COTTONWOOD DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
Thursday, November 21, 2019 AT 6:30 PM
CITY HALL - CITY COUNCIL CHAMBERS
500 WEST LIVE OAK

BOARD OF DIRECTORS
Doug Gaul, Chair
Tom Hines, Vice-Chair
Patti Martinez, Secretary/Treasurer

AGENDA

1. **CALL SESSION TO ORDER**
2. **ROLL CALL**
3. **AGENDA ITEMS**

   3.A. Consideration and possible action for a Resolution authorizing and approving an Interlocal Agreement with the City of Hutto, Texas; a Loan Agreement with the Arizona Industrial Development Authority related to the issuance of its Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project); a Continuing Disclosure Agreement; a Bond Purchase Agreement; and containing other matters related thereto.

4. **ADJOURNMENT**

CERTIFICATION

I certify that this notice of the November 21, 2019 Meeting of the Board of Directors of the Cottonwood Development Corporation was posted on the City Hall bulletin board of the City of Hutto on November 18, 2019 at 5:25 pm

Lacie Hale
Lacie Hale, City Secretary

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 communications or accommodations must be made 48 hours prior to the meeting. Please contact the City Secretary at (512) 758-4939 or lacie.hale@huttox.gov for assistance.

A RESOLUTION OF THE COTTONWOOD DEVELOPMENT CORPORATION AUTHORIZING AND APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF HUTTO, TEXAS; A LOAN AGREEMENT WITH THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY RELATED TO THE ISSUANCE OF ITS TAXABLE REVENUE BONDS, SERIES 2019 (HUTTO PERFECT GAME DEVELOPMENT PROJECT); A BOND PURCHASE AGREEMENT; A CONTINUING DISCLOSURE AGREEMENT; AND CONTAINING OTHER MATTERS RELATED THERETO

RECITALS

WHEREAS, on November 21, 2019, the City Council of the City of Hutto, Texas (the "**City**") passed and approved Resolution No. R-_________ authorizing the creation of the Sports, Health, and Entertainment Public Improvement District (the "**District**") pursuant to Chapter 372, Texas Local Government Code, as amended (the "**PID Act**"); and

WHEREAS, the City has formed the Cottonwood Development Corporation, a public nonprofit corporation created pursuant to Chapter 431, Texas Transportation Code, as amended (the "**Corporation**"); and

WHEREAS, the City and the Corporation desire to enter into that certain Interlocal Agreement dated November 21, 2019 (the "**Interlocal Agreement**") for the purpose of developing the Development Project pursuant Chapter 372.023(a) of the PID Act; and

WHEREAS, the Arizona Industrial Development Authority (the "**Authority**"), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona, incorporated with the approval of the Arizona Finance Authority (the "**Arizona Finance Authority**"), pursuant to the provisions of the Constitution and law of the State of Arizona and Title 35, Chapter 5, Section 35-701 *et seq.*, Arizona Revised Statutes, as amended (the "**Act**"); and

WHEREAS, the Act provides that the Authority may make secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement, equipping or operating of a project and to pledge the proceeds of loan agreements as security for the payment of the principal and interest of any bonds issued by the Authority, and any agreements made in connection with the loan; and

WHEREAS, the Authority has been requested to issue bonds in one or more series (the "**Bonds**") to provide some or all of the financing provided to the Corporation by the Authority under the Loan Agreement; and

WHEREAS, the City, on its own behalf or through the Corporation, has determined not to issue bonds at this time and prefers that the Authority issue any Bonds associated with the Loan Agreement; and

WHEREAS, the Authority has agreed to issue bonds to fund the Loan Agreement on behalf of and as agent of the City and/or Corporation; and

WHEREAS, the City desires that in connection with the Corporation's execution of the

Loan Agreement that the Corporation enter into a Bond Purchase Agreement and Continuing Disclosure Agreement relating to the Loan Agreement and the issuance of the Bonds and desires to approve the execution and delivery of the same; and

WHEREAS, the City has approved and directed the Corporation to take all of the actions required to effectuate the issuance of the Bonds and enter such agreements as described herein and in the Interlocal Agreement.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COTTONWOOD DEVELOPMENT CORPORATION THAT:

Section 1. Recitals Incorporated. The findings, determinations and actions described in the recitals of this Resolution are true and correct, and are hereby incorporated and adopted as part of this Resolution for all purposes.

Section 2. Authorization to Enter Interlocal Agreement. The Corporation hereby authorizes and approves the Interlocal Agreement with the City, substantially in the form attached hereto as Exhibit A, the terms and provisions of which are hereby approved, and the Chairman of the Corporation and such other appropriate officers of the Corporation hereby authorized to execute and deliver such Interlocal Agreement on behalf of the Corporation.

Section 3. Authorization to Enter Loan Agreement. The Corporation hereby authorizes and approves the Loan Agreement with the Authority, substantially in the form attached hereto as Exhibit B, the terms and provisions of which are hereby approved, and the Chairman of the Corporation and such other appropriate officers of the Corporation hereby authorized to execute and deliver such Loan Agreement on behalf of the Corporation.

Section 4. Bond Purchase Agreement. The Corporation hereby authorizes and approves the Bond Purchase Agreement, substantially in the form attached hereto as Exhibit C, the terms and provisions of which are hereby approved, and the Chairman of the Corporation and such other appropriate officers of the Corporation hereby authorized to execute and deliver such Continuing Disclosure Agreement on behalf of the Corporation.

Section 5. Continuing Disclosure Agreement. The Corporation hereby authorizes and approves the Continuing Disclosure Agreement, substantially in the form attached hereto as Exhibit D, the terms and provisions of which are hereby approved, and the Chairman of the Corporation and such other appropriate officers of the Corporation hereby authorized to execute and deliver such Continuing Disclosure Agreement on behalf of the Corporation.

Section 6. Further Proceedings. The Chairman, the Board of Directors, and all officers and other appropriate officials of the Corporation are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution and the agreements and instruments authorized herein.

Section 7. Notice. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject to the meeting of the City Council of the City at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the regular meeting place of the City for the time required by law preceding this meeting, as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that the meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof have been discussed, considered and formally acted upon. The City Council of the City further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 8. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

[*Signature Page Follows*]

PASSED AND ADOPTED this November 21, 2019.

COTTONWOOD DEVELOPMENT CORPORATION

____
Chairman

ATTEST:

____
Secretary

EXHIBIT A

INTERLOCAL AGREEMENT

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (this "**Agreement**"), entered into this 21st day of November 2019 is made by and between the **CITY OF HUTTO, TEXAS**, a municipal corporation and a home-rule city in the State of Texas (the "**City**") and the **COTTONWOOD DEVELOPMENT CORPORATION**, a public nonprofit corporation created by the City and organized under Chapter 431, Texas Transportation Code, as amended (the "**Corporation**").

RECITALS

WHEREAS, to promote economic development within its boundaries, the City of Hutto, Texas, a municipal corporation of the State of Texas and a home rule city (the "**City**"), has entered into a development agreement, dated as of September 20, 2019 (the "**Master Development Agreement**") with Legacy Hutto, LLC, a Missouri limited liability company (the "**Master Developer**") pursuant to which the parties have agreed to develop a mixed-use development consisting of various uses such as office, convention center, commercial, retail, residential, public athletic fields, recreational and entertainment uses, hotel and aquatic attractions and other complementary uses on approximately 250 acres of land (the "**Development Project**"). The approximately 250 acres on which the Development Project will ultimately be situated is hereinafter referred to as the "**Development Area**";

WHEREAS, to further promote economic development in the Development Area, the City has entered into a multi-party development agreement dated as of October 1, 2019 (the "**Multi-Party Development Agreement**"), by and among the City, the Master Developer, Perfect Game Incorporated, an Iowa corporation, and Sports Facilities Development, LLC, a Florida limited liability company, pursuant to which the parties have agreed to develop, operate and maintain certain aspects of the Development Project;

WHEREAS, the City has agreed to create and has commenced the process to create the public improvement district ("**PID**") under Chapter 372 of the Texas Local Government Code (the "**District**"), to impose PID special assessments (the "**Assessments**" as further defined herein) within the District and to create the Reinvestment Zone Number Two, City of Hutto, Texas, a tax increment reinvestment zone pursuant to Chapter 311 of the Texas Tax Code (the "**Reinvestment Zone**"), to facilitate the development of the Development Project, and to make grant payments to the Corporation from PID special assessments generated within the District, incremental property tax revenue generated within the Reinvestment Zone, and incremental hotel occupancy and sales taxes generated within the Development Area pursuant to the Interlocal Agreement (collectively, the "**Pledged Revenues**");

WHEREAS, the Arizona Industrial Development Authority (the "**Authority**"), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona, incorporated with the approval of the Arizona Finance Authority (the "**Arizona Finance Authority**"), pursuant to the provisions of the Constitution and law of the State of Arizona and Title 35, Chapter 5, Section 35-701 *et seq.*, Arizona Revised Statutes, as amended (the "**Act**");

WHEREAS, the Act provides that the Authority may make secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement, equipping or operating of a project and to pledge the proceeds of loan agreements as security for the payment of the principal and interest of any bonds issued by the Authority, and any agreements made in connection with the loan.;

WHEREAS, the Corporation has applied to the Authority to issue bonds on the Corporation's behalf and to make a loan to the Corporation to finance certain of the costs of the acquisition of approximately 255 acres of land (the "**Land**"), pre-development costs associated with the Development and other costs required in connection therewith, and the Authority has accepted such application;

WHEREAS, in order to provide a portion of the funds to so finance such costs, the Corporation has requested that the Authority issue revenue bonds under the Act in the form of its Arizona Industrial Development Authority Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project) (the "**Bonds**"), in an aggregate principal amount of not to exceed $60,000,000, the proceeds of which will be used to: (1) finance a loan to the Corporation which will use the funds for the acquisition of the Land, to pay for certain public improvements and certain pre-development costs for the Development Project; (2) fund capitalized interest for the Bonds, (3) fund the surplus fund and (4) pay the costs of issuance of the Bonds

WHEREAS, the Authority will loan the proceeds of the Bonds to the Corporation pursuant to a loan agreement, dated as of November 21, 2019 (the "**Loan Agreement**"), pursuant to which, among other things, the Corporation has agreed to secure its obligations under the Loan Agreement by executing the Deed of Trust, which will be a first lien on the Land, and pledging its right to receive the Pledged Revenues. Pursuant to the Loan Agreement, the Corporation will execute a note (the "**Note**") and will make payments from Pledged Revenues to the Trustee, as assignee of the Authority, in amounts sufficient to pay the principal of and interest on the Bonds (the "**Note Payments**"). To secure its obligations under the Loan Agreement and the Note, the Corporation will pledge, and grant a security interest in, the Pledged Revenues and deliver the Deed of Trust to the Trustee;

WHEREAS, the City agrees to transfer all Pledged Revenues in the form of Grant Payments to the Corporation;

WHEREAS, the Corporation agrees to accept all such Grant Payments and deposit all Pledged Revenues into a separate account with sub-accounts being created for each unique revenue stream.;

WHEREAS, the City agrees to deposit seventy-five percent (75%) of the City incremental ad valorem taxes on property located within the Reinvestment Zone boundary into a separate account (the "**Tax Increment**");

WHEREAS, the City has begun the process to create the Reinvestment Zone within the requirements of the Zone Act. The Tax Increment that will be collected from the

TIRZ(Reinvestment Zone) each year by the City and it shall be deposited into the Tax Increment Fund.

WHEREAS, in 1968, the City of Hutto, Texas adopted a one percent (1%) general sales and use tax pursuant to Chapter 311 of the Texas Tax Code, as amended (the "**City General Sales Tax**");

WHEREAS, the City has agreed that seventy-five percent (75%) of the City General Sales Tax received on the sales of goods or services as permitted by Texas law within the boundary of the Reinvestment Zone that is not subject to the Emergency Services District (the "**ESD District**") shall be paid to the Corporation in accordance with this Agreement;

WHEREAS, on July 20, 2017, the City passed and approved Ordinance No. 0-17-07-20-9C (the "**EDC Ordinance**"), creating the Hutto Economic Development Corporation, Type B (the "**EDC**") pursuant to the Development Corporation Act of 1979 and governed by Section 4B of Chapters 501, 502 and 505 of the Texas Government code, as amended ("**EDC Act**") and its Articles of Incorporation dated August 7, 2017, as amended;

WHEREAS, on November 16, 2017, pursuant to an election held on November 7, 2017, the City adopted Resolution No. R-17-11-16-11C canvasing the returns and declaring the results of such election approving the imposition of a replacement one-half of one percent (0.5%) sales and use tax ("**EDC Tax**") for the benefit of the EDC to be used for economic development to benefit the City;

WHEREAS, pursuant to the Sales Tax Proceeds Contribution Agreement between the City and the EDC dated November 4, 2019 and approved by the City pursuant to Ordinance No. 0-19_______ and the EDC pursuant to Resolution No. 19-11-04-5P, the EDC has agreed to dedicate a portion of the proceeds of the EDC Tax to the Development Project;

WHEREAS, the City and EDC have agreed that seventy-five percent (75%) of the one-half percent (0.50%) EDC Tax revenues received on taxable sales of goods/or services as permitted by Texas law within the boundary of the Reinvestment Zone shall be paid to the Corporation in accordance with this Agreement;

WHEREAS, the City has agreed to pay to the Corporation, in accordance with this Agreement, from its share of the ESD District's two percent (2.0%) sales tax an amount equal to the revenue collected from one and one-eighth percent (1.125%) sales and use tax received on the sales of goods or services as permitted by Texas law within the boundary of the Reinvestment Zone that is subject to the ESD in accordance with this Agreement;

WHEREAS the city has begun the process to create the Public Improvement District within the requirements of the PID Act. The PID Assessment will be collected each year by the City and shall be deposited into the Tax Increment Fund.

WHEREAS, Assessments will be reflected in a Service and Assessment Plan as approved by the City Council, as amended and updated annually as provided in the PID Act;

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance will provide for the terms and amounts of the Assessments. The City shall transfer all of the Assessments, plus interest and any penalties, received to the Corporation in accordance with this Agreement;

WHEREAS, the City and the Corporation are entering into this Agreement (1) to administer certain matters related to the payment of the Pledged Revenues the City to the Corporation; (2) authorize the Corporation to acquire the Land; (3) authorize the Corporation to pay the cost of certain improvements related to the Development Project; and (4) authorize the Corporation to pay certain pre-development costs for the Development Project and (5) authorize the Corporation to take all actions necessary to effectuate the issuance of the Bonds.

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement.

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
DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"**Administrative Expenses**" shall mean the administrative costs and expenses of the City in connection with the performance of its obligations under this Agreement, the Master Development Agreement and any other related agreement to be paid out of the Administrative Fee.

"**Administrative Fee**" shall mean one percent (1.0%) of the City Sales Tax Increment and the City Property Tax Increment.

"**Administrator**" shall mean any entity that the City contracts with to administer the Service and Assessment Plan.

"**Agreement**" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

_ "**Assessment Fund**" shall mean the fund to which all Assessments shall be transferred annually pursuant to the PID Act. .

"**Assessments**" shall mean the assessments levied against properties in the District, as provided for in an Assessment Ordinance and Service and Assessment Plan that will be adopted, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

"**Assessed Parcels**" shall mean the tax parcels as such tax parcels are amended from time to time, as contained within the boundaries of the District.

"**Authority**" shall have the meaning given in the recitals to this Agreement.

"**Bonds**" shall mean the Authority's Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project).

"**Continuing Disclosure Agreement**" shall mean the Continuing Disclosure Agreement of the Corporation, the Master Developer, and the Bond trustee, as Dissemination Agent dated as of November 21, 2019, relating to the Bonds.

"**Corporation**" shall have the meaning given in the recitals to this Agreement.

"**County**" shall mean Williamson County, Texas.

"**Debt**" shall mean any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City or the Corporation related exclusively to the Project.

"**District**" shall have the meaning given in the recitals to this Agreement.

"**EDC**" shall mean the Hutto Economic Development Corporation.

"**EDC Act**" shall mean Section 4B of Chapters 501, 502 and 505 of the Texas Government Code, as amended.

"**EDC Ordinance**" shall mean Ordinance No. 0-17-07-20-9C passed and approved by the City Council on July 20, 2017.

"**EDC Revenues**" shall mean seventy -five percent of the unrestricted EDC Tax revenues received on sales within the boundary of the Reinvestment Zone.

"**ESD Agreement**" shall mean the existing agreement between the City and the ESD District and the anticipated revised agreement approved by Resolution No. _____________ passed and approved by City Council on ___________.

"**Grant Payment**" shall mean the Grant payments from the City to the Corporation as described in <u>Section 5.1</u>.

"**Grant Payment** Schedule shall mean payments by the city to the Corporation of any Pledged Revenues the City has actually received on a monthly basis.

"**Loan Agreement**" shall have the meaning given in the recitals to this Agreement.

"**PID Act**" shall have the meaning given in the recitals to this Agreement.

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"**Development Project**" shall have the meaning given in the recitals to this Agreement.

"**Public Property**" shall mean property, real property, right of way and easements located within the boundaries of the District that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Williamson County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an easement, or by plat.

"**Tax Increment**" shall mean the amount of City ad valorem tax increment that will be collected from the Reinvestment Zone.

"**Trust Agreement**" shall mean the Trust Agreement, dated as of December __, 2019 by and between the Authority and UMB Bank, N.A., as trustee, relating to the issuance of the Bonds.

"**Trustee**" shall mean UMB Bank, N.A., in its role as Trustee for the Bonds, and its successors and assigns.

"**Zone**" shall have the meaning given in the recitals to this Agreement.

"**Zone Act**" shall have the meaning given in the recitals to this Agreement.

"**Zone Ordinance**" shall mean Ordinance. _that will be passed and approved by the City Council creating Reinvestment Zone Number Two, City of Hutto, Texas.

"**Zone Revenues**" shall mean the amount equal to the amounts deposited into the Tax Increment Fund dedicated to the Grant Payments.

All references in this instrument to designated "**Articles,**" "**Sections**" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

The titles and headings of the articles and sections of this Agreement 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. This Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II
INCORPORATION OF RECITALS

The RECITALS set forth in the Preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Article.

ARTICLE III
SCOPE OF AGREEMENT

This Agreement establishes provisions for the Corporation to act on behalf of the City in the financing of the Development Project pursuant to the Loan Agreement. This Agreement shall not be amended or terminated prior to the time that the Bonds are no longer outstanding under the Indenture.

