,000/Lot =	\$25,925,000
4 70' Single Family Lots at \$119,000/Lot =	\$ 476,000
4 60' Duplex Lots at \$102,000/Lot =	\$ 408,000
Cumulative Retail Value =	\$42,653,000

With 546 total lots, the average retail value is \$78,119. We will use a rounded **\$78,000 per lot** average in our DCF analysis to follow.

Discounted Cash Flow Analysis (Inputs)

Periodic Revenue

The average retail lot price is \$78,000. Our cash flow will make use of four quarters per year. As has previously been explained, based on the quarterly lot absorption schedule and the 546 total lots, the subdivision will become fully absorbed within 11 quarters, or 2.75 years. Our absorption schedule is summarized as follows:

QUARTER	LOT SALES PER QUARTER	CURRENT LOT PRICE	PRICE ESCALATOR	FUTURE LOT PRICE	REVENUE FROM LOT SALES
1	51	\$78,000	0.000%	\$78,000	\$3,978,000
2	51	\$78,000	1.500%	\$79,170	\$4,037,670
3	51	\$78,000	3.000%	\$80,340	\$4,097,340
4	51	\$78,000	4.500%	\$81,510	\$4,157,010
5	51	\$78,000	6.000%	\$82,680	\$4,216,680
6	51	\$78,000	7.500%	\$83,850	\$4,276,350
7	51	\$78,000	9.000%	\$85,020	\$4,336,020
8	51	\$78,000	10.500%	\$86,190	\$4,395,690
9	51	\$78,000	12.000%	\$87,360	\$4,455,360
10	51	\$78,000	13.500%	\$88,530	\$4,515,030
11	36	\$78,000	15.000%	\$89,700	\$3,229,200

Expense Estimates

Real Estate Taxes

For 2021, WCAD appraised developed individual lots at \$55,000 each. This assessment was the same for both 40' and 50' lots. This WCAD value is not yet certified but appears reasonable to apply to the subject lots in this DCF analysis.

Cottonwood Creek PID (Cotton Brook) – Improvement Area No. 1

Our analysis will assume that were all the 546 lots currently developed and assessed by TCAD, each would be assessed at \$55,000. 2021 tax rates have not yet been established but the 2020 tax rate was \$2.693659/\$100. Based on this assessment and tax rate, we project annual calculated taxes of \$1,482 per lot, or \$370 per lot per quarter.

We applied the taxes per quarter, per lot, to the number of unsold lots. The taxes are based upon the average inventory during the quarter. Taxes have been increased at a 3% per year average inflation rate. This is consistent with market expectations.

These calculations are shown as follows:

Quarter	Lots @ Beginning of Period	Absorption	Lots @ End of Period	Lot @ Midpoint	Tax/Lot/ Period	End Period Inflation Rate @ 3%/Year	Taxes/Period
1	546	51	495	521	\$370	0%	\$192,585
2	495	51	444	470	\$370	0%	\$173,715
3	444	51	393	419	\$370	0%	\$154,845
4	393	51	342	368	\$370	0%	\$135,975
5	342	51	291	317	\$370	3%	\$120,618
6	291	51	240	266	\$370	3%	\$101,182
7	240	51	189	215	\$370	3%	\$81,746
8	189	51	138	164	\$370	3%	\$62,310
9	138	51	87	113	\$370	6%	\$44,123
10	87	51	36	62	\$370	6%	\$24,120
11	36	36	0	18	\$370	6%	\$7,060

PID Annual Installment

Beginning on January 1, 2022, the City will levy a special assessment on the property for the Cotton Brook PID. For January 1, 2022, the annual installment will be \$644,138. The \$644,138 repayment obligation begins in Quarter Three of our DCF analysis. The SAP specifies a 30 year repayment of the PID bond. The PID special assessment varies slightly each year. The annual installment schedule is as follows for the early years of repayment included in our DCF analysis.

Improvement Area #1 Annual Installments

Due	Annual Installment
01/01/2022	\$644,138
01/01/2023	\$642,400
01/01/2024	\$645,464

If all 546 lots were now developed, the annual installment for the PID would be ±\$1,180 per lot in Year One, or ±\$295 per quarter. PID assessments per lot per quarter are shown in the following table:

Quarter	Annual Assessment	Annual Assessment/Lot	Quarterly Assessment/Lot
1	\$0	\$0	\$0
2	\$0	\$0	\$0
3	\$644,138	\$1,180	\$295
4	\$644,138	\$1,180	\$295
5	\$644,138	\$1,180	\$295
6	\$644,138	\$1,180	\$295
7	\$642,400	\$1,177	\$294
8	\$642,400	\$1,177	\$294
9	\$642,400	\$1,177	\$294
10	\$642,400	\$1,177	\$294
11	\$645,464	\$1,184	\$296

The developer is responsible for this PID installment payments for any lot that has not been developed and sold. The PID installment for sold lots will be the responsibility of the homeowner.

We applied the PID installment per quarter, per lot, to the number of unsold lots. The PID installment due from the developer is based upon the average inventory during the quarter. Annual Installments have been increased as specified in the SAP.

These calculations are shown as follows:

Quarter	Lots @ Beginning of Period	Absorption	Lots @ End of Period	Lot @ Midpoint	Tax/Lot/ Period	Installment/ Period
1	546	51	495	334	\$0	\$0
2	495	51	444	305	\$0	\$0
3	444	51	393	276	\$295	\$81,420
4	393	51	342	247	\$295	\$72,865
5	342	51	291	218	\$295	\$64,310
6	291	51	240	189	\$295	\$55,755
7	240	51	189	160	\$294	\$47,040
8	189	51	138	131	\$294	\$38,514
9	138	51	87	102	\$294	\$29,988
10	87	51	36	73	\$294	\$21,462
11	36	36	0	44	\$296	\$13,024

Real Estate Commissions

In our experience, typical subdivisions developers do not pay full real estate commissions on lot sales since they negotiate the takedown schedules directly with the builders and no intermediaries are involved. As such, we have not included a sales commission expense in our analysis.

Miscellaneous Overhead Costs (Percentage Expenses)

These expenses cover the miscellaneous administrative expenses associated with closing lots. This would include surveys, title policy costs, etc. They also include legal, accounting, and some miscellaneous expenses. Our expenses have been estimated to run 4% of gross sales. This percentage is in line with that seen at other comparable subdivisions and has been used in our analysis.

Growth Rate of Revenues and Expenses

Lot option contracts signed typically include a price escalation factor, or interest carry amount, that is added to the base price each month from the date the lot is contracted. This is consistent with the way the lots were valued. Based on our conversations with developers active in the area, the current interest carry is 5% to 7% on an annual basis. As such we have used and 6% simple interest escalation factor in our cash flow analysis. This percentage is in line with that seen at other comparable subdivisions.

Most expenses are calculated as a percentage of inflated gross revenue. Therefore, no inflation adjustment has been made. Taxes have been inflated at a typical inflation rate of 3% per year. Annual installment expenses are from the SAP.

Total expenses are as follows:

QUARTER	MISCELLANEOUS EXPENSES	TAX	PID ASSESSMENT	TOTAL EXPENSE
1	\$159,120	\$192,585	\$0	\$351,705
2	\$161,507	\$173,715	\$0	\$335,222
3	\$163,894	\$154,845	\$81,420	\$400,159
4	\$166,280	\$135,975	\$72,865	\$375,120
5	\$168,667	\$120,618	\$64,310	\$353,595
6	\$171,054	\$101,182	\$55,755	\$327,991
7	\$173,441	\$81,746	\$47,040	\$302,227
8	\$175,828	\$62,310	\$38,514	\$276,652
9	\$178,214	\$44,123	\$29,988	\$252,325
10	\$180,601	\$24,120	\$21,462	\$226,183
11	\$129,168	\$7,060	\$13,024	\$149,252
	\$1,827,774	\$1,098,279	\$424,378	\$3,350,431

Financing Assumptions

Our discounted cash flow analysis has been run with an all-cash scenario so that the unleveraged value of the subject can be estimated.

Required Return

Developers and lenders typically fall into two categories as they attempt to quantify an appropriate return that would induce them to invest in a project. In our discussions with developers, a common rule of thumb is that they proforma a 16% to 25% internal rate of return on their net proceeds of development for unentitled mixed-use developments. This 16% to 25% return covers both their cost of capital expenses and their required profit margin. Alternatively, some developers and lenders break out these two components and run a cash flow deducting for both the cost of capital (equity yield rate) and the required developers' profit. Obviously, the required returns and rates would differ given the risks inherent in a project and the amount of leverage the owner proposes to undertake.

Developers stated they typically require an internal rate of return (IRR) of 16% to 25% for proposed subdivisions and 12% to 18% for additional phases of existing subdivisions. The subject is the initial phase of a new subdivision; however, home sales during the early periods have been quite successful with 45 homes pre-selling before initial home construction is complete. Also, we are appraising all lots based on the hypothetical condition that all of the PID bond funded infrastructure associated with the 546 lot IA1 of the Cotton Brook subdivision is in place. Therefore, risks related to the construction period have been substantially reduced.

PricewaterhouseCoopers (PwC) conducts a quarterly survey of real estate investment criteria which is reported in The Real Estate Investor Survey. PwC surveys this type of data semi-annually. As of the Second Quarter of 2021, the average desired yield for investors for the National Development Land Market ranged from 10% to 25%, with a mean of 16.7%. It should be noted that this range is inclusive of developer's profit and includes all entitlements. Rates in the Austin area are typically noted to fall well below national averages.

In our opinion, a discount rate below the national average would be appropriate given that infrastructure is in place and considering the very strong housing market in Austin. Considering these factors, it is our opinion that a discount rate of approximately 13% would be considered appropriate to apply to the subject.

DISCOUNTED CASH FLOW ANALYSIS

In our model, revenues are anticipated from lot sales. Expenses have been deducted as well as miscellaneous overhead which includes legal/accounting/administrative overhead, title policies, closing costs, surveys, etc. No commissions are projected to be paid on lot sales. Taxes have been deducted. Net revenues have been discounted at a rate of 13%.

Following are our revenue and expense calculations and discounted cash flow analysis.

QUARTER	REVENUE	EXPENSES	NET SALES PROCEEDS	DISCOUNT FACTOR	PRESENT VALUE OF PROCEEDS
1	\$3,978,000	\$351,705	\$3,626,295	0.968523	\$3,512,150
2	\$4,037,670	\$335,222	\$3,702,448	0.938037	\$3,473,033
3	\$4,097,340	\$400,159	\$3,697,181	0.908510	\$3,358,926
4	\$4,157,010	\$375,120	\$3,781,890	0.879913	\$3,327,734
5	\$4,216,680	\$353,595	\$3,863,085	0.852216	\$3,292,183
6	\$4,276,350	\$327,991	\$3,948,359	0.825391	\$3,258,940
7	\$4,336,020	\$302,227	\$4,033,793	0.799410	\$3,224,655
8	\$4,395,690	\$276,652	\$4,119,038	0.774247	\$3,189,153
9	\$4,455,360	\$252,325	\$4,203,035	0.749876	\$3,151,755
10	\$4,515,030	\$226,183	\$4,288,847	0.726272	\$3,114,869
11	\$3,229,200	\$149,252	\$3,079,948	0.703411	\$2,166,469
				PV of lots	\$35,069,867
				Say:	\$35,000,000

Discounted Cash Flow Analysis Conclusion 546 Finished Lots in IA1

Based upon the Discounted Cash Flow Analysis, the fee simple market value of the 546 subject lots is as follows:

\$35,000,000

This value estimate calculates to an “as complete” unit value of \$64,103 per lot (based on a total of 546 lots).

FINAL VALUE CONCLUSION

Based upon the data and analyses contained in this report, it is our opinion that the fee simple market value of the subject, as of July 1, 2021, is as follows:

**THIRTY-FIVE MILLION DOLLARS
(\$35,000,000)**

This value conclusion is based on the Hypothetical Condition all of the Authorized Improvements (as defined in the SAP) and needed to develop the 546 lot Cotton Brook subdivision Improvement Area No. 1 are in place as of the effective date of this appraisal, July 1, 2021. This is a Hypothetical Condition because a portion of these construction items have not yet been completed.

CERTIFICATION

We certify, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. We have performed no services, as appraisers, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our 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. Our analyses, opinions, and conclusion were developed and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. Christie Nelson, MAI and Eldon Y. Rude, MAI have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real property appraisal assistance to the persons signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Valuation Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, Christie Nelson, MAI and Eldon Y. Rude, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.

Christie Nelson, MAI
State Certified General Real Estate Appraiser
No. TX-1323506-G

Eldon Y. Rude, MAI
State Certified General Real Estate Appraiser
No. TX-1320841-G

QUALIFICATIONS OF CHRISTIE H. NELSON, MAI

Christie Nelson has been actively involved in the real estate profession since 1987 and is currently associated with The Aegis Group, Inc., 4926 Spicewood Springs Road, Suite 101, Austin, Texas. Ms. Nelson has been involved in all types of real property valuation including office, multi-family, retail, industrial, and vacant land.

Education

Master of Business Administration
University of Texas at Austin, May 1982
Areas of Concentration: Real Estate, Finance

Bachelor of Science in Landscape Architecture
University of Virginia, May 1980

University of Texas, Austin Real Estate Course Work

Real Estate Principles
Land Development/Feasibility Analysis
Real Estate Finance
Real Estate Investment Analysis
Real Estate Law
Professional Report

Appraisal Institute Education Courses

Exam 1A-1, Real Estate Appraisal Principles
Exam 1A-2, Basic Valuation Procedures
Exam 1B-1, Capitalization Theory & Technique - Part A
Course SPP, Standards of Professional Practice
Exam 1B-B, Capitalization Theory & Technique - Part B
Exam 2-1, Case Studies in Real Estate Valuation
Exam 2-2, Report Writing and Valuation Analysis

Professional Memberships

Member Appraisal Institute (MAI), Appraisal Institute - Certificate No. 10456
Texas State Certified General Real Estate Appraiser - Certificate No. TX-1323506-G

QUALIFICATIONS OF ELDON Y. RUDE, MAI

Eldon Y. Rude, MAI is the principal of The Aegis Group, Inc., a commercial real estate appraisal and consulting firm founded in 1987. Eldon is also the principal of 360° Real Estate Analytics, a research based real estate consulting firm he founded in 2013. He has worked in real estate in Texas for over 30 years, starting his career in commercial real estate appraisal where he gained an understanding of the factors which impact the supply and demand for commercial property types including office, industrial and retail, as well as single and multi-family housing.

Since 1996, Eldon's primary focus has been the new home sector where he provides market analysis and advisory services to home builders, land developers, banks, and equity investors. Over the last 23 years Eldon aided area builders and developers in their acquisition process for thousands of single-family lots which now serve as homes for new residents of central Texas.

Formal Education

University of Texas at Austin - Bachelor of Business Administration in Finance

Appraisal Education

Mr. Rude completed and passed all the courses, examinations and other requirements necessary to earn the MAI designation.

Professional Experience

The Aegis Group, Inc - Principal	August 2019 - Present
360° Real Estate Analytics – Principal	August 2013 - Present
Metrostudy - Director, Central Texas Region	July 1996 - January 2013
The Aegis Group, Inc. - Partner, Commercial Appraiser	1987 - 1996
R. Robinson & Associates - Commercial Appraiser	1985 - 1987

Professional Designations/Licenses

Appraisal Institute (Member) MAI Certificate No. 8479
Texas State Certified General Real Estate Appraiser-Certificate No. TX-1320841-G

Industry Organizations & Activities

Urban Land Institute Austin - member; currently serving as Membership Chair and on Executive Committee and Advisory Board

Home Builders Association of Greater Austin - member; currently serving on the Board of Directors, Finance, and Membership Committees

Real Estate Council of Austin - member

Keynote Speaker / Moderator

Appraisal Institute Austin Chapter
Austin Commercial Real Estate Society
Austin Mortgage Bankers Association
Austin Risk Management Association
Commercial Real Estate Women of Austin
Home Builders Association of Greater Austin Annual Economic & Housing Forecast (17 Years)
New Braunfels Builders Association
Real Estate Council of Austin
Round Rock Chamber of Commerce
Texas Association of Builders
Urban Land Institute Austin
Other local and state industry organizations and conferences

ADDENDA

JUNE 3, 2021 SERVICE AND ASSESSMENT PLAN

Cottonwood Creek Public Improvement District

SERVICE AND ASSESSMENT PLAN
JUNE 3, 2021



TABLE OF CONTENTS

Table of Contents	1
Introduction	2
Section I: Definitions	3
Section II: The District	9
Section III: Authorized Improvements	9
Section III-A: Owner Funded Improvements	10
Section IV: Service Plan	11
Section V: Assessment Plan	11
Section VI: Terms of the Assessments	13
Section VII: Assessment Rolls.....	17
Section VIII: Additional Provisions	18
List of Exhibits	19
Exhibit A-1 – District Legal Description	20
Exhibit A-2 – Improvement Area #1 Legal Description	32
Exhibit B-1 – District Boundary Map.....	41
Exhibit B-2 – Improvement Area #1 Boundary Map.....	42
Exhibit C – Authorized Improvements	43
Exhibit D – Service Plan.....	44
Exhibit E – Sources and Uses.....	45
Exhibit F – Improvement Area #1 Assessment Roll	46
Exhibit G-1 – Improvement Area #1 Annual Installments	51
Exhibit G-2 – Lot Type Duplex Annual Installments	52
Exhibit G-3 – Lot Type 1 Annual Installments	53
Exhibit G-4 – Lot Type 2 Annual Installments	54
Exhibit G-5 – Lot Type 3 Annual Installments	55
Exhibit H – Maximum Assessment.....	56
Exhibit I – Map of Improvement Area #1 Improvements	57
Exhibit J – Notice of Assessment Termination	60
Exhibit K – Phase 1 Plat	63
Exhibit L – Lot Type Classification Map.....	69

INTRODUCTION

Capitalized terms used in this Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section” or an “Exhibit” shall be a reference to a Section of this Service and Assessment Plan or an Exhibit attached to and made a part of this Service and Assessment Plan for all purposes.

On April 1, 2021 the City Council passed and approved Resolution No. R-2021-029 authorizing the creation of the Cottonwood Creek Public Improvement District in accordance with the PID Act, which authorization was effective upon publication as required by the PID Act.

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 370.312 acres located within the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted on the map in **Exhibit B-1**.

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**.

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 Assessment Roll for Improvement Area #1 is contained in **Exhibit F**.

SECTION I: DEFINITIONS

“Actual Costs” mean, with respect to Public Improvements, the actual costs paid or incurred by or on behalf of the Owner: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City, 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 if PID Bonds are issued. Additional Interest is not charged on the Improvement Area #1 Reimbursement Obligation.

“Additional Interest Rate” means the 0.50% additional interest rate charged on Assessments pursuant to Section 372.018 of the PID Act.

“Administrator” means the City or the person or independent firm designated by the City who shall have the responsibility provided in this Service and Assessment Plan, 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 if issued; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, if issued, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

“Annual Installment” means the annual installment payment of an Assessment as calculated by the Administrator and approved by the City Council, that includes: (1) principal; (2) interest; (3) Annual Collection Costs; and (4) Additional Interest, if applicable.

“Annual Service Plan Update” means an update to this Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

“Appraisal District” means Williamson Central Appraisal District.

“Assessed Property” means any Parcel within the District against which an Assessment is levied.

“Assessment” means an assessment levied against a Parcel 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 included in this Service and Assessment Plan as **Exhibit F**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of PID Bonds, if issued, or in connection with any Annual Service Plan Update.

“Authorized Improvements” mean all costs to be paid with Assessments, including Public Improvements, Bond Issuance Costs, and District Formation Expenses.

“Bond Issuance Costs” means the costs associated with issuing PID Bonds, if issued, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter’s discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds, if such bonds are issued.

“City” means the City of Hutto, Texas.

“City Council” means the governing body of the City.

“County” means Williamson County, Texas.

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

“District” means the Cottonwood Creek Public Improvement District, consisting of the approximately 370.312 acres within the City, as described by metes and bounds on **Exhibit A-1** and by the map on **Exhibit B-1**.

“District Formation Expenses” means the costs associated with forming the District, including but not limited to 1st year Annual Collection Costs, 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 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 portions of the District that are developed in phases, including Improvement Area #1 and each area within the District that is specifically defined and designated as a phase of development.

“Improvement Area #1” means approximately 186.341 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

“Improvement Area #1 Annual Installment” means the annual installment payment on the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal on any Improvement Area #1 Bonds or Improvement Area #1 Reimbursement Obligation, (2) interest on any Improvement Area #1 Bonds or Improvement Area #1 Reimbursement Obligation, (3) Annual Collection Costs, and (4) Additional Interest, if applicable.

“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 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, if issued, or in connection with any Annual Service Plan Update.

“Improvement Area #1 Bonds” mean those certain “City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project)”, that are anticipated to be issued in calendar year 2021 and secured by Improvement Area #1 Assessments.

“Improvement Area #1 Improvements” mean those Public Improvements that only benefit Improvement Area #1.

“Improvement Area #1 Landowner Agreement” means that certain Landowner Agreement between the City and Owner dated June 3, 2021, as may be further amended.

“Improvement Area #1 Projects” mean Improvement Area #1 Improvements, Improvement Area #1’s allocable share of District Formation Expenses, and Bond Issuance Costs for the Improvement Area #1 Bonds, if issued.

“Improvement Area #1 Reimbursement Agreement” means that certain “Cottonwood Creek Public Improvement District Reimbursement Agreement” effective June 3, 2021 entered into by and between the City and Owner, whereby all or a portion of the Actual Costs not paid to Owner from PID Bonds, if issued, will be paid to the Owner from Improvement Area #1 Assessments to reimburse the Owner for Actual Costs paid by the Owner, plus interest, that are eligible to be paid with Improvement Area #1 Assessments.

“Improvement Area #1 Reimbursement Obligation” means an amount not to exceed \$10,215,000 payable from Improvement Area #1 Assessments to be paid to Owner pursuant to the Reimbursement Agreement, but excluding any payments from the net proceeds of PID Bonds.

“Improvement Area #1 Unplatted Parcel” means all property within Improvement Area #1 save and except property within the Phase 1 Plat against which the Improvement Area #1 Assessment is initially levied. Until a plat has been recorded and a Property ID has been assigned by the Appraisal District to each Lot within the Improvement Area #1 Unplatted Parcel, the Annual Installment for the Improvement Area #1 Unplatted Parcel will be allocated to each property ID within the Improvement Area #1 Unplatted Parcel based on the Williamson Central Appraisal District acreage for billing purposes only.

“Indenture” means an Indenture of Trust entered into in connection with the issuance of PID Bonds, as amended or supplemented from time to time, between the City and the Trustee setting forth terms and conditions related to the PID Bonds, if issued.

“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 40’ lot. The projected Annual Installments for Lot Type 1 are attached as **Exhibit G-3**. The location of each Lot designated as a Lot Type 1 is shown on **Exhibit L**.

“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 50’ Lot. The projected Annual Installments for Lot Type 2 are attached as **Exhibit G-4**. The location of each Lot designated as a Lot Type 2 is shown on **Exhibit L**.

“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 70’ Lot. The projected Annual Installments for Lot Type 3 are attached as **Exhibit G-5**. The location of each Lot designated as a Lot Type 3 is shown on **Exhibit L**.

“Lot Type Duplex” 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 anticipated to contain a duplex unit. The projected Annual Installments for Lot Type Duplex are attached as **Exhibit G-2**. The location of each Lot designated as a Lot Type Duplex is shown on **Exhibit L**.

“Maximum Assessment” means for each Lot Type within Improvement Area #1, at the time a new Lot is created by plat an Assessment equal to the lesser of (1) the amount calculated pursuant to **Section VI.A**, or (2) the amount shown on **Exhibit H**.

“Non-Benefitted 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 an Assessment, a form of which is attached as **Exhibit J**.

“Owner” means collectively Hutto 372 Ltd., a Texas Limited Partnership and Lennar Homes of Texas Land and Construction, Ltd., a Texas Limited Partnership and their successors and assigns.

“Owner Funded Improvements” mean the improvements that are funded entirely by the Owner and are not eligible for repayment by Assessments; provided that, for the avoidance of doubt, such term does not include the improvements to be funded entirely by the Owner without reimbursement to the extent the amount of Authorized Improvements exceeds the amount of the Reimbursement Obligation.

“Parcel(s)” means a property identified by either a tax map identification number assigned by the Williamson 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.

“Phase 1 Plat” means the plat for phase 1 of Improvement Area #1 that was recorded with the County on October 19, 2020 and shown on **Exhibit K**.

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

“PID Bonds” mean any bonds issued by the City, if applicable, that are secured by Assessments levied on Assessed Property within the District, including, but not limited to the Improvement Area #1 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” mean interest, including Additional Interest (if applicable), and Annual Collection Costs to the date of Prepayment.

“Property ID” mean a unique number assigned to each Parcel by the Appraisal District.

“Public Improvements” mean improvements authorized by Section 372.003 of the PID Act as more specifically described in **Section III** and depicted on **Exhibit I**.

“Service and Assessment Plan” means this Service and Assessment Plan as it may be modified, amended, supplemented, and updated from time to time.

“Service Plan” covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

“Tax Parcel” means a Parcel that has been assigned a tax map identification number by the Williamson Central Appraisal District.

“Trustee” means the trustee (or successor trustee) under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 370.312 acres located within the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted on the map on **Exhibit B-1**. Development of the District is anticipated to include approximately 73 duplex Lots and 910 single-family home Lots.

Improvement Area #1 includes approximately 186.341 acres as more particularly described by metes and bounds on **Exhibit A-2** and depicted on **Exhibit B-2**. Development of Improvement Area #1 is anticipated to contain 4 duplex Lots and 542 single-family home Lots.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and on review by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. Public 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 Authorized Improvements, as well as the allocation of the Authorized Improvements, is shown on **Exhibit C**.