ARTICLE IV
POWERS AND DUTIES OF THE CORPORATION

Section 4.1 Loan Agreement. The City authorizes the Corporation to enter into the Loan Agreement. The Corporation will request, and the City agrees that it shall assist, the Corporation in complying with any applicable requirements of the Corporation set forth in the Loan Agreement.

Section 4.2 Power to Incur Other Obligations. Subject to the provisions of this Agreement, the Corporation shall have the power from time to time to incur other Obligations and enter into contracts with consultants upon such terms and conditions as the Corporation shall determine to be necessary or desirable, subject to the approval of the City

ARTICLE V
REVENUES

Section 5.1 Pledge of Grant Payment. The City covenants that the Pledged Revenues generated within the Reinvestment Zone will be transferred to the Corporation pursuant to the Schedule of Grant Payments as provided in Exhibit A. The City shall transfer the following Grant Payments to the Corporation for a term of years coterminous with the term of the Bonds:

(a) Pledged Revenues:

(1) Within the Reinvestment Zone, 75% of the City's incremental ad valorem tax revenue;

(2) Within the Reinvestment Zone and within land not subject to an agreement with the Emergency Services District (the "**ESD Agreement**"), 75% of the 1.00% City General Sales tax and 75% of the 0.50% EDC Tax (remaining after payment of debt service on a series of bonds to which the economic development sales tax is pledged) for a total pledge of 1.125% of the incremental sales tax generated within the Reinvestment Zone.

(3) Within the Reinvestment Zone and within land subject to the ESD Agreement, no less than 1.125% of the incremental ESD Sales Tax. The City currently receives 1.20% of the ESD Sales Tax however the ESD Agreement is anticipated to be revised within the Reinvestment Zone. The goal of a revised ESD Agreement within the Reinvestment Zone shall be as follows:

(i) 25% to ESD (or 0.50% of the 2.00%)

(ii) 75% to City (or 1.50% of the 2.00%)

(1) 75% to the Project (or 1.125% of the 1.50%)

(2) 25% to the City General Fund (or 0.375% of the 1.50%)

(4) Within the Reinvestment Zone, 100% of the City's Hotel Occupancy Tax revenues; and

(5) Within the Reinvestment Zone, 100% of the Assessment revenues in the Assessment Fund.

Section 5.2 The Corporation shall use the Grant Payments in accordance with its requirements under the Loan Agreement.

Other Matters

(a) The Service and Assessment Plan will be updated and amended by the City or its Administrator at least once per year, and submitted for the City Council's review and approval.

(b) Assessments on any portion of the Assessed Parcels will bear a direct proportional relationship to and be less than or equal to the special benefit of the Public Improvements within the District.

(c) Assessments on any portion of the Assessed Parcels may be increased so long as the Assessments are determined in accordance with the Service and Assessment Plan approved by the City in compliance with applicable laws, including applicable public hearing requirements.

(d) The City, through its City Manager, may request any additions to the Project or any component thereof whenever the City deems such changes to be necessary and appropriate; provided, however, that no such change shall (a) impair the ability of the City to make the Grant Payments, (b) increase or reduce the amount of the Grant Payments, (c) cause to be included in the Development Project any property not constituting property useful in the performance of the City's powers, projects and purposes, (d) cause the Public Improvements or any such component thereof to have an estimated useful life materially shorter than the estimated useful life of the Public Improvements or such component prior to such change, or (e) include any property or improvement not authorized by the PID Act. Any such change shall be implemented by City's filing with the Corporation and the Authority a description of such change and the adoption of an updated Service and Assessment Plan.

Collection of Assessments.

(a) The City, as authorized by the PID Act and other applicable law, shall continuously collect or cause to be collected Assessments levied pursuant to the Service and Assessment Plan during the terms of this Agreement and the Loan Agreement in the manner and to the extent permitted or required by the PID Act and any applicable law. The City will not permit a reduction, abatement, or exemption in the Assessments due on any portion of the Assessed Parcels until the Assessments related to that particular portion of the Assessed Parcels are no longer outstanding, other than as provided in Section 5.6 and Section 6.6 hereto, whether as a result of payment in full, defeasance, or otherwise. The City shall collect the Assessments consistent with the requirements of the PID Act and the City's policies and standard practices applicable to the collection of City taxes and assessments, as required by law. All Administrative Expenses incurred by the City shall be paid from the Administrative Fee.

(b) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, the Assessment revenues collected will be deposited in the Assessment Fund and used thereafter to pay a portion of the Grant Payments.

(c) Further notwithstanding anything to the contrary contained herein, the City agrees to use best efforts to contract with Williamson County Tax Collector for the collection of the Assessments such that the Assessments will be included on the ad valorem tax bill(s) for the Assessed Parcels and will be collected as part of and in the same manner as ad valorem taxes. All Administrative Expenses incurred by the County shall be paid from the Grant Payments of the Assessments.

Section 5.4 Approval and Recordation of Assessments through Landowner Agreement. Concurrent with the levy of Assessments on the Assessed Parcels, the owners of the Assessed Parcels ("**Owners**") are expected to execute one or more Landowner Agreement(s) (herein so called) in which the Owners approved and accepted the apportionment of Assessments in the Service and Assessment Plan and the levy of the Assessments by the City. The Landowner Agreement further (a) evidences that the Assessments are covenants running with the land that will bind any and all current and successor owners of the applicable Assessed Parcels to the Assessments, including applicable penalties and interest thereon, as and when due and payable thereunder, (b) provides that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and (c) provides that the lien created by the levy of the Assessments is a first and prior lien on the Assessed Parcels, subject only to liens for ad valorem taxes of the City, County, school district, special district or other political subdivision, or a lien of the Department of Treasury of the United States of America.

Section 5.5 Summary of City Responsibilities Regarding the Assessments. The City's responsibility under this Agreement shall be limited as follows:

(a) Contract with the Williamson County Appraisal District or other third party to collect the Assessments;

(b) Establish the assessment account provided in the Service and Assessment Plan (referred to herein as the Assessment Fund) to receive the funds collected from Assessments;

(c) Collect and pay Administrative Expenses as provided herein;

(d) Direct the Administrator to take all reasonable efforts to collect Assessments including foreclosure of any lien securing delinquent Assessment as provided in Section 7.01;

(e) Deposit Assessment revenues received, including funds received from foreclosure sales and prepayment of Assessments, into the Assessment Fund; and

(f) Transfer funds out of the Assessment Fund to the Corporation as provided in this Agreement.

ARTICLE VI
PURCHASE AND TRANSFER OF THE LAND

Section 6.1 Purchase and Transfer of the Land. The City authorizes the Corporation to finance and/or refinance all of the costs of the acquisition of the land comprising the Reinvestment Zone. The City agrees to transfer all right, title and interest in certain parcels of land in the Reinvestment Zone that it currently owns to the Corporation subject to the City complying with the applicable statutory requirements. The acquisition and financing of the land shall not need any further approvals by the City.

Section 6.2 Grant Payments.

(a) The City shall make the Grant Payments to the Corporation, as provided in Section 5.1 and described herein.

(b) The Grant Payments shall be due and payable to the Corporation as provided in Exhibit A. The Grant Payments shall be special obligations of the City, payable, as provided herein, solely from Pledged Revenues

(c) Each Grant Payment shall be paid in lawful money of the United States of America, in immediately available funds. (d) Unless otherwise so requested by the Corporation, the Corporation hereby directs the City to deposit each Grant Payment and the City agrees to deposit each Grant Payment and any other payment under this agreement in the Assessment Fund with UMB Bank, N.A. [in account no. _________] as Trustee with respect to the Bonds, to be applied in accordance with the requirements of the Trust Agreement. Obligation Absolute.

(a) Neither the faith and credit nor the taxing power of the City, the Corporation, the State of Texas nor any political subdivision or agency thereof is pledged to the payment of the Grant Payments or other payments required to be made by the City pursuant hereto.

(b) The obligation of the City to make the Grant Payments and other payments required to be made by it pursuant hereto, solely from the sources and in the manner provided herein, is absolute and unconditional during the term of this Agreement, and until such time as the Grant Payments and such other payments shall have been paid in full, the City shall not discontinue or suspend any Grant Payment or other payment required to be made by it pursuant hereto when due, or dissolve the Corporation.

(c) The City will not pledge, bargain, sell, convey, place or allow any lien to be placed on any revenue generated in the Development Area and granted by the City to the Corporation

Section 6.3 Pledge. Subject only to the provisions of this Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the payment of the Bonds in accordance with the provisions of this Agreement and the PID Act, the City hereby pledges to the Corporation, and grants thereto a lien on and a security interest in, all of the Assessment revenues. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the City, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Agreement, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Section 6.4 Assessment Fund.

(a) The City shall establish the Assessment Fund. The Assessment Fund shall be maintained, administered and controlled (including signatory authority) by the City and shall not be commingled with any other funds of the City except as provided herein. The funds in the Assessment Fund shall be dedicated solely to the payment of Grant Payments.

(b) On or before each Grant Payment Date, the City shall withdraw from the Assessment Fund the balance therein and shall pay such amount to the Corporation.

Section 6.5 Mandatory Prepayment from Assessments Prepayments.

(a) The Assessment Payments shall be subject to mandatory prepayment from any prepaid Assessment to be applied to such prepayment, in whole or in part, within 30 days of the receipt of such prepaid Assessment by the City, at a prepayment price equal to 100% of the principal component of the Grant Payments to be prepaid, plus the accrued but unpaid interest component of such Grant Payments to be prepaid to the date of such prepayment.

(b) If less than all the Assessment Payments are prepaid pursuant to this Section, the Grant Payments shall be prepaid on a pro rata basis based on the principal components thereof, to the extent practicable.

(c) The City shall give the Corporation and the Trustee written notice of the receipt by the City of prepaid Assessments within ten business days of such receipt and shall specify in such written notice the date on which the Grant Payments to be prepaid from such prepaid Assessment will be so prepaid, which date, as provided in subsection (a) of this Section, shall be within 30 days of such receipt.

ARTICLE VII
REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 7.1 Representations and Warranties of the City. The City makes the following covenants, representations and warranties for the benefit of the Corporation:

(a) The City is a municipal corporation and political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State of Texas, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinance once all steps in the PID process have been completed, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

(b) The City shall approve all necessary documents and orders required to effectuate the Service and Assessment Plan and Assessment Ordinance.

(c) The City shall comply with all requirements of the PID Act so as to assure the timely collection of Assessments.

(d) The City shall determine or cause to be determined, no later than August 15 of each year, whether or not any owners of property within the City are delinquent in the payment of Assessment and, if such delinquencies exist, City shall order and cause to be commenced no later than 45 days after the determination of such delinquency, and thereafter diligently cause to be prosecuted pursuant to any then-existing contract with the County Tax Assessor/Collector or, if no contract, pursuant to Texas law, for the enforcement of the City's assessment liens, an action in court to foreclose the lien of any Assessment not paid when due.

(e) The City shall not issue or incur any Debt payable from the Assessments.

(f) The City shall approve all documents and orders required to effectuate the creation and operation of the Tax Increment Investment Zone.

(g) The City shall comply with all requirements of the Texas Tax Code, as amended, that are necessary to collect the City's local Sales Tax and Hotel Occupancy Tax within the Development Area

All representations, covenants and warranties of the City under this Agreement survive the issuance of the Bonds.

Section 7.2 Covenants and Representations of Corporation. The Corporation makes the following representations and covenants for the benefit of the City:

(a) The Corporation represents that the Corporation is a public nonprofit corporation created by the City and organized under Chapter 431, Texas Transportation Code, as amended, has the ability 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 Corporation represents that the Corporation has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Corporation.

(c) The Corporation represents that this Agreement is a valid and enforceable obligation of the Corporation and is enforceable against the Corporation 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 Corporation covenants that it will not commit or knowingly permit any act in, upon or to the Assessed Parcels or the Development Project in violation of any law, ordinance, rule, regulation, or order of any governmental authority now or hereafter affecting the Assessed Parcels or the Project.

(e) The Corporation and Master Developer shall enter into and comply with the Continuing Disclosure Agreement as set forth hereto as "**Exhibit A**".

ARTICLE VIII
DEFAULT AND REMEDIES

Section 8.1 Event of Default. The occurrence, from time to time, of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) A failure by City to pay any Grant Payment when and as the same shall become due and payable.

(b) Either of the City or the Corporation (a "**Party**") shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

Section 8.2 No Acceleration.

The Grant Payments shall not be subject to acceleration hereunder.

Section 8.3 Corporation Remedies.

If an Event of Default shall have occurred and be continuing, Corporation or any Transferee, shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement, and to require the carrying out of any or all such covenants and agreements of the City and the fulfillment of all duties imposed upon it by this Agreement;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the rights of the Corporation or any Transferee; or

(c) by suit, action or proceeding in any court of competent jurisdiction in Williamson County, Texas, to require the City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 8.4 City Remedies. If an Event of Default shall have occurred and be continuing, the City shall have the right to bring a suit, action or proceeding in any court of competent jurisdiction to require the Corporation to perform its obligations under this Agreement.

Section 8.5 Remedies Not Exclusive. No remedy herein conferred upon or reserved to City or the Corporation is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 8.6 Termination of Proceedings. In case any proceedings taken by Corporation or any Transferee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to Corporation, then in every such case City and Corporation, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of City and Corporation shall continue as though no such proceedings had been taken.

Section 8.7 No Waiver of Default. No delay or omission of the City or the Corporation to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Agreement to the City or the Corporation may be exercised from time to time and as often as may be deemed expedient.

ARTICLE IX
GENERAL PROVISIONS

Section 9.1 Notices. Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by e-mail, 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 the City:	City of Hutto, Texas Attention: Odis Jones, City Manager 401 W. Front St. Hutto, Texas 78634 E-mail: odis.jones@huttotx.gov
If to the Corporation:	Cottonwood Development Corporation Attention: Chair 401 W. Front St. Hutto, Texas 78634 E-mail: odis.jones@huttotx.gov
With a copy to:	McGinnis Lochridge, LLP Attention: William H. Bingham 600 Congress, Suite 2100 Austin, Texas 78701 E-Mail: bbingham@mcginnislaw.com
With a copy to:	Greenberg Traurig, LLP Attention: Karen Kennard 300 West 6th Street, Suite 2050 Austin, Texas 78701 E-Mail: kennardk@gtlaw.com
If to the Trustee:	UMB Bank, N.A. Attention: Jose Gaytan 6034 W. Courtyard Drive Austin, Texas 78730 E-Mail: Jose.Gaytan@umb.com
With a copy to:	Bracewell LLP Attention: Carey Troell

300 Convent Street
Suite 2700
San Antonio, Texas
78205-3723
E-Mail: carey.troell@bracewell.com

Section 9.2 Administration of District. Pursuant to a separate agreement, the Corporation may contract with a third party to serve as the Administrator and to administer the District after the date hereof. The Administrative Expenses shall be collected as part of and in the same manner as the Grant Payments and the Assessments in the amounts set forth in the Service and Assessment Plan.

Section 9.3 Construction of Certain Terms. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(a) Words importing a gender include either gender.

(b) Words importing the singular include the plural and vice versa.

(c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.

(d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.

(e) A reference to any Party includes, with respect to the Corporation, its Transferees, 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 "Assessed Parcels," the "Public 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 9.4 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 9.5 Amendments. This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties. Approval of amendments on behalf of the City have been delegated to and may be made by the City Manager.

Section 9.6 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 9.7 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 9.8 Entire Agreement. This Agreement contains the entire agreement of the Parties.

Section 9.9 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 9.10 Third Party Beneficiary. Any Transferee of the Corporation is a third-party beneficiary of this Agreement and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if such Transferee was a party hereto.

Section 9.11 Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit A Grant Payment Schedule

[EXECUTION PAGES FOLLOW]

IN TESTIMONY OF WHICH this Agreement has been executed on behalf of the Corporation and the City.

CITY OF HUTTO, TEXAS

____
City Manager

ATTEST/SEAL:

____
City Secretary

COTTONWOOD DEVELOPMENT CORPORATION

____

Chair, Board of Directors

ATTEST:

____

Secretary, Board of Directors

EXHIBIT B

LOAN AGREEMENT

Pursuant to the Trust Agreement, dated as of December __, 2019, the rights of the Arizona Industrial Development Authority under this Loan Agreement, other than the Unassigned Rights of the Authority (as defined herein), have been assigned to UMB Bank, N.A., as trustee under said Trust Agreement.

LOAN AGREEMENT

by and between

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

and

COTTONWOOD DEVELOPMENT CORPORATION,

Dated as of December __, 2019

Relating to:
Arizona Industrial Development Authority
Taxable Revenue Bonds,
Series 2019
(Hutto Perfect Game Development Project)

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LOAN AGREEMENT
(Hutto Perfect Game Development Project)

This **LOAN AGREEMENT** (the "Loan Agreement" or "Agreement"), dated as of December __, 2019, is between the **ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY**, a nonprofit corporation designated a political subdivision of the State of Arizona, incorporated with the approval of the Arizona Finance Authority, pursuant to the provisions of the Constitution and the laws of the State of Arizona, including the Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 et seq., as amended, together with its successors and assigns (herein called the "Authority"), and **COTTONWOOD DEVELOPMENT CORPORATION**, a public nonprofit corporation created by and acting on behalf of the City of Hutto, Texas (the "Corporation") pursuant to Chapter 431, Texas Transportation Code, as amended.

BACKGROUND

In order to promote economic development within its boundaries, the City of Hutto, Texas, a municipal corporation of the State of Texas and a home rule city (the "City"), has entered into a development agreement, dated as of September 20, 2019 (the "Master Development Agreement") with Legacy Hutto, LLC, a Missouri limited liability company (the "Master Developer") pursuant to which the parties have agreed to develop a mixed-use development consisting of various uses such as office, convention center, commercial, retail, residential, public athletic fields, recreational and entertainment uses, hotel and wave pools and other complementary uses on approximately 250 acres of land (the "Development Project"). The approximately 250 acres on which the Development Project will ultimately situated is hereinafter referred to as the "Development Area".

A majority of the Development Project is expected to be built on a portion of approximately 255 acres of land either owned or to be acquired by the Corporation (the "Land") and certain other adjacent land necessary for the Development Project that the Corporation anticipates acquiring, all of which is expected to be located within the City or to be annexed into the City.

To further promote economic development in the Development Area, the City has entered into a multi-party development agreement dated as of October 1, 2019 (the "Multi-Party Development Agreement"), by and among the City, the Master Developer, Perfect Game Incorporated, an Iowa corporation, and Sports Facilities Development, LLC, a Florida limited liability company, pursuant to which the parties have agreed to develop, operate and maintain certain aspects the Development Project.