A. Improvement Area #1 Improvements

▪ *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 the improvements. The water improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

▪ *Drainage*

Improvements include trench excavation and embedment, trench safety, reinforced concrete piping, manholes, inlets, channels/swales and ponds. These will include the necessary appurtenances to be fully operational to convey stormwater to the limits of the Improvement Area. The drainage improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

▪ *Streets*

Improvements include subgrade stabilization (including excavation and drainage), concrete 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. 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 City.

B. Bond Issuance Costs and District Formation Expenses

▪ *Debt Service Reserve Fund*

Equals the amount required under an applicable Indenture in connection with the issuance of PID Bonds, if issued. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

▪ *Capitalized Interest*

Equals the capitalized interest payments on PID Bonds, if issued, as reflected in an applicable Indenture. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

▪ *Underwriter's Discount*

Equals a percentage of the par amount of a particular series of PID Bonds, if issued, plus a fee for underwriter's counsel. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

▪ *Cost of Issuance*

Includes costs associated with issuing PID Bonds, if issued, 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. This amount may be updated or revised at the time of issuance if PID Bonds are issued.

▪ *District Formation Expenses*

First year Annual Collection Costs and other costs and expenses directly associated with forming the District.

SECTION III-A: OWNER FUNDED IMPROVEMENTS

The following improvements are Owner Funded Improvements that are funded entirely by the Owner and are not eligible for repayment by Assessments.

▪ *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 the District. The wastewater improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

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 D** summarizes the Service Plan for the District. PID Bonds may be issued by the City during the five-year period to pay all or a portion of the Reimbursement Obligation owed under the Reimbursement Agreement. If PID Bonds are issued, the PID Bonds will fund costs of issuance of the PID Bonds and other costs set forth in **Section III** above.

Exhibit E summarizes the sources and uses of funds required to construct the Authorized Improvements. If PID Bonds are issued, **Exhibit E** will be updated to show the amount required to fund the required reserves and issue the PID Bonds at the time the PID Bonds are issued. The sources and uses of funds shown on **Exhibit E** 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 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 Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and on review by the City staff and by third-party consultants retained by the City, has determined that Improvement Area #1 Projects shall be allocated to Improvement Area #1 Assessed Property pro rata based on Estimated Buildout Value.

B. Assessments

Improvement Area #1 Assessments were levied on the Improvement Area #1 Assessed Property according to the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G-1**, 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 Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

▪ Improvement Area #1

1. The costs of Improvement Area #1 Projects equal \$17,542,359, as shown on **Exhibit C**; and
2. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Projects equal to or greater than the Actual Costs of the Improvement Area #1 Projects allocated to Improvement Area #1 Assessed Property; and
3. The Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Projects, which equal \$10,215,000 as shown on the Improvement Area #1 Assessment Roll, attached as **Exhibit F**; and
4. The special benefit ($\geq$ \$17,542,359) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Projects allocated to Improvement Area #1 Assessed Property is greater than the amount of Improvement Area #1 Assessments (\$10,215,000) 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 Owner owned 100% of the Improvement Area #1 Assessed Property. In the Improvement Area #1 Landowner Agreement with the City, the Owner acknowledged that the Improvement Area #1 Projects 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 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, and (2) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 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

Additional Interest will not be collected as part of the Reimbursement Obligation. If PID Bonds are issued, the interest rate on Improvement Area #1 Assessments levied on the Improvement Area #1 Assessed Property may exceed the interest rate on the PID Bonds, if issued, by the Additional Interest Rate.

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 based on information from the Owner, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Property. The calculation as confirmed by the 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 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-Benefitted Property
E = the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the Estimated Buildout Value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Property subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this 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.

4. Determination of Maximum Assessment for new Lot Types

If a Lot is created by plat that cannot be classified as one of the Lot Types shown on **Exhibit H**, a new Lot Type shall be created. The Maximum Assessment for the new Lot Type shall be calculated so that the average Annual Installment results in an equivalent tax rate of \$3.08, inclusive of all overlapping taxes for local taxing entities.

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the 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-Benefitted Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

D. Reduction of Assessments

If as a result of cost savings or Authorized Improvements not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, (i) in the event PID Bonds are not issued, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Property equals the reduced Actual Costs, or (ii) in the event PID Bonds are issued, the Trustee shall apply amounts on deposit in the applicable account of the project fund, relating to the PID Bonds, that are not expected to be used for purposes of the project fund to redeem outstanding PID Bonds, in accordance with the applicable Indenture. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. If PID Bonds are issued, 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 Assessment Termination, a form of which is attached as **Exhibit J**.

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

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (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-Benefitted 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 Assessment applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment applicable to the Remaining Property will be reduced by the amount of the partial Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of prepayment, with any remainder credited against the assessment on the Remainder Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a \$100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefitted Property and the remaining 90 acres of Remaining Property shall be subject to the \$100 Assessment, (provided that this \$100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the \$100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by \$10, then the owner shall be required to pay \$10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be \$90.

Notwithstanding the previous paragraphs in this subsection, if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to

buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. 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, the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G-1** shows the projected Annual Installments for Improvement Area #1. 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 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, if such bonds are issued. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The first Annual Installment for Improvement Area #1 will be delinquent if not paid by February 1, 2022.

SECTION VII: ASSESSMENT ROLLS

The Improvement Area #1 Assessment Roll is attached as **Exhibit F**. The Administrator shall prepare and submit to the City Council, for review and approval, proposed revisions to the Assessment Rolls and Annual Installments for each Parcel within the District as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a 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 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 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 Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this Service and Assessment Plan. Interpretations of this Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the 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 Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

LIST OF EXHIBITS

Exhibit A-1	District Legal Description
Exhibit A-2	Improvement Area #1 Legal Description
Exhibit B-1	District Boundary Map
Exhibit B-2	Improvement Area #1 Boundary Map
Exhibit C	Authorized Improvements
Exhibit D	Service Plan
Exhibit E	Sources and Uses
Exhibit F	Improvement Area #1 Assessment Roll
Exhibit G-1	Improvement Area #1 Annual Installments
Exhibit G-2	Lot Type Duplex Annual Installments
Exhibit G-3	Lot Type 1 Annual Installments
Exhibit G-4	Lot Type 2 Annual Installments
Exhibit G-5	Lot Type 3 Annual Installments
Exhibit H	Maximum Assessment
Exhibit I	Map of Improvement Area #1 Improvements
Exhibit J	Notice of Assessment Termination
Exhibit K	Phase 1 Plat
Exhibit L	Lot Type Classification Map

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

EXHIBIT _____

Takedown 1- 9.487 Acre Tract
Meadows at Cottonwood Creek, Phase One

LEGAL DESCRIPTION

FIELD NOTES FOR A 9.487 ACRE TRACT OF LAND OUT OF THE WILLIAM GATLIN SURVEY, ABSTRACT NO. 271, AND THE JAMES HICKMAN SURVEY, ABSTRACT NO. 291, WILLIAMSON COUNTY, TEXAS; CONSISTING OF THE EXISTING RIGHT-OF-WAY OF BRANSON BOULEVARD (ROW ~ 90') AND LOT 1, BLOCK "A" AS SHOWN ON THE PLAT OF MEADOWS AT COTTONWOOD CREEK, PHASE ONE, AS RECORDED IN DOCUMENT NUMBER 2009067576 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 9.487 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with cap stamped "BASELINE INC" found on the south right-of-way line of County Road 199 (R.O.W. ~ varies) no reference found, at the most northerly northeast corner of the remainder of 367.15 acre tract of land (Exhibit "A") as conveyed unto Hutto 372, LTD in Document Numbers 2003097296, 2003097297, and 2003097298, all recorded in the Official Public Records of Williamson County, Texas, at the northwest corner of said Branson Boulevard, the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, S 82°20'52" E, coincident with the south right-of-way line of said County Road 199 and the north right-of-way line of said Branson Boulevard, a distance of 54.98 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west right-of-way line of County Road 132 (ROW ~ Varies), no reference found, at the northeast corner of the right-of-way of said Branson Boulevard, the northeast corner of the herein described tract;

THENCE, departing said south right-of-way line of County Road 199, coincident with said west right-of-way line of County Road 132, same being the east right-of-way line of said Branson Boulevard, the following three (3) courses:

- 1) S 07°35'33" W, a distance of 609.30 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, an angle point of the herein described tract;
- 2) S 08°57'58" W, a distance of 29.75 feet to a 5/8-inch iron rod found, a re-entrant corner of the herein described tract;
- 3) S 81°13'49" E, a distance of 20.77 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the northwest corner of a called 50 acre tract of land conveyed to Leschber Investment, LP in the Special Warranty Deed recorded in Document Number 2010007504 of the Official Public Records of Williamson County, Texas, an easterly corner of the herein described tract;

THENCE, S 07°57'27" W, coincident with the east right-of-way line of Branson Boulevard and the west line of said 50 acre tract, passing at a distance of 2,477.07 feet the southwest corner of said 50 acre tract, same being the northwest corner of a called 4.855 acre tract of land conveyed to Audrey Evans in Document Number 2010004677 of the Official Public Records of Williamson County, Texas, and continuing coincident with the east right-of-way line of Branson Boulevard and the west line of said 4.855 acre tract, a total distance of 2,675.76 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the common westerly corner of the 4.855 acre tract and Lot 1, Block "A" as shown on the aforementioned subdivision plat of Meadows at Cottonwood Creek, Phase One, being a point of curvature of said right-of-way line and an angle point of the herein described tract;

THENCE, in an easterly direction coincident with the common line of said Lot 1 and the 4.855 acre tract, the following three (3) courses;

- 1) S 26°27'39" E, a distance of 238.46 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 2) S 82°12'22" W, a distance of 270.89 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 3) N 52°49'21" E, a distance of 84.62 feet to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found on the easterly line of the remainder of a called 5.57 acre tract of land (Exhibit "B") as described in Document Numbers 2003097296, 2003097297, and 2003097298 of the Official Public Records of Williamson County, Texas, at the most easterly corner of Lot 1, the most easterly corner of the herein described tract

THENCE, S 46°27'34" W, coincident with the common line of the remainder of said 5.57 acre tract and said Lot 1, passing at a distance of 76.59 feet the common corner of the remainder of the 5.57 acre tract and the remainder of the 367.15 acre tract and continuing coincident with the common line of the remainder of the 367.15 acre tract and said Lot 1, passing at a distance of 532.25 feet the common corner of Lot 1 and the most easterly corner of the right-of-way line of said Branson Boulevard and continuing coincident with the common line of the remainder of the 367.15 acre tract and the terminal end of the right-of-way line of Branson Boulevard, a total distance of 631.51 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the south corner of said right-of-way line, the south corner of the herein described tract;

THENCE, in a northerly direction, coincident with the common line of the remainder of the 367.15 acre tract and the west right-of-way line of Branson Boulevard the following eight (8) courses;

- 1) N 18°35'56" W, a distance of 57.25 feet to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 2) Curving to the right, having a radius of 1,295.00 feet, an arc distance of 600.23 feet, a central angle of 26°33'23", a chord bearing of N 05°19'14" W, and a chord distance of 594.87 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 3) N 07°57'27" E, a distance of 2,675.72 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, a point of curvature of the herein described tract;
- 4) Curving to the right, having a radius of 1,545.00 feet, an arc distance of 173.21 feet, a central angle of 06°25'24", a chord bearing of N 11°10'09" E, and a chord distance of 173.12 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 5) N 14°22'51" E, a distance of 130.41 feet to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;

- 6) Curving to the left, having a radius of 1,955.00 feet, an arc distance of 231.22 feet, a central angle of $06^{\circ}46'35''$, a chord bearing of $N 10^{\circ}59'34'' E$, and a chord distance of 231.08 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 7) $N 07^{\circ}36'16'' E$, a distance of 81.03 feet to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found, a point of curvature of the herein described tract;
- 8) Curving to the left, having a radius of 25.00 feet, an arc distance of 39.25 feet, a central angle of $89^{\circ}57'08''$, a chord bearing of $N 37^{\circ}22'18'' W$, and a chord distance of 35.34 feet to the POINT OF BEGINNING and containing 9.487 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE, Inc and are true and correct to the best of my knowledge. The Basis of Bearing recited herein is the Texas State Plane Coordinate System, Central Zone, NAD 83, A sketch accompanies this description.



Dion P. Albertson RPLS No. 4963
BGE, Inc.
7330 San Pedro Ave, Suite 202
San Antonio TX 78216
Telephone: 210-581-3600
TBPLS Licensed Surveying Firm No. 10194490



Client: Lennar
Date: October 16, 2019
Job No: 6104-00

LEGAL DESCRIPTION

FIELD NOTES FOR A 46.713 ACRE TRACT OF LAND OUT OF THE WILLIAM GATLIN SURVEY ABSTRACT NO. 271, WILLIAMSON COUNTY, TEXAS; BEING A CALLED 46.2 ACRE TRACT OF LAND WITH 17% INTEREST CONVEYED UNTO MYRON THOMAS JOHNSTON, II IN DOCUMENT NUMBER 2011057142 AND A CALLED 46.14 ACRE TRACT OF LAND WITH A 5/6 INTEREST CONVEYED UNTO LESCHBER INVESTMENTS, LP IN DOCUMENT NUMBER 2010007503, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 46.713 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS AND SHOWN ON THE ATTACHED SKETCH:

BEGINNING at a 1/2-inch iron rod with cap stamped "Baseline Inc." found on the south right-of-way line of County Road 199 (R.O.W. Varies) no reference found, at the common corner of said 46.2 acre tract and a called 167.461 acre tract of land conveyed unto Meritage Homes of Texas, LLC in Document Number 2018105406, Official Public Records of Williamson County Texas and the northwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, S 81°07'22" E, coincident with the common line of the 46.2 acre tract and said south right-of-way line, a distance of 781.88 feet (Record S 79°03'00" E, 764.04 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the common corner of the 46.2 acre tract and the remainder of a 367.15 acre tract of land (Exhibit "A") conveyed unto Hutto 372, LTD in Document Numbers 2003097296, 2003097297 and 2003097298, all recorded in Official Public Records of Williamson County, Texas, the northeast corner of the 46.2 acre tract and the herein described tract, from which a 1/2-inch iron rod with cap stamped "Baseline Inc." found on the south right-of-way line of said County Road 199, at the northwest end of the curve return from the west right-of-way line of Branson Boulevard as shown in Document Number 2009067576, Official Public Records of Williamson County, Texas bears S 82°20'52" E, a distance of 722.73 feet;

THENCE, S 07°42'37" W, departing said common line coincident with the common line of the 46.2 acre tract and the remainder of said 367.15 acre tract, a distance of 2603.60 feet (Record S 10°00'00" W, 2,598.44 feet) to a 1/2-inch iron rod (bent) found at the common corner of the 46.2 acre tract and the remainder of the 367.15 acre tract, the southeast corner of the herein described tract;

THENCE, N 80°26'51" W, continuing coincident with said common line, a distance of 784.53 feet (Record N 79°30'00" W, 781.39 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the east line of the aforementioned 167.461 acre tract at the common corner of the 46.2 acre tract and the remainder of the 367.15 acre, the southwest corner of the herein described tract, from which a 5/8"-inch iron rod found at an angle point in the east line of the 167.461 acre tract bears S 07°45'48" W, a distance of 1,563.00 feet;

THENCE, N 07°45'48" E, coincident with the common line of the 46.2 acre tract and said 167.461 acre tract, a distance of 2594.31 feet (Record N 10°23'00" E, 2,604.35 feet) to the POINT OF BEGINNING and containing 46.713 acres of land more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE, Inc and are true and correct to the best of my knowledge. The Basis of Bearing recited herein is the Texas State Plane Coordinate System, Central Zone, NAD 83. A sketch accompanies this description.



Dion P. Albertson RPLS No. 4963
BGE, Inc.
7330 San Pedro Ave, Suite 202
San Antonio TX 78216
Telephone: 210-581-3600
TBPLS Licensed Surveying Firm No. 10194490

Date



Client: Lennar
Date: August 29, 2019
Job No: 6104-00

LEGAL DESCRIPTION

FIELD NOTES FOR A 314.112 ACRE TRACT OF LAND OUT OF THE WILLIAM GATLIN SURVEY ABSTRACT NO. 271 AND THE JAMES HICKMAN SURVEY, ABSTRACT NO. 291, WILLIAMSON COUNTY, TEXAS; BEING THE REMAINING PORTION OF A CALLED 367.15 ACRE TRACT OF LAND (EXHIBIT "A") AND THE REMAINING PORTION OF A 5.57 ACRE TRACT OF LAND (EXHIBIT "B") AS CONVEYED UNTO HUTTO 372, LTD IN DOCUMENT NUMBERS 2003097296, 2003097297 AND 2003097298 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 314.112 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS AND SHOWN ON THE ATTACHED SKETCH:

BEGINNING at a 1/2-inch iron rod with cap stamped "Baseline Inc." found on the south line of a called 87.81 acre tract of land conveyed unto Larry W. Leschber in Volume 2430, Page 332, Official Public Records of Williamson County Texas at the northwest corner of a called 143.5 acre tract of land conveyed unto LPL Investments, LP in Document Number 2010007498, Official Public Records of Williamson County Texas, an easterly corner of the remainder of said 367.15 acre tract and the **POINT OF BEGINNING** of the herein described tract;

THENCE, S 07°51'01" W, coincident with the common line of said 143.5 acre tract and the remainder of the 367.15 acre tract, a distance of 3370.40 feet (Record S 10°48'00" W, 3,369.65 feet) to a 1/2-inch iron rod with cap stamped "BASELINE INC." found at the common corner of the remainder of the 367.15 acre tract and a called 45.77 acre tract of land (Tract 2) conveyed unto Swindoll Investments, LP in Document Number 2008093458, Official Public Records of Williamson County Texas, an easterly corner of the herein described tract;

THENCE, N 82°47'03" W, coincident with the common line of the remainder of the 367.15 acre tract, said 45.77 acre tract and a 34.17 acre tract of land (Tract 3) conveyed unto Swindoll Investments, LP in said Document Number 2008093458, a distance of 848.98 feet (Record N 79°53' W, 848.80 feet) to a 5/8-inch iron rod found, a corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 07°41'41" E, coincident with the common line of the 367.15 acre tract and said 34.17 acre tract, a distance of 516.58 feet (Record N 10°38' E, 516.45 feet) to a 5/8-inch iron rod found (disturbed) at the most northeasterly corner of the 34.17 acre tract, a re-entrant corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 82°32'58" W, continuing coincident with said common line a distance of 185.35 feet (Record N 79°37'30" W, 185.35 feet) to a 1/2-inch iron rod with cap stamped "BASELINE INC." found at the common corner of the 34.17 acre tract and a called 28.435 acre tract of land (Tract B) conveyed unto Claudia Ann Crislip in Document Number 2018083501, Official Public Records of Williamson County Texas, and angle point of the remainder of the 367.15 acre tract and the herein described tract ;

THENCE, N 82°47'28" W, coincident with the common line of the remainder of the 367.15 acre tract and said 28.435 acre tract, a distance of 385.56 feet (Record N 79°52' W, 385.56 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the common corner of the 28.435 acre tract and the remainder of a called 50.00 acre tract of land (Tract A) as conveyed unto Claudia Ann Crislip in said Document Number 2018083501, an angle point of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 82°44'28" W, coincident with the common line of the remainder of the 367.15 acre tract and the remainder of the 50.00 acre tract, a distance of 717.71 feet (Record N 79°49' W, 717.56 feet) to a 5/8-inch iron rod found (disturbed) at the northwest corner of the remainder of the said 50.00 acre tract, a re-entrant corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, S 07°38'02" W, coincident with the common line of the remainder of the 367.15 acre tract and the remainder of the 50.00 acre tract, a distance of 2,275.38 feet (Record S 10°33'30" W, 2,275.32 feet) to a 5/8-inch iron rod found at the southwest corner of the remainder of the 50.00 acre tract, a re-entrant corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, S 82°52'10" E, continuing coincident with said common line, a distance of 89.67 feet (Record S 79°20'30" E, 88.93 feet) to a 5/8-inch iron rod found at the northwest corner of a 1.54 acre tract of land (Tract C) conveyed unto Claudia Ann Crislip in said Document Number 2018083501, an angle point of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, in a southeasterly direction, coincident with the common line of the remainder of the 367.15 acre tract and said 1.54 acre tract the following four (4) courses;

- 1) S 30°02'22" E, a distance of 303.35 feet (Record S 27°20' E, 303.05 feet) to a 5/8-inch iron rod found, an angle point of the herein described tract;
- 2) S 08°06'32" W, a distance of 47.67 feet (Record S 11°02' W, 47.67 feet) to a 5/8-inch iron rod found, an angle point of the herein described tract;
- 3) S 24°41'28" E, a distance of 97.74 feet (Record S 21°46' E, 97.74 feet) to a 5/8-inch iron rod found, an angle point of the herein described tract;
- 4) S 05°33'25" W, a distance of 132.75 feet (Record N 08°23' 30" W, 132.90 feet) to a 1/2-inch iron rod found on the north line of the remainder of a called 41 acre tract of land (Tract 3) as conveyed unto Wallin Farm and Ranch Partnership, LTD. in Document Number 2004043044, Official Public Records of Williamson County, Texas, the southwest corner of the 1.54 acre tract and the southeast corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 82°40'21" W, coincident with the common line of the remainder of the 367.15 acre tract and said remainder of the 41 acre tract, a distance of 882.65 feet (Record N 79°45'00" W, 882.21 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 82°25'26" W, continuing coincident with said line, a distance of 222.64 feet (Record N 79°14'30" W, 222.64 feet) to a 1/2-inch iron rod with a cap stamped "MCANGUS SURVEYING" at the southeast corner of Glenwood, Phase 4B Final Plat as shown in Document Number 2007051616, Official Public Records of Williamson County Texas, the southwest corner of the 367.15 acre tract and the herein described tract;

THENCE, departing said common line, in a northerly direction, coincident with the common line of the remainder of the 367.15 acre tract and said Glenwood, Phase 4B Final Plat the following eight (8) courses;

- 1) N 47°40'09" E, passing at a distance of 215.64 feet a 1/2-inch iron rod found at the common corner of Lot 5 and Lot 6, said Glenwood, Phase 4B and continuing a total distance of 393.88 feet (Record N 50°08'25" E, 393.88 feet) to a 1/2-inch iron rod with a cap stamped "VARA LAND SURVEY", an angle point of the herein describe tract;
- 2) N 09°52'12" W, a distance of 402.95 feet (Record N 07°23'56" W, 402.86 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 3) N 08°21'28" E, passing a distance of 184.17 feet to a 1/2-inch iron rod found at the common corner of the right-of-way of Fishbaugh Lane (R.O.W. ~ 60') as shown on said plat of Glenwood, Phase 4B and Lot 1A, Amending Plat of Lot 14, Block C, Glenwood, Phase 4A And Lot 1, Block C, Glenwood, Phase 4B as recorded in Document Number 2008041948, Official Public Records of Williamson County Texas, and continuing coincident with the common line of the 367.15 acre tract and said Amending Plat a total distance of 618.28 feet (Record N 10°49'44" E, 618.14 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 4) N 23°37'35" W, a distance of 253.00 feet (Record N 21°09'19" W, 252.94 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 5) N 37°47'11" W, passing at a distance of 130.91 feet a 1/2-inch iron rod with a cap (not readable) found at the common corner of said Amending Plat and said Glenwood, Phase 4B Final Plat and continuing coincident with the common of the remainder of the 367.15 acre tract and said Glenwood Phase 4 Final Plat, a total distance of 300.83 feet (Record N 35°18'55" W, 300.76 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 6) N 36°44'56" E, a distance of 33.82 feet (Record N 39°13'12" E, 33.81 feet) to a 1/2-inch iron rod with a cap stamped "VARA LAND SURVEYING" found (disturbed), an angle point of the herein described tract;
- 7) N 09°45'43" E, a distance of 105.17 feet (Record N 12°13'59" E, 105.15 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;

- 8) N 03°49'57" W, a distance of 80.55 feet (Record N 01°21'41" W, 80.12 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, at the common corner of said Glenwood, Phase 4B Final Plat and Glenwood Subdivision Phase 2A recorded in Document Number 2005009450, Official Public Records of Williamson County, Texas, an angle point of the herein described tract;

THENCE, N 68°36'49" E, coincident with the common line of the remainder of the 367.15 acre tract and said Glenwood Subdivision Phase 2A, passing at a distance of 130.56 feet a 1/2-inch iron rod with a cap stamped "DIAMOND SURVEYING" found at the common corner of said Glenwood Subdivision Phase 2A and Final Subdivision Plat of Glenwood, Phase 5 recorded in Document Number 2015064417, Official Public Records of Williamson County, Texas and continuing coincident with the common line of the remainder of the 367.15 acre tract and said Final Subdivision Plat of Glenwood, Phase 5, a total distance of 131.68 feet (Record N 71°05'48" E, 131.68 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;

THENCE, in a northerly direction, coincident with the common line of the remainder of the 367.15 acre tract and said Final Subdivision Plat of Glenwood, Phase 5 the following nine (9) courses;

- 1) N 35°27'01" E, a distance of 261.78 feet (Record N 37°56'07" E, 261.78 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 2) N 18°05'26" E, a distance of 168.87 feet (Record N 20°34'32" E, 168.87 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 3) N 23°30'07" E, a distance of 193.50 feet (Record N 25°59'13" E, 193.50 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 4) N 12°03'26" E, a distance of 351.52 feet (Record N 14°32'32" E, 351.52 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 5) N 20°06'10" E, a distance of 239.67 feet (Record N 22°35'16" E, 239.67 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 6) N 09°10'51" E, a distance of 262.53 feet (Record N 11°39'57" E, 262.53 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 7) N 23°02'13" W, passing at a distance of 131.52 feet a 1/2-inch iron rod with a cap (unreadable) found and continuing a total distance of 501.47 feet (Record N 20°33'07" W, 501.47 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 8) N 63°11'02" W, a distance of 263.49 feet (Record N 60°41'56" W, 263.49 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;

- 9) N 65°23'04" W, a distance of 103.10 feet (Record N 62°53'58" W, 103.10 feet) to a 1/2-inch iron rod with a cap stamped "DIAMOND SURVEYING" found on the east line of a called 167.461 acre tract of land conveyed unto Meritage Homes of Texas, LLC in Document Number 2018105406, Official Public Records of Williamson County Texas, the most northerly corner of said Final Subdivision Plat of Glenwood, Phase 5, a westerly corner of the herein described tract;

THENCE, N 07°33'56" E, coincident with the common line of the 367.15 acre tract and said 167.461 acre tract a distance of 643.54 feet (Record N 07°33'56" E, 643.67 feet) to a 5/8-inch iron rod found, an angle point of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 07°45'48" E, continuing coincident with said common line a distance of 1563.00 feet (Record N 10°38'30" E, 1,565.39 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southwest corner of a called 46.2 acre tract of land with 17% interest conveyed unto Myron Thomas Johnston, II in Document Number 2011057142 and a called 46.14 acre tract of land with a 5/6 interest conveyed unto Leschber Investments, LP in Document Number 2010007503, Official Public Records of Williamson County, Texas, a corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, S 80°26'51" E, coincident with the common line of the remainder of the 367.15 acre tract and said 46.2 acre tract a distance of 784.53 feet (Record S 77°21'00" E, 785.62 feet) to a 1/2-inch iron rod found (bent) for the southeast corner of said 46.2 acre tract, a re-entrant corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 07°42'37" E, continuing coincident with said common line, a distance of 2603.60 feet (Record N 10°37'00" E, 2,602.65 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the south right-of-way line of County Road 199 (R.O.W. Varies) no reference found, at the common corner of the remainder of the 367.15 acre tract and the 46.2 acre tract, the most northwesterly corner of the herein described tract, from which a 1/2-inch iron rod with a cap stamped "BASELINE INC" found at the northwest corner of the 46.2 acre tract bears N 81°07'22" W, a distance of 781.88 feet;

THENCE, S 82°20'52" E, coincident with the common line of the remainder of the 367.15 acre tract and said south right-of-way line a distance of 722.73 feet (Record S 79°31'00" E, 722.73 feet) to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found at the northwest end of the curve return from the west right-of-way line of Branson Boulevard as shown in Document Number 2009067576, Official Public Records of Williamson County, Texas, a point of curvature of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, curving to the right, coincident with said curve return, an arc distance of 39.25 feet, a radius of 25.00 feet, a central angle of 89°57'08" and a chord bearing of S 37°22'18" E, (Record S 37°22'37" E) and a chord distance of 35.34 feet to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found at a point of tangency of the remainder of the 367.15 acre tract and the herein described tract;

THENCE in a southerly direction, coincident with the common line of the remainder of the 367.15 acre tract and the west right-of-way line of said Branson Boulevard the following seven (7) courses;

- 1) S 07°36'16" W, a distance of 81.03 feet (Record S 07°35'57" W, 81.02 feet) to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 2) Curving to the right, an arc distance of 231.22 feet, a radius of 1955.00 feet, a central angle of 06°46'35", a chord bearing of S 10°59'34" W, (Record S 10°59'15" W) and a chord distance of 231.08 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 3) S 14°22'51" W, a distance of 130.41 feet (Record S 14°22'32" W, 130.41 feet) to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 4) Curving to the left, an arc distance of 173.21 feet, a radius of 1545.00 feet, a central angle of 06°25'24", a chord bearing of S 11°10'09" W, (Record S 11°09'50" W) and a chord distance of 173.12 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, a point of tangency of the herein described tract;
- 5) S 07°57'27" W, a distance of 2,675.72 feet (Record S 07°57'08" E, 2,675.72 feet) to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 6) Curving to the left, an arc distance of 600.23 feet, a radius of 1295.00 feet, a central angle of 26°33'23", a chord bearing of S 05°19'14" E, (Record S 05°19'44" E) a chord distance of 594.87 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 7) S 18°35'56" E, a distance of 57.25 feet (Record S 18°36'15" E, 57.25 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the south corner of said right-of-way, a re-entrant corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 46°27'34" E, coincident with the common line of the remainder of the 367.15 acre tract, the southeast end of said right-of-way and Lot 1, Block A, Meadows At Cottonwood Creek Phase One as shown on Document Number 2009067576, Official Public Records of Williamson County, Texas, a distance of 631.51 feet (Record N 46°27'15" E, 631.51 feet) to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found at angle point of a 4.855 acre tract of land conveyed unto Audrey Evans in Document Number 2010004677 and described in Document Number 2003097300 both recorded in the Official Public Records of Williamson County Texas, an angle point of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, in a northeasterly direction, coincident with the common line of the remainder of the 367.15 acre tract and said 4.855 acre tract the following five (5) courses;

- 1) N 52°49'21" E, a distance of 19.89 feet (Record N 52°57'35" E, 20.26 feet) to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found, an angle point of the herein described tract;

- 2) N 49°15'10" E, a distance of 102.08 feet (Record N 48°41'59" E, 101.22 feet) to a 1/2-inch iron rod with a cap stamped "MCANGUS SURVEYING" found, an angle point of the herein described tract;
- 3) N 38°02'42" E, a distance of 96.62 feet (Record N 38°03'07" E, 96.62 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 4) N 37°41'23" E, a distance of 125.99 feet (Record N 37°41'48" E, 125.99 feet) to a 1/2-inch iron rod with a cap stamped "MCANGUS SURVEYING" found, an angle point of the herein described tract;
- 5) N 66°38'01" E, a distance of 102.61 feet (Record N 66°38'26" E, 102.61 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set, on the south line of a called 50 acre tract (Third Tract) as conveyed unto Leschber Investments, LP in Document Number 2010007504, Official Public Records of Williamson County, Texas, an angle point of the herein described tract corner;

THENCE, S 82°13'58" E, coincident with the common line of the remainder of the 367.15 acre tract, said 50 acre tract, a called 43.34 acre tract of land conveyed unto Leschber Investments, LP in said Document Number 2010007504 and the aforementioned called 87.71 acre tract a distance of 1001.06 feet (Record S 79°15'00" E, 1,002.16 feet) to the **POINT OF BEGINNING** and containing 314.112 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE, Inc and are true and correct to the best of my knowledge. The Basis of Bearing recited herein is the Texas State Plane Coordinate System, Central Zone, NAD 83. A sketch accompanies this description.


 Dion P. Albertson RPLS No. 4963
 BGE, Inc.
 7330 San Pedro Ave, Suite 202
 San Antonio TX 78216
 Telephone: 210-581-3600
 TBPLS Licensed Surveying Firm No. 10194490



Client: Lennar
 Date: August 29, 2019
 Job No: 6104-00

EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

EXHIBIT _____

Lennar-46.713 Acre Tract
ALTA/NSPS Land Title Survey

LEGAL DESCRIPTION

FIELD NOTES FOR A 46.713 ACRE TRACT OF LAND OUT OF THE WILLIAM GATLIN SURVEY ABSTRACT NO. 271, WILLIAMSON COUNTY, TEXAS; BEING A CALLED 46.2 ACRE TRACT OF LAND WITH 17% INTEREST CONVEYED UNTO MYRON THOMAS JOHNSTON, II IN DOCUMENT NUMBER 2011057142 AND A CALLED 46.14 ACRE TRACT OF LAND WITH A 5/6 INTEREST CONVEYED UNTO LESCHBER INVESTMENTS, LP IN DOCUMENT NUMBER 2010007503, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 46.713 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS AND SHOWN ON THE ATTACHED SKETCH:

BEGINNING at a 1/2-inch iron rod with cap stamped "Baseline Inc." found on the south right-of-way line of County Road 199 (R.O.W. Varies) no reference found, at the common corner of said 46.2 acre tract and a called 167.461 acre tract of land conveyed unto Meritage Homes of Texas, LLC in Document Number 2018105406, Official Public Records of Williamson County Texas and the northwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, S 81°07'22" E, coincident with the common line of the 46.2 acre tract and said south right-of-way line, a distance of 781.88 feet (Record S 79°03'00" E, 764.04 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the common corner of the 46.2 acre tract and the remainder of a 367.15 acre tract of land (Exhibit "A") conveyed unto Hutto 372, LTD in Document Numbers 2003097296, 2003097297 and 2003097298, all recorded in Official Public Records of Williamson County, Texas, the northeast corner of the 46.2 acre tract and the herein described tract, from which a 1/2-inch iron rod with cap stamped "Baseline Inc." found on the south right-of-way line of said County Road 199, at the northwest end of the curve return from the west right-of-way line of Branson Boulevard as shown in Document Number 2009067576, Official Public Records of Williamson County, Texas bears S 82°20'52" E, a distance of 722.73 feet;

THENCE, S 07°42'37" W, departing said common line coincident with the common line of the 46.2 acre tract and the remainder of said 367.15 acre tract, a distance of 2603.60 feet (Record S 10°00'00" W, 2,598.44 feet) to a 1/2-inch iron rod (bent) found at the common corner of the 46.2 acre tract and the remainder of the 367.15 acre tract, the southeast corner of the herein described tract;

THENCE, N 80°26'51" W, continuing coincident with said common line, a distance of 784.53 feet (Record N 79°30'00" W, 781.39 feet) to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the east line of the aforementioned 167.461 acre tract at the common corner of the 46.2 acre tract and the remainder of the 367.15 acre, the southwest corner of the herein described tract, from which a 5/8"-inch iron rod found at an angle point in the east line of the 167.461 acre tract bears S 07°45'48" W, a distance of 1,563.00 feet;

THENCE, N 07°45'48" E, coincident with the common line of the 46.2 acre tract and said 167.461 acre tract, a distance of 2594.31 feet (Record N 10°23'00" E, 2,604.35 feet) to the POINT OF BEGINNING and containing 46.713 acres of land more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE, Inc and are true and correct to the best of my knowledge. The Basis of Bearing recited herein is the Texas State Plane Coordinate System, Central Zone, NAD 83. A sketch accompanies this description.



Dion P. Albertson RPLS No. 4963
BGE, Inc.
7330 San Pedro Ave, Suite 202
San Antonio TX 78216
Telephone: 210-581-3600
TBPLS Licensed Surveying Firm No. 10194490

Date



Client: Lennar
Date: August 29, 2019
Job No: 6104-00

LEGAL DESCRIPTION

FIELD NOTES FOR A 9.487 ACRE TRACT OF LAND OUT OF THE WILLIAM GATLIN SURVEY, ABSTRACT NO. 271, AND THE JAMES HICKMAN SURVEY, ABSTRACT NO. 291, WILLIAMSON COUNTY, TEXAS; CONSISTING OF THE EXISTING RIGHT-OF-WAY OF BRANSON BOULEVARD (ROW ~ 90') AND LOT 1, BLOCK "A" AS SHOWN ON THE PLAT OF MEADOWS AT COTTONWOOD CREEK, PHASE ONE, AS RECORDED IN DOCUMENT NUMBER 2009067576 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 9.487 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod with cap stamped "BASELINE INC" found on the south right-of-way line of County Road 199 (R.O.W. ~ varies) no reference found, at the most northerly northeast corner of the remainder of 367.15 acre tract of land (Exhibit "A") as conveyed unto Hutto 372, LTD in Document Numbers 2003097296, 2003097297, and 2003097298, all recorded in the Official Public Records of Williamson County, Texas, at the northwest corner of said Branson Boulevard, the northwest corner and POINT OF BEGINNING of the herein described tract;

THENCE, S 82°20'52" E, coincident with the south right-of-way line of said County Road 199 and the north right-of-way line of said Branson Boulevard, a distance of 54.98 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set on the west right-of-way line of County Road 132 (ROW ~ Varies), no reference found, at the northeast corner of the right-of-way of said Branson Boulevard, the northeast corner of the herein described tract;

THENCE, departing said south right-of-way line of County Road 199, coincident with said west right-of-way line of County Road 132, same being the east right-of-way line of said Branson Boulevard, the following three (3) courses:

- 1) S 07°35'33" W, a distance of 609.30 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, an angle point of the herein described tract;
- 2) S 08°57'58" W, a distance of 29.75 feet to a 5/8-inch iron rod found, a re-entrant corner of the herein described tract;
- 3) S 81°13'49" E, a distance of 20.77 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the northwest corner of a called 50 acre tract of land conveyed to Leschber Investment, LP in the Special Warranty Deed recorded in Document Number 2010007504 of the Official Public Records of Williamson County, Texas, an easterly corner of the herein described tract;

THENCE, S 07°57'27" W, coincident with the east right-of-way line of Branson Boulevard and the west line of said 50 acre tract, passing at a distance of 2,477.07 feet the southwest corner of said 50 acre tract, same being the northwest corner of a called 4.855 acre tract of land conveyed to Audrey Evans in Document Number 2010004677 of the Official Public Records of Williamson County, Texas, and continuing coincident with the east right-of-way line of Branson Boulevard and the west line of said 4.855 acre tract, a total distance of 2,675.76 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the common westerly corner of the 4.855 acre tract and Lot 1, Block "A" as shown on the aforementioned subdivision plat of Meadows at Cottonwood Creek, Phase One, being a point of curvature of said right-of-way line and an angle point of the herein described tract;

THENCE, in an easterly direction coincident with the common line of said Lot 1 and the 4.855 acre tract, the following three (3) courses;

- 1) S 26°27'39" E, a distance of 238.46 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 2) S 82°12'22" E, a distance of 270.89 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 3) N 52°49'21" E, a distance of 84.62 feet to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found on the easterly line of the remainder of a called 5.57 acre tract of land (Exhibit "B") as described in Document Numbers 2003097296, 2003097297, and 2003097298 of the Official Public Records of Williamson County, Texas, at the most easterly corner of Lot 1, the most easterly corner of the herein described tract

THENCE, S 46°27'34" W, coincident with the common line of the remainder of said 5.57 acre tract and said Lot 1, passing at a distance of 76.59 feet the common corner of the remainder of the 5.57 acre tract and the remainder of the 367.15 acre tract and continuing coincident with the common line of the remainder of the 367.15 acre tract and said Lot 1, passing at a distance of 532.25 feet the common corner of Lot 1 and the most easterly corner of the right-of-way line of said Branson Boulevard and continuing coincident with the common line of the remainder of the 367.15 acre tract and the terminal end of the right-of-way line of Branson Boulevard, a total distance of 631.51 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the south corner of said right-of-way line, the south corner of the herein described tract;

THENCE, in a northerly direction, coincident with the common line of the remainder of the 367.15 acre tract and the west right-of-way line of Branson Boulevard the following eight (8) courses;

- 1) N 18°35'56" W, a distance of 57.25 feet to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 2) Curving to the right, having a radius of 1,295.00 feet, an arc distance of 600.23 feet, a central angle of 26°33'23", a chord bearing of N 05°19'14" W, and a chord distance of 594.87 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 3) N 07°57'27" E, a distance of 2,675.72 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, a point of curvature of the herein described tract;
- 4) Curving to the right, having a radius of 1,545.00 feet, an arc distance of 173.21 feet, a central angle of 06°25'24", a chord bearing of N 11°10'09" E, and a chord distance of 173.12 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 5) N 14°22'51" E, a distance of 130.41 feet to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;

- 6) Curving to the left, having a radius of 1,955.00 feet, an arc distance of 231.22 feet, a central angle of $06^{\circ}46'35''$, a chord bearing of $N 10^{\circ}59'34'' E$, and a chord distance of 231.08 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;
- 7) $N 07^{\circ}36'16'' E$, a distance of 81.03 feet to a 1/2-inch iron rod with a cap stamped "BASELINE INC" found, a point of curvature of the herein described tract;
- 8) Curving to the left, having a radius of 25.00 feet, an arc distance of 39.25 feet, a central angle of $89^{\circ}57'08''$, a chord bearing of $N 37^{\circ}22'18'' W$, and a chord distance of 35.34 feet to the POINT OF BEGINNING and containing 9.487 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE, Inc and are true and correct to the best of my knowledge. The Basis of Bearing recited herein is the Texas State Plane Coordinate System, Central Zone, NAD 83. A sketch accompanies this description.

Dion P. Albertson RPLS No. 4963
BGE, Inc.
7330 San Pedro Ave, Suite 202
San Antonio TX 78216
Telephone: 210-581-3600
TBPLS Licensed Surveying Firm No. 10194490

Date

11/14/19



Client: Lennar
Date: November 14, 2019
Job No: 6104-00

LEGAL DESCRIPTION

FIELD NOTES FOR A 130.141 ACRE TRACT OF LAND OUT OF THE WILLIAM GATLIN SURVEY, ABSTRACT NO. 271, AND THE JAMES HICKMAN SURVEY, ABSTRACT NO. 291, WILLIAMSON COUNTY, TEXAS; BEING A PORTION OF THE REMAINING PORTION OF A CALLED 367.15 ACRE TRACT OF LAND (EXHIBIT "A") AS CONVEYED UNTO HUTTO 372, LTD. IN DOCUMENT NUMBERS 2003097296, 2003097297 AND 2003097298, RECORDED IN THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 130.141 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2-inch iron rod with cap stamped "Baseline Inc." found on the south right-of-way line of County Road 199 (R.O.W.~ varies) no reference found, at the northwest corner of the called 46.2 acre tract of land with 17% interest conveyed to Myron Thomas Johnston II in the Special Warranty Deed recorded in Document Number 2011057142 of the Official Public Records of Williamson County, Texas, same being the called 46.14 acre tract of land with a 5/6 interest conveyed to Leschber Investments, LP in the Special Warranty Deed recorded in Document Number 2010007503 of the Official Public Records of Williamson County, Texas, and the northeast corner of a called 167.461 acre tract of land conveyed unto Meritage Homes of Texas, LLC in the Special Warranty Deed recorded in Document Number 2018105406 of the Official Public Records of Williamson County, Texas;

THENCE, S 81°07'22" E, coincident with the common line of said 46.2 acre tract and said south right-of-way line of County Road 199, a distance of 781.88 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the common northeast corner of said 46.2 acre tract and northwest corner of said remainder of the 367.15 acre tract, the northwest corner and **POINT OF BEGINNING** of the herein described tract;

THENC, S 82°20'52" E, coincident with the common line of the remainder of the 367.15 acre tract and said south right-of-way line, a distance of 722.73 feet a 1/2-inch iron rod with cap stamped "BASELINE INC." found at the most northerly northeast corner of said remainder of 367.15 acre tract and the northwest end of the curve return from the west right-of-way line of Branson Boulevard, as shown in Document Number 2009067576 of the Official Public Records of Williamson County, Texas, the northeast corner of the herein described tract;

THENCE, curving to the right, coincident with said curve return, having a radius of 25.00 feet, an arc distance of 39.25 feet, a central angle of 89°57'08", a chord bearing of S 37°22'18" E, and a chord distance of 35.34 feet to a 1/2-inch iron rod with cap stamped "BASELINE INC." found at the southeast end of said curve return, a point of tangency of the herein described tract;

THENCE, in a southerly direction, coincident with the common line of the remainder of the 367.15 acre tract and the west right-of-way line of said Branson Boulevard the following six (6) courses;

- 1) S 07°36'16" W, a distance of 81.03 feet to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 2) Curving to the right, having a radius of 1,955.00 feet, an arc distance of 231.22 feet, a central angle of 06°46'35", a chord bearing of S 10°59'34" W, and a chord distance of 231.08 feet to a 1/2-inch iron rod found (disturbed), a point of tangency of the herein described tract;

- 3) S 14°22'51" W, a distance of 130.41 feet to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 4) Curving to the left, having a radius of 1,545.00 feet, an arc distance of 173.21 feet, a central angle of 06°25'24", a chord bearing of S 11°10'09" W, and a chord distance of 173.12 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, a point of tangency of the herein described tract;
- 5) S 07°57'27" W, a distance of 2,675.72 feet to a 1/2-inch iron rod found (disturbed), a point of curvature of the herein described tract;
- 6) Curving to the left, having a radius of 1,295.00 feet, an arc distance of 29.35 feet, a central angle of 01°17'55", a chord bearing of S 07°18'30" W, and a chord distance of 29.35 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the end of this curve, an easterly corner of the herein described tract;

THENCE, departing the west right-of-way line of Branson Boulevard, over and across the remainder of said 367.15 acre tract the following twelve (12) courses;

- 1) S 67°10'48" W, a distance of 520.71 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, the beginning of a non-tangent curve to the right;
- 2) Curving to the right with a radius of 40.00 feet, an arc distance of 62.83 feet, a central angle of 90°00'00", a chord bearing of S 67°49'12" E, and a chord distance of 56.57 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a point of tangency of the herein described tract;
- 3) S 22°49'12" E, a distance of 436.09 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a point of curvature of the herein described tract;
- 4) Curving to the left with a radius of 840.00 feet, an arc distance of 379.96 feet, a central angle of 25°55'00", a chord bearing of S 35°46'42" E, and a chord distance of 376.73 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a point of reverse curvature of the herein described tract;
- 5) Curving to the right with a radius of 15.00 feet, an arc distance of 22.77 feet, a central angle of 86°58'59", a chord bearing of S 05°14'43" E, and a chord distance of 20.65 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a point of tangency of the herein described tract;
- 6) S 38°14'46" W, a distance of 195.88 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a corner of the herein described tract;
- 7) N 51°45'14" W, a distance of 120.00 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a re-entrant corner of the herein described tract;
- 8) S 38°13'23" W, a distance of 281.87 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a point of curvature of the herein described tract;

- 9) Curving to the left with a radius of 650.00 feet, an arc distance of 282.90 feet, a central angle of $24^{\circ}56'12''$, a chord bearing $S\ 24^{\circ}42'23''\ W$, and a chord distance of 280.67 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the end of this curve, a corner of the herein described tract;
- 10) $N\ 82^{\circ}24'38''\ W$, a distance of 41.42 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, a re-entrant corner of the herein described tract;
- 11) $S\ 08^{\circ}21'05''\ W$, a distance of 1,268.34 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set, the southeast corner of the herein described tract;
- 12) $N\ 82^{\circ}22'00''\ W$, a distance of 570.54 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set on the common westerly line of the remainder of the 367.15 acre tract and easterly line of Final Subdivision Plat of Glenwood, Phase 5, a subdivision as recorded in Document Number 2015064417 of the Official Public Records of Williamson County, Texas, the southwest corner of the herein described tract;

THENCE, in a northerly direction, coincident with the common line of the remainder of the 367.15 acre tract and said Final Subdivision Plat of Glenwood, Phase 5 the following six (6) courses;

- 1) $N\ 12^{\circ}03'26''\ E$, a distance of 351.52 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 2) $N\ 20^{\circ}06'10''\ E$, a distance of 239.67 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 3) $N\ 09^{\circ}10'51''\ E$, a distance of 262.53 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 4) $N\ 23^{\circ}02'13''\ W$, passing at a distance of 131.52 feet a 1/2-inch iron rod with a cap (unreadable) found and continuing a total distance of 501.47 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 5) $N\ 63^{\circ}11'02''\ W$, a distance of 263.49 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set, an angle point of the herein described tract;
- 6) $N\ 65^{\circ}23'04''\ W$, a distance of 103.10 feet to a 1/2-inch iron rod with a cap stamped "DIAMOND SURVEYING" found on the east line of a called 167.461 acre tract of land conveyed unto Meritage Homes of Texas, LLC in Document Number 2018105406, Official Public Records of Williamson County Texas, the most northerly corner of said Final Subdivision Plat of Glenwood, Phase 5, a westerly corner of the herein described tract;

THENCE, $N\ 07^{\circ}33'56''\ E$, coincident with the common line of the remainder of the 367.15 acre tract and said 167.461 acre tract a distance of 643.54 feet to a 5/8-inch iron rod found, an angle point of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 07°45'48" E, continuing coincident with said common line a distance of 1,563.00 feet to a 1/2-inch iron rod with a cap stamped "BGE INC" set at the southwest corner of the aforementioned called 46.2 acre tract of land, a corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, S 80°26'51" E, coincident with the common line of the remainder of the 367.15 acre tract and said 46.2 acre tract a distance of 784.53 feet to a 1/2-inch iron rod found (bent) for the southeast corner of said 46.2 acre tract, a re-entrant corner of the remainder of the 367.15 acre tract and the herein described tract;

THENCE, N 07°42'37" E, continuing coincident with said common line, a distance of 2,603.60 feet to the POINT OF BEGINNING and containing 130.141 acres of land more or less;

I hereby certify that these notes were prepared from a survey made on the ground by employees of BGE, Inc and are true and correct to the best of my knowledge. The Basis of Bearing recited herein is the Texas State Plane Coordinate System, Central Zone, NAD 83. A sketch accompanies this description.