To assist the City with the development of the Development Project, the City and the Corporation have entered into an Interlocal Agreement to be dated as of November __, 2019 (the "Interlocal Agreement"), to authorize the Corporation to enter into this Agreement to finance (i) the costs of acquiring the Land and certain public improvements related to the Development Project and (ii) the payment of certain pre-development costs for the Development Project.

The City has agreed to create and has commenced the process to create the public improvement district ("PID") under Chapter 372 of the Texas Local Government Code (the "District"), to impose PID special assessments within the District and Reinvestment Zone Number

Two, City of Hutto, Texas, a tax increment reinvestment zone pursuant to Chapter 311 of the Texas Tax Code (the "Reinvestment Zone"), to facilitate the development of the Development Project, and to make grant payments to the Corporation from PID special assessments generated within the District, incremental property tax revenue generated within the Reinvestment Zone, and incremental hotel occupancy and sales taxes generated within the Development Area pursuant to the Interlocal Agreement (collectively, the "Pledged Revenues").

The Authority is authorized under the Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 et seq., as amended (the "Act") to issue bonds to provide financing or refinancing for projects located in whole or in part outside of the State of Arizona, including projects consisting of facilities owned or operated by a non-profit organization. The Land and public improvements to be owned by the Corporation constitutes a project for purposes of the Act.

The Act authorizes the Authority to make secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement, equipping or operating of a project and to pledge the proceeds of loan agreements as security for the payment of the principal and interest of any bonds issued by the Authority, and any agreements made in connection with the loan.

The Corporation has applied to the Authority to issue bonds on the Corporation's behalf and to make a loan to the Corporation to finance certain of the costs of the acquisition of the Land, pre-development costs associated with the Development and other costs required in connection therewith, and the Authority has accepted such application.

In order to provide a portion of the funds to so finance such costs, the Authority has agreed to issue its Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project) (the "Bonds"), in the aggregate principal amount of $____________, the net proceeds of which shall be used to (1) finance a loan to the Corporation which will use the funds for the acquisition of the Land, to pay for certain public improvements and certain pre-development costs for the Development Project; (2) fund the Capitalized Interest Account, (3) fund the Surplus Fund and (4) pay the Costs of Issuance of the Bonds (collectively, the "Project").

The Authority will loan the proceeds of the Bonds to the Corporation pursuant to this Loan Agreement, pursuant to which, among other things, the Corporation has agreed to secure its obligations under the Loan Agreement by executing the Deed of Trust, which will be a first lien on the Land, and pledging its right to receive the Pledged Revenues. Pursuant to the Loan Agreement, the Corporation will execute a Note (the "Note") and will make payments from Pledged Revenues to the Trustee (as defined herein), as assignee of the Authority, in amounts sufficient to pay the principal of and interest on the Bonds (the "Note Payments"). To secure its obligations under this Loan Agreement and the Note, the Corporation will pledge, and grant a security interest in, the Pledged Revenues and execute and deliver a Deed of Trust (as defined in the Trust Agreement) creating a first lien on the Land.

All acts, conditions and things required by law to exist, to have happened and to have been performed by the Authority and the Corporation precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement.

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

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. The capitalized terms used in this Agreement shall have the meanings: (i) set forth in the recitals hereof, (ii) set forth in the Trust Agreement, or (iii) as set forth in this Section 1.1, unless the context otherwise requires:

"**Act**" shall have the meaning ascribed for such term in the opening paragraph hereof.

"**Annual Administrative Fee**" means an annual fee calculated in the amount of 9.75 basis points (.0975%) of the outstanding aggregate principal amount of Bonds as of each January 1, with a minimum of $3,000, to be paid to the Authority without demand in advance on each January 1, commencing January 1, 2021, for the annual administrative expenses of the Authority, and continuing while any portion of the Bonds remain Outstanding. The prorated portion of the Annual Administrative Fee due for calendar year 2019 and the Annual Administrative Fee for calendar year 2020 (due on January 1, 2020) payable on the Closing Date.

"**Authority Indemnified Person**" means the Authority, its past, present, and future directors, members, officers, counsel, advisors, employees, agents, contractors, and consultants, the Arizona Finance Authority, its past, present, and future directors, members, officers, counsel, advisors, employees, agents, contractors, consultants and executive directors, individually and collectively, and the State.

"**Closing**" shall mean the delivery of the Note to the Authority.

"Closing Date" shall mean the date of the Closing.

"Closing Fee" means the closing fee of the Authority in an amount equal to 2 basis point (.0200%) on the original principal amount of the Bonds payable on the Closing Date.

"**Continuing Disclosure Agreement**" shall mean the Continuing Disclosure Agreement of the Corporation, dated as of December __, 2019, relating to the Bonds.

"**City**" shall mean the City of Hutto, Texas.

"**Corporation Act**" shall mean Chapter 431, Texas Transportation Code, as amended.

"**Corporation Documents**" shall mean, collectively, this Agreement, the Note, the Interlocal Agreement and the Resolution.

"**Interlocal Agreement**" shall mean the Interlocal Agreement, dated as of November __, 2019, by and between the City and the Corporation.

“Late Fee” means ten percent (10%) of any payment due to the Authority that is received by the Authority later that 15 calendar days following the date it is due.

“**Loan Agreement Event of Default**” shall mean the occurrence of any of the following, which is not cured by the Corporation within thirty (30) days following written notice by the Authority of such Loan Agreement Event of Default (except for clause (a) below which shall have no cure period):

(a) the failure of the Corporation to make any of the Note Payments when due and in the amounts provided herein; or

(b) the failure of the Corporation to comply with any other covenant, condition, or agreement under this Agreement or other agreements or obligations entered into by the Corporation for the borrowing of funds; or

(c) the bankruptcy, insolvency, appointment of a receiver for the Corporation.

“**Loan**” shall mean the loan of the proceeds of the Bonds from the Authority to the Corporation made pursuant to this Agreement.

“**Loan Documents**” shall mean, collectively, this Agreement and the Note.

“**Maximum Interest Rate**” shall mean the lesser of (a) the maximum rate of interest allowed under Chapter 1204, Texas Government Code, as amended, or other applicable law in effect and (b) the maximum coupon rate set forth in the Authority’s resolution authorizing the issuance of the Bonds and the making of the Loan.

“**Note**” shall mean the promissory note of even date herewith (such promissory note, as the same may be renewed, extended, amended, or otherwise modified from time to time) delivered pursuant to this Agreement in substantially the form attached hereto as <u>Exhibit A</u>, and any promissory note executed and delivered by the Corporation in replacement thereof.

“**Note Payments**” shall mean the payments required by <u>Section 2.4</u> to be made by the Corporation.

“**Resolution**” shall mean the resolution of the Board of Directors of the Corporation authorizing borrowing the proceeds of the Bonds, the execution and delivery of this Agreement and the Note and the pledge of the Pledged Revenues to the payment of the principal of and interest on the Note, and any amendments or supplements thereto.

“**State**” shall mean the State of Arizona.

“**Trust Agreement**” shall mean the Trust Agreement, dated as of December __, 2019 by and between the Authority and UMB Bank, N.A., as trustee, relating to the issuance of the Bonds.

“**Trustee**” shall mean UMB Bank, N.A. and its successors and assigns.

Section 1.2 Interpretive Matters.

(a) Whenever the context requires:

(i) references in this Agreement of the singular number shall include the plural and vice versa; and

(ii) words denoting gender shall be construed to include the masculine, feminine, and neuter.

(b) The table of contents and the titles given to any article or section of this Agreement are for convenience of reference only and are not intended to modify the meaning of the article or section.

(c) Capitalized terms used but not defined in this Loan Agreement shall have the meanings assigned to them in the Trust Agreement.

ARTICLE II

THE LOAN; REPAYMENT OF THE LOAN; PAYMENT OF ANNUAL ADMINISTRATIVE FEE

Section 2.1 The Loan. Subject to the terms and conditions set forth in this Agreement, including without limitation the conditions set forth in Section 2.2, and for and in consideration of the payment by the Corporation of its obligations under this Agreement and the Note and the covenants and agreements herein contained, the Authority will loan to, for the sole use and benefit of, the Corporation the proceeds of the Bonds to be used for the payment by the Corporation of the costs of the Project.

Section 2.2 Conditions to Closing. The obligation of the Authority to loan the proceeds of the Bonds to the Corporation as described in Section 2.1 hereof shall be subject to the following conditions:

(a) The representations of the Corporation herein shall be true, complete, and correct in all material respects on the date hereof and on and as of the Closing Date as if made on the Closing Date;

(b) At the time of Closing, the Corporation Documents shall be in full force and effect, assuming due authorization and execution by the other parties thereto, and shall not have been amended or supplemented except as may have been agreed to in writing by the Authority;

(c) At or prior to the Closing, the Authority shall have received each of the following documents:

(i) The Note executed by the authorized officers of the Corporation;

(ii) This Loan Agreement executed by the authorized officers of the Corporation, with such changes or amendments as may have been approved by the Authority and the Corporation;

(iii) Certified copies of the Resolution of the Corporation authorizing execution, delivery, and performance of all of the Loan Documents and authorizing the borrowing hereunder, along with such certificates of existence, certificates of good standing, and other certificates or documents as the Authority may reasonably require to evidence the Corporation's authority to enter into the Loan Documents;

(iv) An opinion of counsel for the Corporation, addressed to the Authority, to the effect that the Loan Documents and Corporation Documents have been duly authorized, executed and delivered by the Corporation and are legal, valid and binding agreements of the Corporation enforceable against the Corporation in accordance with their terms;

(v) True copies of all organization documents of the Corporation, including all amendments or supplements thereto;

(vi) The Underwriter shall have received a fully executed copy of the Continuing Disclosure Agreement;

(vii) The Closing Fee.

Section 2.3 Note Terms.

(a) The Corporation agrees to execute and deliver the Note to the Authority on the Closing Date.

(b) The Note shall be dated as of the Closing Date, shall be in an aggregate principal amount equal to the principal amount of the Bonds, and shall be payable in installments on the dates and in the amounts specified in the Note.

(c) Interest on the Note shall bear interest at the interest rate borne on the Bonds (calculated on the per annum basis of a 360-day year consisting of twelve 30-day months).

In no event shall the interest rate on the Note exceed the Maximum Interest Rate.

Section 2.4 Note Payments. On April 15 and October 15 of each year, commencing on April 15, 2020, the Corporation shall pay to the Trustee, for deposit into the Revenue Fund, all Pledged Revenues received from the City under the Interlocal Agreement. The Note Payments do not and will never give rise to a charge against the general credit or taxing power of the Corporation or the City and are payable solely from Pledged Revenues.

Section 2.5 Note Payments Due on Business Days. If the regularly scheduled due date for a Note Payment is not a Business Day, the due date for such payment shall be the next succeeding Business Day, and payment made on such succeeding Business Day shall have the same force and effect as if made on the regularly scheduled due date.

Section 2.6 **Optional Prepayment of Note**. The Corporation shall have the right to prepay the Note in whole or in part in the same manner as the optional redemption of the Bonds pursuant to Section 2.03(a) of the Trust Agreement.

Section 2.7 **Mandatory Prepayment of Note**. The Corporation shall prepay the Note in an amount and on such dates as required for the mandatory redemption of the Bonds pursuant to Section 2.03(b) of the Trust Agreement.

Section 2.8 **Pledge of Pledged Revenues**. Subject only to the provisions of this Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, in accordance with the provisions of this Agreement and the Interlocal Agreement, the Corporation hereby pledges to the Authority, and grants thereto a lien on and a security interest in, all of the Pledged Revenues.

Section 2.9 **Assignment**. The Corporation hereby transfers, assigns and conveys to the Trustee, its successors and assigns, forever, all of the Corporation's right, title and interest in, to and under the Interlocal Agreement.

Section 2.10 **Deed of Trust**. To secure its obligations hereunder and under the Note, the Corporation shall execute and deliver to the Trustee the Deed of Trust (as defined in the Trust Agreement.

Section 2.11 **Payment of Annual Administrative Fee**. The Corporation shall pay to the Trustee, on January 1 of each year, commencing on January 1, 2021, the Annual Administrative Fee. Upon receipt of the Annual Administrative Fee, the Trustee shall immediately pay to the Authority such fee. The initial Annual Administrative Fee (for the year in which the Bonds are issued) in a prorated amount and prepayment of the Annual Administrative Fee for the year 2020 is payable on the Closing Date of the Bonds. In the event the Corporation fails to pay the Annual Administrative Fee to the Authority by each January 15, commencing January 15, 2021, the Corporation shall be required to pay the Late Fee.

ARTICLE III

SPECIAL AGREEMENTS

Section 3.1 **Obligations of Corporation Unconditional**.

(a) The obligation of the Corporation to make the payments required hereunder shall be a special limited obligation payable solely from the Pledged Revenues. The Corporation shall pay all such amounts without abatement, diminution, or deduction (whether for taxes or otherwise) regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment, or counterclaim that the Corporation may have or assert against the Authority or any other person. Notwithstanding the foregoing, the Corporation's obligation to make the payments required hereunder shall be a special limited obligation payable solely from the Pledged Revenues, and shall never be a charge against the general credit or taxing powers of the Authority, Arizona Finance Authority, the State of Arizona, the City, the State of Texas, any political subdivision or agency of the States of Arizona or Texas, or any political subdivision approving the issuance of the Bonds.

(b) Until such time as the Note is fully paid the Corporation:

(i) will not suspend or discontinue, or permit the suspension or discontinuance of any Note Payment;

(ii) will perform and observe all of its other agreements contained in this Agreement;

(iii) except by full payment and retirement of the Note will not terminate this Agreement for any cause other than default by the Authority;

(iv) will not pledge, bargain, sell, convey, or place or allow any lien to be placed on the Pledged Revenues, other than the lien described in Section 2.8 hereof;

(v) will not pledge, bargain, sell, convey or place or allow any lien to be placed on the Land that is senior to or on parity with the lien created by the Deed of Trust as described in Section 2.10 hereof; and

(vi) will not pledge, bargain, sell, convey or place or allow any lien to be placed on any revenue granted by the City to the Corporation under the Interlocal Agreement.

Section 3.2 Agreement as Security Agreement. (a) An executed copy of this Agreement shall constitute a security agreement pursuant to applicable law with the Trustee as the secured party. The lien, pledge, and security interest of the Authority created in this Agreement shall become effective immediately upon the Closing, and the same shall be continuously effective for so long as the Note is outstanding.

(b) A fully executed copy of this Agreement and the proceedings authorizing it shall be filed as a security agreement among the permanent records of the Corporation. Such records shall be open for inspection to any member of the general public and to any person proposing to do or doing business with, or asserting claims against, the Corporation, at all times during regular business hours.

(c) Chapter 1208, Texas Government Code, as amended, applies to the issuance of the Note and the pledge of the Pledged Revenues granted by the Corporation under Section 2.8 of this Agreement, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Note is outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Corporation hereunder is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the Authority the perfection of the security interest in said pledge, the Corporation 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, and enable a filing to perfect the security interest in said pledge to occur.

Section 3.3 Financial Statements and Reports. For so long as any amounts remain outstanding under the Note, the Corporation agrees to comply with the requirements of the Continuing Disclosure Agreement.

Section 3.4 **Existence**. While this Agreement is in effect, the Corporation shall maintain its governmental existence and qualification to do business in the State of Texas, and may not liquidate, dissolve, or voluntarily suspend business.

Section 3.5 **Requisitions from Project Fund**. The Corporation shall submit a requisition to the Trustee, in the form attached hereto as Exhibit C, for disbursement from the Project Fund. The Corporation shall only requisition funds on deposit in the Project Fund to pay or refinance the cost to acquire the Land, pay the cost of certain public improvements, pay certain pre-development costs of the Development Project and the Costs of Issuance. Requisitions from the Project Fund for costs other than Land shall not exceed [$____________] unless all of the Land has been purchased and is subject to the Deed of Trust, except for any land released from the Deed of Trust pursuant to Section 3.6 hereof. In the event that the Corporation submits a requisition to the Trustee to acquire a portion of the Land with funds on deposit in the Project Fund, the Corporation shall certify in such requisition that attached to such requisition is a copy of each of the following:

(a) A Deed of Trust, Security Agreement and Financing Statement, to be dated the date of acquisition of a portion of the Land, from the Corporation for the benefit of the Trustee, encumbering the applicable portion of the Land.

(b) A pro forma mortgagee title insurance policy issued by a reputable title company to the Trustee, dated effective as of the date of recording of such Deed of Trust, insuring the lien of the Deed of Trust in an amount equal to the initial face amount of the cost to acquire such Land.

(c) An ALTA/ACSM Land Title Survey of the applicable portion of the Land by a reputable surveyor.

The Trustee may conclusively rely upon such requisition and any certifications of the Corporation therein and shall have no obligation to review any attachments to such requisition or determine the sufficiency of any such requisition or its attachments.

Section 3.6 **Corporation Right to Release Land from Deed of Trust**. Notwithstanding anything to the contrary set forth in this Loan Agreement, including Section 3.1(b)(v) hereof, the Corporation shall have the right to request the Trustee, in writing, to release all or a portion of the Land from the lien of the Deed of Trust, so long as the Corporation (i) effects a refunding of all of the Bonds pursuant to Section 2.03(a)(i) of the Trust Agreement or (ii) effects a partial refunding of the Bonds pursuant to Section 2.03(a)(ii) of the Trust Agreement. In the event the Corporation submits such written request to the Trustee and provides the Trustee funds sufficient to redeem all or a portion of the Bonds pursuant to either Section 2.03(a)(i) of the Trust Agreement or Section 2.03(a)(ii) of the Trust Agreement, the Trustee shall release all or that portion of the Land requested to be released from the lien of the Deed of Trust.

ARTICLE IV

REPRESENTATIONS

Section 4.1 **Representations of Authority**. The Authority represents to the Corporation the following:

(a) The Authority has all necessary power and authority to enter into and perform under this Agreement.

(b) The Authority has taken all actions required to authorize and execute this Agreement and to perform its obligations hereunder and the execution, delivery, and performance by the Authority of and compliance with the provisions of this Agreement will not conflict with any existing law, regulation, rule, decree, or order or any agreement or other instrument by which the Authority is bound.

Section 4.2 **Representations by the Corporation**. To the knowledge of the undersigned officers of the Corporation, the Corporation represents, warrants, and covenants to the Authority as follows:

(a) The Corporation is a nonprofit governmental corporation created by the City under the Corporation Act; has all of the rights, powers, privileges, authority, and functions given by the general laws of the State of Texas, except as otherwise provided in the Corporation Act; and is authorized by the Corporation Act to borrow money and to execute and to enter into this Agreement and to undertake the transactions contemplated herein and to carry out its obligations hereunder with the approval of the City.