Dion P. Albertson RPLS No. 4963
BGE, Inc.
7330 San Pedro Ave, Suite 202
San Antonio TX 78216
Telephone: 210-581-3600
TBPLS Licensed Surveying Firm No. 10194490

10/15/19
Date



Client: Lennar
Date: October 15, 2019
Job No: 6104-00

EXHIBIT B-1 – DISTRICT BOUNDARY MAP

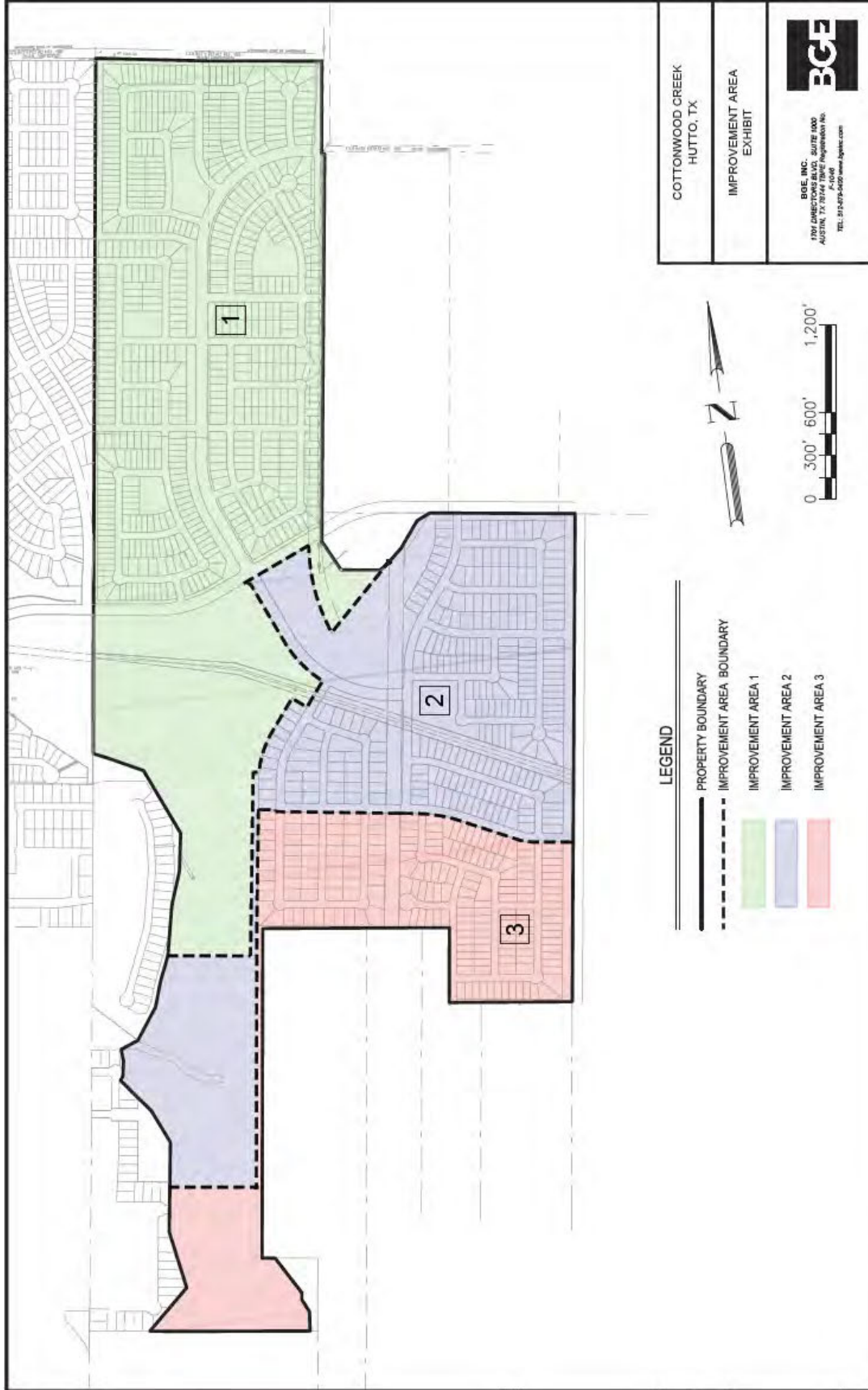


EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP

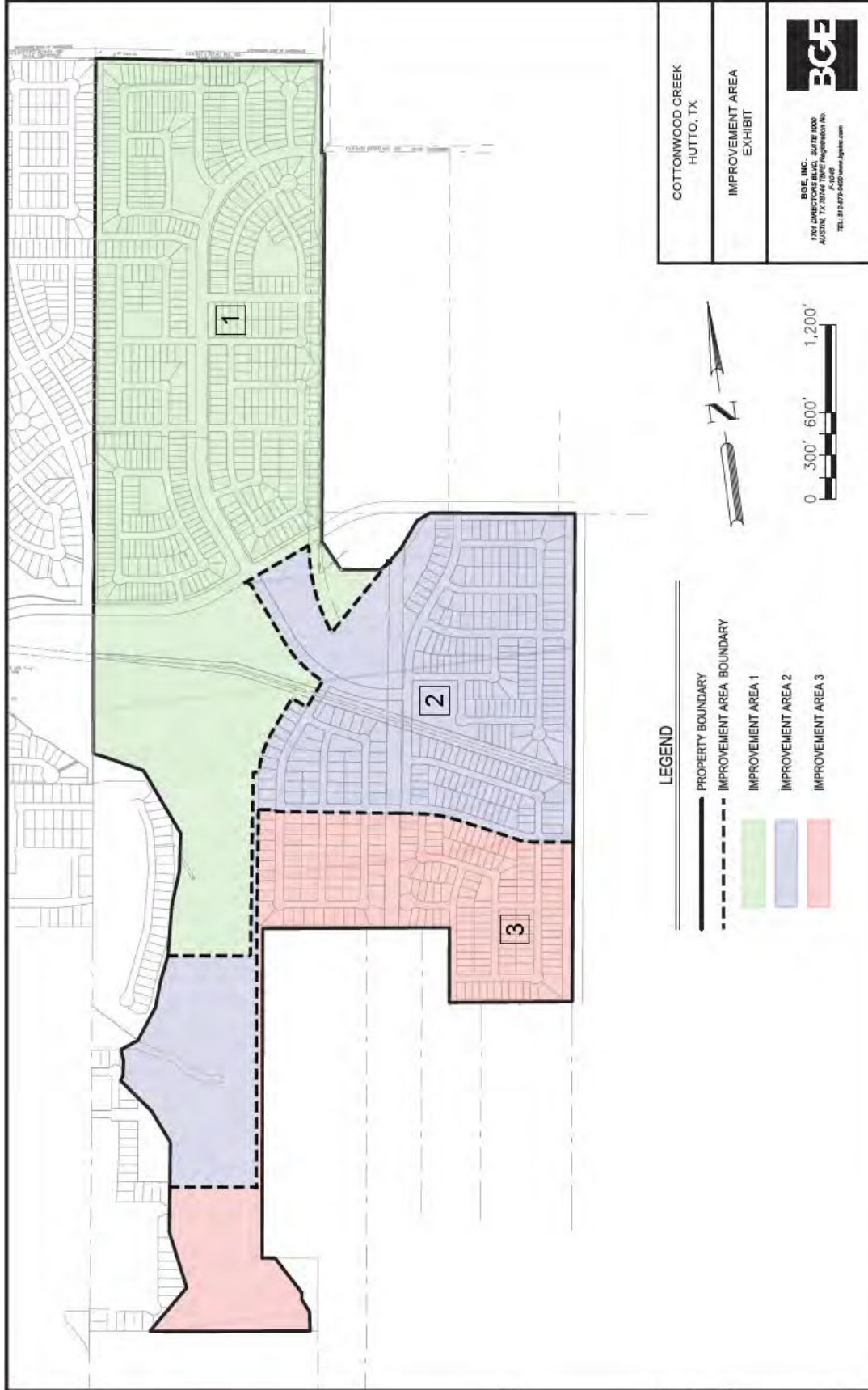


EXHIBIT C – AUTHORIZED IMPROVEMENTS

	Total Costs [a]	Owner Funded Improvements	Improvement Area #1
<i>Improvement Area #1 Improvements</i>			
Water	\$ 2,201,224	\$ -	\$ 2,201,224
Drainage	4,098,093	-	4,098,093
Streets	7,211,005	-	7,211,005
	\$ 13,510,321	\$ -	\$ 13,510,321
<i>Owner Funded Improvements</i>			
Wastewater	\$ 2,466,675	\$ 2,466,675	\$ -
	\$ 2,466,675	\$ 2,466,675	\$ -
<i>Bond Issuance Costs and District Formation Expenses</i>			
Debt Service Reserve Fund [b]	\$ 611,013	\$ -	\$ 611,013
Capitalized Interest [b]	-	-	-
Underwriter Discount [b]	306,450	-	306,450
Cost of Issuance [b]	612,900	-	612,900
First Year Annual Collection Costs	35,000	-	35,000
	\$ 1,565,363	\$ -	\$ 1,565,363
Total	\$ 17,542,359	\$ 2,466,675	\$ 15,075,684

[a] Per the Engineer's Report prepared by BGE, Inc. dated May 2021.

[b] The amounts shown for Bond Issuance Costs are estimates and are subject to change if PID Bonds are issued.

EXHIBIT D – SERVICE PLAN

		Improvement Area #1				
Installments Due		1/31/2022	1/31/2023	1/31/2024	1/31/2025	1/31/2026
Principal		\$ 175,000.00	\$ 180,000.00	\$ 190,000.00	\$ 200,000.00	\$ 205,000.00
Interest		434,137.50	426,700.00	419,050.00	410,975.00	402,475.00
Capitalized Interest		-	-	-	-	-
	(1)	\$ 609,137.50	\$ 606,700.00	\$ 609,050.00	\$ 610,975.00	\$ 607,475.00
Annual Collection Costs	(2)	\$ 35,000.00	\$ 35,700.00	\$ 36,414.00	\$ 37,142.28	\$ 37,885.13
Additional Interest [a]	(3)	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Installment	(4) = (1) + (2) + (3)	\$ 644,137.50	\$ 642,400.00	\$ 645,464.00	\$ 648,117.28	\$ 645,360.13

[a] Additional Interest will be collected if PID Bonds are issued.

EXHIBIT E – SOURCES AND USES

		Improvement Area #1
Sources of Funds		
Owner Advance [a]	\$	10,215,000
Owner Contribution [b]		7,327,359
Total Sources	\$	17,542,359
Uses of Funds		
Improvement Area #1 Improvements	\$	13,510,321
Owner Funded Improvements		2,466,675
	\$	15,976,996
<i>Bond Issuance Costs and District Formation Expenses</i>		
Debt Service Reserve Fund [c]	\$	611,013
Capitalized Interest [c]		-
Underwriter's Discount [c]		306,450
Cost of Issuance [c]		612,900
First Year's Annual Collection Costs		35,000
	\$	1,565,363
Total Uses	\$	17,542,359

[a] Reimbursable to Owner pursuant to Reimbursement Agreement.

[b] Not subject to reimbursement to Owner.

[c] The amounts shown for Bond Issuance Costs are estimates and are subject to change if PID Bonds are issued.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Installment Due 1/31/2022
R602994	COTTONWOOD PH 1, BLOCK B, Lot 1	Non-Benefitted Property	\$ -	\$ -
R602995	COTTONWOOD PH 1, BLOCK B, Lot 2	1	\$ 16,058.45	\$ 1,012.61
R602996	COTTONWOOD PH 1, BLOCK B, Lot 3	1	\$ 16,058.45	\$ 1,012.61
R602997	COTTONWOOD PH 1, BLOCK B, Lot 4	1	\$ 16,058.45	\$ 1,012.61
R602998	COTTONWOOD PH 1, BLOCK B, Lot 5	1	\$ 16,058.45	\$ 1,012.61
R602999	COTTONWOOD PH 1, BLOCK B, Lot 6	1	\$ 16,058.45	\$ 1,012.61
R603000	COTTONWOOD PH 1, BLOCK B, Lot 7	1	\$ 16,058.45	\$ 1,012.61
R603001	COTTONWOOD PH 1, BLOCK B, Lot 8	1	\$ 16,058.45	\$ 1,012.61
R603002	COTTONWOOD PH 1, BLOCK B, Lot 9	1	\$ 16,058.45	\$ 1,012.61
R603003	COTTONWOOD PH 1, BLOCK B, Lot 10	1	\$ 16,058.45	\$ 1,012.61
R603004	COTTONWOOD PH 1, BLOCK B, Lot 11	1	\$ 16,058.45	\$ 1,012.61
R603005	COTTONWOOD PH 1, BLOCK B, Lot 12	1	\$ 16,058.45	\$ 1,012.61
R603006	COTTONWOOD PH 1, BLOCK B, Lot 13	1	\$ 16,058.45	\$ 1,012.61
R603007	COTTONWOOD PH 1, BLOCK B, Lot 14	1	\$ 16,058.45	\$ 1,012.61
R603008	COTTONWOOD PH 1, BLOCK B, Lot 15	1	\$ 16,058.45	\$ 1,012.61
R603009	COTTONWOOD PH 1, BLOCK B, Lot 16	1	\$ 16,058.45	\$ 1,012.61
R603010	COTTONWOOD PH 1, BLOCK B, Lot 17	1	\$ 16,058.45	\$ 1,012.61
R603011	COTTONWOOD PH 1, BLOCK B, Lot 18	1	\$ 16,058.45	\$ 1,012.61
R603012	COTTONWOOD PH 1, BLOCK B, Lot 19	1	\$ 16,058.45	\$ 1,012.61
R603013	COTTONWOOD PH 1, BLOCK B, Lot 20	1	\$ 16,058.45	\$ 1,012.61
R603014	COTTONWOOD PH 1, BLOCK B, Lot 21	1	\$ 16,058.45	\$ 1,012.61
R603015	COTTONWOOD PH 1, BLOCK B, Lot 22	1	\$ 16,058.45	\$ 1,012.61
R603016	COTTONWOOD PH 1, BLOCK B, Lot 23	2	\$ 20,515.95	\$ 1,293.69
R603017	COTTONWOOD PH 1, BLOCK B, Lot 24	2	\$ 20,515.95	\$ 1,293.69
R603018	COTTONWOOD PH 1, BLOCK B, Lot 25	Duplex	\$ 28,573.75	\$ 1,801.80
R603019	COTTONWOOD PH 1, BLOCK B, Lot 26	Duplex	\$ 28,573.75	\$ 1,801.80
R603020	COTTONWOOD PH 1, BLOCK B, Lot 27	3	\$ 25,430.63	\$ 1,603.61
R603021	COTTONWOOD PH 1, BLOCK B, Lot 28	3	\$ 25,430.63	\$ 1,603.61
R603022	COTTONWOOD PH 1, BLOCK B, Lot 29	2	\$ 20,515.95	\$ 1,293.69
R603023	COTTONWOOD PH 1, BLOCK B, Lot 30	2	\$ 20,515.95	\$ 1,293.69
R603024	COTTONWOOD PH 1, BLOCK B, Lot 31	2	\$ 20,515.95	\$ 1,293.69
R603025	COTTONWOOD PH 1, BLOCK B, Lot 32	2	\$ 20,515.95	\$ 1,293.69
R603026	COTTONWOOD PH 1, BLOCK B, Lot 33	2	\$ 20,515.95	\$ 1,293.69
R603027	COTTONWOOD PH 1, BLOCK B, Lot 34	2	\$ 20,515.95	\$ 1,293.69
R603028	COTTONWOOD PH 1, BLOCK B, Lot 35	2	\$ 20,515.95	\$ 1,293.69
R603029	COTTONWOOD PH 1, BLOCK B, Lot 36	2	\$ 20,515.95	\$ 1,293.69
R603030	COTTONWOOD PH 1, BLOCK B, Lot 37	2	\$ 20,515.95	\$ 1,293.69
R603031	COTTONWOOD PH 1, BLOCK B, Lot 38	2	\$ 20,515.95	\$ 1,293.69
R603032	COTTONWOOD PH 1, BLOCK B, Lot 39	Non-Benefitted Property	\$ -	\$ -
R603033	COTTONWOOD PH 1, BLOCK D, Lot 1	Non-Benefitted Property	\$ -	\$ -

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Installment Due 1/31/2022
R603034	COTTONWOOD PH 1, BLOCK E, Lot 1	1	\$ 16,058.45	\$ 1,012.61
R603035	COTTONWOOD PH 1, BLOCK E, Lot 2	1	\$ 16,058.45	\$ 1,012.61
R603036	COTTONWOOD PH 1, BLOCK E, Lot 3	1	\$ 16,058.45	\$ 1,012.61
R603037	COTTONWOOD PH 1, BLOCK E, Lot 4	1	\$ 16,058.45	\$ 1,012.61
R603038	COTTONWOOD PH 1, BLOCK E, Lot 5	1	\$ 16,058.45	\$ 1,012.61
R603039	COTTONWOOD PH 1, BLOCK E, Lot 6	1	\$ 16,058.45	\$ 1,012.61
R603040	COTTONWOOD PH 1, BLOCK E, Lot 7	1	\$ 16,058.45	\$ 1,012.61
R603041	COTTONWOOD PH 1, BLOCK E, Lot 8	1	\$ 16,058.45	\$ 1,012.61
R603042	COTTONWOOD PH 1, BLOCK E, Lot 9	1	\$ 16,058.45	\$ 1,012.61
R603043	COTTONWOOD PH 1, BLOCK E, Lot 10	1	\$ 16,058.45	\$ 1,012.61
R603044	COTTONWOOD PH 1, BLOCK E, Lot 11	1	\$ 16,058.45	\$ 1,012.61
R603045	COTTONWOOD PH 1, BLOCK E, Lot 12	1	\$ 16,058.45	\$ 1,012.61
R603046	COTTONWOOD PH 1, BLOCK E, Lot 13	1	\$ 16,058.45	\$ 1,012.61
R603047	COTTONWOOD PH 1, BLOCK E, Lot 14	1	\$ 16,058.45	\$ 1,012.61
R603048	COTTONWOOD PH 1, BLOCK E, Lot 15	1	\$ 16,058.45	\$ 1,012.61
R603049	COTTONWOOD PH 1, BLOCK E, Lot 16	1	\$ 16,058.45	\$ 1,012.61
R603050	COTTONWOOD PH 1, BLOCK E, Lot 17	1	\$ 16,058.45	\$ 1,012.61
R603051	COTTONWOOD PH 1, BLOCK E, Lot 18	1	\$ 16,058.45	\$ 1,012.61
R603052	COTTONWOOD PH 1, BLOCK E, Lot 19	1	\$ 16,058.45	\$ 1,012.61
R603053	COTTONWOOD PH 1, BLOCK E, Lot 20	1	\$ 16,058.45	\$ 1,012.61
R603054	COTTONWOOD PH 1, BLOCK E, Lot 21	1	\$ 16,058.45	\$ 1,012.61
R603055	COTTONWOOD PH 1, BLOCK E, Lot 22	1	\$ 16,058.45	\$ 1,012.61
R603056	COTTONWOOD PH 1, BLOCK E, Lot 23	1	\$ 16,058.45	\$ 1,012.61
R603057	COTTONWOOD PH 1, BLOCK E, Lot 24	1	\$ 16,058.45	\$ 1,012.61
R603058	COTTONWOOD PH 1, BLOCK E, Lot 25	1	\$ 16,058.45	\$ 1,012.61
R603059	COTTONWOOD PH 1, BLOCK E, Lot 26	1	\$ 16,058.45	\$ 1,012.61
R603060	COTTONWOOD PH 1, BLOCK F, Lot 1	Non-Benefitted Property	\$ -	\$ -
R603061	COTTONWOOD PH 1, BLOCK F, Lot 2		\$ 20,515.95	\$ 1,293.69
R603062	COTTONWOOD PH 1, BLOCK F, Lot 3		\$ 20,515.95	\$ 1,293.69
R603063	COTTONWOOD PH 1, BLOCK F, Lot 4		\$ 20,515.95	\$ 1,293.69
R603064	COTTONWOOD PH 1, BLOCK F, Lot 5		\$ 20,515.95	\$ 1,293.69
R603065	COTTONWOOD PH 1, BLOCK F, Lot 6		\$ 20,515.95	\$ 1,293.69
R603066	COTTONWOOD PH 1, BLOCK F, Lot 7		\$ 20,515.95	\$ 1,293.69
R603067	COTTONWOOD PH 1, BLOCK F, Lot 8		\$ 20,515.95	\$ 1,293.69
R603068	COTTONWOOD PH 1, BLOCK F, Lot 9		\$ 20,515.95	\$ 1,293.69
R603069	COTTONWOOD PH 1, BLOCK F, Lot 10		\$ 20,515.95	\$ 1,293.69
R603070	COTTONWOOD PH 1, BLOCK F, Lot 11		\$ 20,515.95	\$ 1,293.69
R603071	COTTONWOOD PH 1, BLOCK F, Lot 12		\$ 20,515.95	\$ 1,293.69
R603072	COTTONWOOD PH 1, BLOCK F, Lot 13		\$ 20,515.95	\$ 1,293.69
R603073	COTTONWOOD PH 1, BLOCK F, Lot 14		\$ 20,515.95	\$ 1,293.69

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Installment Due 1/31/2022
R603074	COTTONWOOD PH 1, BLOCK F, Lot 15	2	\$ 20,515.95	\$ 1,293.69
R603075	COTTONWOOD PH 1, BLOCK F, Lot 16	2	\$ 20,515.95	\$ 1,293.69
R603076	COTTONWOOD PH 1, BLOCK G, Lot 1	2	\$ 20,515.95	\$ 1,293.69
R603077	COTTONWOOD PH 1, BLOCK G, Lot 2	2	\$ 20,515.95	\$ 1,293.69
R603078	COTTONWOOD PH 1, BLOCK G, Lot 3	2	\$ 20,515.95	\$ 1,293.69
R603079	COTTONWOOD PH 1, BLOCK G, Lot 4	2	\$ 20,515.95	\$ 1,293.69
R603080	COTTONWOOD PH 1, BLOCK G, Lot 5	2	\$ 20,515.95	\$ 1,293.69
R603081	COTTONWOOD PH 1, BLOCK G, Lot 6	Non-Benefitted Property	\$ -	\$ -
R603082	COTTONWOOD PH 1, BLOCK G, Lot 7	2	\$ 20,515.95	\$ 1,293.69
R603083	COTTONWOOD PH 1, BLOCK G, Lot 8	2	\$ 20,515.95	\$ 1,293.69
R603084	COTTONWOOD PH 1, BLOCK G, Lot 9	2	\$ 20,515.95	\$ 1,293.69
R603085	COTTONWOOD PH 1, BLOCK G, Lot 10	2	\$ 20,515.95	\$ 1,293.69
R603086	COTTONWOOD PH 1, BLOCK G, Lot 11	2	\$ 20,515.95	\$ 1,293.69
R603087	COTTONWOOD PH 1, BLOCK G, Lot 12	2	\$ 20,515.95	\$ 1,293.69
R603088	COTTONWOOD PH 1, BLOCK G, Lot 13	2	\$ 20,515.95	\$ 1,293.69
R603089	COTTONWOOD PH 1, BLOCK G, Lot 14	2	\$ 20,515.95	\$ 1,293.69
R603090	COTTONWOOD PH 1, BLOCK G, Lot 15	2	\$ 20,515.95	\$ 1,293.69
R603091	COTTONWOOD PH 1, BLOCK G, Lot 16	2	\$ 20,515.95	\$ 1,293.69
R603092	COTTONWOOD PH 1, BLOCK G, Lot 17	2	\$ 20,515.95	\$ 1,293.69
R603093	COTTONWOOD PH 1, BLOCK G, Lot 18	2	\$ 20,515.95	\$ 1,293.69
R603094	COTTONWOOD PH 1, BLOCK G, Lot 19	2	\$ 20,515.95	\$ 1,293.69
R603095	COTTONWOOD PH 1, BLOCK G, Lot 20	2	\$ 20,515.95	\$ 1,293.69
R603096	COTTONWOOD PH 1, BLOCK G, Lot 21	2	\$ 20,515.95	\$ 1,293.69
R603097	COTTONWOOD PH 1, BLOCK G, Lot 22	2	\$ 20,515.95	\$ 1,293.69
R603098	COTTONWOOD PH 1, BLOCK H, Lot 1	Non-Benefitted Property	\$ -	\$ -
R603099	COTTONWOOD PH 1, BLOCK H, Lot 2	2	\$ 20,515.95	\$ 1,293.69
R603100	COTTONWOOD PH 1, BLOCK H, Lot 3	2	\$ 20,515.95	\$ 1,293.69
R603101	COTTONWOOD PH 1, BLOCK H, Lot 4	2	\$ 20,515.95	\$ 1,293.69
R603102	COTTONWOOD PH 1, BLOCK H, Lot 5	2	\$ 20,515.95	\$ 1,293.69
R603103	COTTONWOOD PH 1, BLOCK H, Lot 6	2	\$ 20,515.95	\$ 1,293.69
R603104	COTTONWOOD PH 1, BLOCK H, Lot 7	2	\$ 20,515.95	\$ 1,293.69
R603105	COTTONWOOD PH 1, BLOCK H, Lot 8	2	\$ 20,515.95	\$ 1,293.69
R603106	COTTONWOOD PH 1, BLOCK H, Lot 9	2	\$ 20,515.95	\$ 1,293.69
R603107	COTTONWOOD PH 1, BLOCK H, Lot 10	2	\$ 20,515.95	\$ 1,293.69
R603108	COTTONWOOD PH 1, BLOCK H, Lot 11	2	\$ 20,515.95	\$ 1,293.69
R603109	COTTONWOOD PH 1, BLOCK H, Lot 12	2	\$ 20,515.95	\$ 1,293.69
R603110	COTTONWOOD PH 1, BLOCK H, Lot 13	2	\$ 20,515.95	\$ 1,293.69
R603111	COTTONWOOD PH 1, BLOCK H, Lot 14	2	\$ 20,515.95	\$ 1,293.69
R603112	COTTONWOOD PH 1, BLOCK H, Lot 15	2	\$ 20,515.95	\$ 1,293.69
R603113	COTTONWOOD PH 1, BLOCK H, Lot 16	2	\$ 20,515.95	\$ 1,293.69