(b) The Corporation has all requisite power, authority, and legal right to execute and deliver the Loan Documents and all other instruments and documents to be executed and delivered by the Corporation pursuant thereto and to perform and observe the provisions thereof and to carry out the transactions contemplated by the Loan Documents. All action on the part of the Corporation which is required for the execution, delivery, performance, and observance by the Corporation of the Loan Documents has been duly authorized and effectively taken, and such execution, delivery, performance, and observation by the Corporation do not contravene applicable law or any contractual restriction binding on or affecting the Corporation.

(c) By resolution the Corporation has duly approved the borrowing of funds from the Authority, and such resolution has not been repealed, rescinded, or revoked; no other authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required as a condition to the performance by the Corporation of its obligations under any of the Loan Documents.

(d) This Agreement and the Note are legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms.

(e) There is no default of the Corporation in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of the Loan Documents or the ability of the Corporation to perform its obligations thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There is no pending or threatened action or proceeding before any court, governmental agency, department, or arbitrator (i) to restrain or enjoin the execution or delivery of this Agreement and the Note or the collection of any of the Corporation's Pledged Revenues to pay the Note, (ii) in any way contesting or affecting the authority for the execution and delivery or the validity of the Loan Documents, or (iii) in any way contesting the levy of the Pledged Revenues or the existence of the Corporation or the title or powers of the officers of the Corporation.

(g) In connection with the authorization, execution, and delivery of this Agreement and the Note, the Corporation has complied with all provisions of the laws of the State of Texas.

(h) The execution and delivery of the documents contemplated hereunder do not violate any provision of any instrument or agreement to which the Corporation is a party or by which it is bound.

(i) The Corporation has, by proper action, duly authorized the execution and delivery of this Agreement.

(j) The Corporation is not in default under or in violation of the Constitution or any of the laws of the State of Texas relevant to the issuance of the Note or the consummation of the transactions contemplated hereby or in connection with such issuance, and has duly authorized the issuance of the Note and the execution and delivery of this Agreement. The Corporation agrees that it will do or cause to be done in a timely manner all things necessary to preserve and keep in full force and effect its existence, and to carry out the terms of this Agreement and the Note.

(k) This Agreement, the other Corporation Documents, and all other documents to which the Corporation is a party and contemplated hereby or thereby have been duly authorized, executed and delivered by the Corporation and, when assigned to the Trustee pursuant to the Trust Agreement, constitute the legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, including by the Trustee for the benefit of the owners, and the Unassigned Rights constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation (1) by the Authority in its own right or (2) in the case of the rights of any Authority Indemnified Person, including, without limitation, the right of any Authority Indemnified Person to indemnification and immunity from liability by such Authority Indemnified Person in his, her or its own right, in accordance with their terms.

(l) No written information, exhibit or report furnished to the Authority by the Corporation in its application for financing or by the Corporation or its representatives in connection with the negotiation of this Agreement or any other document relating to the Bonds, regardless of whether the Authority is a party thereto (including any financial statements, whether audited or unaudited, and any other financial information provided in connection therewith) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that the representation in this subsection is made only to the Authority and may not be relied upon by any other Person.

(m) The Corporation's representations and warranties (i) are made as of the date of this Agreement and as of the date of the delivery of the Bonds to the initial purchasers, (ii) survive the issuance of the Bonds, and (iii) remain operative and in full force and effect regardless of the issuance of the Bonds, and regardless of any investigations by or on behalf of the Authority or the results thereof.

(n) The Corporation makes no representations as to any Hazardous Substances in, on or around the Land.

Section 4.3 Permits or Licenses. In the event that it may be necessary for the proper performance of this Agreement on the part of the Corporation that any application or applications for any permit or license to do or to perform certain things be made to any governmental or other agency by the Corporation, the Corporation shall execute such application or applications and shall otherwise comply with regulatory requirements, as applicable.

ARTICLE V

REMEDIES

Section 5.1 Remedies Available.

(a) Upon the occurrence of any Loan Agreement Event of Default and at any time thereafter for so long as the Loan Agreement Event of Default has not been cured, the Trustee may take any action at law or in equity to collect all amounts then due under this Agreement and the enforcing of compliance with any other obligation of the Corporation under this Agreement.

(b) Upon the occurrence of any Loan Agreement Event of Default and at any time thereafter for so long as the Loan Agreement Event of Default has not been cured, the Trustee may proceed against the Corporation for the purposes of protecting and enforcing the rights under this Agreement and the Interlocal Agreement, by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby enjoin any action or thing that many be unlawful or in violation of any right of the Trustee hereunder or any combination of such remedies.

(c) In addition to the remedies provided in subsection (a) of this Section, the Trustee and the Authority shall, to the extent permitted by law, be entitled to recover the costs and expenses, including attorney's fees and court costs, incurred by the Trustee and the Authority in the proceedings authorized under subsection (a) of this Section.

(d) If the Trustee is not enforcing the Authority's rights in a manner to protect the Authority or is otherwise taking action that brings adverse consequences to the Authority, then the Authority may, without the consent of the Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Authority's Unassigned Rights and to collect all sums then due and thereafter to become due to the Authority under this Loan Agreement.

Section 5.2 Application of Money Collected. Any money collected as a result of the taking of remedial action pursuant to this Article V, including money collected as a result of foreclosing the liens of this Agreement, shall be applied by the Trustee in accordance with Section 8.04 of the Trust Agreement.

Section 5.3 Restoration of Rights. If any action taken as a result of a Loan Agreement Event of Default is discontinued or abandoned for any reason, or is determined adversely to the interests of the Authority, or if a Loan Agreement Event of Default is cured, all parties shall be deemed to be restored to their respective positions and rights under the Loan Documents as if such Loan Agreement Event of Default had not occurred; provided, that the foregoing shall not operate to extinguish any rights that accrue to the Authority either as a result of such action or during the pendency thereof.

Section 5.4 Non-Exclusive Remedies. No remedy conferred upon or reserved to the Authority by this Agreement is intended to be exclusive of any other available remedy, and each such remedy shall be in addition to any other remedy given under this Agreement or the other Loan Documents or now or hereafter existing at law or in equity.

Section 5.5 Delays. No delay or omission to exercise any right or power accruing upon any Loan Agreement Event of Default shall impair any such right or power or be construed to be a waiver thereof, and all such rights and powers may be exercised as often as may be deemed expedient.

Section 5.6 Limitation on Waivers. If a Loan Agreement Event of Default is waived, such waiver shall be limited to the particular Loan Agreement Event of Default so waived and shall not be deemed a waiver of any other Loan Agreement Event of Default; provided, that no waiver of a Loan Agreement Event of Default shall be effective unless such waiver is made in writing.

ARTICLE VI

DISCHARGE

When the Note has been paid in full or when the Corporation has made payment to the Authority of the whole amount due or to become due under the Note (including all interest that has accrued thereon or that may accrue to the date of maturity or prepayment, as applicable), all Administrative Costs and Extraordinary Cost, and all other amounts payable by the Corporation under this Agreement have been paid, the liens of this Agreement shall be discharged and released, and the Authority, upon receipt of a written request by the Corporation and the payment by the Corporation of all expenses with respect thereto, shall discharge and release the lien of this Agreement and execute and deliver to the Corporation such releases or other instruments as shall be requisite to release the lien hereof. In such event, the Authority, subject to Section 8.13, shall execute and deliver to the Corporation all such instruments as may be necessary or desirable to evidence such discharge and satisfaction.

ARTICLE VII

MODIFICATION OF DOCUMENTS

Section 7.1 **Amendments Require Consent**. The Corporation may not amend, or agree or consent to amendment of, the Corporation Documents without the prior written consent of the Authority and the Trustee. The Authority may not amend, or agree or consent to amendment of, the Loan Documents without the prior written consent of the Corporation.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 **Term of Agreement**. This Agreement shall become effective upon the Closing Date and shall continue in full force and effect until all obligations of the Corporation under this Agreement and the Note, and all Administrative Costs and Extraordinary Costs have been fully paid.

Section 8.2 **Notices**.

(a) All notices, certificates, or other communications required by or made pursuant to this Note Agreement shall be in writing and given by certified or registered United States Mail, return receipt requested, addressed as set forth in the Trust Agreement.

(b) The Corporation and the Authority may designate any further or different addresses to which subsequent notices shall be sent.

(c) Except as otherwise provided by this Agreement, any communication delivered by mail in compliance with this section is deemed to have been given as of the date of deposit in the mail.

(d) A provision of this Agreement that provides for a specific method of giving notice or otherwise conflicts with this section supersedes this section to the extent of the conflict.

Section 8.3 **Binding Effect, Assignment**. This Agreement shall (i) be binding upon the Corporation, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Authority and its successors, transferees and assigns; provided that the Corporation may not assign all or any part of this Agreement without the prior written consent of the Authority. The Note is not negotiable and not registered. The Authority may assign, transfer, or grant participations in all or any portion of this Agreement, the Note, or any of its rights or security hereunder, including without limitation, the instruments securing the Corporation's obligations under this Agreement; provided that any such assignment, transfer, or grant shall be made only to a financial institution whose primary business is the lending of money and the Authority shall give written notice to the Corporation of such assignment, transfer or grant prior to such assignment, transfer or grant becoming effective.

Section 8.4 **Entire Agreement**. The Corporation Documents contain the entire agreement between the parties, and there are no other representations, endorsements, promises, agreements, or understandings, oral or written, express or implied, between the Corporation and the Authority.

Section 8.5 **Severability**. If any part of this Agreement is ruled invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability thereof shall not affect the remainder of this Agreement.

Section 8.6 **Survival of Provisions**. The provisions of this Agreement and the Trust Agreement and any other document in connection with the issuance of the Bonds to which the Authority is a party concerning (i) the interpretation of this Agreement; (ii) governing law, jurisdiction and venue; (iii) the Authority's right to rely on written representations of others contained herein or in any other document or instrument entered into or issued in connection with the Bonds, regardless of whether the Authority is a party thereto; (iv) the immunity, right to indemnification and lack of pecuniary liability of the Authority and the Authority Indemnified Persons; and (v) any other provision of this Agreement not described or enumerated above that expressly provides for its survival, shall survive and remain in full force and effect notwithstanding the payment or redemption in full, or defeasance of the Bonds, the discharge of the Trust Agreement, and the termination or expiration of this Agreement.

Section 8.7 **Counterparts**. This 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 document.

Section 8.8 **Governing Law and Venue**. This Loan Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to any choice of law principles, except as such laws may be preempted by any federal rules, regulations and laws. The parties hereto expressly acknowledge and agree that any action to interpret or enforce the terms of this Loan Agreement against the Authority shall be brought and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa, the United States District Court in and for the District of Arizona, or any United States Bankruptcy Court in any case involving or having jurisdiction over the Corporation.

Section 8.9 **Waiver of Personal Liability**. No Authority Indemnified Person or any officer or member of the Corporation shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Bonds or any costs incidental thereto or any amount under this Agreement or the Trust Agreement or be subject to personal liability or accountability by reason of the execution and delivery of this Agreement or the Trust Agreement. No Authority Indemnified Person (including any Authority Indemnified Person who executes any certificate in connection with the Note or the Bonds that restates or certifies as to the truth and accuracy thereof) or any officer or member of the Corporation shall be individually liable for the breach of any representation, warranty or agreement contained herein.

Section 8.10 **Non-Liability of the Authority**. The Authority shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto, except from the Pledged Revenues. Neither the faith and credit nor the taxing power of the State of Arizona or any other political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds, nor the faith and credit of the Authority, is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto. The Authority has no taxing power. The Authority shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement, the Bonds or the Trust Agreement, except only to the extent amounts are received for the payment thereof from the Corporation under this Agreement.

The Corporation hereby acknowledges that the Authority's sole source of moneys to repay the Bonds is the Pledged Revenues, and hereby agrees that if the payments to be made under this Agreement shall ever prove insufficient to pay all principal, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Corporation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest when due, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Authority, the Corporation or any third party, subject to any right of reimbursement from the Trustee, the Authority or any such third party, as the case may be, therefor. Notwithstanding the foregoing, the Corporation's obligation to make the payments required hereunder shall be a special limited obligation payable solely from the Pledged Revenues, and shall never be a charge against the general credit or taxing powers, if any, of the Authority, Authority Indemnified Persons, the State of Arizona, the City, the State of Texas, any political subdivision or agency of the States of Arizona or Texas, or any political subdivision approving the issuance of the Bonds.

Section 8.11 No Obligation to Enforce Assigned Rights. Notwithstanding anything to the contrary in this Loan Agreement or the Trust Agreement, the Authority shall have no obligation to and instead the Trustee, in accordance with this Agreement or the Trust Agreement, shall have the right, without any direction from or action by the Authority, to take any and all steps, actions and proceedings, to enforce any or all rights of the Authority under this Agreement or the Trust Agreement (other than the Unassigned Rights), including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of a Loan Agreement Event of Default and the obligations of the Corporation under the Agreement.

Section 8.12 No Impairment of Rights. Nothing herein shall be deemed or construed to limit, impair or affect in any way the Authority's (or any Authority Indemnified Person's) right to enforce the Unassigned Rights, regardless of whether there is then existing a Loan Agreement Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by a Loan Agreement Event of Default or alleged Loan Agreement Event of Default, and regardless of any waiver or forbearance granted by the Trustee or any holder in respect thereof. Any default or Loan Agreement Event of Default in respect of the Unassigned Rights may only be waived with the Authority's written consent.

Section 8.13 Authority's Performance. None of the provisions of this Agreement shall require the Authority to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Pledged Revenues, or unless Authority shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Authority shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds, the Development Project or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Trustee or the Corporation. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Agreement, the Trust Agreement, and any and every Bond executed, authenticated and delivered under the Trust Agreement; provided, however, that the Authority shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been directed to do so in writing by the Corporation, the Trustee, or the holders having the authority to so direct; (ii) received from the Person requesting such action or execution assurance satisfactory to the Authority that the Authority's expenses incurred or to be incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Authority; and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Authority.

In complying with any provision herein or in the Agreement, including but not limited to any provision requiring the Authority to "cause" another Person to take or omit any action, the Authority shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful performance by the Trustee or the Corporation, as the case may be, of their respective obligations hereunder and under the Loan Agreement and (ii) upon any written certification or opinion furnished to the Authority by the Trustee or the Corporation, as the case may be. In acting, or in refraining from acting, under this Agreement, the Authority may conclusively rely on the advice of its counsel. The Authority shall not be required to take any action hereunder or under the Trust Agreement that it reasonably believes to be unlawful or in contravention hereof or thereof.

Section 8.14 Liability of the Authority. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions under or by reason of or in connection with the Corporation Documents, except as set forth therein.

Section 8.15 Notice of A.R.S. Section 38-511 – Cancellation of Contracts. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Loan Agreement under the law of the State.

Section 8.16 Third Party Beneficiaries. Notwithstanding any provision hereof to the contrary, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including their rights to immunity, indemnification and exculpation from pecuniary liability), the Authority Indemnified Persons and each of them, is a third-party beneficiary of this Loan Agreement entitled to enforce such rights in his, her, its or their own name or names.

ARTICLE IX

LIMITATIONS ON LIABILITY; EXPENSES; INDEMNIFICATION

Section 9.1 Limited Obligation of Authority. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority and the Corporation for the benefit of the Owners, and their respective successors and assigns, subject to the limitation that any obligations of the Authority created by or arising out of this Loan Agreement shall be special limited obligations of the Authority, payable solely from the Revenues arising from the pledge and assignment of the Loan Payments and, to the extent provided in the Trust Agreement, from the Funds and Accounts under the Trust Agreement, and shall never constitute the debt or indebtedness of the Authority, the Arizona Finance Authority, the State, or any political subdivision of the State within the meaning of any provision or limitation of the constitution or statutes of the State and shall not constitute nor (except for its fraud or intentional misrepresentation) give rise to a pecuniary liability of the Authority, the Arizona Finance Authority, the State or any political subdivision of the State or a charge against the general credit or taxing powers, if any, of such entities. The Authority has no taxing power.

Section 9.2 **Authority's Performance**. The Authority shall have no liability or obligation with respect to the payment of the purchase price of the Bonds. None of the provisions of this Loan Agreement shall require the Authority to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Revenues pledged under the Trust Agreement, or the Authority shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Authority shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided as arranged by the Trustee or the Corporation. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions expressly contained in this Loan Agreement, the Trust Agreement and in any and every Bond executed, authenticated and delivered under the Trust Agreement; provided, however, that (a) the Authority shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so in writing by the Corporation or the Trustee, (b) the Authority shall have received the instrument to be executed, and (c) any action or execution of any instrument requested of the Authority, including review by counsel, shall be at the Corporation's sole expense.

Section 9.3 **Pecuniary Liability of Authority**. No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Authority in connection with the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Authority or a charge against its general credit, or shall obligate the Authority financially in any way, except as may be payable from the Revenues pledged hereby for the payment of the Bonds and their application as provided in the Trust Agreement. No failure by the Authority to comply with any term, covenant or agreement contained in the Bonds, this Loan Agreement or the Trust Agreement, or in any document executed by the Authority in connection with the issuance, sale and delivery of the Bonds, shall subject the Authority to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the Revenues pledged for the payment of the Bonds or other Revenues derived under this Loan Agreement. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Authority for any failure to comply with any term, condition, covenant or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Authority, except as may be payable from the Revenues pledged in the Trust Agreement for the payment of the Bonds or other revenue derived under this Loan Agreement. No provision, covenant or agreement contained herein, or any obligations imposed upon the Authority, or the breach thereof, shall constitute an indebtedness of the Authority within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against its general credit. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Authority has not obligated itself, except with respect to the application of the Revenues pledged in the Trust Agreement for the payment of the Bonds or other Revenues derived under this Loan Agreement or the Trust Agreement.

Section 9.4 Immunity of Authority's Officers and Agents. No recourse shall be had for the enforcement of any obligation, covenant, promise or agreement of the Authority contained in the Bond Documents or the Loan Documents or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise or agreement of the Authority contained in any agreement, instrument, or certificate executed in connection with the issuance and sale of the Bonds, against any Authority Indemnified Person, whether by virtue of any constitutional provision, statute or rule of the law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any Authority Indemnified Person, either directly or by reason of any of the obligations, covenants, promises or agreements entered into by the Authority with the Corporation or the Trustee to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Authority Indemnified Person is, by the execution of the Bonds, this Loan Agreement and the other Authority Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Loan Agreement and the other Authority Documents is expressly waived and released.

Section 9.5 Reliance by Authority on Corporation. Anything in this Loan Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Authority may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Authority by the Corporation as to the existence of any fact or state of affairs required hereunder to be noticed by the Authority.