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Installment Due 1/31/2022
R603114	COTTONWOOD PH 1, BLOCK H, Lot 17	2	\$ 20,515.95	\$ 1,293.69
R603115	COTTONWOOD PH 1, BLOCK H, Lot 18	2	\$ 20,515.95	\$ 1,293.69
R603116	COTTONWOOD PH 1, BLOCK H, Lot 19	2	\$ 20,515.95	\$ 1,293.69
R603117	COTTONWOOD PH 1, BLOCK H, Lot 20	2	\$ 20,515.95	\$ 1,293.69
R603118	COTTONWOOD PH 1, BLOCK H, Lot 21	2	\$ 20,515.95	\$ 1,293.69
R603119	COTTONWOOD PH 1, BLOCK H, Lot 22	2	\$ 20,515.95	\$ 1,293.69
R603120	COTTONWOOD PH 1, BLOCK H, Lot 23	2	\$ 20,515.95	\$ 1,293.69
R603121	COTTONWOOD PH 1, BLOCK I, Lot 1	Non-Benefitted Property	\$ -	\$ -
R603122	COTTONWOOD PH 1, BLOCK I, Lot 2		\$ 20,515.95	\$ 1,293.69
R603123	COTTONWOOD PH 1, BLOCK I, Lot 3	2	\$ 20,515.95	\$ 1,293.69
R603124	COTTONWOOD PH 1, BLOCK I, Lot 4	2	\$ 20,515.95	\$ 1,293.69
R603125	COTTONWOOD PH 1, BLOCK I, Lot 5	2	\$ 20,515.95	\$ 1,293.69
R603126	COTTONWOOD PH 1, BLOCK I, Lot 6	2	\$ 20,515.95	\$ 1,293.69
R603127	COTTONWOOD PH 1, BLOCK I, Lot 7	2	\$ 20,515.95	\$ 1,293.69
R603128	COTTONWOOD PH 1, BLOCK I, Lot 8	2	\$ 20,515.95	\$ 1,293.69
R603129	COTTONWOOD PH 1, BLOCK I, Lot 9	2	\$ 20,515.95	\$ 1,293.69
R603130	COTTONWOOD PH 1, BLOCK I, Lot 10	2	\$ 20,515.95	\$ 1,293.69
R603131	COTTONWOOD PH 1, BLOCK I, Lot 11	2	\$ 20,515.95	\$ 1,293.69
R603132	COTTONWOOD PH 1, BLOCK I, Lot 12	2	\$ 20,515.95	\$ 1,293.69
R603133	COTTONWOOD PH 1, BLOCK I, Lot 13	2	\$ 20,515.95	\$ 1,293.69
R603134	COTTONWOOD PH 1, BLOCK I, Lot 14	2	\$ 20,515.95	\$ 1,293.69
R603135	COTTONWOOD PH 1, BLOCK I, Lot 15	2	\$ 20,515.95	\$ 1,293.69
R603136	COTTONWOOD PH 1, BLOCK I, Lot 16	2	\$ 20,515.95	\$ 1,293.69
R603137	COTTONWOOD PH 1, BLOCK I, Lot 17	2	\$ 20,515.95	\$ 1,293.69
R603138	COTTONWOOD PH 1, BLOCK I, Lot 18	2	\$ 20,515.95	\$ 1,293.69
R603139	COTTONWOOD PH 1, BLOCK I, Lot 19	2	\$ 20,515.95	\$ 1,293.69
R603140	COTTONWOOD PH 1, BLOCK I, Lot 20	2	\$ 20,515.95	\$ 1,293.69
R603141	COTTONWOOD PH 1, BLOCK I, Lot 21	2	\$ 20,515.95	\$ 1,293.69
R603142	COTTONWOOD PH 1, BLOCK I, Lot 22	2	\$ 20,515.95	\$ 1,293.69
R603143	COTTONWOOD PH 1, BLOCK I, Lot 23	2	\$ 20,515.95	\$ 1,293.69
R603144	COTTONWOOD PH 1, BLOCK J, Lot 1	2	\$ 20,515.95	\$ 1,293.69
R603145	COTTONWOOD PH 1, BLOCK J, Lot 2	2	\$ 20,515.95	\$ 1,293.69
R603146	COTTONWOOD PH 1, BLOCK J, Lot 3	2	\$ 20,515.95	\$ 1,293.69
R603147	COTTONWOOD PH 1, BLOCK J, Lot 4	2	\$ 20,515.95	\$ 1,293.69
R603148	COTTONWOOD PH 1, BLOCK J, Lot 5	2	\$ 20,515.95	\$ 1,293.69
R603149	COTTONWOOD PH 1, BLOCK J, Lot 6	2	\$ 20,515.95	\$ 1,293.69
R603150	COTTONWOOD PH 1, BLOCK J, Lot 7	2	\$ 20,515.95	\$ 1,293.69
R603151	COTTONWOOD PH 1, BLOCK J, Lot 8	2	\$ 20,515.95	\$ 1,293.69
R603152	COTTONWOOD PH 1, BLOCK J, Lot 9	2	\$ 20,515.95	\$ 1,293.69
R603153	COTTONWOOD PH 1, BLOCK J, Lot 10	2	\$ 20,515.95	\$ 1,293.69

Property ID	Legal Description	Lot Type	Improvement Area #1	
			Outstanding Assessment	Installment Due 1/31/2022
R603154	COTTONWOOD PH 1, BLOCK J, Lot 11	2	\$ 20,515.95	\$ 1,293.69
R603155	COTTONWOOD PH 1, BLOCK J, Lot 12	2	\$ 20,515.95	\$ 1,293.69
R603156	COTTONWOOD PH 1, BLOCK J, Lot 13	2	\$ 20,515.95	\$ 1,293.69
R603157	COTTONWOOD PH 1, BLOCK J, Lot 14	2	\$ 20,515.95	\$ 1,293.69
R603158	COTTONWOOD PH 1, BLOCK J, Lot 15	2	\$ 20,515.95	\$ 1,293.69
R603159	COTTONWOOD PH 1, BLOCK L, Lot 1	2	\$ 20,515.95	\$ 1,293.69
R603160	COTTONWOOD PH 1, BLOCK L, Lot 2	2	\$ 20,515.95	\$ 1,293.69
R020578	Improvement Area #1 Unplatted Parcel	[a]	\$ 2,000,080.36	\$ 126,121.07
R602991	Improvement Area #1 Unplatted Parcel	[a]	\$ 26,303.00	\$ 1,658.61
R587039	Improvement Area #1 Unplatted Parcel	[a]	\$ 5,118,196.16	\$ 322,743.23
Total			\$ 10,215,000.00	\$ 644,137.50

[a] For billing purposes only, until a plat has been recorded within the Improvement Area #1 Unplatted Parcel, the Annual Installment will be billed to each Tax Parcel within the Improvement Area #1 Unplatted Parcel based on the acreage of the Tax Parcel as calculated by the Williamson Central Appraisal District.

EXHIBIT G-1 – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

Installments Due	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]	Annual Collection Costs	Annual Installment
1/31/2022	\$ 175,000.00	\$ 434,137.50	\$ -	\$ -	\$ 35,000.00	\$ 644,137.50
1/31/2023	\$ 180,000.00	\$ 426,700.00	\$ -	\$ -	\$ 35,700.00	\$ 642,400.00
1/31/2024	\$ 190,000.00	\$ 419,050.00	\$ -	\$ -	\$ 36,414.00	\$ 645,464.00
1/31/2025	\$ 200,000.00	\$ 410,975.00	\$ -	\$ -	\$ 37,142.28	\$ 648,117.28
1/31/2026	\$ 205,000.00	\$ 402,475.00	\$ -	\$ -	\$ 37,885.13	\$ 645,360.13
1/31/2027	\$ 215,000.00	\$ 393,762.50	\$ -	\$ -	\$ 38,642.83	\$ 647,405.33
1/31/2028	\$ 225,000.00	\$ 384,625.00	\$ -	\$ -	\$ 39,415.68	\$ 649,040.68
1/31/2029	\$ 235,000.00	\$ 375,062.50	\$ -	\$ -	\$ 40,204.00	\$ 650,266.50
1/31/2030	\$ 245,000.00	\$ 365,075.00	\$ -	\$ -	\$ 41,008.08	\$ 651,083.08
1/31/2031	\$ 255,000.00	\$ 354,662.50	\$ -	\$ -	\$ 41,828.24	\$ 651,490.74
1/31/2032	\$ 265,000.00	\$ 343,825.00	\$ -	\$ -	\$ 42,664.80	\$ 651,489.80
1/31/2033	\$ 275,000.00	\$ 332,562.50	\$ -	\$ -	\$ 43,518.10	\$ 651,080.60
1/31/2034	\$ 285,000.00	\$ 320,875.00	\$ -	\$ -	\$ 44,388.46	\$ 650,263.46
1/31/2035	\$ 300,000.00	\$ 308,762.50	\$ -	\$ -	\$ 45,276.23	\$ 654,038.73
1/31/2036	\$ 315,000.00	\$ 296,012.50	\$ -	\$ -	\$ 46,181.76	\$ 657,194.26
1/31/2037	\$ 325,000.00	\$ 282,625.00	\$ -	\$ -	\$ 47,105.39	\$ 654,730.39
1/31/2038	\$ 340,000.00	\$ 268,812.50	\$ -	\$ -	\$ 48,047.50	\$ 656,860.00
1/31/2039	\$ 355,000.00	\$ 254,362.50	\$ -	\$ -	\$ 49,008.45	\$ 658,370.95
1/31/2040	\$ 370,000.00	\$ 239,275.00	\$ -	\$ -	\$ 49,988.62	\$ 659,263.62
1/31/2041	\$ 385,000.00	\$ 223,550.00	\$ -	\$ -	\$ 50,988.39	\$ 659,538.39
1/31/2042	\$ 400,000.00	\$ 207,187.50	\$ -	\$ -	\$ 52,008.16	\$ 659,195.66
1/31/2043	\$ 420,000.00	\$ 190,187.50	\$ -	\$ -	\$ 53,048.32	\$ 663,235.82
1/31/2044	\$ 435,000.00	\$ 172,337.50	\$ -	\$ -	\$ 54,109.29	\$ 661,446.79
1/31/2045	\$ 455,000.00	\$ 153,850.00	\$ -	\$ -	\$ 55,191.47	\$ 664,041.47
1/31/2046	\$ 475,000.00	\$ 134,512.50	\$ -	\$ -	\$ 56,295.30	\$ 665,807.80
1/31/2047	\$ 495,000.00	\$ 114,325.00	\$ -	\$ -	\$ 57,421.21	\$ 666,746.21
1/31/2048	\$ 515,000.00	\$ 93,287.50	\$ -	\$ -	\$ 58,569.63	\$ 666,857.13
1/31/2049	\$ 535,000.00	\$ 71,400.00	\$ -	\$ -	\$ 59,741.03	\$ 666,141.03
1/31/2050	\$ 560,000.00	\$ 48,662.50	\$ -	\$ -	\$ 60,935.85	\$ 669,598.35
1/31/2051	\$ 585,000.00	\$ 24,862.50	\$ -	\$ -	\$ 62,154.56	\$ 672,017.06
Total	\$ 10,215,000.00	\$ 8,047,800.00	\$ -	\$ -	\$ 1,419,882.77	\$19,682,682.77

[a] Interest is calculated at a 4.25% rate, which is 2% above the Bond Buyer's 20 Bond Index as of 5/11/2021.

[b] Additional Interest will be collected if PID Bonds are issued.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-2 – LOT TYPE DUPLEX ANNUAL INSTALLMENTS

Installments Due	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
1/31/2022	\$ 489.52	\$ 1,214.38	\$ -	\$ -	\$ 97.90	\$ 1,801.80
1/31/2023	\$ 503.50	\$ 1,193.58	\$ -	\$ -	\$ 99.86	\$ 1,796.94
1/31/2024	\$ 531.47	\$ 1,172.18	\$ -	\$ -	\$ 101.86	\$ 1,805.51
1/31/2025	\$ 559.45	\$ 1,149.59	\$ -	\$ -	\$ 103.90	\$ 1,812.94
1/31/2026	\$ 573.43	\$ 1,125.82	\$ -	\$ -	\$ 105.97	\$ 1,805.22
1/31/2027	\$ 601.41	\$ 1,101.45	\$ -	\$ -	\$ 108.09	\$ 1,810.94
1/31/2028	\$ 629.38	\$ 1,075.89	\$ -	\$ -	\$ 110.25	\$ 1,815.52
1/31/2029	\$ 657.35	\$ 1,049.14	\$ -	\$ -	\$ 112.46	\$ 1,818.95
1/31/2030	\$ 685.32	\$ 1,021.20	\$ -	\$ -	\$ 114.71	\$ 1,821.23
1/31/2031	\$ 713.29	\$ 992.07	\$ -	\$ -	\$ 117.00	\$ 1,822.37
1/31/2032	\$ 741.27	\$ 961.76	\$ -	\$ -	\$ 119.34	\$ 1,822.37
1/31/2033	\$ 769.24	\$ 930.26	\$ -	\$ -	\$ 121.73	\$ 1,821.22
1/31/2034	\$ 797.21	\$ 897.56	\$ -	\$ -	\$ 124.16	\$ 1,818.94
1/31/2035	\$ 839.17	\$ 863.68	\$ -	\$ -	\$ 126.65	\$ 1,829.50
1/31/2036	\$ 881.13	\$ 828.02	\$ -	\$ -	\$ 129.18	\$ 1,838.33
1/31/2037	\$ 909.10	\$ 790.57	\$ -	\$ -	\$ 131.76	\$ 1,831.43
1/31/2038	\$ 951.06	\$ 751.93	\$ -	\$ -	\$ 134.40	\$ 1,837.39
1/31/2039	\$ 993.02	\$ 711.51	\$ -	\$ -	\$ 137.09	\$ 1,841.62
1/31/2040	\$ 1,034.98	\$ 669.31	\$ -	\$ -	\$ 139.83	\$ 1,844.11
1/31/2041	\$ 1,076.94	\$ 625.32	\$ -	\$ -	\$ 142.63	\$ 1,844.88
1/31/2042	\$ 1,118.89	\$ 579.55	\$ -	\$ -	\$ 145.48	\$ 1,843.92
1/31/2043	\$ 1,174.84	\$ 532.00	\$ -	\$ -	\$ 148.39	\$ 1,855.23
1/31/2044	\$ 1,216.80	\$ 482.07	\$ -	\$ -	\$ 151.36	\$ 1,850.22
1/31/2045	\$ 1,272.74	\$ 430.35	\$ -	\$ -	\$ 154.38	\$ 1,857.48
1/31/2046	\$ 1,328.69	\$ 376.26	\$ -	\$ -	\$ 157.47	\$ 1,862.42
1/31/2047	\$ 1,384.63	\$ 319.79	\$ -	\$ -	\$ 160.62	\$ 1,865.05
1/31/2048	\$ 1,440.58	\$ 260.95	\$ -	\$ -	\$ 163.83	\$ 1,865.36
1/31/2049	\$ 1,496.52	\$ 199.72	\$ -	\$ -	\$ 167.11	\$ 1,863.35
1/31/2050	\$ 1,566.45	\$ 136.12	\$ -	\$ -	\$ 170.45	\$ 1,873.02
1/31/2051	\$ 1,636.38	\$ 69.55	\$ -	\$ -	\$ 173.86	\$ 1,879.79
Total	\$ 28,573.75	\$ 22,511.58	\$ -	\$ -	\$ 3,971.74	\$ 55,057.07

[a] Interest is calculated at a 4.25% rate, which is 2% above the Bond Buyer's 20 Bond Index as of 5/11/2021.

[b] Additional Interest will be collected if PID Bonds are issued.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-3 – LOT TYPE 1 ANNUAL INSTALLMENTS

Installments Due	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
1/31/2022	\$ 275.11	\$ 682.48	\$ -	\$ -	\$ 55.02	\$ 1,012.61
1/31/2023	\$ 282.97	\$ 670.79	\$ -	\$ -	\$ 56.12	\$ 1,009.88
1/31/2024	\$ 298.69	\$ 658.77	\$ -	\$ -	\$ 57.24	\$ 1,014.70
1/31/2025	\$ 314.41	\$ 646.07	\$ -	\$ -	\$ 58.39	\$ 1,018.87
1/31/2026	\$ 322.27	\$ 632.71	\$ -	\$ -	\$ 59.56	\$ 1,014.54
1/31/2027	\$ 337.99	\$ 619.01	\$ -	\$ -	\$ 60.75	\$ 1,017.75
1/31/2028	\$ 353.71	\$ 604.65	\$ -	\$ -	\$ 61.96	\$ 1,020.32
1/31/2029	\$ 369.43	\$ 589.62	\$ -	\$ -	\$ 63.20	\$ 1,022.25
1/31/2030	\$ 385.15	\$ 573.91	\$ -	\$ -	\$ 64.47	\$ 1,023.53
1/31/2031	\$ 400.87	\$ 557.55	\$ -	\$ -	\$ 65.76	\$ 1,024.17
1/31/2032	\$ 416.59	\$ 540.51	\$ -	\$ -	\$ 67.07	\$ 1,024.17
1/31/2033	\$ 432.31	\$ 522.80	\$ -	\$ -	\$ 68.41	\$ 1,023.53
1/31/2034	\$ 448.03	\$ 504.43	\$ -	\$ -	\$ 69.78	\$ 1,022.24
1/31/2035	\$ 471.61	\$ 485.39	\$ -	\$ -	\$ 71.18	\$ 1,028.18
1/31/2036	\$ 495.19	\$ 465.35	\$ -	\$ -	\$ 72.60	\$ 1,033.14
1/31/2037	\$ 510.91	\$ 444.30	\$ -	\$ -	\$ 74.05	\$ 1,029.27
1/31/2038	\$ 534.50	\$ 422.59	\$ -	\$ -	\$ 75.53	\$ 1,032.61
1/31/2039	\$ 558.08	\$ 399.87	\$ -	\$ -	\$ 77.04	\$ 1,034.99
1/31/2040	\$ 581.66	\$ 376.15	\$ -	\$ -	\$ 78.58	\$ 1,036.39
1/31/2041	\$ 605.24	\$ 351.43	\$ -	\$ -	\$ 80.16	\$ 1,036.82
1/31/2042	\$ 628.82	\$ 325.71	\$ -	\$ -	\$ 81.76	\$ 1,036.29
1/31/2043	\$ 660.26	\$ 298.98	\$ -	\$ -	\$ 83.39	\$ 1,042.64
1/31/2044	\$ 683.84	\$ 270.92	\$ -	\$ -	\$ 85.06	\$ 1,039.82
1/31/2045	\$ 715.28	\$ 241.86	\$ -	\$ -	\$ 86.76	\$ 1,043.90
1/31/2046	\$ 746.72	\$ 211.46	\$ -	\$ -	\$ 88.50	\$ 1,046.68
1/31/2047	\$ 778.16	\$ 179.72	\$ -	\$ -	\$ 90.27	\$ 1,048.16
1/31/2048	\$ 809.60	\$ 146.65	\$ -	\$ -	\$ 92.07	\$ 1,048.33
1/31/2049	\$ 841.04	\$ 112.24	\$ -	\$ -	\$ 93.92	\$ 1,047.20
1/31/2050	\$ 880.35	\$ 76.50	\$ -	\$ -	\$ 95.79	\$ 1,052.64
1/31/2051	\$ 919.65	\$ 39.08	\$ -	\$ -	\$ 97.71	\$ 1,056.44
Total	\$ 16,058.45	\$ 12,651.51	\$ -	\$ -	\$ 2,232.12	\$ 30,942.07

[a] Interest is calculated at a 4.25% rate, which is 2% above the Bond Buyer's 20 Bond Index as of 5/11/2021.

[b] Additional Interest will be collected if PID Bonds are issued.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-4 – LOT TYPE 2 ANNUAL INSTALLMENTS

Installments Due	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
1/31/2022	\$ 351.47	\$ 871.93	\$ -	\$ -	\$ 70.29	\$ 1,293.69
1/31/2023	\$ 361.51	\$ 856.99	\$ -	\$ -	\$ 71.70	\$ 1,290.21
1/31/2024	\$ 381.60	\$ 841.63	\$ -	\$ -	\$ 73.13	\$ 1,296.36
1/31/2025	\$ 401.68	\$ 825.41	\$ -	\$ -	\$ 74.60	\$ 1,301.69
1/31/2026	\$ 411.72	\$ 808.34	\$ -	\$ -	\$ 76.09	\$ 1,296.15
1/31/2027	\$ 431.81	\$ 790.84	\$ -	\$ -	\$ 77.61	\$ 1,300.26
1/31/2028	\$ 451.89	\$ 772.49	\$ -	\$ -	\$ 79.16	\$ 1,303.54
1/31/2029	\$ 471.98	\$ 753.28	\$ -	\$ -	\$ 80.75	\$ 1,306.00
1/31/2030	\$ 492.06	\$ 733.22	\$ -	\$ -	\$ 82.36	\$ 1,307.64
1/31/2031	\$ 512.15	\$ 712.31	\$ -	\$ -	\$ 84.01	\$ 1,308.46
1/31/2032	\$ 532.23	\$ 690.54	\$ -	\$ -	\$ 85.69	\$ 1,308.46
1/31/2033	\$ 552.31	\$ 667.92	\$ -	\$ -	\$ 87.40	\$ 1,307.64
1/31/2034	\$ 572.40	\$ 644.45	\$ -	\$ -	\$ 89.15	\$ 1,306.00
1/31/2035	\$ 602.52	\$ 620.12	\$ -	\$ -	\$ 90.93	\$ 1,313.58
1/31/2036	\$ 632.65	\$ 594.52	\$ -	\$ -	\$ 92.75	\$ 1,319.92
1/31/2037	\$ 652.73	\$ 567.63	\$ -	\$ -	\$ 94.61	\$ 1,314.97
1/31/2038	\$ 682.86	\$ 539.89	\$ -	\$ -	\$ 96.50	\$ 1,319.25
1/31/2039	\$ 712.99	\$ 510.87	\$ -	\$ -	\$ 98.43	\$ 1,322.28
1/31/2040	\$ 743.11	\$ 480.56	\$ -	\$ -	\$ 100.40	\$ 1,324.07
1/31/2041	\$ 773.24	\$ 448.98	\$ -	\$ -	\$ 102.41	\$ 1,324.63
1/31/2042	\$ 803.37	\$ 416.12	\$ -	\$ -	\$ 104.45	\$ 1,323.94
1/31/2043	\$ 843.53	\$ 381.98	\$ -	\$ -	\$ 106.54	\$ 1,332.05
1/31/2044	\$ 873.66	\$ 346.13	\$ -	\$ -	\$ 108.67	\$ 1,328.46
1/31/2045	\$ 913.83	\$ 308.99	\$ -	\$ -	\$ 110.85	\$ 1,333.67
1/31/2046	\$ 954.00	\$ 270.16	\$ -	\$ -	\$ 113.06	\$ 1,337.22
1/31/2047	\$ 994.16	\$ 229.61	\$ -	\$ -	\$ 115.33	\$ 1,339.10
1/31/2048	\$ 1,034.33	\$ 187.36	\$ -	\$ -	\$ 117.63	\$ 1,339.33
1/31/2049	\$ 1,074.50	\$ 143.40	\$ -	\$ -	\$ 119.98	\$ 1,337.89
1/31/2050	\$ 1,124.71	\$ 97.73	\$ -	\$ -	\$ 122.38	\$ 1,344.83
1/31/2051	\$ 1,174.92	\$ 49.93	\$ -	\$ -	\$ 124.83	\$ 1,349.69
Total	\$ 20,515.95	\$ 16,163.31	\$ -	\$ -	\$ 2,851.71	\$ 39,530.98

[a] Interest is calculated at a 4.25% rate, which is 2% above the Bond Buyer's 20 Bond Index as of 5/11/2021.

[b] Additional Interest will be collected if PID Bonds are issued.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT G-5 – LOT TYPE 3 ANNUAL INSTALLMENTS

Installments Due	Principal	Interest [a]	Capitalized Interest	Additional Interest	Annual Collection Costs	Annual Installment
1/31/2022	\$ 435.67	\$ 1,080.80	\$ -	\$ -	\$ 87.13	\$ 1,603.61
1/31/2023	\$ 448.12	\$ 1,062.29	\$ -	\$ -	\$ 88.88	\$ 1,599.28
1/31/2024	\$ 473.01	\$ 1,043.24	\$ -	\$ -	\$ 90.65	\$ 1,606.91
1/31/2025	\$ 497.91	\$ 1,023.14	\$ -	\$ -	\$ 92.47	\$ 1,613.51
1/31/2026	\$ 510.36	\$ 1,001.98	\$ -	\$ -	\$ 94.32	\$ 1,606.65
1/31/2027	\$ 535.25	\$ 980.29	\$ -	\$ -	\$ 96.20	\$ 1,611.74
1/31/2028	\$ 560.15	\$ 957.54	\$ -	\$ -	\$ 98.13	\$ 1,615.81
1/31/2029	\$ 585.04	\$ 933.73	\$ -	\$ -	\$ 100.09	\$ 1,618.86
1/31/2030	\$ 609.94	\$ 908.87	\$ -	\$ -	\$ 102.09	\$ 1,620.90
1/31/2031	\$ 634.83	\$ 882.95	\$ -	\$ -	\$ 104.13	\$ 1,621.91
1/31/2032	\$ 659.73	\$ 855.97	\$ -	\$ -	\$ 106.22	\$ 1,621.91
1/31/2033	\$ 684.62	\$ 827.93	\$ -	\$ -	\$ 108.34	\$ 1,620.89
1/31/2034	\$ 709.52	\$ 798.83	\$ -	\$ -	\$ 110.51	\$ 1,618.86
1/31/2035	\$ 746.86	\$ 768.68	\$ -	\$ -	\$ 112.72	\$ 1,628.25
1/31/2036	\$ 784.20	\$ 736.93	\$ -	\$ -	\$ 114.97	\$ 1,636.11
1/31/2037	\$ 809.10	\$ 703.61	\$ -	\$ -	\$ 117.27	\$ 1,629.98
1/31/2038	\$ 846.44	\$ 669.22	\$ -	\$ -	\$ 119.62	\$ 1,635.28
1/31/2039	\$ 883.79	\$ 633.25	\$ -	\$ -	\$ 122.01	\$ 1,639.04
1/31/2040	\$ 921.13	\$ 595.68	\$ -	\$ -	\$ 124.45	\$ 1,641.26
1/31/2041	\$ 958.47	\$ 556.54	\$ -	\$ -	\$ 126.94	\$ 1,641.95
1/31/2042	\$ 995.82	\$ 515.80	\$ -	\$ -	\$ 129.48	\$ 1,641.09
1/31/2043	\$ 1,045.61	\$ 473.48	\$ -	\$ -	\$ 132.07	\$ 1,651.15
1/31/2044	\$ 1,082.95	\$ 429.04	\$ -	\$ -	\$ 134.71	\$ 1,646.70
1/31/2045	\$ 1,132.74	\$ 383.02	\$ -	\$ -	\$ 137.40	\$ 1,653.16
1/31/2046	\$ 1,182.53	\$ 334.87	\$ -	\$ -	\$ 140.15	\$ 1,657.55
1/31/2047	\$ 1,232.32	\$ 284.62	\$ -	\$ -	\$ 142.95	\$ 1,659.89
1/31/2048	\$ 1,282.11	\$ 232.24	\$ -	\$ -	\$ 145.81	\$ 1,660.17
1/31/2049	\$ 1,331.90	\$ 177.75	\$ -	\$ -	\$ 148.73	\$ 1,658.38
1/31/2050	\$ 1,394.14	\$ 121.15	\$ -	\$ -	\$ 151.70	\$ 1,666.99
1/31/2051	\$ 1,456.38	\$ 61.90	\$ -	\$ -	\$ 154.74	\$ 1,673.01
Total	\$ 25,430.63	\$ 20,035.31	\$ -	\$ -	\$ 3,534.85	\$ 49,000.79

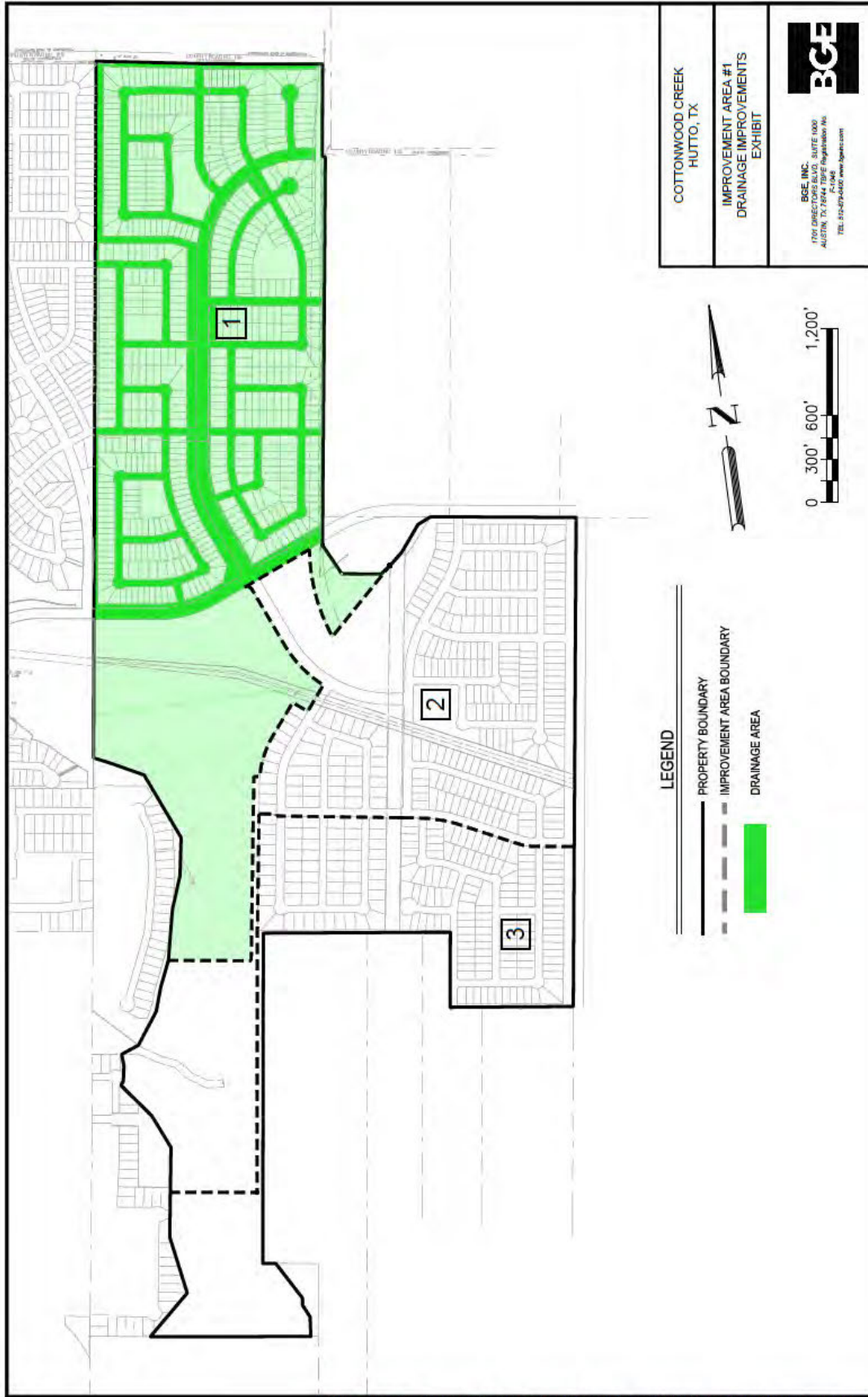
[a] Interest is calculated at a 4.25% rate, which is 2% above the Bond Buyer's 20 Bond Index as of 5/11/2021.

[b] Additional Interest will be collected if PID Bonds are issued.

Note: The figures shown above are estimates only and subject to change in annual service plan updates. Changes in administrative expenses, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – MAXIMUM ASSESSMENT

Lot Size	Lot Type	Units	Total Assessment	Maximum Assessment per Lot Type [a]
Improvement Area #1				
60'	Duplex	4	\$ 114,295	\$28,573.75 Per Unit
40'	1	233	\$ 3,741,618	\$16,058.45 Per Unit
50'	2	305	\$ 6,257,365	\$20,515.95 Per Unit
70'	3	4	\$ 101,723	\$25,430.63 Per Unit
[a] The Maximum Assessment per Lot Type will be reduced annually by the principal payments made as part of the Annual Installment.				



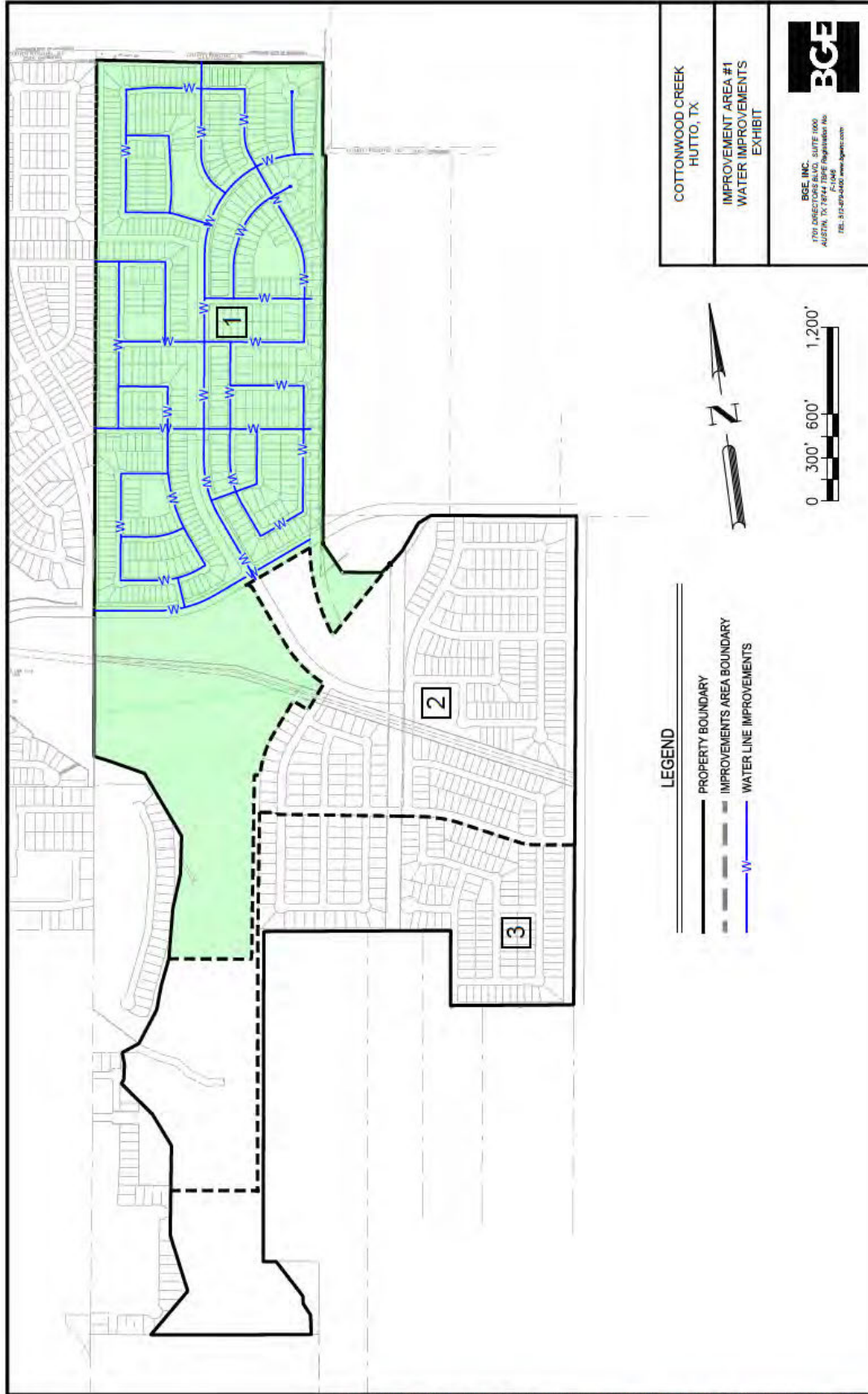


EXHIBIT J – NOTICE OF ASSESSMENT TERMINATION



P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Williamson County Clerk's Office
Honorable [County Clerk Name]
Williamson County Clerk
405 Martin Luther King Jr St
Georgetown, TX 78626

Re: City of Hutto Lien Release documents for filing

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Hutto 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 Hutto
Attn: Holly Nagy
500 W Live Oak St
Hutto, TX 78634

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]
500 W Live Oak St
Hutto, TX 78634**

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 WILLIAMSON	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Hutto, Texas, a Texas home rule municipality.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Hutto, Texas (hereinafter referred to as the "City"), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on or about April 1, 2021, the City Council for the City, approved Resolution No. R-2021-029, creating the Cottonwood Creek Public Improvement District; and

WHEREAS, the Cottonwood Creek Public Improvement District consists of approximately 370.312 contiguous acres located within the extraterritorial jurisdiction of the City; and

WHEREAS, on or about June 3, 2021, the City Council, approved Ordinance No. _____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within Improvement Area #1 of the Cottonwood Creek Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of \$_____ (hereinafter referred to as the "Lien Amount") for the following property:

[legal description], a subdivision in Williamson County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Williamson County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Williamson County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF Hutto, TEXAS,

A Texas home rule municipality,

By: _____
Warren Hutmacher, City Manager

ATTEST:

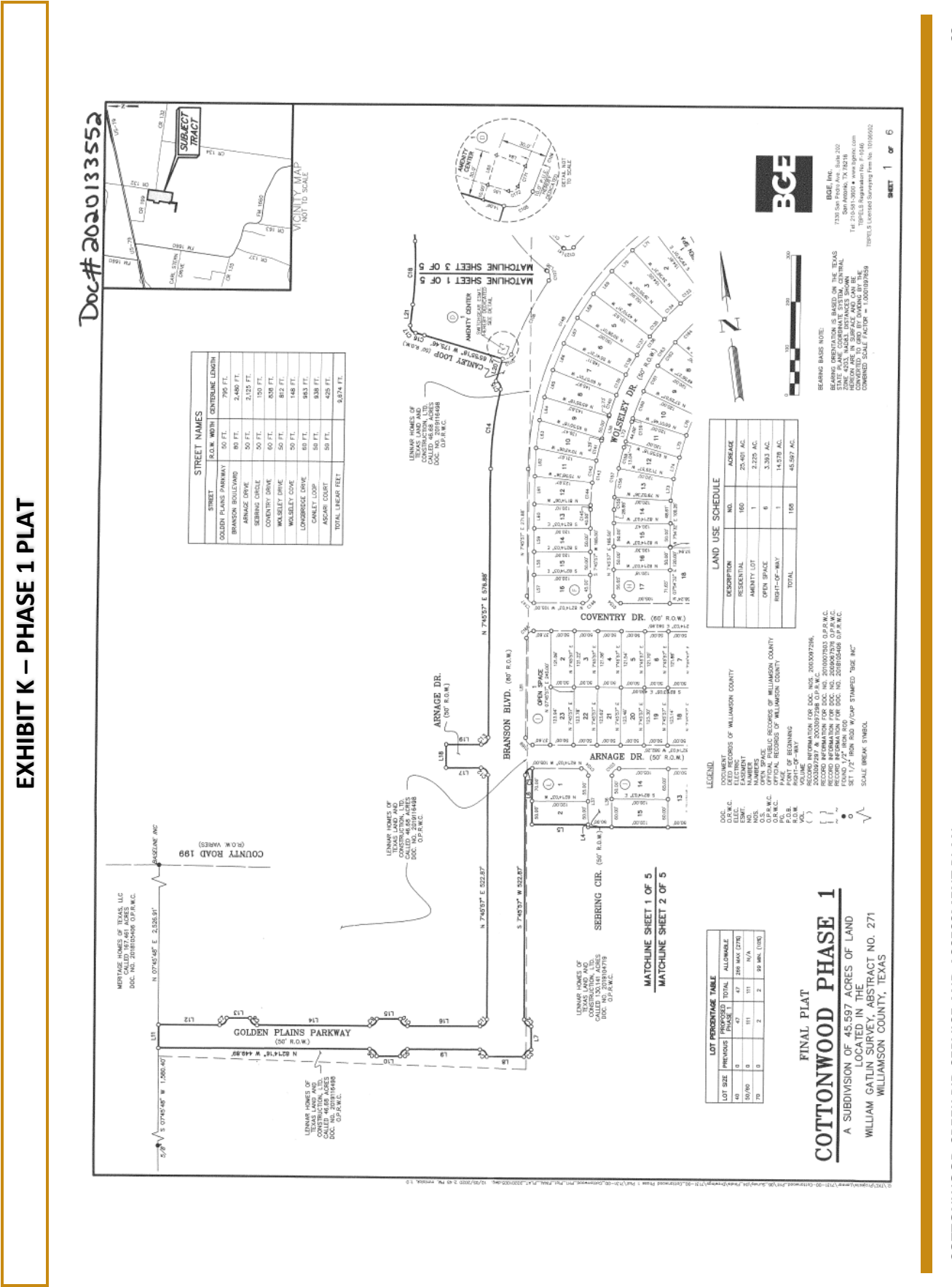
Holly Nagy, City Secretary

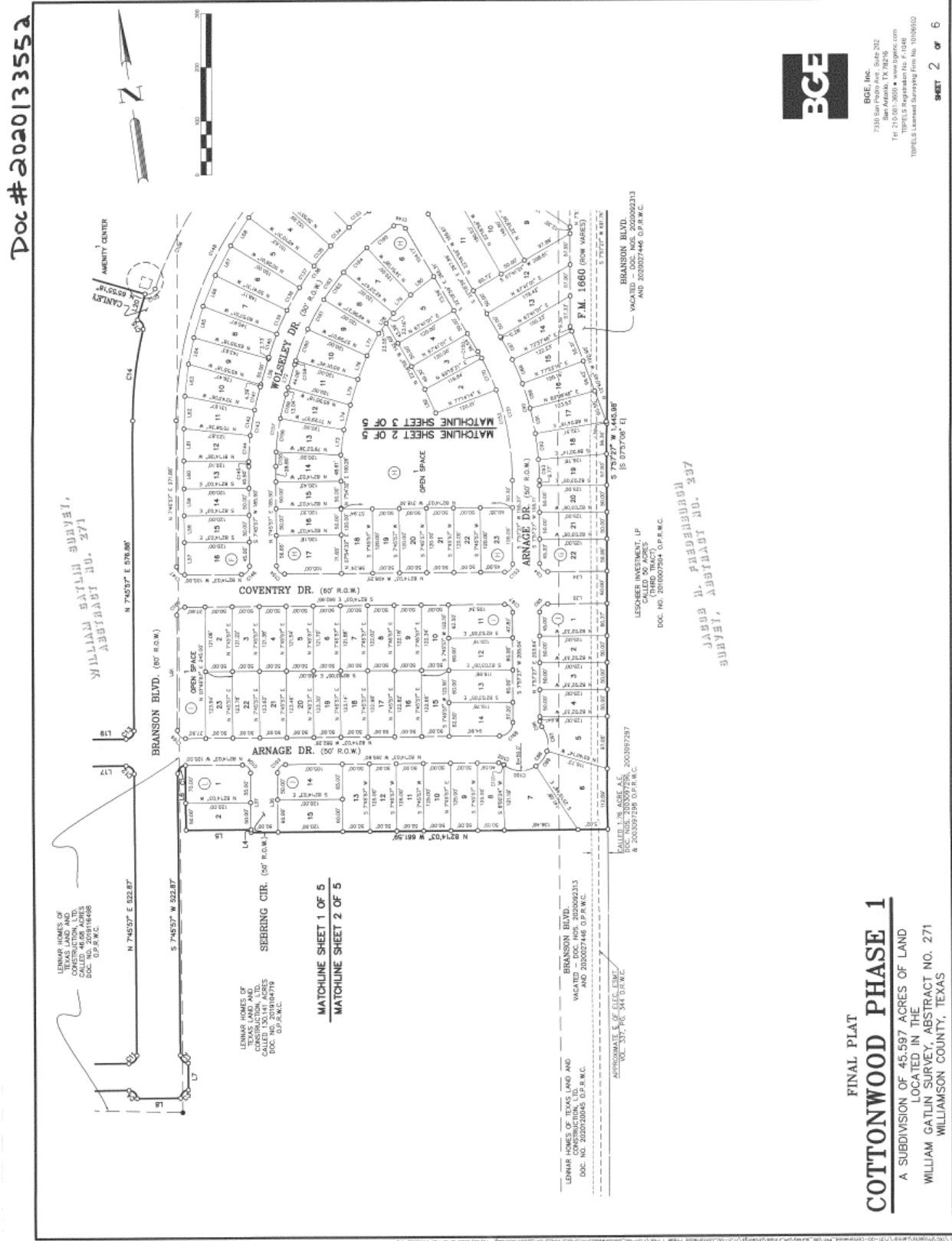
STATE OF TEXAS §
§
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on the ____ day of _____, 20__, by Warren Hutmacher, City Manager for the City of Hutto, Texas, a Texas home rule municipality, on behalf of said municipality.

Notary Public, State of Texas

EXHIBIT K – PHASE 1 PLAT







Doc # 2020/33552

7230 Saw S. Hwy. 202
San Antonio, TX 78216
Tel 210.581.3031 • www.bge.com
BGE's Integrated Utility
TIER 1000

[illegible][illegible]

5. 823057*². Continuity coefficient, 300, 450, 600, 750, 900, 1050, 1200, 1350, 1500, 1650, 1800, 1950, 2100, 2250, 2400, 2550, 2700, 2850, 3000, 3150, 3300, 3450, 3600, 3750, 3900, 4050, 4200, 4350, 4500, 4650, 4800, 4950, 5100, 5250, 5400, 5550, 5700, 5850, 6000, 6150, 6300, 6450, 6600, 6750, 6900, 7050, 7200, 7350, 7500, 7650, 7800, 7950, 8100, 8250, 8400, 8550, 8700, 8850, 9000, 9150, 9300, 9450, 9600, 9750, 9900, 10050, 10200, 10350, 10500, 10650, 10800, 10950, 11100, 11250, 11400, 11550, 11700, 11850, 12000, 12150, 12300, 12450, 12600, 12750, 12900, 13050, 13200, 13350, 13500, 13650, 13800, 13950, 14100, 14250, 14400, 14550, 14700, 14850, 15000, 15150, 15300, 15450, 15600, 15750, 15900, 16050, 16200, 16350, 16500, 16650, 16800, 16950, 17100, 17250, 17400, 17550, 17700, 17850, 18000, 18150, 18300, 18450, 18600, 18750, 18900, 19050, 19200, 19350, 19500, 19650, 19800, 19950, 20100, 20250, 20400, 20550, 20700, 20850, 21000, 21150, 21300, 21450, 21600, 21750, 21900, 22050, 22200, 22350, 22500, 22650, 22800, 22950, 23100, 23250, 23400, 23550, 23700, 23850, 24000, 24150, 24300, 24450, 24600, 24750, 24900, 25050, 25200, 25350, 25500, 25650, 25800, 25950, 26100, 26250, 26400, 26550, 26700, 26850, 27000, 27150, 27300, 27450, 27600, 27750, 27900, 28050, 28200, 28350, 28500, 28650, 28800, 28950, 29100, 29250, 29400, 29550, 29700, 29850, 30000, 30150, 30300, 30450, 30600, 30750, 30900, 31050, 31200, 31350, 31500, 31650, 31800, 31950, 32100, 32250, 32400, 32550, 32700, 32850, 33000, 33150, 33300, 33450, 33600, 33750, 33900, 34050, 34200, 34350, 34500, 34650, 34800, 34950, 35100, 35250, 35400, 35550, 35700, 35850, 36000, 36150, 36300, 36450, 36600, 36750, 36900, 37050, 37200, 37350, 37500, 37650, 37800, 37950, 38100, 38250, 38400, 38550, 38700, 38850, 39000, 39150, 39300, 39450, 39600, 39750, 39900, 40050, 40200, 40350, 40500, 40650, 40800, 40950, 41100, 41250, 41400, 41550, 41700, 41850, 42000, 42150, 42300, 42450, 42600, 42750, 42900, 43050, 43200, 43350, 43500, 43650, 43800, 43950, 44100, 44250, 44400, 44550, 44700, 44850, 45000, 45150, 45300, 45450, 45600, 45750, 45900, 46050, 46200, 46350, 46500, 46650, 46800, 46950, 47100, 47250, 47400, 47550, 47700, 47850, 48000, 48150, 48300, 48450, 48600, 48750, 48900, 49050, 49200, 49350, 49500, 49650, 49800, 49950, 50100, 50250, 50400, 50550, 50700, 50850, 51000, 51150, 51300, 51450, 51600, 51750, 51900, 52050, 52200, 52350, 52500, 52650, 52800, 52950, 53100, 53250, 53400, 53550, 53700, 53850, 54000, 54150, 54300, 54450, 54600, 54750, 54900, 55050, 55200, 55350, 55500, 55650, 55800, 55950, 56100, 56250, 56400, 56550, 56700, 56850, 57000, 57150, 57300, 57450, 57600, 57750, 57900, 58050, 58200, 58350, 58500, 58650, 58800, 58950, 59100, 59250, 59400, 59550, 59700, 59850, 60000, 60150, 60300, 60450, 60600, 60750, 60900, 61050, 61200, 61350, 61500, 61650, 61800, 61950, 62100, 62250, 62400, 62550, 62700, 62850, 63000, 63150, 63300, 63450, 63600, 63750, 63900, 64050, 64200, 64350, 64500, 64650, 64800, 64950, 65100, 65250, 65400, 65550, 65700, 65850, 66000, 66150, 66300, 66450, 66600, 66750, 66900, 67050, 67200, 67350, 67500, 67650, 67800, 67950, 68100, 68250, 68400, 68550, 68700, 68850, 69000, 69150, 69300, 69450, 69600, 69750, 69900, 70050, 70200, 70350, 70500, 70650, 70800, 70950, 71100, 71250, 71400, 71550, 71700, 71850, 72000, 72150, 72300, 72450, 72600, 72750, 72900, 73050, 73200, 73350, 73500, 73650, 73800, 73950, 74100, 74250, 74400, 74550, 74700, 74850, 75000, 75150, 75300, 75450, 75600, 75750, 75900, 76050, 76200, 76350, 76500, 76650, 76800, 76950, 77100, 77250, 77400, 77550, 77700, 77850, 78000, 78150, 78300, 78450, 78600, 78750, 78900, 79050, 79200, 79350, 79500, 79650, 79800, 79950, 80100, 80250, 80400, 80550, 80700, 80850, 81000, 81150, 81300, 81450, 81600, 81750, 81900, 82050, 82200, 82350, 82500, 82650, 82800, 82950, 83100, 83250, 83400, 83550, 83700, 83850, 84000, 84150, 84300, 84450, 84600, 84750, 84900, 85050, 85200, 85350, 85500, 85650, 85800, 85950, 86100, 86250, 86400, 86550, 86700, 86850, 87000, 87150, 87300, 87450, 87600, 87750, 87900, 88050, 88200, 88350, 88500, 88650, 88800, 88950

1) S 07°35'13" W, a distance of 609.30 feet to a 1/2-inch iron rod with cap stamped "BGE INC." set for an angle point;

- 2) S 08°53'50" W, a distance of 25.75 feet to a 5/8-inch iron rod found; and
- 3) S 81°13'49" W, a distance of 20.77 feet to a 1/2-inch iron rod with cap stamped "RUE INC." set for the northeast corner of the called 50 acre tract conveyed to Leadshire Investments, LP in the Special Warranty Deed recorded in Document Number 2010007504 of the Official Public Records of Williamson County, Texas.