Section 9.6 No Obligation to Enforce Assigned Rights. Notwithstanding anything to the contrary in this Loan Agreement or the Trust Agreement, the Authority shall have no obligation to and instead the Trustee and/or the Owners, as the case may be, in accordance with this Loan Agreement or the Trust Agreement, shall have the right, without any direction from or action by the Authority, to take any and all steps, actions and proceedings, to enforce any or all rights of the Authority under this Loan Agreement and the Trust Agreement (other than the Unassigned Rights of the Authority), including the rights to enforce the remedies upon the occurrence and continuation of a Loan Agreement Event of Default and the obligations of the Corporation under this Loan Agreement.

Section 9.7 No Warranty by Authority. THE CORPORATION ACKNOWLEDGES AND AGREES THAT THE AUTHORITY HAS NOT HAD AND WILL NOT HAVE ANY INVOLVEMENT IN THE OPERATIONS OF THE DEVELOPMENT PROJECT AND THAT THE AUTHORITY HAS NOT MADE AND WILL NOT MAKE ANY INSPECTION OF THE LAND. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE LAND. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE LAND, THE AUTHORITY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR

REPRESENTATIONS BY THE AUTHORITY, EXPRESS OR IMPLIED, WITH RESPECT TO THE LAND OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 9.8 Provision for Payment of Expenses. The Authority shall not be obligated to execute any documents or take any other action under or pursuant to this Loan Agreement, the Trust Agreement or any other document in connection with the Bonds unless and until provision for the payment of the fees and expenses of the Authority shall have been made. Provision for the payment of such fees and expenses of the Authority shall be deemed to have been made upon arrangements reasonably satisfactory to the Authority for the provision of such fees and expenses being agreed upon by the Authority and the party requesting such execution.

Section 9.9 Indemnification.

(a) The Corporation shall, to the extent permitted by law, pay, defend, protect, indemnify and hold each of the Authority Indemnified Persons harmless for, from and against any and all liabilities directly or indirectly arising from or relating to this Loan Agreement, the Loan, the Trust Agreement, the Bonds, the Bond Documents, the Loan Documents, the Land or any document related to the issuance and sale of the Bonds, including the following:

(i) any injury to or death of any person or damage to property in or upon the Land or growing out of or connected with the use, non-use, condition, or occupancy of the Land or any part thereof;

(ii) any violation of any agreement, covenant or condition of any of the Corporation Documents;

(iii) any violation of any agreement, contract or restriction relating to the Land;

(iv) any violation of any law, ordinance, or regulation affecting the Land or any part thereof or the ownership, occupancy or use thereof;

(v) any liability growing out of or connected with the use, nonuse, condition or occupancy of the Land or any part thereof;

(vi) the issuance and sale of the Bonds;

(vii) any environmental condition of the Land; and

(viii) any statement, information or certificate furnished by the Corporation to the Authority or the Trustee that is materially misleading, untrue, incomplete, or incorrect in any respect;

(ix) any untrue statement or misleading statement or alleged untrue or misleading statement of a material fact contained in any preliminary or final official statement, limited offering memorandum or other offering document distributed or provided in connection with the offering and sale of the Bonds or arising out of or based upon any omission or alleged omission from any such official statement, limited offering memorandum or other offering document of any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except insofar as such liabilities are caused by any such untrue or misleading statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information contained under the captions "THE AUTHORITY" or "NO LITIGATION –The Authority" (as it relates to the Authority) in such official statement, limited offering memorandum or other offering document;

(x) any breach, other than by the Authority, of any of the representations, warranties or agreements contained in this Loan Agreement; and

(xi) any liability arising out of or relating to the issuance and the initial offer and sale of the Bonds.

(b) Without limiting the provisions of subsection (a) of this Section, the Corporation shall also pay, defend, protect, indemnify, and hold each of the Authority Indemnified Persons harmless for, from, and against any and all Liabilities directly or indirectly arising from or relating to (i) any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made to the Authority by or on behalf of the Corporation pertaining to the Bonds, and (ii) any Corporation fraud or misrepresentations or omissions contained in the proceedings of the Authority relating to the issuance of the Bonds that, if known to the original purchaser of the Bonds, could reasonably be considered a factor in such Person's decision to purchase the Bonds.

(c) Subsections (a) and (b) of this Section are intended to provide indemnification to each Authority Indemnified Person for such Person's active or passive negligence; provided, however, that nothing in said subsections shall be deemed to provide indemnification to any Indemnified Person with respect to any Liabilities arising from the successful allegation of fraud, gross negligence or willful misconduct of such party claiming indemnification.

(d) Any Authority Indemnified Person entitled to indemnification hereunder shall notify the Corporation of the existence of any claim, demand or other matter to which the indemnification obligation of the Corporation applies, and shall give the Corporation a reasonable opportunity to defend the same at its own expense and with counsel satisfactory to the Indemnified Person, provided, however, that the Authority Indemnified Person shall at all times also have the right to fully participate in the defense. If the Authority Indemnified Person is advised in an Opinion of Counsel that there may be legal defenses available to it that are different from or in addition to those available to the Corporation or if the Corporation shall, after receiving notice of the indemnification obligation of the Corporation and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose satisfactory to the Authority Indemnified Person, the Authority Indemnified Person shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of and at the risk of, the Corporation. The Corporation shall be responsible for the reasonable counsel fees, costs, and expenses of the Authority Indemnified Persons in conducting its defense.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their respective duly authorized officers as of the date first above written.

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

By:__________________________________
Name:_______________________________
Assistant Secretary

COTTONWOOD DEVELOPMENT CORPORATION

By___________________________________
Chair

ATTEST:

By___________________________________
Secretary

EXHIBIT A

FORM OF NOTE

Principal Amount
$__________ December __, 2019

PROMISSORY NOTE

COTTONWOOD DEVELOPMENT CORPORATION (the "Corporation") for value received, hereby promises to pay to the order of the **ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY** its successor or assigns (the "Authority") in lawful money of the United States of America, the principal sum of __________ 00/100 DOLLARS.

All capitalized terms which are used but not defined in this Note shall have the same meanings as in the Loan Agreement dated December __, 2019, between the Corporation and the Authority (such Loan Agreement, together with all amendments or supplements thereto, being the "Loan Agreement").

In addition to the principal sum referred to in the first paragraph of this Note, the Corporation also agrees to pay interest on the outstanding principal balance at the interest rate borne on the Bonds (calculated on the per annum basis of a 360-day year consisting of twelve 30-day months.

Notwithstanding any other provisions of this Note, interest payable on this Note, together with any other costs, consideration, or payments in the nature of and constituting interest under applicable law (whether denominated as interest or as any other type of payment hereunder or thereunder, respectively) shall not exceed, and shall automatically be reduced to, the Maximum Interest Rate; and all such costs, consideration, and payments constituting interest shall be pro-rated, spread, and allocated, to the fullest extent permitted by law, to such periods and loan amounts as will cause the money so paid or received to conform to and comply with applicable law and the Maximum Interest Rate.

The principal of and interest on this Note are due and payable in the amounts and at the times as is sufficient to pay the principal of and interest on the Bonds.

This Note is authorized under the Loan Agreement and is subject to, and is executed in accordance with, all of the terms, conditions, and provisions thereof. A fully executed copy of the Loan Agreement is on file in the permanent records of the Corporation and is open for inspection to any member of the general public and to any person proposing to do business with, or asserting claims against, the Corporation, at all times during regular business hours.

The principal of and interest on this Note are payable from the Corporation's Pledged Revenues, as described in and subject to the limitations contained in the Loan Agreement.

Except as otherwise provided in the Loan Agreement, the Corporation waives all demands for payment, presentations for payment, protests, notices of protests, and all other demands and notices, to the extent permitted by law.

All agreements between the Corporation and holder hereof, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid, or agreed to be paid to the holder hereof, exceed the maximum permissible by applicable law. If, from any circumstances whatsoever, interest would otherwise be payable to the holder hereof in excess of the Maximum Interest Rate, then the interest payable to the holder hereof shall be reduced to the maximum amount permitted under applicable law; and if from any circumstances the holder hereof shall ever receive anything of value deemed interest by applicable law in excess of the Maximum Interest Rate, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Corporation. All interest paid or agreed to be paid to the holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period of the subject loan until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between the Corporation and the holder hereof.

THIS NOTE AND THE LOAN AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

NEITHER THE CITY OF HUTTO, TEXAS, THE STATE OF TEXAS, THE STATE OF ARIZONA NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATES OF TEXAS OR ARIZONA SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THAT THE CORPORATION IS OBLIGATED TO MAKE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF HUTTO, TEXAS, THE STATE OF TEXAS, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATES OF TEXAS OR ARIZONA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THE CORPORATION HAS PLEDGED THE PLEDGED REVENUES DESCRIBED ABOVE TO MAKE THE NOTE PAYMENTS.

Principal due on this Note may be voluntarily prepaid pursuant to the provisions of <u>Section 2.6</u> of the Loan Agreement. Principal due on this Note shall be mandatorily prepaid in accordance with <u>Section 2.7</u> of the Loan Agreement.

If a date for the payment of the principal of or interest on the Note is a Saturday, Sunday, legal holiday, or a day on which the Authority is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institution is authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Note shall be governed in all respects by the laws of the State of Arizona as described in the Loan Agreement and of the United States of America.

IN WITNESS WHEREOF, this Note has been duly executed in accordance with law as of December __, 2019.

COTTONWOOD DEVELOPMENT CORPORATION

By:___________________________________

Chair

ATTEST:

By:___________________________________

Secretary

ENDORSEMENT

Pay to the order of UMB Bank, N.A., without recourse, as Trustee under the Trust Agreement referred to in the Note to which this Endorsement is attached, as security for the Bonds issued under such Trust Agreement. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

By:__________________________________
Name: Victor Riches
Title: President

EXHIBIT C

BOND PURCHASE AGREEMENT

$____________
ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
TAXABLE REVENUE BONDS, SERIES 2019
(HUTTO PERFECT GAME DEVELOPMENT PROJECT)

BOND PURCHASE AGREEMENT

November __, 2019

Arizona Industrial Development Authority
Phoenix, Arizona

Cottonwood Development Corporation
Hutto, Texas

Ladies and Gentlemen:

The undersigned, D.A. Davidson & Co., Denver, Colorado (the **"Underwriter"**), as underwriter of the Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project) (the **"Bonds"**) in the aggregate principal amount of $____________ to be issued by the Arizona Industrial Development Authority, a nonprofit corporation designated a political subdivision of the State of Arizona (the **"Authority"**), hereby offers to enter into this Bond Purchase Agreement (this **"Purchase Agreement"**) with the Authority and Cottonwood Development Corporation, a Texas non-profit local government corporation formed by the City of Hutto, Texas (the **"City"**), under Chapter 431, Texas Transportation Code, as amended (the **"Corporation"**) and upon acceptance by the Authority and the Corporation of this offer, this Purchase Agreement will be binding upon the Authority, the Corporation and the Underwriter. The Bonds will be issued by the Authority under and pursuant to the provisions of the Constitution and the laws of the State of Arizona, including the Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 *et seq*., as amended (the **"Act"**), a resolution adopted by the Authority on November 20, 2019 (the **"Resolution"**) and a Trust Agreement dated as of November __, 2019 (the **"Trust Agreement"**), between the Authority and, UMB Bank, N.A., a national banking association], as trustee (the **"Trustee"**). Except as otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in the Trust Agreement and the Limited Offering Memorandum (defined herein).

This offer is made subject to acceptance thereof by the Authority and the Corporation prior to 6:00 P.M., prevailing time in Hutto, Texas, or such other time as may be agreed to by the parties hereto, on the date hereof, and, upon such acceptance, evidenced by the signature of a duly authorized officials of the Authority and of the Corporation in the space provided below, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority, the Corporation and the Underwriter.

The Bonds, the premium, if any, and the interest thereon are special, limited obligations of the Authority, payable exclusively from the Trust Estate. The Bonds do not constitute a debt or a loan of credit or a pledge of the full faith and credit or taxing power of the Authority, the Arizona Finance Authority, the Corporation, the State of Arizona, the City of Hutto (the **"City"**), the State of Texas (the **"State"**), or of any political subdivision thereof, within the meaning of any State of Arizona or State constitutional provision or statutory limitation and shall never constitute or give rise to a pecuniary liability of the Authority, the Arizona Finance Authority, the State of Arizona, the City, the State or of any political subdivision thereof. The Bonds shall not constitute, directly or indirectly, or contingently obligate or otherwise constitute a general obligation of or a charge against the general credit of the Authority, but shall be special limited obligations of the Authority payable solely from the sources described in the Trust Agreement, but not otherwise. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds against any past, present, or future officer, director, counsel, advisor, agent, contractor, consultant or executive director of the Authority, or of any successor to the authority, as such, either directly or through the Authority or any successor to the Authority, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, counsel, advisors, agents, contractors, consultants or executive directors, as such, is expressly waived and released as a condition of and consideration for the execution and issuance of the Bonds.

The term **"Limited Offering Memorandum"** means the offering memorandum, including any addendum thereto, authorized by the Authority as the official sales document(s) to be used by the Underwriter to offer the Bonds to others. The term **"Preliminary Limited Offering Memorandum"** means the Preliminary Limited Offering Memorandum dated November __, 2019.

The words **"Financing Documents,"** when used herein, shall mean, individually and collectively, the following documents: the Trust Agreement, the Loan Agreement, the Note, this Purchase Agreement, the Continuing Disclosure Agreement, the Deed of Trust, the Interlocal Agreement, the Master Development Agreement, the Multi-Party Development Agreement, the Limited Offering Memorandum and any and all other documents or instruments that evidence or are part of the transactions referred to herein or in the Limited Offering Memorandum or contemplated hereby or by the Limited Offering Memorandum; provided, however, that when the words "Financing Documents" are used in the context of the authorization, execution, delivery, approval or performance of Bond Documents by a party hereto, the same shall mean only those Financing Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

The Underwriter is obligated under Rule G-23 of the Municipal Securities Rulemaking Board (the **"MSRB"**) to disclose to the Authority the following information, which the Authority acknowledges and agrees to by signing this Purchase Agreement:

(i) The bond purchase contemplated by this Purchase Agreement will be an arm's length, commercial transaction between the Authority and the Underwriter.

(ii) The Underwriter is not acting as a municipal advisor, financial advisor or fiduciary with respect to the Authority.

(iii) The Underwriter has not assumed any fiduciary responsibility to the Authority with respect to the underwriting of the Bonds and the Authority has consulted and will continue to consult with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it deems appropriate.

In addition, the Authority acknowledges that MSRB Rule G-17 requires the Underwriter to deal fairly at all times with both municipal issuers and investors, while recognizing that the Underwriter has financial and other interests that differ from the interests of the Authority. The Underwriter hereby discloses to the Authority that the Underwriter is not required by federal law to act in the best interests of the Authority without regard to the Underwriter's own financial or other interests. The Underwriter does have a duty to purchase securities from the Authority at a fair and reasonable price, but the Underwriter must balance that duty with its duty to sell the Bonds to investors at prices that are also fair and reasonable. The Underwriter will review the Limited Offering Memorandum for the Bonds 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.

Section 1. Agreement to Purchase.

(a) ***Purchase of the Bonds.*** Subject to the terms and conditions and upon the representations and warranties herein set forth, the Underwriter hereby agrees to purchase the Bonds from the Authority for offering to others, in accordance with the terms of the limited offering of the Bonds described in the Limited Offering Memorandum, and the Authority hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the Bonds, at the purchase price of $_____________ (consisting of the par amount of the Bonds of $____________, [plus an original issue premium/less original issue discount of $____________,] less an Underwriter's discount of $____________). The Bonds will mature, bear interest, be subject to redemption and be sold at the price indicated in **Exhibit A** hereto. The terms of the Bonds shall be as described more fully in the Trust Agreement.

(b) ***Initial Public Offering.*** The Underwriter hereby agrees to make a bona fide limited offering of the Bonds at not in excess of the initial offering prices (which may be expressed in terms of yield) set forth in **Exhibit A** hereto. The Bonds are being offered and sold only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act of 1933, as amended (the **"Securities Act"**)).

(c) At the time for the Authority's acceptance hereof, the Authority shall deliver to the Underwriter at least one originally executed copy of this Purchase Agreement, and at the request of the Underwriter, at least one certified copy of the Resolution and, at Closing, one originally executed copy of the Trust Agreement and the Loan Agreement.

(d) The Authority and the Corporation hereby authorize the use by the Underwriter of the Limited Offering Memorandum in connection with the sale of the Bonds and the Authority and the Corporation consent to the use by the Underwriter, prior to the date of this Purchase Agreement, of the Preliminary Limited Offering Memorandum.

Section 2. Representations and Warranties of the Authority. The Authority hereby represents and warrants to the Underwriter, as of the date hereof (and to be reaffirmed as of Closing), that:

(a) The Authority is, and as of Closing will be, a nonprofit corporation designated a political subdivision of the State of Arizona, incorporated with the approval of the Arizona Finance Authority, (the **"AFA"**) created and existing under the Act. The Authority has all of the necessary power to carry out and consummate the transactions contemplated by this Purchase Agreement, the Bonds, the Trust Agreement, and the Loan Agreement (collectively, the **"Authority Documents"**).

(b) The Authority Documents have been duly authorized, and once executed and delivered by the Authority (assuming due authorization and execution by the other parties thereto), will each be in full force and effect.

(c) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has approved and authorized the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and authorized and approved the execution and delivery of the Authority Documents and the consummation by the Authority of the transactions contemplated thereby.

(d) To the Authority's actual knowledge, there is no litigation pending against (as to which the Authority has received service of process) or overtly threatened in writing directly against the Authority or any of its board members in their capacities as such to restrain or enjoin the issuance or sale of the Bonds or the execution and delivery of the Bonds or the Authority Documents, or in any way affecting or questioning the authority for or the validity of the Bonds or the Authority Documents, or the existence or power of the Authority to use the proceeds from the sale of the Bonds as described in the Loan Agreement.

(e) The Bonds, when delivered in accordance with the Trust Agreement and paid for by the Underwriter on the Closing Date as provided herein, will have been duly authorized, executed, and delivered by the Authority and will be valid and binding special limited obligations of the Authority payable solely from the revenues and other property pledged and assigned for such payment as provided in the Trust Agreement.

(f) All meetings of the board of directors of the Authority at which action was taken in connection with the Authority Documents and the Bonds were duly and legally called and held meetings, and were open to the public at all times, and notice of the time and place of each such meeting was given as required by law.

(g) At the request and expense of the Corporation, the Authority agrees to cooperate with the Underwriter and its counsel in an endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States of America (the **"United States"**) as the Underwriter may request; provided, however, the Authority will not authorize the sale of the Bonds in any jurisdiction that requires the Authority to qualify to transact business or consent to the service of process in any such jurisdiction, other than the State of Arizona.

(h) The information in the Preliminary Limited Offering Memorandum relating to the Authority under the headings **"THE AUTHORITY"** and **"LITIGATION – The Authority"** is deemed final by the Authority as of its date within the meaning of paragraph (b)(1) of the 15c2-12 (the **"Rule"**) of the Securities and Exchange Commission (the **"SEC"**), and the Authority acknowledges the lawful use by the Underwriter of the Preliminary Limited Offering Memorandum in connection with the offering and sale of the Bonds, subject to compliance with applicable federal and state securities law.

(i) The information relating to the Authority under the headings **"THE AUTHORITY"** and **"LITIGATION - The Authority"** in the Limited Offering Memorandum did not and does not make any untrue statement of a material fact or omit to state a material fact with respect to the Authority necessary to make the statements made with respect thereto, in the light of the circumstances under which they were made, not misleading.

(j) To the knowledge of the Authority, the execution and delivery by the Authority of the Authority Documents and compliance with the provisions on the Authority's part contained therein will not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(k) The Authority agrees to cause the preparation and delivery to the Underwriter of, at such address as the Underwriter shall specify and in time to accompany confirmations to customers of the Underwriter, but in no event later than the Closing Date, as many copies of the Limited Offering Memorandum (as supplemented and amended from time to time) as the Underwriter shall reasonably request; provided however that such preparation shall be at no cost to the Authority.

Section 3. **Representations and Warranties of the Corporation.** The Corporation hereby represents and warrants to the Underwriter, as of the date hereof (and to be reaffirmed as of Closing), that:

(a) The Corporation is, and as of Closing will be, a Texas non-profit local government corporation validly existing under the laws of the State with the authority to enter into and perform its obligations under this Purchase Agreement.

(b) The Corporation has full power and authority pursuant to the constitution and the laws of the State to (i) enter into and perform its obligations under the Financing Documents and execute and deliver the Limited Offering Memorandum.

(c) Prior to Closing, the Corporation will have taken all action necessary to be taken by it for: (i) the authorization, execution and delivery by the Corporation of the Financing Documents and all other agreements and documents which may be required to be authorized, executed and delivered by the Corporation in order to carry out, give effect to and consummate the transaction contemplated hereby and by the Limited Offering Memorandum.

(d) Assuming the valid authorization, execution and delivery of this Purchase Agreement and the other Financing Documents by the other parties hereto and thereto this Purchase Agreement is, and the other Financing Documents will be, to the extent the Corporation is a party thereto, the legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, except to the extent that enforcement thereof may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity, or by laws affecting political subdivisions generally.

(e) This Purchase Agreement has been duly authorized, executed and delivered by the Corporation.

(f) The authorization, execution and delivery by the Corporation of the Financing Documents and the other documents contemplated hereby and by the Limited Offering Memorandum to be executed and delivered by the Corporation and compliance by the Corporation with the provisions thereof do not and will not in any material respect conflict with, or constitute a violation of, breach of, or default under (i) any federal or State constitutional and statutory provision, (ii) any agreement or other instrument to which the Corporation is a party or by which it is bound, or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Corporation or its property.

(g) No consent, approval, authorization or order of any governmental or regulatory authority is required to be obtained that has not already been obtained by the Corporation as a condition precedent to the execution and delivery by the Corporation of the Financing Documents, or the performance of its obligations thereunder.

(h) The Preliminary Limited Offering Memorandum does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading. The Corporation has no reason to believe and does not believe that such information is materially inaccurate or misleading, and since the date of the Preliminary Limited Offering Memorandum, there have been no material transactions not in the ordinary course of affairs entered into by the Corporation and no material adverse changes in the general affairs of the Corporation as shown in the Preliminary Limited Offering Memorandum, other than as disclosed in or contemplated by the Limited Offering Memorandum. Notwithstanding the foregoing, the Corporation makes no representation or warranty (express or implied) as to the accuracy or completeness of any financial, economic, technical or statistical data or any estimates, projections, assumptions or expressions of opinion set forth in the Limited Offering Memorandum, including without limitation the Revenue Study included as **Appendix H** or any reference thereto or to the conclusions thereof, or information concerning The Depository Trust Company (**"DTC"**) provided by DTC, or any information set forth in the sections of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum entitled **"UNDERWRITING."**

(i) Except as may be disclosed in the Limited Offering Memorandum, there is no action, suit, proceeding, inquiry, investigation or litigation at law or in equity or any proceeding before any governmental agency pending or, to the knowledge of the Corporation, threatened against the Corporation or to which the Corporation is a party the probable outcome of which would materially adversely affect the existence or powers of the Corporation, the transaction contemplated hereby or by the Limited Offering Memorandum or the validity or enforceability in accordance with their respective terms, of the Bonds, the Financing Documents or any agreement or instrument to which the Corporation is a party used or contemplated for use in connection with the transactions contemplated hereby or by the Limited Offering Memorandum, or would have a material adverse effect on the condition, operations or results of operations, financial or otherwise, of the Corporation.

(j) No event of default has occurred and is continuing which constitutes, or with the lapse of time or the giving of notice, or both, would constitute, on the part of the Corporation, a breach of or an event of default under any of the Financing Documents.

(k) Any certificate signed by any Corporation representative and delivered to the Underwriter at Closing or prior thereto shall be deemed a representation and warranty by the Corporation to the Underwriter as to the statements made therein with the same effect as if such representation and warranty were set forth herein.

(l) The Corporation acknowledges that the Authority has furnished for inclusion in the Limited Offering Memorandum only the statements and information appearing therein under the captions entitled **"THE AUTHORITY"** and **"LITIGATION – The Authority,"** solely as such information relates to the Authority, and all other information contained in the Limited Offering Memorandum has been furnished by parties other than the Authority, which other information has not been independently verified by the Authority, its board members, its consultants, its employees, its agents or its counsel.

Section 4. **<u>Closing</u>.** Delivery of and payment for the Bonds shall be made at the offices of Greenberg Traurig, LLP (**"Bond Counsel"**) at 300 West 6th Street, Suite 2050, Austin, Texas, at 9:00 A.M. on ____________ __, 2019, (the **"Closing Date"**) or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the Corporation and the Underwriter (such delivery and payment is referred to herein as **"Closing"**). Delivery of the Bonds shall be made to the Underwriter against payment by the Underwriter of the purchase price of the Bonds as set forth in **Section 1(a)** hereof, in immediately available funds to or upon the order of the Authority. The Bonds shall be delivered in definitive form duly executed on the Authority's behalf pursuant to the Trust Agreement.

Section 5. **<u>Covenants and Agreements of the Corporation</u>.** The Corporation covenants and agrees with the Underwriter as follows:

(a) Neither the Authority nor the Corporation shall supplement or amend the Limited Offering Memorandum or cause the Limited Offering Memorandum to be supplemented or amended without the prior written consent of the Underwriter.

(b) Neither the Authority nor the Corporation shall amend, terminate or rescind, and shall not agree to any amendment, termination or rescission of any Financing Document without the prior written consent of the Underwriter prior to Closing.

(c) If at any time prior to Closing, any event occurs with respect to the Authority or the Corporation as a result of which the Limited Offering Memorandum, as then amended or supplemented, might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority or the Corporation, as applicable, shall promptly notify the Underwriter in writing of such event. Any information supplied by the Authority or the Corporation, as applicable, for inclusion in any amendments or supplements to the Limited Offering Memorandum will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Prior to Closing, the Corporation shall not create, assume, or guarantee any indebtedness payable from, or pledge or otherwise encumber, the revenues, assets, properties, funds, or interests that will be pledged pursuant to the Trust Agreement.

(e) Neither the Authority, nor the Corporation, shall voluntarily undertake any course of action inconsistent with satisfaction of the requirements applicable to the Authority or the Corporation, as applicable, as set forth in this Purchase Agreement.

(f) Neither the Authority, nor the Corporation will knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Trust Agreement or the Loan Agreement.

(g) The Authority and the Corporation agree to cooperate with the Underwriter in the preparation of any supplement or amendment to the Limited Offering Memorandum deemed necessary by the Underwriter on any date subsequent to the execution of this Purchase Agreement.

Section 6. Conditions to Closing. The obligations of the Underwriter hereunder are subject to the performance by the Authority and the Corporation of their respective obligations hereunder at or prior to Closing, and to the accuracy of the representations and warranties of the Authority and the Corporation herein as of the date hereof and as of the Closing Date, and are also subject to the following further conditions, all of which must occur at or prior to Closing (note that the legal opinions described below may be subject to customary qualifications and limitations as are agreed to by the Underwriter prior to the issuance of the Bonds):

(a) The representations, warranties and covenants of the Authority and the Corporation contained herein, in the other Financing Documents shall be true, complete and correct in all material respects as of the Closing Date.

(b) On the Closing Date, (i) the Bonds and the other Financing Documents shall have been duly authorized, executed and delivered by the respective parties thereto and said agreements and instruments shall be in full force and effect as valid and binding agreements between or among the parties thereto; and (ii) the Authority or the Corporation, as applicable, shall perform or have performed its obligations which are required to be performed prior to Closing pursuant to the provisions of the Financing Documents.

(c) The terms of the Bonds shall in all instances be as described in the final Limited Offering Memorandum.

(d) On the Closing Date, all official action of the Authority and the Corporation relating to the Bonds and the other Financing Documents shall have been taken and the Bonds and the other Financing Documents shall be in full force and effect in accordance with their respective terms.

(e) Prior to Closing, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter:

(i) ***Approving Opinion of Bond Counsel.*** The unconditional approving opinion of Bond Counsel, in substantially the form attached to the Limited Offering Memorandum as **Appendix J**, dated the Closing Date, addressed to, or with reliance letters to, the Authority, the Corporation, the Trustee and the Underwriter, relating to the due authorization, execution and delivery of the Bonds, the Trust Agreement and the Loan Agreement, the status of the interest on the Bonds for federal and State income tax purposes and certain other matters, with only such changes thereto as are satisfactory to the Underwriter;

(ii) ***Supplemental Opinion of Bond Counsel.*** The supplemental opinion of Bond Counsel, dated the Closing Date, in the form set forth in **Exhibit B** hereto, addressed to the Authority, the Corporation and the Underwriter.

(iii) ***Opinion of Counsel to the Underwriter.*** The opinion of Thompson Coburn LLP, (**"Counsel to the Underwriter"**), dated the Closing Date, in substantially the form set forth in **Exhibit C** hereto;

(iv) ***Opinion of Counsel to the Developer.*** The opinion of Sandberg Phoenix & von Gontard, P.C., Kansas City, Missouri (**"Counsel to the Developer"**), dated the Closing Date, addressed to the Authority, the Corporation and the Underwriter, in substantially the form set forth in **Exhibit D** hereto.

(v) ***Opinion of Counsel to the Authority.*** The opinion of Kutak Rock LLP, Scottsdale, Arizona, (**"Counsel to the Authority"**), dated the Closing Date, addressed to the Corporation and the Underwriter, in substantially the form set forth in **Exhibit E** hereto.

(vi) ***Opinion of Counsel to the City and the Corporation.*** The opinion of McGinnis Lochridge, Austin, Texas (**"Counsel to the City and the Corporation"**), dated the Closing Date, addressed to the Authority, the Corporation and the Underwriter, in substantially the form set forth in **Exhibit F** hereto.

(vii) ***Closing Certificates.*** General closing certificates evidencing compliance with applicable conditions to the Closing executed by (A) the Authority, (B) the Underwriter, (C) the Developer, (D) the Corporation and (E) the Trustee;

(viii) ***Developer Certificates.*** The Underwriter shall receive a certificate from Legacy Hutto, LLC, a Missouri limited liability company, in substantially the form attached hereto as **Exhibit G**;

(ix) ***Financing Documents.*** Executed counterparts of the Financing Documents, executed by the parties thereto;

(x) ***Specimen Bond.*** Specimen of the Bonds;

(xi) ***Letter of Representations.*** DTC's Blanket Letter of Representation;

(xii) ***Receipt for Bonds and Receipt for Purchase Price.*** Receipt for the Underwriter for the Bonds and of the Authority (or the Trustee) for the purchase price of the Bonds; and

(xiii) ***Additional Documents*****.** Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy as of the Closing Date of the representations and warranties of the Authority and the Corporation contained in this Purchase Agreement and the due performance or satisfaction by the Authority and the Corporation at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority or the Corporation, as applicable, pursuant to this Purchase Agreement.

If the Authority or the Corporation shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds on the Closing Date shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter, the Corporation, nor the Authority shall be under further obligation hereunder; except that the obligations as provided in **Section 10** hereof shall continue in full force and effect.

Section 7. Cancellation of this Purchase Agreement. The Underwriter shall have the right to cancel this Purchase Agreement by notification to the Authority and the Corporation, if at any time subsequent to the date of this Purchase Agreement and at or prior to Closing:

(a) Any legislation, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department, or agency in the State, or a decision by any court of competent jurisdiction shall be rendered which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds, or the ability of the Underwriter to enforce contracts for the sale thereof.

(b) A stop order, ruling, regulation, or official statement by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall be proposed, issued, or made or to the effect that the issuance, offering or sale obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, as contemplated hereby, or by the Limited Offering Memorandum, is in violation or would be in violation of any provision of the federal or state securities laws, the Securities Act, or the registration provisions of the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**) and as then in effect, or the qualification provisions of the Trust Indenture Act.

(c) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under or from other requirements of the Securities Act or the Exchange Act as then in effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act.

(d) Any event shall have occurred, or information become known which, in the Underwriter's opinion, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum or has the effect that the Limited Offering Memorandum as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities by any governmental authority or by any national securities exchange.

(f) Any national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter.

(g) A general banking moratorium shall have been established by federal, New York, or Colorado authorities.

(h) Trading in any securities of the Authority's shall have been suspended on any national securities exchange; or any proceeding shall be pending or threatened against the Authority by the SEC.

(i) A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have been instigated or escalated, or any other event relating to the operation of government or the financial community shall have occurred which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds, or the ability of the Underwriter to enforce contracts for the sale thereof.

The Underwriter acknowledges that no such event exists as of the date hereof that would permit the Underwriter to cancel its obligations pursuant to this Bond Purchase Agreement.

Section 8. **Contingency of Obligations.** The obligations of the Authority and the Corporation hereunder are subject to the performance by the Underwriter of its obligations hereunder.

Section 9. **Duration of Representations, Warranties, Agreements and Covenants.** All representations, warranties, agreements and covenants of the Authority and the Corporation are made as of the Closing Date and shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, the Corporation and the Authority and shall survive the Closing Date. The obligations under **Section 10** hereof shall survive any termination of this Purchase Agreement.

Section 10. **Expenses and Compensation.** The Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Authority or the Corporation hereunder. The Corporation will pay or cause to be paid, but only from the proceeds of the Bonds and not from any other source or funds of the Corporation, all reasonable expenses incident to the performance of its obligations and the obligations of the Underwriter under this Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, the fees and disbursements of Bond Counsel, Counsel to the Underwriter, Counsel to the Authority, Counsel to the City and the Corporation, and the City's financial advisor, Counsel to the Master Developer and the Master Developer's financial advisor, the fees and expenses of the Authority's, the City's and the Corporation's accountants and other consultants, fees and charges of the Trustee, paying agent or other agent retained in connection with the payment of, or the administration of the payment of, the Bonds, fees to register the Bonds with DTC, CUSIP fees, regulatory fees, clearing and delivery fees and all other out of pocket expenses incurred by the Underwriter in connection with its purchase and offering of the Bonds. If the Bonds are not issued, the Corporation shall have no liability for payment of such fees.

Section 11. **Limited Offering Memorandum.**

(a) The Corporation shall provide and shall cause its advisors to provide such information, access to records, and other cooperation as the Underwriter may reasonably request in connection with the preparation of the Limited Offering Memorandum for use in connection with the distribution of the Bonds by the Underwriter. The Corporation authorizes the use of the Limited Offering Memorandum by the Underwriter and others in connection with the distribution of the Bonds, and if requested by the

Underwriter, shall cause the Limited Offering Memorandum to be executed on behalf of the Corporation by one of its authorized officials.

(b) The Underwriter represents that the limited offering of the Bonds is exempt from the continuing disclosure requirements of Rule 15c2-12 of the SEC.

(c) The Corporation hereby agrees to deliver to the Underwriter, within the earlier of: (i) seven (7) business days after the date of acceptance hereof by the Corporation or (ii) one day prior to Closing, sufficient copies of the final version of the Limited Offering Memorandum as may be reasonably requested by the Underwriter. The Underwriter has determined that such delivery date is in sufficient time to permit the Limited Offering Memorandum to accompany any confirmation that requests payment from any customer of the Underwriter.

Section 12. Amendments to Limited Offering Memorandum. The Corporation covenants and agrees to promptly notify the Underwriter if, during the period commencing on the date hereof through the date 25 days after the "end of the underwriting period," as hereinafter defined, any event relating to or affecting the Corporation shall occur as a result of which it is necessary, in the opinion of Bond Counsel or the Underwriter, to amend or supplement the Limited Offering Memorandum in order to make the information in the Limited Offering Memorandum not misleading in the light of the circumstances then existing. In any such event, the Corporation shall at its expense promptly amend or supplement the Limited Offering Memorandum in any form and manner jointly approved by the Authority, the Corporation and the Underwriter so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements not misleading; and the Corporation shall furnish to the Underwriter (a) a reasonable number of copies of the supplement or amendment to the Limited Offering Memorandum and (b) if such notification shall be subsequent to the Closing Date, such legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum.

The "end of the underwriting period" means the Closing Date, unless the Underwriter advises the Authority in writing on such Closing Date that, as of such date, there remains an unsold balance of the Bonds, in which case the "end of the underwriting period" means the date as of which the Underwriter notifies the Authority and the Corporation that the Underwriter no longer retains an unsold balance of the Bonds for sale to the public; however, in no event shall the "end of the underwriting period" extend beyond the date 60 days from the Closing Date. The Underwriter shall provide to the Authority and the Corporation upon request such information as may be reasonably required by the Authority and the Corporation in order to determine whether the "end of the underwriting period" for the Bonds has occurred with respect to the unsold balance of Bonds that are held by the Underwriter for sale to the public within the meaning of Rule 15c2-12 of the SEC.

Section 13. Indemnification.

(a) By the Corporation.