TENNESSEE, coincident with the west line of said 50 acre tract and solid wooded east right-of-way line of Branston Boulevard, S. 07°5'27" W., a distance of 1,445.98 feet to a 1/2-inch iron rod with cap stamped "B-INC INC." set for the easterly south corner of the herein described tract;

TENNESSEE, leaving the end of said 50 acre tract, over and across said wooded right-of-way of Branston Boulevard and said 136.141 acre tract, N. 82°4'03" E., a distance of 661.59 feet to a 1/2-inch iron rod with one flat-topped, 1/2 inch diameter steel bolt secured by nut and washer to the top of the ground surface at each corner of the herein described tract;

THENCE, continuing over and across said 130,141 acre tract, N 07°45'37" E, a distance of 5.00 feet to a 1/2-inch iron rod with cap stamped "50E INC" set for a southerly interior corner of the herein described tract.

[illegible]

HENCE, partly over and across said 46-ft. arc tract and said 130-ft. arc tract along said curve to the left, an arc distance of 23.58 feet, having a radius of 15.00 feet, a central angle of 90°00' and a chord which bears S 37°14'00" E, a distance of 21.21 feet to a 1/2-inch iron rod with cap stamped 902 NC.

THENCE, casting over and across said 130.141 acre tract, S 07°46'05" W, a distance of 30.00 feet to a 1/2-inch iron rod with cap stamped "902 INC" set at the point of curvature of a curve to the left;

THENCE, continuing over and across said 46.68 acre tract, N 82°4'20" W, a distance of 80.00 feet to a 1/2-inch iron rod with cap stamped "80C INC" set for a southerly exterior corner of the herein described tract and the point of curvature of a curve to the left;

FINAL PLAT COTTONWOOD PHASE 1

A SUBDIVISION OF 45.597 ACRES OF LAND
LOCATED IN THE
WILLIAM GATLIN SURVEY, ABSTRACT NO. 271
WILLIAMSON COUNTY, TEXAS

BGE, Inc.
7330 San Pedro Ave., Suite 202
San Antonio, TX 78216
Tel: 210-531-3600 • www.bgeinc.com
TSP/ELS Registration No. F-1046
TSP/ELS Licensed Succession Firm No. 10766502

SHEET 5 of 6

[illegible]

[illegible]

INDENTURE OF TRUST

By and Between

CITY OF HUTTO, TEXAS

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
AS TRUSTEE**

DATED AS OF SEPTEMBER __, 2021

SECURING

\$_____

**CITY OF HUTTO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(COTTONWOOD CREEK PUBLIC IMPROVEMENT
DISTRICT IMPROVEMENT AREA #1 PROJECT)**

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION	4
Section 1.1. Definitions.	4
Section 1.2. Findings.	14
Section 1.3. Table of Contents, Titles and Headings.....	14
Section 1.4. Interpretation.....	14
ARTICLE II THE BONDS	15
Section 2.1. Security for the Bonds.	15
Section 2.2. Limited Obligations.	15
Section 2.3. Authorization for Indenture.	16
Section 2.4. Contract with Owners and Trustee.	16
ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS	16
Section 3.1. Authorization.	16
Section 3.2. Date, Denomination, Maturities, Numbers and Interest.	16
Section 3.3. Conditions Precedent to Delivery of Bonds.	17
Section 3.4. Medium, Method and Place of Payment.....	18
Section 3.5. Execution and Registration of Bonds.	19
Section 3.6. Ownership.....	20
Section 3.7. Registration, Transfer and Exchange.....	20
Section 3.8. Cancellation.	21
Section 3.9. Temporary Bonds.	21
Section 3.10. Replacement Bonds.	22
Section 3.11. Book-Entry Only System.....	233
Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.....	23
Section 3.13. Payments to Cede & Co.....	24
ARTICLE IV REDEMPTION OF BONDS BEFORE MATURITY	24
Section 4.1. Limitation on Redemption	24
Section 4.2. Mandatory Sinking Fund Redemption.....	24
Section 4.3. Optional Redemption.....	25
Section 4.4. Extraordinary Optional Redemption.....	25
Section 4.5. Partial Redemption.	25
Section 4.6. Notice of Redemption to Owners.	26
Section 4.7. Payment Upon Redemption.....	26
Section 4.8. Effect of Redemption.....	27
ARTICLE V FORM OF THE BONDS.....	27
Section 5.1. Form Generally	27
Section 5.2. Form of the Bonds.	27
Section 5.3. CUSIP Registration	34

Section 5.4.	Legal Opinion.....	35
ARTICLE VI	FUNDS AND ACCOUNTS.....	35
Section 6.1.	Establishment of Funds and Accounts.....	35
Section 6.2.	Initial Deposits to Funds and Accounts	36
Section 6.3.	Pledged Revenue Fund	36
Section 6.4.	Bond Fund	37
Section 6.5.	Project Fund.....	38
Section 6.6.	Redemption Fund.....	39
Section 6.7.	Reserve Fund	39
Section 6.8.	Rebate Fund: Rebatable Arbitrage.....	41
Section 6.9.	Administrative Fund.	42
Section 6.10.	Investment of Funds	42
Section 6.11.	Security of Funds.....	43
ARTICLE VII	COVENANTS.....	44
Section 7.1.	Confirmation of Improvement Area #1 Assessments.....	44
Section 7.2.	Collection and Enforcement of Improvement Area #1 Assessments.	44
Section 7.3.	Against Encumbrances.	44
Section 7.4.	Records, Accounts, Accounting Reports.	45
Section 7.5.	Covenants Regarding Tax Exemption of Interest on Bonds.	45
ARTICLE VIII	LIABILITY OF CITY	48
Section 8.1.	Liability of City.	488
ARTICLE IX	THE TRUSTEE.....	49
Section 9.1.	Acceptance of Trust; Trustee as Registrar and Paying Agent.	49
Section 9.2.	Trustee Entitled to Indemnity.	50
Section 9.3.	Responsibilities of the Trustee.....	50
Section 9.4.	Property Held in Trust.	52
Section 9.5.	Trustee Protected in Relying on Certain Documents.	52
Section 9.6.	Compensation.	53
Section 9.7.	Permitted Acts.	53
Section 9.8.	Resignation of Trustee.....	53
Section 9.9.	Removal of Trustee.....	54
Section 9.10.	Successor Trustee.	54
Section 9.11.	Transfer of Rights and Property to Successor Trustee.	55
Section 9.12.	Merger, Conversion or Consolidation of Trustee.	56
Section 9.13.	Trustee To File Continuation Statements.	56
Section 9.14.	Offering Documentation.....	56
Section 9.15.	Expenditure of Funds and Risk.....	56
Section 9.16.	Environmental Hazards	56
Section 9.17.	Accounts, Periodic Reports and Certificates.	57
Section 9.18.	Construction of Indenture.....	57
ARTICLE X	MODIFICATION OR AMENDMENT OF THIS INDENTURE.....	57
Section 10.1.	Amendments Permitted.	57

Section 10.2. Owners' Meetings.	59
Section 10.3. Procedure for Amendment with Written Consent of Owners.	59
Section 10.4. Procedure for Amendment Not Requiring Owner Consent.	59
Section 10.5. Effect of Supplemental Indenture.	60
Section 10.6. Endorsement or Replacement of Bonds Issued After Amendments.	60
Section 10.7. Amendatory Endorsement of Bonds.	61
Section 10.8. Waiver of Default.	61
Section 10.9. Execution of Supplemental Indenture.	61
ARTICLE XI DEFAULT AND REMEDIES	61
Section 11.1. Events of Default.	61
Section 11.2. Immediate Remedies for Default.	62
Section 11.3. Restriction on Owner's Action.	63
Section 11.4. Application of Revenues and Other Moneys After Default.	63
Section 11.5. Effect of Waiver.	64
Section 11.6. Evidence of Ownership of Bonds.	64
Section 11.7. No Acceleration.	65
Section 11.8. Mailing of Notice.	65
Section 11.9. Exclusion of Bonds Similarly Secured.	65
Section 11.10. Remedies Not Exclusive.	65
Section 11.11. Direction By Owner.	65
ARTICLE XII GENERAL COVENANTS AND REPRESENTATIONS	66
Section 12.1. Representations as to Pledged Revenues.	66
Section 12.2. General.	67
ARTICLE XIII SPECIAL COVENANTS	67
Section 13.1. Further Assurances; Due Performance.	67
Section 13.2. Other Obligations or Other Liens; Future Bonds.	67
Section 13.3. Books of Record.	68
ARTICLE XIV PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE.....	68
Section 14.1. Trust Irrevocable.	68
Section 14.2. Satisfaction of Indenture.	68
Section 14.3. Bonds Deemed Paid.	68
ARTICLE XV MISCELLANEOUS	69
Section 15.1. Benefits of Indenture Limited to Parties.	69
Section 15.2. Successor is Deemed Included in All References to Predecessor.	70
Section 15.3. Execution of Documents and Proof of Ownership by Owners.	70
Section 15.4. No Waiver of Personal Liability.	70
Section 15.5. Notices to and Demands on City and Trustee.	71
Section 15.6. Partial Invalidity.	71
Section 15.7. Applicable Laws; Jurisdiction.	72
Section 15.8. Payment on Business Day.	72
Section 15.9. Counterparts.	72

Section 15.10. No Boycott of Israel; No Terrorist Organization.....	71
Section 15.11. No Discrimination Against Firearm Entity or Trade Association.....	72
Section 15.12. Verification Regarding Energy Company Boycotts.....	72
Section 15.13. Electronic Storage.....	73

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

INDENTURE OF TRUST

THIS INDENTURE, dated as of September __, 2021, is by and between the CITY OF HUTTO, TEXAS (the "*City*"), and Wilmington Trust, National Association, 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, Chapter 372, Texas Local Government Code, as amended (the "*PID Act*"), requesting the creation of a public improvement district located within the corporate limits of the City to be known as Cottonwood Creek Crossing Public Improvement District; and

WHEREAS, on April 1, 2021, the City Council (the "*City Council*") authorized the formation of the Cottonwood Creek Public Improvement District (the "*District*" or "*PID*") pursuant to Resolution No. R-2021-029 (the "*Creation Resolution*") in accordance with the PID Act;

WHEREAS, the petition contained the signatures of the record owners of taxable real property representing more than 50% of the appraised value of the real property liable for assessments within the District, as determined by the then current ad valorem tax rolls of the Williamson Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than 50% of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on March 18, 2021, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on April 1, 2021, the City Council made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. R-2021-029, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of the Creation Resolution, the City published notice of its authorization of the District in the *Taylor Press*, a newspaper of general circulation in the City; and

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

WHEREAS, on April 1, 2021, the City approved an amended and restated development agreement by and between the City and the Developer (as defined herein) to establish the development and improvement standards for the District; and

WHEREAS, on June 3, 2021, the City Council adopted a resolution approving the execution of the Reimbursement Agreement to reimburse the Developer for the portion of the

Improvement Area #1 Improvement Costs not financed by the proceeds of the Bonds to be paid for by and pursuant to the Reimbursement Agreement and the Financing and Reimbursement Agreement; and

WHEREAS, the City, pursuant to Section 372.016(b) of the PID Act, published notice on May 23, 2021 of a public hearing in a newspaper of general circulation in the City to consider the proposed "*Improvement Area #1 Assessment Roll*" and the "*Service and Assessment Plan*" and the "Improvement Area #1" levy of the "*Improvement Area #1 Assessments*" in the amount of \$10,215,000 on property in the District (all as defined herein); 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 #1 Assessment Roll and the Service and Assessment Plan and the levy of Improvement Area #1 Assessments on property in the District to the last known address of the owners of the property liable for the Improvement Area #1 Assessments; and

WHEREAS, the City Council convened the hearing on June 3, 2021, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Improvement Area #1 Assessment Roll, and the Improvement Area #1 Assessments, and to offer testimony pertinent to any issue presented on the amount of the Improvement Area #1 Assessments, the allocation of Actual Costs, the purposes of the Improvement Area #1 Assessments, the special benefits of the Improvement Area #1 Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Improvement Area #1 Assessments; and

WHEREAS, at the public hearing referenced in the preceding paragraph, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Actual Costs, the Improvement Area #1 Assessment Roll, or the levy of the Improvement Area #1 Assessments; and

WHEREAS, the City Council closed the hearing and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, at a meeting held on June 3, 2021, respectively, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Improvement Area #1 Assessment Roll and levied the Improvement Area #1 Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Improvement Area #1 Assessments for the purpose of paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of District Formation Expenses, and (3) the Bond Issuance Costs of the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project)" (the

"Bonds"), such Bonds being payable solely from the Improvement Area #1 Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

THIRD GRANTING CLAUSE

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

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

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

PROVIDED, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds 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 remain in full force and effect;

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. **Definitions.**

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

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

"*Actual Cost(s)*" means, with respect to the Public Improvements, the actual costs paid or incurred by or on behalf of the Developer: (1) to plan, design, acquire, construct, install, and dedicate such improvements to the City, 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 4.0% 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 additional 0.50% interest charged on the Improvement Area #1 Assessments as authorized by Section 372.018 of the PID Act.

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

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

"*Annual Collection Costs*" means 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 Bonds Similarly Secured; (6) investing or depositing Assessments and Annual Installments; (7) complying with this Service and Assessment Plan and the PID Act with respect to the issuance and sale of Bonds Similarly Secured, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with Bonds Similarly Secured, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"*Annual Installment*" means the annual installment payment of an 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.

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

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

"*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 Ordinance No. O-2021-032 adopted by the City Council on June 3, 2021, that levied the Improvement Area #1 Assessments, and any additional ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment on Assessed Property within Improvement Area #1 of the District, as shown on any Assessment Roll.

"*Assessed Property*" or "*Assessed Properties*" means property within Improvement Area #1 of the District that benefits from an Authorized Improvement and on which Assessments have been levied as shown on an Assessment Roll (as the same may be updated each year by an update to a Service and Assessment Plan).

"*Assessment Revenues*" means the revenues received by the City from the collection of Improvement Area #1 Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"*Assessment Roll(s)*" means any assessment roll for the Assessed Property within the District, including the Improvement Area #1 Assessment Roll included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of Bonds Similarly Secured, or in connection with any Annual Service Plan Update.

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

"*Authorized Denomination*" means \$100,000 and any integral multiple of \$1,000 in excess thereof. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and, unless made pursuant to Section 4.5 herein, any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements*" means all costs to be paid with Assessments, including Public Improvements, Bond Issuance Costs and District Formation Expenses.

"*Bond*" means any of the Bonds.

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

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

"*Bond Fund*" means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4.

"*Bond Issuance Costs*" means the costs associated with issuing Bonds Similarly Secured, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of Bonds Similarly Secured.

"*Bond Ordinance*" means Ordinance No. O-2021-____ adopted by the City Council on _____, 2021, authorizing the issuance of the Bonds pursuant to this Indenture.

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

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Hutto, Texas, Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project)."

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

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

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

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

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

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

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

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

"Continuing Disclosure Agreement of the Developer" means the agreement executed between the Developer, Administrator and dissemination agent in connection with the issuance of the Bonds pursuant to which the Developer agrees to provide certain information regarding the development of the District and the Improvement Area #1 Improvements for the benefit of the owners of the Bonds.

"Continuing Disclosure Agreement of the Issuer" means the agreement executed between the Issuer, Administrator and the dissemination agent for the benefit of the Owners of the Bonds (including owners of beneficial interests of the Bonds), to provide, by certain dates prescribed in the Continuing Disclosure Agreement of the Issuer to provide periodic information and notices of material events regarding the Issuer in accordance with Securities and Exchange Commission Rule 15c2-12.

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

"Delinquency & Prepayment Reserve Requirement" means an amount equal to ____% of the principal amount of the then Outstanding Bonds Similarly Secured, which amount will be funded from Improvement Area #1 Assessments and Annual Installments deposited to the Pledged Revenue Fund for subsequent transfer to the Delinquency & Prepayment Reserve Account of the Reserve Fund in accordance with the terms of this Indenture.

"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 the 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 designated by the Paying Agent/Registrar, initially Dallas, Texas and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Developer" means Lennar Homes of Texas Land and Construction, Ltd., a Texas Limited Partnership, and its successors and assigns, which currently owns Improvement Area #1.

"District Formation Expenses" means the costs associated with forming the District, including but not limited to 1st year Annual Collection Costs, and any other cost or expense directly associated with the establishment of the District.

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

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

"Financing and Reimbursement Agreement" means the Cottonwood Creek Public Improvement District Financing and Reimbursement Agreement between the City and the Developer, dated as of June 3, 2021, as may have been or may be further amended and supplemented from time to time.

"Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Improvement Area #1 Assessments, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs.

"Fund", in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and "Funds", in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

"Future Bonds" means any Future Bonds issued pursuant to a separate indenture, subject to the conditions within Article V of the Financing and Reimbursement Agreement, for a Future Improvement Area secured by Future Improvement Area Assessments levied on assessed parcels within the Future Improvement Area(s) to fund Authorized Improvements.

"Future Improvement Area(s)" means any Improvement Area so designated within the remaining approximately 166.319 acres of land within the District (the District less the acreage comprising Improvement Area #1) available to fund Public Improvements within a Future Improvement Area.

"Future Improvement Area Assessments" means the assessments levied on assessed parcels within the Future Improvement Area(s) to fund Public Improvements.

"Improvement Area(s)" means each improvement area within the District consisting of "Improvement Area #1," and any Future Improvement Area in the Service and Assessment Plan, or any update thereto.

"Improvement Area #1" means the approximately 186.341 acres located within the District, as described in the Service and Assessment Plan.

"Improvement Area #1 Assessed Property" means property on which Improvement Area #1 Assessments have been levied as shown on the Improvement Area #1 Assessment Roll (as the same may be updated each year by an Annual Service Plan Update) and which includes any and all Parcels within Improvement Area #1 other than Non-Benefited Property as defined in the Service and Assessment Plan.

"Improvement Area #1 Assessment Roll" means the document attached as Exhibit F to the Service and Assessment Plan, showing the total amount of the Improvement Area #1 Assessments, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.

"Improvement Area #1 Assessments" means the assessments levied against Improvement Area #1 Assessed Property in the District, as provided for in the applicable Assessment Ordinance and in the Service and Assessment Plan, and any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

"Improvement Area #1 Improvements" means those Public Improvements that only benefit Improvement Area #1.

"Improvement Area #1 Projects" means Improvement Area #1 Improvements, Improvement Area #1's allocable share of District Formation Expenses and Bond Issuance Costs as calculated and described in the Service and Assessment Plan.

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

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

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

"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing March 1, 2022.

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

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

"Outstanding" means, as of any particular date when used with reference to Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture

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

"*Owner*" or "*Holder*" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11. The term "*Owner*" or "*Holder*", when used in connection with the Bonds Similarly Secured, shall also include the Person who is the registered owner of a Bond Similarly Secured under the terms of any indenture relating thereto.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the Improvement Areas, including Improvement Area #1, identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the real property records of Williamson County or by any other means determined by the City.

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

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

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

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

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

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of the Improvement Area #1 Assessments and Annual Installments collected for the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds or other Bonds Similarly Secured.

"*Prepayment*" means the payment of all or a portion of an Improvement Area #1 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

Improvement Area #1 Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Annual Installment of the Improvement Area #1.

"Prepayment Costs" means interest and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

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

"Public Improvements" means the public improvements authorized by the PID Act, including the public improvements as described in Section III.A of the Service and Assessment Plan.

"Purchaser" means the initial purchaser of the Bonds.

"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 then 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.

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

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

"Reimbursement Agreement" means the Cottonwood Creek Public Improvement District Reimbursement Agreement (Improvement Area #1) between the City and the Developer, dated as of June 3, 2021, as may have been or may be further amended and supplemented from time to time.

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

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

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

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

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

"*Reserve Account Requirement*" means the least of: (i) Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured as of the date of issuance, and (iii) 10% of the proceeds of the Bonds Similarly Secured; provided, however, that such amount shall be reduced as a result of (1) an optional redemption pursuant to Section 4.3 or (2) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds Similarly Secured redeemed by such redemption divided by the total principal amount of the Outstanding Bonds Similarly Secured prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$ _____ which is an amount equal to Maximum Annual Debt Service on the Bonds Similarly Secured as of the date of issuance. The City Representative shall provide the Trustee with written confirmation of the Reserve Account Requirement and any modifications related thereto.

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

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Improvement Area #1 Assessment Roll, which is attached as Exhibit A to the Assessment Ordinance, as amended and restated, as may be updated, amended and supplemented from time to time.

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

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

"*State*" means the State of Texas.

"*Stated Maturity*" means the date the Bonds, or any portion of the Bonds, 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.

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

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture.

"*Trustee*" means Wilmington Trust, N.A., Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds Similarly Secured.

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

Section 1.2. **Findings.**

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

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

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

Section 1.4. **Interpretation.**

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

words of the singular number shall be construed to include correlative words of the plural number and vice versa.

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

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

(d) When used in Article XI of this Indenture in connection with the Bonds Similarly Secured, any reference to this Indenture, Article XI of this Indenture or any Section thereunder, and/or any events of default or remedies set forth therein, such terms and references shall be read and interpreted to include any indenture relating to any Bonds Similarly Secured, the related Article or Section in such indenture, and/or the events of default and remedies set forth therein.

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

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

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

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of 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 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 this 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 this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds Similarly Secured are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged

Funds; and the Bonds Similarly Secured shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

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

Section 2.4. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of District Formation Expenses, and (3) the Bond Issuance Costs of the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds.

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

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

(b) Interest shall accrue and be paid on each Bond from the later of the Bond Date or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022, computed on the basis of a 360-day year of twelve 30-day months.

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

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

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

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

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:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of the executed Financing and Reimbursement Agreement and any amendments
- (d) a copy of the executed Reimbursement Agreement and any amendments;
- (e) a copy of a Continuing Disclosure Agreement of the Issuer between the City, the Administrator and the dissemination agent thereunder and a Continuing Disclosure Agreement of the Developer between the Developer, the Administrator and the dissemination agent thereunder;

- (f) a copy of this Indenture executed by the Trustee and the City;
- (g) an executed 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;
- (h) an executed signature and no-litigation certificate of the City;
- (i) executed opinions of Bond Counsel and the City Attorney; and
- (j) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

Section 3.4. Medium, Method and Place of Payment.

- (a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
- (d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
- (e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.
- (f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied

to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor, Mayor Pro-Tem and 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 shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

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

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

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

Section 3.6. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the

purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee or the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

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

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond 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 in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

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

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

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

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

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

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

Section 3.8. Cancellation.

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

Section 3.9. Temporary Bonds.

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

Section 3.10. **Replacement Bonds.**

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

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

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

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and 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, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by 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 has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

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

Section 3.11. Book-Entry Only System.

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

(b) With respect to Bonds 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. 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, (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, 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. 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 is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

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

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds 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 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

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

Term Bonds Maturing _____, 20__	
<u>Redemption Date</u>	<u>Principal Amount</u>

†Final Maturity

(b) At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select, in accordance with Section 4.5, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such

Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

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

(d) The principal amount of Term 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 Term Bonds which, at least 30 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

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

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any date, at the Redemption Price, from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(c)) or any other transfers to the Redemption Fund under the terms of this Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000 by lot, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond except as provided in the following sentence. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at the time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the minimum Authorized Denomination for such Bond.

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

Section 4.6. Notice of Redemption to Owners.

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

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

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

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

Section 4.7. Payment Upon Redemption.

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

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

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the principal amount plus accrued unpaid

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. Form of the Bonds.

(a) Form of Bond.

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

REGISTERED
NO. _____

United States of America
State of Texas

REGISTERED
\$_____

CITY OF HUTTO, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 20____
(COTTONWOOD CREEK PUBLIC IMPROVEMENT
DISTRICT IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	_____, 20__	_____, 2021	_____

The City of Hutto, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1, and September 1, of each year, commencing March 1, 2022.

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 Dallas, Texas (the "*Designated Payment/Transfer Office*"), of Wilmington Trust, N.A., as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for

such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of the Date of Delivery and issued in the aggregate principal amount of \$10,215,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of _____, 2021 (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 paying a portion of (1) the Actual Costs of the Improvement Area #1 Improvements, (2) Improvement Area #1's allocable share of District Formation Expenses, and (3) the Bond Issuance Costs of the Bonds, including funding a reserve fund for the payment of principal of and interest on the Bonds and (4) the interest on the Bonds during and after the period of construction.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

The City has reserved the right to issue Refunding Bonds and other obligations on the terms and conditions specified in 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 maturing on September 1 in the years _____ (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

†Final Maturity

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

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

redeemed shall be selected and designated by the City, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any date, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture. If less than all Bonds are called for extraordinary optional redemption, the Bonds or portion of a Bond to be redeemed shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Refunding Bonds and Future Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, WILLIAMSON COUNTY, OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

City Secretary, City of Hutto, Texas

Mayor, City of Hutto, Texas

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

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

Wilmington Trust, N.A., as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) the Initial Bond shall be numbered T-1; and

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

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

Section 5.3. CUSIP Registration.

The City may secure identification numbers through CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The City prohibits any Bond to be issued in a denomination of less than \$100,000 and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$100,000, and any attempt to accomplish either of the foregoing shall be void and of no effect, except as provided in Section 4.5 hereof. The Trustee may include in any

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

Section 5.4. Legal Opinion.

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

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

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

(b) Creation of Accounts and Subaccounts.

Fund:

- (i) The following Accounts are hereby created and established under the Bond

- (A) Principal and Interest Account.

Reserve Fund:

- (ii) The following Accounts are hereby created and established under the

- (A) Reserve Account; and

- (B) Delinquency & Prepayment Reserve Account.