(i) The Corporation, to the extent permitted by law, agrees to pay, defend, protect, indemnify, and hold each of Bond Counsel, the Underwriter and any current, former or future member, director, officer, agent or employee of the Underwriter and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Underwriter through the ownership of voting securities, by contract or otherwise, or who controls the Underwriter within the meaning of Section 15 of the Securities Act of 1933, as amended, and each and all and any of them, Underwriter's Counsel, the Trustee, the Authority, its counsel, the AFA, the State of Arizona and each of their respective directors, officers, members, employees, counsel, advisors, consultants and agents, and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (each an **"Indemnified Party"** and all collectively referred to herein as the **"Indemnified Parties"**) harmless for, from, and against any and all losses, causes of action (whether in contract, tort, or otherwise), claims, costs, damages, demands, judgments, liabilities, suits, and expenses (including, without limitation, reasonable costs of investigation, and attorneys' fees and expenses) of every kind, character, and nature whatsoever (individually and collectively, the **"Liabilities"**) directly or indirectly arising from or relating to any untrue or misleading statement of a material fact regarding the Corporation or the Corporation's operations contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum or alleged untrue or misleading statement regarding the Corporation or the Corporation's operations or caused by any omission or alleged omission from the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum of any material fact necessary to be stated therein regarding the Corporation or the Corporation's operations in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(ii) The Corporation, to the extent permitted by law, further agrees to pay, defend, protect, indemnify, and hold each of the Authority, the AFA, the State of Arizona and each of its directors, officers, members, employees, counsel, advisors, consultants and agents (each an **"Authority Indemnified Party"** and collectively the **"Authority Indemnified Parties"**) harmless for, from and against any and all Liabilities directly or indirectly arising from or relating to the Bonds, the Loan, the Loan Agreement, the Project, the Trust Agreement, or any document related to the issuance and sale of the Bonds, including, but not limited to, the following:

(A) any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the use, non-use, condition, or occupancy of the Project or any part thereof;

(B) violation of any agreement, covenant, or condition of the Financing Documents;

(C) violation of any agreement, contract, or restriction relating to the Project;

(D) violation of any law, ordinance, or regulation affecting the Project or any part thereof or the ownership, occupancy, or use thereof;

(E) the issuance and sale of the Bonds or any of them; and

(F) any statement, information, or certificate furnished by the Corporation to the Authority which is misleading, untrue, incomplete, or incorrect in any respect.

(iii) The Corporation, to the extent permitted by law, also agrees to pay, defend, protect, indemnify, and hold harmless each of the Authority Indemnified Parties for, from, and against any and all Liabilities directly or indirectly arising from or relating to (a) any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by or to the Authority, the AFA or the State of Arizona pertaining to the Bonds, and (b) any fraud or misrepresentations or omissions contained in the proceedings of the Authority, the AFA or the State of Arizona relating to the issuance of the Bonds or pertaining to the financial condition of the Corporation which, if known to the Underwriter, might be considered a factor in such person's decision to purchase the Bonds; provided, however, nothing in this subsection shall be deemed to provide the Authority with indemnification for any omissions or misstatements of the Authority contained in the Limited Offering

Memorandum under the sections captioned **"THE AUTHORITY"** or **"LITIGATION – The Authority,"** as such sections relate solely to the Authority.

(iv) Paragraphs (ii) and (iii) are intended to provide indemnification to each Authority Indemnified Party for his or her active or passive negligence or misconduct; provided, however, that nothing in paragraphs (ii) and (iii) shall be deemed to provide indemnification to any Authority Indemnified Party with respect to any Liabilities arising from the fraud, gross negligence, or willful misconduct of such Authority Indemnified Party.

(v) Any party entitled to indemnification hereunder shall notify the Corporation of the existence of any claim, demand, or other matter to which the Corporation's indemnification obligation applies, and shall give the Corporation a reasonable opportunity to defend the same at its own expense and with counsel satisfactory to the Indemnified Party; provided that the Indemnified Party shall at all times also have the right to fully participate in the defense. If the Indemnified Party is advised in an opinion of counsel that there may be legal defenses available to it which are different from or in addition to those available to the Corporation or if the Corporation shall, after receiving notice of the Corporation's indemnification obligation, as the case may be, and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Corporation. The Corporation shall be responsible for the reasonable counsel fees, costs, and expenses of the Indemnified Party in conducting its defense.

(vi) The Indemnified Parties and the Authority Indemnified Parties, other than the Authority, shall be considered to be intended third party beneficiaries of this Purchase Agreement for purposes of paragraphs (i) - (v) of this **Section 13(a)**. The provisions of paragraphs (i) to (v) of this **Section 13(a)** shall be in addition to all liability that the Corporation may otherwise have and shall survive any termination of this Purchase Agreement, the offering and sale of the Bonds, and the payment or provision for payment of the Bonds.

(b) By the Underwriter.

(i) The Underwriter agrees to pay, defend, protect, indemnify, and hold harmless each of the Indemnified Parties and the Corporation, and their respective members, directors, officers, counsel, advisors and agents (each an **"Obligated Entity Indemnified Party"** and all collectively referred to as the **"Obligated Entity Indemnified Parties"**) for, from, and against any and all Liabilities directly or indirectly arising from or relating to any untrue statement or alleged untrue statement contained in the Limited Offering Memorandum, or omission or alleged omission of a material fact from the Limited Offering Memorandum, but only with respect to untrue statements or alleged untrue statements and omissions or alleged omissions, in connection with debt service schedules provided by the Underwriter, redemption dates and the information under the caption **"UNDERWRITING."**

(ii) The Underwriter agrees to pay, defend, protect, indemnify, and hold harmless each of the Indemnified Parties and the Obligated Entity Indemnified Parties for, from and against any and all Liabilities directly or indirectly arising from or relating to the Underwriter's violation of federal or state securities laws in the initial sale of the Bonds.

(iii) Paragraphs (i) and (ii) of this **Section 13(b)** are intended to provide indemnification to each Indemnified Party and each Obligated Entity Indemnified Party for his or her active or passive negligence or misconduct; provided, however, that nothing in paragraphs (i) and (ii) above shall be deemed to provide indemnification to any Indemnified Party or any Obligated Entity Indemnified Party with respect to any Liabilities arising from the fraud, gross negligence, or willful misconduct of such Indemnified Party, or the fraud, or willful misconduct of such Obligated Entity Indemnified Party.

(iv) Any party entitled to indemnification hereunder shall notify the Underwriter of the existence of any claim, demand, or other matter to which the Underwriter's indemnification obligation applies, and shall give the Underwriter a reasonable opportunity to defend the same at its own expense and with counsel reasonably satisfactory to the Indemnified Party or the Obligated Entity Indemnified Party, as the case may be; provided that the Indemnified Party or the Obligated Entity Indemnified Party, as the case may be, shall at all times also have the right to fully participate in the defense. If the Indemnified Party or the Obligated Entity Indemnified Party, as the case may be, is advised in an opinion of counsel that there may be legal defenses available to it which are different from or in addition to those available to the Underwriter or if the Underwriter shall, after receiving notice of the Underwriter's indemnification obligation and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose reasonably satisfactory to the Authority Indemnified Party or the Obligated Entity Indemnified Party, as the case may be, the Authority Indemnified Party or the Obligated Entity Indemnified Party, as the case may be, shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Underwriter. The Underwriter shall be responsible for the reasonable counsel fees, costs, and expenses of the Authority Indemnified Party or the Obligated Entity Indemnified Party, as the case may be, in conducting its defense.

(v) The Indemnified Parties, other than the Authority, and the Obligated Entity Indemnified Parties, other than the Corporation, shall be considered to be intended third party beneficiaries of this Purchase Agreement for purposes of paragraphs (i) to (iv) above. The provisions of paragraphs (i) to (iv) of this **Section 13(b)** shall be in addition to all liability which the Underwriter may otherwise have and shall survive any termination of this Purchase Agreement, the offering and sale of the Bonds, and the payment or provision for payment of the Bonds.

(c) **Contribution to Indemnification.** While the Corporation and the Underwriter both understand and agree that the provisions of this **Section 13(c)** do not in any way bind the Authority and the Authority Indemnified Parties and such provisions shall have no effect whatsoever on any other section contained herein other than Sections 13(a) and **13(b)** above, in order to provide for just and equitable contribution in circumstances in which the indemnity provided for in **Sections 13(a)** or **13(b)** is for any reason held to be unavailable, the Corporation and the Underwriter agree, to the extent permitted by law, that each shall contribute proportionately to the aggregate Liabilities to which the Corporation and the Underwriter may be subject, so that the Underwriter is responsible for that portion represented by the percentage that the fees paid by the Corporation to the Underwriter in connection with the issuance and sale of the Bonds bears to the aggregate offering price of the Bonds, with the Corporation responsible for the balance; provided, however, that in no case shall the Underwriter be responsible for any amount in excess of the fees paid by the Corporation to the Underwriter in connection with the issuance and sale of the Bonds except for any amount due to and/or the result of the fraud, gross negligence or intentional misconduct of the Underwriter.

Section 14. **<u>Notices</u>.** All notices provided for in this Purchase Agreement shall be made in writing either by physical delivery of the notice to the party entitled thereto or by sending the notice by air courier or mailing by certified or registered mail, return receipt requested, in the United States mail to the address as stated below (or at such other address as may have been designated by written notice) of the party entitled thereto. The notice shall be deemed to be received in case of physical delivery on the date of its actual receipt by the party entitled thereto, in case of delivery by air courier on the date of delivery, and in case of mailing on the date of receipt by United States mail, postage prepaid.

All communications hereunder, except as herein otherwise specifically provided, shall be in writing and mailed or delivered to the Authority and the Underwriter at the following addresses:

D.A. Davidson & Co.
1550 Market Street, Suite 300
Denver, Colorado 80202

Arizona Industrial Development Authority
c/o Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, AZ 85253
Attention: President

With a copy to:

Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, AZ 85253
Attention: Kelly A. McGuire, Esq.
Email: Kelly.McGuire@KutakRock.com

Cottonwood Development Corporation
c/o City of Hutto, Texas
500 W. Live Oak St.
Hutto, Texas 78634

With a copy to:

McGinnis Lochridge
600 Congress Avenue, Suite 2100
Austin, Texas 78701
Attention: William H. Bingham
Email: bbingham@mcginnislaw.com

Greenberg Traurig, LLP
1000 Louisiana Street, Suite 1700
Houston, Texas 77002
Attention: Franklin D. R. Jones, Jr.
Email: jonesf@gtlaw.com

Section 15. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Authority, the Corporation and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the, shall acquire or have any right hereunder or by virtue hereof. This Purchase Agreement shall not be assignable by the Authority or the Corporation. A person or other legal entity shall not be deemed to be the successor or assign of the Underwriter solely by reason of having purchased one of the Bonds, some of the Bonds or all of the Bonds.

Section 16. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State of Arizona, without reference to any choice of law principles except as such laws may be preempted by any federal rules, regulations and laws applicable to the Authority. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Purchase Agreement against the Authority shall be brought and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa, the United States District Court in and for the District of Arizona, or any United States Bankruptcy Court in any case involving or having jurisdiction over the Corporation or the Project.

Section 17. **Headings.** The headings of the paragraphs of this Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

Section 18. **Effectiveness; Form of Signatures.** This Purchase Agreement shall become effective upon the Authority's acceptance hereof, as evidenced by the signature of an authorized Authority representative. This Purchase Agreement may be signed via facsimile or electronically, transmitted in PDF format or otherwise, and the signatures of the parties hereto in any such form shall be binding and of full force and effect as if such signatures were originals signatures of such parties.

Section 19. **Counterparts.** This Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

Section 20. **Cancelation of State Contracts.** As required by the provisions of Arizona Revised Statutes Section 38-511, notice is hereby given that the State of Arizona, its political subdivisions or any other departments or agencies of either may, within three years of its execution, cancel any contracts, without penalty or further obligation, made by the State of Arizona, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State of Arizona, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor of the State of Arizona or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. Each of the parties hereby certifies that it is not presently aware of any violation of Arizona Revised Statues Section 38-511 which would adversely affect the enforceability of this Purchase Agreement and covenants that it will take no action which would result in a violation of such Section.

[Signature page follows]

Please indicate your acceptance of this offer by signing below.

Very truly yours,

D.A. DAVIDSON & CO.

By ____
Zachary Bishop, Managing Director

Accepted and agreed to as of this
___ day of November, 2019, at
_____a.m./p.m.

ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY

By ______________________________________
Name: Victor Riches
Title: President

Accepted and agreed to as of this
___ day of November, 2019, at
_____a.m./p.m.

COTTONWOOD DEVELOPMENT CORPORATION

By ______________________________________
Name ____________________________________
Title ____________________________________

Accepted and agreed to as of this
___ day of November, 2019, at_____a.m./p.m

EXHIBIT A

BOND PRICING

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

EXHIBIT C

FORM OF OPINION OF UNDERWRITER'S COUNSEL

D.A. Davidson & Co.
Denver, Colorado

Re: $____________ Arizona Industrial Development Authority, Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project)

Ladies and Gentleman:

We have acted as counsel to D.A. Davidson & Co. (the "Underwriter") in connection with its purchase of the above-referenced Bonds pursuant to the Bond Purchase Agreement dated November __, 2019 (the "Purchase Agreement") by and between the Arizona Industrial Development Authority (the "Authority") and the Underwriter. Capitalized terms not otherwise defined herein have the meanings given such terms in the Limited Offering Memorandum (hereinafter defined).

As counsel to the Underwriter, we have examined executed counterparts of the (a) Bond Purchase Agreement, (b) Continuing Disclosure Agreement dated December __, 2019 and (c) the resolution adopted by the Authority on November 20, 2019 (the "Resolution") approving, among other things, the execution of the Trust Agreement, the Loan Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the issuance of the Bonds. We have also examined and relied upon the originals or copies, certified or otherwise identified to our satisfaction, of the Preliminary Limited Offering Memorandum dated November __, 2019 relating to the Bonds, the final Limited Offering Memorandum dated November __, 2019 relating to the Bonds (together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memorandum"), the opinions delivered on this date by Greenberg Traurig, LLP, Austin, Texas, as Bond Counsel ("Bond Counsel"), Sandberg Phoenix & von Gontard, P.C., Kansas City, Missouri, as counsel to the Developer ("Counsel to the Developer"), McGinnis Lochridge, Austin, Texas, as counsel to the City and the Corporation ("Counsel to the City and the Corporation") and such other documents, certificates, letters, opinions, records, instruments and laws as we have deemed necessary or advisable for purposes of this opinion.

In connection with the preparation of the Limited Offering Memorandum, we have generally reviewed information furnished to us by, and have participated in conferences with, representatives of the City, Bond Counsel, the Trustee, the Developer, Counsel to the Developer, Council to the City and the Corporation, and the Underwriter.

We are not passing upon and do not assume any responsibility for the accuracy, completeness, adequacy or fairness of any of the statements contained in the Limited Offering Memorandum and make no representation that we have independently verified the accuracy, completeness or fairness of such statements. To assist you in your investigation concerning the Limited Offering Memorandum, however, we have reviewed and have participated in conferences in which the contents of the Limited Offering Memorandum were discussed. During the course of our work on this matter, based upon the aforementioned review and discussion, in reliance upon the accuracy of the information contained in the aforementioned documents, certificates, opinions, letters and instruments and subject to the qualifications expressed herein, nothing has come to our attention which leads us to believe that the Limited Offering Memorandum contains, as of the date hereof, any untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, taking into consideration the omission of certain information from the Preliminary Limited Offering Memorandum, such as offering prices, interest rates, selling commission, aggregate principal amount, principal per maturity, delivery dates, ratings, identity of the purchaser and other terms of the Bonds depending on such matters. We express no opinion, however, as to any financial, technical or statistical data or any estimates, assumptions, projections, forecasts or expressions of opinions included in the Limited Offering Memorandum or any appendix thereto. We also express no opinion as to information relating to The Depository Trust Company or its book-entry only system. We further express no opinion as to the ability of the 'Authority to comply with its obligations under the Trust Agreement or the Corporation to comply with its obligations under the Loan Agreement.

Assuming the validity of the Bonds, as set forth in the opinions of Bond Counsel issued as of the date hereof, we are of the opinion that the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Trust Agreement is not required to be qualified under the Trust Indenture Act of 1939, as amended.

The opinions expressed herein are expressed as of the date hereof, and we assume no obligation to revise or supplement this opinion or to advise the addressee hereof of any facts or circumstances or changes concerning the above, whether or not deemed material, that may hereafter come or be brought to our attention, including but not limited to, changes that could result from pending or future legislation, law or jurisprudence. We express no opinion herein with respect to the exclusion from federal or state income taxation of the interest on the Bonds.

This letter is furnished to you by us as counsel to the Underwriter, is solely for your benefit, is not to be circulated by you to potential purchasers of the Bonds and may not be used or relied upon by, or published or communicated to, anyone other than the addressee of this opinion for any purpose whatsoever without our prior written consent in each instance. Our consent is hereby given to include a copy of this opinion in the transcript of proceedings relating to the Bonds.

This letter expresses our legal opinions as to the matters set forth herein and is based upon our professional knowledge and judgment at this time; however, it is not to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinions set forth herein.

Very truly yours,

EXHIBIT D

FORM OF OPINION OF DEVELOPER'S COUNSEL

EXHIBIT E

FORM OF OPINION OF COUNSEL TO THE AUTHORITY

EXHIBIT F

FORM OF OPINION OF COUNSEL TO THE CITY AND CORPORATION

EXHIBIT G

to

BOND PURCHASE AGREEMENT

FORM OF CERTIFICATE OF REPRESENTATIONS AND INDEMNIFICATION AGREEMENT OF DEVELOPER

$_____________
ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
TAXABLE REVENUE BONDS, SERIES 2019
(HUTTO PERFECT GAME DEVELOPMENT PROJECT)

Legacy Hutto, LLC, a Missouri limited liability company (the **"Master Developer"**), for ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, makes the following representations and agreement to and with D.A. Davidson & Co. (the **"Underwriter"**) and Thompson Coburn LLP (**"Underwriter's Counsel"**). All capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Limited Offering Memorandum dated November __, 2019, relating to the offer and sale of the Bonds (the **"Limited Offering Memorandum"**).

Representations

The Master Developer hereby certifies in connection with the issuance by the Arizona Industrial Development Authority (the **"Authority"**) of the above captioned bonds (the **"Bonds"**) that, as of the date hereof (except as disclosed in the Limited Offering Memorandum):

(a) The Master Developer is a Missouri limited liability company, is duly organized, validly existing, in good standing under the laws of their state of incorporation and authorized to transact business under the laws of the State of Missouri.