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

(A) Improvement Account; and

(B) Costs of Issuance Account.

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

(A) Bond Pledged Revenue Account.

(c) Each Fund, each Account and each 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. Amounts on deposit in the Funds, Accounts and Subaccounts shall be used solely for the purposes set forth herein.

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

Section 6.2. Initial Deposits to Funds and Accounts.

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

- (i) to the Reserve Account of the Reserve Fund \$_____ which is equal to the initial Reserve Account Requirement;
- (ii) to the Costs of Issuance Account of the Project Fund: \$_____;
- (ii) to the Improvement Account of the Project Fund: \$_____; and
- (iv) to the Administrative Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Pledged Revenues, as set forth in the Service and Assessment Plan. Specifically, the Trustee shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account

to equal the Reserve Account Requirement, (iii) third to pay other Actual Costs of the Improvement Area #1 Projects, and (iv) fourth to pay other costs permitted by the PID Act. Notwithstanding the foregoing, the Additional Interest of the Annual Installments shall only be utilized for the purposes set forth in Section 6.7(a-1) hereof and, on each March 1, beginning March 1, 2022, and on any other day set forth in a City Certificate, the amount of Additional Interest of the Annual Installments confirmed by the City pursuant to a City Certificate, will be deposited into the Delinquency & Prepayment Reserve Account and/or the Redemption Fund, as applicable.

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

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

(d) Upon receipt of Foreclosure Proceeds, the Trustee shall transfer such amount of Foreclosure Proceeds determined in writing by the City, first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Foreclosure Proceeds relate, second, to replenish the Delinquency and Prepayment Reserve Requirement, and third, to the Redemption Fund.

(e) After satisfaction of the requirement to provide for the payment of the principal of and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, at the written request of the City, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which Improvement Area #1 Assessments may be used under the PID Act. The Trustee may rely upon any such request of the City and shall have no obligation to determine the lawful purposes permitted under the PID Act.

Section 6.4. Bond Fund.

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

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to

cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Actual Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. Each such City Certificate shall include a list of the payees and the payments (not to exceed) to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such written request and the Trustee may rely on such payment instructions though given by the City with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Section 6.5(d) and (f), money on deposit in the Improvement Account shall be used solely to pay Actual Costs provided the Trustee shall have no responsibility for the application of any funds disbursed from the Improvement Account in reliance upon a Certification for Payment approved by the City.

(d) If the City Representative determines in the City Representative's reasonable discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Projects such that, in the reasonable opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

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

(f) Upon the filing of a City Certificate stating that all of the Improvement Area #1 Projects have been completed and that all Actual Costs have been paid, or that any Actual Costs of the Improvement Area #1 Projects are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Certificate filed with the Trustee. Upon such transfers, the Improvement Account of the Project Fund shall be closed.

(g) Upon the Trustee's receipt of a written determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account or Subaccount in the Project Fund and used to pay Actual Costs of the Improvement Area #1 Projects or to the Principal and Interest Account and used to pay interest on the Bonds, as directed in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.

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

(b) Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency & Prepayment Reserve Account on March 1 of each year, commencing March 1, 2022, and on any other day set forth in a City Certificate, an amount equal to the Additional Interest until the Delinquency & Prepayment Reserve Requirement has been accumulated in the Delinquency & Prepayment Reserve Account. Once the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account, any amounts in excess of the Delinquency & Prepayment Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds Similarly Secured as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency & Prepayment Reserve Account is less than Delinquency & Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency & Prepayment Reserve Account until the Delinquency & Prepayment Reserve Requirement has accumulated in the Delinquency & Prepayment Reserve Account. In determining the amounts to

be transferred pursuant to this Section, the Trustee may conclusively rely on a City Certificate specifying the amounts to transfer.

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

(d) In the event of an extraordinary optional redemption of Bonds Similarly Secured pursuant to Section 4.4, the Trustee, pursuant to written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds Similarly Secured to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds Similarly Secured to the date fixed for redemption of the Bonds Similarly Secured to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency & Prepayment Reserve Account 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 request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4, unless prior to the next Interest Payment Date, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds Similarly Secured or (iii) to the Project Fund to pay Actual Costs of the Improvement Area #1 Projects if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e-1) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Delinquency & Prepayment Reserve Account exceeds the Delinquency & Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall transfer such excess pursuant to Section 6.7(b) hereof.

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

(g) At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Delinquency & Prepayment Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds Similarly Secured.

(h) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(i) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds Similarly Secured on the next date the Bonds Similarly Secured may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds Similarly Secured as of such date, the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds Similarly Secured on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

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

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

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

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Improvement Area #1 Assessments and Annual Installments allocated to the payment of Annual Collection Costs and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate

solely for the purposes set forth in the Service and Assessment Plan, including payment of Annual Collection Costs and Delinquent Collection Costs or may be withdrawn by the Trustee without further authorization for the payment of the fees, expenses, advances and indemnities owed to the Trustee in accordance with Section 9.6. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds Similarly Secured.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Account, shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Account shall be invested in such Investment Securities as directed by the City pursuant to a City Certificate filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Certificate shall be a certification that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence and the Trustee shall not be responsible for determining such requirements. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold, in order to make the disbursements required or permitted by this Indenture, to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee shall invest and re-invest cash balances in the Wilmington U.S. Government Money Market Fund – Institutional Share Class, CUSIP No. 97181C605, or other money market mutual funds that are rated in either of the two highest categories by a rating agency, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services, until directed otherwise by the City Certificate.

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

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee may make any and all such

investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments. The Trustee is not providing investment supervision, recommendation, or advice in acting pursuant to the provisions hereof.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatable Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Certificate, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatable Arbitrage owed by the City. The City Certificate shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Improvement Area #1 Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Improvement Area #1 Assessments against the property in Improvement Area #1 of the District from which the Assessment Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Improvement Area #1 Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding and amounts are due to the Developer under the Financing and Reimbursement Agreement or Reimbursement Agreement to reimburse it for its funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects, the City covenants, agrees and warrants that it will take and pursue all reasonable actions permissible under Applicable Laws to cause the Improvement Area #1 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 #1 Assessments.

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

(c) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Improvement Area #1 Assessments or the corresponding property.

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

Section 7.3. Against Encumbrances.

(a) The City shall not create and shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, or any Refunding Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

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

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds Similarly Secured are Outstanding, it will keep and maintain a proper and complete system of records and accounts pertaining to the Improvement Area #1 Assessments. The Trustee and holder or holders of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds is issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code;

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds has been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and,

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code.

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent

that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor or Mayor Pro-Tem to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Actual Costs Improvement Area #1 Projects on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #1 Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. Liability of City.

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds Similarly Secured, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds Similarly Secured or

any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds Similarly Secured or other obligations relating to the District, other than as specifically provided for in this Indenture.

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

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

(d) No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Trust Estate) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action

taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other independent person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

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

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds Similarly Secured agree. The Trustee undertakes to perform such duties and only such duties as are specifically set forth herein. No implied covenants or obligations shall be read into this Indenture against the Trustee.

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

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making scheduled debt service payments prior to the occurrence of a default, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to

be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Administrative Fund to pay all fees, costs, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder on amounts held within the Administrative Fund.

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; or (v) any loss suffered in connection with any investment of funds.

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

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Project. If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(d) The Trustee shall not be liable for any action taken, or errors of judgment made in good faith by any one of its officers, agents, or employees unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts.

(e) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(f) The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee has actual knowledge thereof or shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by the Owners of at least Quarter in Interest of the Bonds Similarly

Secured at that time. The Trustee may assume conclusively that there is no Event of Default, except as noted above.

(g) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.

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

(i) The Trustee may act through attorneys or agents and shall not be responsible for the acts or omissions of any such attorney or agent appointed with due care.

(j) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the City, the Developer, or any of their directors, members, officers, agents, affiliates or employees, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

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

(l) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; it being understood that the Trustee shall use its best efforts to resume performance as soon as practicable under the circumstances.

Section 9.4. Property Held in Trust.

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

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, resolution, direction, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may, at the expense of the City, consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative. the Trustee shall be entitled to conclusively rely upon the foregoing as sufficient evidence of the facts set forth herein. The execution of any City Certificate shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent thereto have occurred.

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

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it

hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, which, with respect to ordinary fees and expenses incurred prior to an Event of Default hereunder, shall be transferred pursuant to a City Certificate and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Certificate, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund prior to any Bonds Similarly Secured Outstanding. Following an Event of Default, the foregoing limitation on expenses shall not apply, however any such fees or expenses must be reasonable. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any moneys in its possession in the Administrative Fund and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder. In the event that the Trustee renders any service not contemplated in this Agreement, or if any material controversy arises hereunder, or the Trustee is made a party to any litigation pertaining to this Agreement or the subject matter hereof, then the Trustee shall be compensated for such extraordinary services and any services or work performed by the Trustee in connection with any delay, controversy, litigation or event, and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. The right of the Trustee to fees, expense, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.7. Permitted Acts.

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

Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bonds Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

Section 9.9. Removal of Trustee.

The Trustee may be removed by giving not fewer than 30 days' notice, specifying the date when such removal shall take effect at any time by (i) the Owners of at least 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, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than 10% of the aggregate principal amount of Bonds Similarly Secured then Outstanding.

Section 9.10. Successor Trustee.

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 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.

(c) Until such successor Trustee shall have been appointed by the Owners 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.

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

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

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

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

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor and upon receipt of its outstanding charges, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

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

Section 9.13. Trustee To File Continuation Statements.

The City will cause to be filed all appropriate financing statements. If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may

be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "*UCC*"), in order to continue perfection of the security interest and rights of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC. Unless otherwise notified in writing by the City or an Owner, the Trustee may conclusively rely upon the initial financing statements in filing any continuation statements hereunder. The Trustee shall have no responsibility to file financing statements or continuation statements other than to file continuation statements that are delivered to it.

If applicable, but immediately upon its receipt thereof, the City, or an authorized third-party representative thereof, shall deliver to the Trustee file-stamped copies of each UCC initial financing statement recorded in the jurisdictions applicable thereto.

The Trustee's UCC filing requirements are limited to those responsibilities as set forth in this Section 9.13.

Section 9.14 Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.15 Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.16 Environmental Hazards.

The Trustee may inform any Owner of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under

State or federal laws pertaining to the transport, storage, treatment, or disposal of hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.17. Accounts, Periodic Reports and Certificates.

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

Section 9.18. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds 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 the Bonds Similarly Secured of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time and City approval of such modification or amendment. No such modification or amendment shall (i) extend the maturity of any Bond Similarly Secured or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the principal of, and the interest and any premium on, any Bond Similarly Secured, without the express consent of the Owner of such Bond Similarly Secured, or (ii) permit the creation by the City of any pledge or lien upon the Trust Estate superior to or on a parity with the pledge and lien created for the benefit of the Bonds Similarly Secured (except as otherwise permitted by Applicable Laws and this Indenture), or reduce the percentage of Bonds Similarly Secured required for the amendment hereof. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of qualified counsel addressed and delivered to the Trustee stating that (a) the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture, (b) the execution and delivery of will not adversely affect the exclusion from federal gross income of the interest on the Bonds Similarly Secured, and (c) such

Supplemental Indenture will, upon the execution and delivery thereof, to be a valid and binding obligation of the City.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by Applicable Laws, and only for anyone or more of the following purposes:

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

(ii) to make modifications not adversely affecting any Outstanding Bonds 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; and

(iv) 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.

(c) Notwithstanding anything to the contrary herein, no Supplemental Indenture entered into in accordance with Section 10.1(b) 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, or (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.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this

Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

(b) Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

(c) After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 10.4. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, shall be mailed by first class mail by the Trustee to each Owner of Bonds Similarly Secured, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds Similarly Secured as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Bonds Similarly Secured Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.6. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bonds Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.7. Amendatory Endorsement of Bonds 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 10.8. Waiver of Default.

Subject to Section 10.1, with the written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture

is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Improvement Area #1 Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture other than a default under (i) above or (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured then Outstanding; and

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

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding hereunder and its receipt of indemnity satisfactory to it shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that any action for money damages against the City shall be limited to recovery from the Trust Estate may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) PURSUANT TO SECTION 11.7, THE PRINCIPAL OF THE BONDS SIMILARLY SECURED SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

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

(d) In an Event of Default shall have occurred and be continuing, the City, upon demand of the Trustee, shall surrender the possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all or any part of the Trust Estate, together with the books, papers, and accounts of the City pertaining thereto, and including the rights and the position of the City, and to hold, operate, and manage the same, and from time to time make all needed repairs and improvements, as well as set up proper reserve for the payment of all proper costs and expenses, holding and managing the same, including (i) reasonable compensation to the Trustee, its agents, and counsel, (ii) any reasonable charges of the Trustee hereunder, (iii) any taxes and assessments and other charges prior to the lien of this of Indenture, and (iv) all expenses of such repairs and improvements. After payment in full of the foregoing, the Trustee shall surrender possession of the Trust Estate to the City, its successors or assigns.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has actual knowledge thereof or has been notified in writing as provided in Section 9.3(f), or of which by such Section it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own

name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of at least a Quarter in Interest of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost, liabilities, advances and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds Similarly Secured, or Redemption Price of any Bonds Similarly Secured which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to

pay in full all the Bonds Similarly Secured due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within thirty (30) days of receipt of such good and available funds, the Trustee may fix a record date and a payment date for any payment to be made to Owners of Bonds Similarly Secured pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

The Trustee may, with the prior written consent of at least a majority of the aggregate outstanding principal of the Bonds Similarly Secured at that time, waive an Event of Default occurring hereunder. No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds 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 any Bond Similarly Secured shall bind all future Owners of the same Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for any purpose. The City shall promptly deliver any such Bonds Similarly Secured to the Trustee for cancellation.

Section 11.10. Remedies Not Exclusive.

Subject to Section 11.2, no remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of a Quarter in Interest of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with law and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not

inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Trust Estate 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) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Improvement Area #1 Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

Section 12.2. General.

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

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds; Future Bonds.

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from the Trust Estate.

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

(c) The City reserves the right to issue Future Bonds for any purpose permitted by the PID Act, pursuant to a separate indenture, for any Future Improvement Areas subject to the conditions of the Financing and Reimbursement Agreement and the Reimbursement Agreement.

(d) Notwithstanding anything to the contrary herein no Refunding Bonds may be issued by the City unless: (1) the principal (including any principal amounts to be redeemed on a mandatory sinking fund redemption date) of such Refunding Bonds is scheduled to mature on September 1 of the years in which principal is scheduled to mature and (2) the interest on such Refunding Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the 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.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. **Trust Irrevocable.**

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured that are secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. **Satisfaction of Indenture.**

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder as directed in writing by the City.

Section 14.3. **Bonds Similarly Secured Deemed Paid.**

(a) Any Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Trust Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds Similarly Secured with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such

redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer

authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City	City of Hutto, Texas 500 W. Live Oak St. Hutto, Texas 78634 Attn: City Manager Telephone: 512-759-4031
If to the Trustee Or the Paying Agent/Registrar	Wilmington Trust 15950 North Dallas Parkway Suite 550 Dallas, Texas Attn: Dayna Smith Telephone: 972-381-3154

(b) Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by

mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Outstanding Bonds Similarly Secured.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds Similarly Secured pursuant thereto irrespective of the fact that anyone or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws; Jurisdiction.

THIS INDENTURE SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN THE COUNTY WHEREIN THE PROPERTY IS LOCATED, AND IF LEGAL ACTION IS NECESSARY BY EITHER PARTY WITH RESPECT TO THE ENFORCEMENT OF ANY TERM OF THIS INDENTURE, EXCLUSIVE VENUE FOR SAME SHALL LIE IN THE COURTS OF WILLIAMSON COUNTY, TEXAS. BY EXECUTING THIS AGREEMENT, EACH PARTY HERETO EXPRESSLY (a) CONSENTS AND SUBMITS TO PERSONAL JURISDICTION AND VENUE CONSISTENT WITH THE PREVIOUS SENTENCE, (b) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL CLAIMS AND DEFENSES THAT SUCH JURISDICTION AND VENUE ARE NOT PROPER OR CONVENIENT, AND (c) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. No Boycott of Israel; No Terrorist Organization.

(a) Pursuant to Section 2270.002, Texas Government Code, the Trustee hereby represents 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 Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

(b) Pursuant to Subchapter F, Chapter 2252, Texas Government Code, 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, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the 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. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit."

Section 15.11. Verification Regarding Discrimination Against Firearm Entity or Trade Association.

To the extent this Indenture constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Indenture against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 15.12. Verification Regarding Energy Company Boycotts.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the 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. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Trustee understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

Section 15.13. Electronic Storage.

The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF HUTTO, TEXAS

By: _____
Mike Snyder, Mayor

Attest:

Holly Nagy, City Secretary

(CITY SEAL)

City Signature Page to Indenture of Trust

Wilmington Trust,
as Trustee

By: _____
Authorized Officer

Trustee Signature Page to Indenture of Trust

EXHIBIT A

**DESCRIPTION OF THE PROPERTY WITHIN
THE COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT**

EXHIBIT B

FORM OF CERTIFICATION FOR PAYMENT

(Certification for Payment – Cottonwood Creek)

CERTIFICATION FOR PAYMENT FORM NO.

The undersigned _____ (the "**Construction Manager**") requests payment from [the applicable account of the Project Fund] [the Operating Account] from the City of Hutto (the "**City**") in the amount of \$ _____ for labor, design, materials, fees, and/or other general costs related to the acquisition or construction of certain Authorized Improvements providing a special benefit to property within the Cottonwood Creek Public Improvement District (the "**District**"). Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Cottonwood Creek Public Improvement District Financing and Reimbursement Agreement between the Owner and the City (the "**PID Financing Agreement**").

In connection with the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Certification for Payment Form No. _____ on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.
2. The work described in Attachment A has been completed in the percentages stated therein.
3. The Certification for Payment for the below referenced Authorized Improvements has not been the subject of any prior Certification for Payment submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
4. The amounts listed for Actual Costs of the Authorized Improvements, as set forth in Attachment A, is a true and accurate representation of the Actual Costs associated with the acquisition, design or construction of said Authorized Improvements, and such costs (i) are in compliance with the PID Financing Agreement, and (ii) are consistent with the Service and Assessment Plan.
5. The Construction Manager is in compliance with the terms and provisions of the PID Financing Agreement and the Service and Assessment Plan.
6. The Construction Manager has timely paid all ad valorem taxes and annual installments of Assessments it owes or an entity under common control with the Construction

Manager owes, located in the District and has no outstanding delinquencies for such taxes and assessments.

7. The work with respect to the Authorized Improvements referenced below (or its Segment) has been completed, and the City has inspected [and accepted] such Authorized Improvements (or its completed Segment). ***[Include bracketed language if final progress payment for such Authorized Improvement]***

8. No more than ninety-five percent (95%) of the budgeted or contracted hard costs for the Authorized Improvements identified may be paid until the work with respect to such Authorized Improvements (or Segment thereof) has been completed and the City has accepted such Authorized Improvements (or Segment thereof). One hundred percent (100%) of soft costs (e.g., engineering costs, inspection fees and the like) may be paid prior to City acceptance of such Authorized Improvements (or Segment thereof).

9. [Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.]***[Include bracketed language if final progress payment for such Authorized Improvement]***

10. Attached hereto as Attachment C are invoices, receipts, purchase orders, change orders, and similar instruments, which are in sufficient detail to allow the City to verify the Actual Costs for which payment is requested.

11. Also attached hereto as Attachment D are any lender consents or approvals that the Construction Manager may be required to obtain under any loan documents relating to the District.

Pursuant to the PID Financing Agreement, after receiving this Certification for Payment, the City has inspected [and accepted] the Completed Authorized Improvements and confirmed that said work has been completed in accordance with approved plans and all applicable governmental laws, rules, and regulations. ***[Include bracketed language if final progress payment for such Authorized Improvement]***

(Signature pages follow)

I hereby declare that the above representations and warranties are true and correct.

**Lennar Homes of Texas Land and Construction,
a Texas limited partnership, as
CONSTRUCTION MANAGER**

By: _____
Name: _____
Title: _____

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

By:

Name: _____

Title: _____

APPROVAL OF CERTIFICATION FOR PAYMENT

The City is in receipt of the attached Certification for Payment Form No. ____, acknowledges the Certification for Payment, acknowledges that the Authorized Improvements (or its Segment) covered by the certificate have been inspected by the City, and otherwise finds the Certification for Payment Form No. ____ to be in order. After reviewing the Certification for Payment Form, the City approves the Certification for Payment Form No. ____ and shall direct the Trustee to make payment from the appropriate account of the Project Fund to the Construction Manager or to any person designated by the Construction Manager.

CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

Date: _____

ATTACHMENT A

TO CERTIFICATION FOR PAYMENT FORM NO. _____

<u>Segment</u>	<u>Description of Work Completed under this Certification for Payment</u>	<u>Actual Costs</u>
----------------	---	---------------------

ATTACHMENT B

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[Include Attachment B bracketed if final progress payment for such Authorized Improvement]

[bills paid affidavit and release of liens - attached]

ATTACHMENT C

TO CERTIFICATION FOR PAYMENT FORM NO. ____

INVOICE LEDGER

Invoice Ledger Entity: Lennar Homes of Texas Land and Construction, Ltd. Project: Cottonwood Creek Public Improvement District								
Certification of Payment Form No. ____	Date	Vendor	Invoice #	Invoice Amount	Requested Amount	Approved Amount	Budget Sub- Category	Budget Description

[INVOICES AND/OR RECEIPTS - ATTACHED]

ATTACHMENT D

TO CERTIFICATION FOR PAYMENT FORM NO. _____

[lender consents or approvals - attached]

_____, 2021

**CITY OF HUTTO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021
(EMORY CROSSING PUBLIC IMPROVEMENT
DISTRICT IMPROVEMENT AREA #1 PROJECT)
DATED _____, 2021
IN THE PRINCIPAL AMOUNT OF \$ _____**

AS BOND COUNSEL for the City of Hutto, in Williamson County, Texas (the "Issuer"), we have examined into the legality and validity of the issue of the bonds described above (the "Bonds"), which bear interest from the dates and mature on the dates stated on the face of the Bonds, all in accordance with the Ordinance authorizing the issuance of the Bonds (the "Bond Ordinance") and the Trust Indenture (as defined below).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, and have examined and relied upon a transcript of certified proceedings of the Issuer and other pertinent instruments furnished by the Issuer relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Issuer upon which certificates and documents we rely as to certain matters stated below. We have also examined one executed Bond which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, and have been duly issued and delivered, all in accordance with law, and that, except as may be limited by laws relating to governmental immunity, bankruptcy, reorganization, and other similar matters affecting creditors' rights or by general principles of equity which permit the exercise of judicial discretion, (i) the Bonds constitute valid and legally binding obligations of the Issuer which are payable as to principal and interest from the sources provided in the Bond Ordinance and the Indenture of Trust between the Issuer and Wilmington Trust, National Association, dated as of April 1, 2021, (the "Trust Indenture"), (ii) the covenants and agreements in the Trust Indenture constitute valid and binding obligations of the Issuer, (iii) the Bonds constitute valid and legally binding special obligations of the Issuer secured as Bonds under the Trust Indenture, and (iv) the Bonds are payable in accordance with the priorities established in the Trust Indenture from the sources provided therein.

THE ISSUER has reserved the right, subject to the restrictions stated in the Trust Indenture, to amend the Trust Indenture in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in principal amount of all outstanding bonds affected by such amendment and secured by the Trust Indenture.

THE REGISTERED OWNERS of the Bonds shall never have the right to demand payment of the principal thereof or interest thereon out of any funds raised or to be raised by taxation, or from any source whatsoever other than specified in the Trust Indenture.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual or corporate alternative minimum tax



preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the Issuer with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed, and refinanced, therewith. In expressing the aforementioned opinions, we have relied on certain representations and covenants regarding the use and investment of the proceeds of the Bonds. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

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 (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds. Our role in connection with the Issuer's Limited Offering Memorandum prepared for use in connection with the sale of the Bonds has been limited as described therein.



THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

CITY OF HUTTO TEXAS

RESOLUTION NO. R-2021-146

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS, APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR "CITY OF HUTTO, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021 (COTTONWOOD CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)"

WHEREAS, this City Council (the "Council") of the City of Hutto, Texas (the "City") has adopted a resolution authorizing the creation of the Hutto Cottonwood Creek Public Improvement District (the "District"); and

WHEREAS, on September 16, 2021, the City Council adopted Resolution No. R-2021-145 approving an amended and restated development agreement by and between the City and Hutto 372, Ltd., a Texas limited partnership and Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership to establish the development and improvement standards for the District; and

WHEREAS, this Council intends to issue "City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Cottonwood Creek Public Improvement District Improvement Area #1 Project) (the "Bonds")", to fund public improvements within the District; and

WHEREAS, there has been presented to this Council a Preliminary Limited Offering Memorandum relating to the Bonds (the "Preliminary Limited Offering Memorandum"); and

WHEREAS, this Council finds and determines that it is necessary and in the best interests of the City to approve the form and content of the Preliminary Limited Offering Memorandum and authorize the use of the Preliminary Limited Offering Memorandum in the offering and sale of the Bonds by the FMSbonds, Inc. (the "Underwriter") of the Bonds; and

WHEREAS, the Council finds that the passage of this Resolution is in the best interest of the citizens of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION 1: That all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That this Council hereby approves the form and content of the Preliminary Limited Offering Memorandum and deems the Preliminary Limited Offering Memorandum final, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, addenda, supplements or amendments as may be approved by the City Manager. The City hereby authorizes the Preliminary Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this Resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 7th DAY OF OCTOBER, 2021.

ATTEST:

Mayor

City Secretary

City Manager