(b) The Master Developer consents to the references to the Master Developer in the Preliminary Limited Offering Memorandum dated November __, 2019 (the **"Preliminary Limited Offering Memorandum"**) and in the Limited Offering Memorandum. The information contained in the sections of the (1) Confidential Financing Summary and Project Description captioned **"PROJECT AND PROPERTY"** and **"SUMMARY OF FINANCING"** and (2) Preliminary Limited Offering Memorandum and the Limited Offering Memorandum captioned **"THE PROJECT," "THE MASTER DEVELOPMENT AGREEMENT," "THE MASTER DEVELOPER,"** and **"RISK FACTORS – Development Risk" " – Certain Risks Related to Real Estate Investment and Development," " – Land Development Costs and Financing Risk," " – Failure of Master Developer to Reach Certain Milestones,"** and **" – Projections and Absorptions Provided by Master Developer,"** as well as the information in the remaining portions of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum which specifically refers to the Master Developer, the Project and/or the Development as currently anticipated by the Master Developer and the City and as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the **"Covered Portions"**), was, to the knowledge of the Master Developer, as of its date, and is on the date hereof, true and correct in all material respects and information in such Covered Portions did not as of its date, and does not on the date hereof, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. To the knowledge of the Master Developer, since the date of the Limited Offering Memorandum, there has not been any material adverse change in the financial position or results of operation of the Master Developer, or in its business or any material adverse change affecting the activities of the Master Developer related to the Development as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum.

(c) The Master Developer has reviewed the Revenue Study, which report is appended to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, and, based on such review, to the knowledge of the Master Developer, there are no facts or information contained in the Revenue Study which would cause the Master Developer to believe that the projections of Pledged Revenues, market values, and inflation assumptions concluded by the author contained in such Revenue Study are unreasonable.

(d) To the knowledge of the Master Developer, no event of default has occurred and is continuing, and there has not occurred and is continuing any event or condition which, with the passage of time or giving of notice or both, would constitute an event of default, under (i) any indenture, mortgage or note to which the Master Developer or any other related entities to the Master Developer are a party or by which they are bound, or (ii) any other agreement or note to which the Master Developer or any other related entities to the Master Developer are a party or by which they are bound, to the extent that such event of default or event or condition could have a material adverse effect on the Master Developer's ability to perform its obligations under the Master Development Agreement; and, to the Master Developer's knowledge, no violation has occurred and is continuing, and there has not occurred any event or condition which with the passage of time or giving of notice or both would constitute a violation of any provision of any existing law, rule, regulation, ordinance, resolution, judgment, order or decree to which the Master Developer or any of its members or shareholders, in such capacity is subject, to the extent that such violation could reasonably have a material adverse effect on the Master Developer's ability to perform its obligations under the Master Development Agreement.

(e) Other than for any matters described in the Limited Offering Memorandum, there are no claims, actions, or proceedings or investigations pending against the Master Developer or, to the knowledge of the Master Developer, threatened, which could affect the Project or the security for the Bonds.

(f) No bankruptcy proceedings, liquidation proceedings, dissolution proceedings, or claims of securities law violations are pending or threatened against the Master Developer, and no such bankruptcy, liquidation, or dissolution proceedings have been commenced or are expected to be commenced by the Master Developer.

(j) The Master Developer has the power and authority to enter into the Continuing Disclosure Agreement, dated as of the date hereof, among the Master Developer, the Corporation and UMB Bank, N.A., as Dissemination Agent (the **"Continuing Disclosure Agreement"**), and the Developer has the power and authority to consummate the transactions to which the Developer is or is to be a party as contemplated in the Limited Offering Memorandum. The performance of the Developer's obligations under the Continuing Disclosure Agreement and the consummation of the transactions to which the Developer is or is to be a party as contemplated in the Limited Offering Memorandum, and such transactions do not and will not conflict with, or constitute on the part of the Developer a violation of, or a breach of or default under (which violation, breach or default has not been waived or consented to in writing), (i) the Developer's organizational documents, (ii) any indenture, mortgage, note or other agreement or instrument to which the Developer is a party or by which it is bound, or (iii) to the Developer's knowledge, any applicable existing law, rule, regulation, ordinance, resolution, judgment, order or decree to which the Developer or any of its members is subject.

Indemnification and Contribution

(a) The Master Developer will indemnify and hold harmless (i) the Underwriter, its agents, officers, directors or employees, and each person, if any, who controls the Underwriter within the meaning of the federal securities law, and (ii) Underwriter's Counsel (each an **"Indemnified Party"**), against any and all losses, claims, damages, liabilities, expenses (including attorneys' fees), causes of action (whether in contract, tort or otherwise), suits, demands and judgments of any kind (collectively, the **"Liabilities"**) asserted against an Indemnified Party to the extent such Liabilities arise out of or are based on the assertion that the Master Developer has knowingly made an untrue statement of a material fact or an omission or alleged omission to state a material fact necessary to make the statements in the Covered Portions, in light of the circumstances under which they were made, not misleading.

(b) Promptly upon receipt of notice of the commencement of any action against an Indemnified Party in respect of which indemnity or reimbursement may be sought from the Master Developer on account of this agreement contained in this section, notice shall be given to the Master Developer in writing of the commencement thereof, together with a copy of all papers served, but the omission to notify the Master Developer of any such action shall not release the Master Developer from any liability which they may have to an Indemnified Party. This indemnity includes reimbursement for expenses reasonably incurred by an Indemnified Party in investigating the claim and in defending it if the Master Developer declines to assume the defense, but only if the Indemnified Parties actually incur losses as described above. The indemnity agreement contained in this paragraph shall survive the delivery of the Bonds and shall survive any investigation made by or on behalf of an Indemnified Party.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (a) above is for any reason held to be unavailable, the Master Developer and each Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Master Developer and the Indemnified Parties may be subject, in accordance with the relative benefits received by the Master Developer and each Indemnified Party, and also on the relative fault of the Master Developer and each Indemnified Party in connection with the statements, acts or omissions which directly resulted in such Liabilities, and any relevant equitable considerations shall also be considered; provided, however, that in no case shall any Indemnified Party be responsible for any amount in excess of the aggregate amount of fees paid to such Indemnified Party in connection with the marketing and sale of the Bonds.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate of Representations and Indemnification Agreement on this __ day of December 2019.

LEGACY HUTTO, LLC,
a Missouri limited liability company

By: ___________________________________
Name: ___________________________________
Title: ___________________________________

EXHIBIT D

CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of December 1, 2019 (the **"Continuing Disclosure Agreement"**) is executed and delivered by the Cottonwood Development Corporation, a Texas non-profit local governmental corporation (the **"Corporation"**), formed by the City of Hutto, Texas (the **"City"**) under Chapter 431, Texas Transportation Code, as amended, Legacy Hutto, LLC, a Missouri limited liability company (the **"Master Developer"**), and UMB Bank, N.A., national banking association organized and existing under the laws of the United States of America, as dissemination agent (the **"Dissemination Agent"**).

RECITALS

1. In order to promote economic development within its boundaries, the has entered into a development agreement, dated September 20, 2019 (the **"Master Development Agreement"**) with the Master Developer pursuant to which the parties have agreed to develop a mixed-use development consisting of various uses, including by not limited to, office, commercial, retail, residential, public athletic fields, recreational and entertainment, hotel and aquatic attractions, and other complementary uses (the **"Project"**) on approximately 319 acres of land (the **"Land"**) within the City (the **"Development Area"**).

2. To assist the City with the development of the Project, the City and the Corporation have entered into an Interlocal Agreement to be dated the date of issuance of the Bonds (the **"Interlocal Agreement"**), to authorize the Corporation to enter into a loan agreement to finance (i) the costs of the Land and certain public improvements related to the Project and (ii) the payment of certain of the City's and Master Developer's pre-development cost for the Project. The City has agreed and has commenced the process to create a public improvement district under Chapter 372 of the Texas Local Government Code, (the **"District"**), to access PID special assessments within the District and Reinvestment Zone Number Two, City of Hutto, Texas, a tax increment reinvestment zone pursuant to Chapter 311 of the Texas Tax Code (the **"Reinvestment Zone"**), to facilitate the development of the Project, and to make grant payments to the Corporation from PID special assessments generated within the District, incremental property tax revenue generated within the Reinvestment Zone, and incremental hotel occupancy and general sales taxes generated within the Development Area pursuant to the Interlocal Agreement (the **"Pledged Revenues"**).

3. The Arizona Industrial Development Authority (the **"Authority"**), is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the **"State"**), incorporated with the approval of the Arizona Finance Authority, pursuant to the provisions of the Constitution and the laws of the State and Title 35, Chapter 5, Section 35-701 *et seq.*, Arizona Revised Statutes, as amended (the **"Act"**), is authorized to issue bonds to provide financing or refinancing for projects located in whole or in part outside of the State, including projects consisting of facilities owned or operated by a non-profit organization. The Land and public improvements to be owned by the Corporation constitutes a project for purposes of the Act.

4. The Act authorizes the Authority to make secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement, equipping or operating of a "project" (as defined in the Act), and to pledge the proceeds of loan agreements as security for the payment of the principal and interest of any bonds issued by the Authority, and any agreements made in connection with the loan whenever the Board of Directors of the Authority finds the loans to further advance the interest of the Authority or the public.

5. The Corporation has applied to the Authority to issue bonds on the Corporation's behalf and to make a loan to the Corporation to finance and/or refinance certain of the costs of the acquisition of the Land, pre-development costs associated with the Project and other costs required in connection therewith, and the Authority has accepted such application.

6. In order to provide a portion of the funds to so finance such costs, the Authority has agreed to issue its Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project) (the **"Bonds"**), in the aggregate principal amount of not to exceed $60,000,000, the net proceeds of which shall be used to make a loan to the Corporation which it will use (i) to finance and/or refinance, as applicable, the Project, (ii) fund capitalized interest on the Series 2019 Bonds, (iii) fund the Surplus Fund, and (iv) pay the costs of issuing the Series 2019 Bonds.

7. The Authority will loan the proceeds of the Bonds to the Corporation pursuant to a Loan Agreement, dated as of December 1, 2019 (the **"Loan Agreement"**), pursuant to which, among other things, the Corporation has agreed to secure its obligations under the Loan Agreement by executing a Deed of Trust and pledging its right to receive the Pledged Revenues. Pursuant to the Loan Agreement, the Corporation will execute a note (the **"Note"**) and will make payments to the Trustee, as assignee of the Authority, in amounts sufficient to pay the principal of and interest on the Bonds.

8. The Bonds are being issued pursuant to a Trust Agreement, dated as of December 1, 2019 (the **"Trust Agreement"**), between the Authority and UMB Bank, N.A., as trustee (the **"Trustee"**).

9. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the Authority of the Bonds.

10. The Bonds are being offered by the Authority only to Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. By their acceptance of the Bonds, each purchaser of the Bonds acknowledges that the Bonds may be sold, transferred or otherwise disposed of only in minimum authorized denominations of $500,000 or any integral multiple of $5,000 in excess thereof to a Qualified Institutional Buyer and that such purchaser is acquiring the Bonds for its own account or for the account of a Qualified Institutional Buyer, and not with a view to the further distribution thereof, but expressly reserves the right to sell the Bonds. As such, the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the **"Rule"**).

11. The execution and delivery of this Agreement have been duly authorized by the Corporation, the Master Developer and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner.

12. This Agreement is being executed and delivered by the Corporation, the Master Developer and the Dissemination Agent for the benefit of the Beneficial Owners of the Bonds and in order to assist D.A. Davidson & Co. (the **"Underwriter"**) in marketing the Bonds.

For and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the Corporation, the Master Developer and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Limited Offering Memorandum (defined herein) and the Trust Agreement, which apply to any capitalized term used in this

Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" means any registered owner of any of the Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" means a day other than a Saturday, Sunday or holiday on which the Trustee is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

"Dissemination Agent" means UMB Bank, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Corporation and which has filed with the Corporation a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures operated by the MSRB, which can be accessed at www.emma.msrb.org.

"Limited Offering Memorandum" means the Limited Offering Memorandum dated November __, 2019 used in connection with the offering and sale of the Bonds.

"Master Developer" means Legacy Hutto, LLC, a Missouri limited liability company, and its successors and assigns.

"Master Development Agreement" means the development agreement dated September 20, 2019 between the City and the Master Developer pursuant to which the parties have agreed to develop the Project.

"Material Events" means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission.

"Pledged Revenues" means the revenues paid by the City to the Corporation pursuant to the Interlocal Agreement.

"Project" means a mixed-use development anchored around sports entertainment, anticipated to include office, commercial, retail, high density residential, public athletic fields, recreational and entertainment uses, a hotel, convention center and other complimentary uses on a site of approximately 250 - 300 acres (the **"Development Area"**) to the west of the City's downtown district.

"Semi-Annual Report" means any Semi-Annual Report provided by the Corporation, the Master Developer and the Dissemination Agent pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement and in substantially the form as set forth in **Exhibit B**.

"Semi-Annual Report Date" means each date which is 90 days following each Semi-Annual Reporting Period.

"Semi-Annual Reporting Period" means the semi-annual period from January 1 through June 30 and July 1 through December 31 of each year.

Section 2. Provision of Semi-Annual Reports.

(a) The Corporation and the Master Developer agree, commencing on the date that is not later than 90 days following the Semi-Annual Reporting Period ending June 30, 2020, to provide or cause to be provided the Semi-Annual Reports to the MSRB. Upon receipt of the Semi-Annual Reports, together with written directions to file such reports from the Corporation, the Dissemination Agent shall provide such Semi-annual Reports to the MSRB.

(b) Any or all of the information required to be included in the Semi-Annual Report pursuant in subsection (a) above may be included by specific reference to other documents, including official statements of debt issues, which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Corporation shall clearly identify each such other document so included by reference. In each case, the Semi-Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section.

(c) The Dissemination Agent shall promptly, following receipt of a Semi-Annual Report and written direction to file such report from the Corporation, provide the same to the MSRB, in such manner and format as prescribed by the MSRB, and file a report with the Master Developer and the Corporation certifying that the same has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

(d) The Corporation shall or shall direct the Dissemination Agent in writing to:

i. determine prior to each Semi-Annual Report Date the appropriate electronic format prescribed by the MSRB and the Dissemination Agent agrees that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB;

ii. on or before 30 days prior to each Semi-Annual Report Date, send written notice to the Corporation and the Master Developer which: (x) states that the Semi-Annual Report will be due by the Semi-Annual Report Date; and (y) for each Semi-Annual Report, request the information required from the Master Developer by **Section 1** of the Semi-Annual Report and the information required from the Corporation by **Section 2** of the Semi-Annual Report;

iii. if necessary, file the Notice of Failure to File Report form attached as **Appendix A** with the MSRB as required by **Section 2(e)** below; and

(e) If the Corporation or the Master Developer fail to provide the Semi-Annual Report and written direction to the Dissemination Agent by 10:00 A.M. Central Time on the Semi-Annual Report Date, or written notice that such report has been provided to the MSRB, the Dissemination Agent shall file or cause to be filed a notice to the Underwriter and to the MSRB, via EMMA, in substantially the form attached as **Exhibit A** hereto.

Section 3. Reporting of Material Events.

(a) No later than ten (10) Business Days after the occurrence of any of the following events, the Corporation shall give notice of the occurrence of any of the following events with respect to the Bonds (**"Bond-Related Material Events"**):

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Adverse tax opinions; the issuance by the Internal Revenue Service 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;

(5) modifications to rights of bondowners, if material;

(6) bond calls, if material;

(7) defeasances;

(8) bankruptcy, insolvency, receivership or similar event of the Corporation;

(9) notice of an event of default under the Master Development Agreement; or

(10) the appointment of a successor or additional trustee, whether or not material, or the change of name of a trustee, if material.

(b) Whenever the Corporation obtains knowledge of the occurrence of a Bond-Related Material Event, the Corporation shall report the occurrence to the MSRB pursuant to **Subsection 3(a)** so that notice is given within ten (10) Business Days after the occurrence of the event.

(c) Notwithstanding the foregoing, if the Trust Agreement requires notice of Bond-Related Material Events described in subsections (a)(6) and (7), then Bond-Related Material Events described in subsections (a)(6) and (7) need not be given under this subsection any earlier than the notice of the underlying event is given to the registered owners of affected Bonds pursuant to the Trust Agreement.

(d) Whenever the Master Developer obtains actual knowledge of the occurrence of one or more of the following events, the Master Developer shall within ten (10) Business Days give or cause to be given to the Dissemination Agent and the Corporation notice of any of the following events (each, a **"Project-Related Material Event"**):

(1) material damage to or destruction of any portion of the Project and status of repair and reconstruction;

(2) the filing of any lawsuit with a claim for damages in excess of $1,000,000 against the Master Developer which may adversely affect the completion of the Project or the financial condition of the Master Developer;

(3) payment default by the Master Developer or any affiliate thereof on any loan made by a lender to such party with respect to the construction and permanent financing of all or any portion of the Project or any other improvements made by the Master Developer within the Development Area;

(4) the filing by or against the Master Developer or any owners of more than 50% interest in the Master Developer of any petition or other proceedings under any bankruptcy, insolvency or similar law or any determination that the Master Developer or an owner of more than 50% interest in the Master Developer is unable to pay its debt as they become due;

(5) the failure by the Master Developer or any affiliate of the Master Developer to pay any ad valorem taxes or special assessment for property owned by the Master Developer or any affiliate thereof within the Development Area;

(6) suspension for more than 60 days or termination of any disbursements by a lender of loan proceeds to finance all or any portion of the Project;

(7) suspension of construction by the Master Developer on the Project or suspension of construction by any other developer of any portion of the Project for more than 90 days; and

(8) receipt by the Master Developer or provision by the Master Developer of notice of default or termination under a major lease with any major tenant of the Project located in the Development Area.

(b) The Master Developer shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Project-Related Material Event, inform the Dissemination Agent of the event and request that the Dissemination Agent promptly file a notice of such occurrence on EMMA with a copy to the Master Developer and the Corporation.

(c) The obligations of the Corporation, the Master Developer or the Dissemination Agent to provide the notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to Bond owners under the Trust Agreement.

Section 4. Termination of Reporting Obligation. The obligations of the parties under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Corporation's obligations under this Continuing Disclosure Agreement or the Trust Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Corporation, and the Corporation shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Corporation shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3(b)**.

If the Master Developer's obligations under this Continuing Disclosure Agreement or the Master Development Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Master Developer, and the Master Developer shall have no further responsibility hereunder; provided, however, that the Master Developer's obligations under this Continuing Disclosure Agreement shall not terminate upon assumption by some other entity unless such entity accepts and assumes the obligations of the Master Developer hereunder and/or under the Master Development Agreement in the form attached hereto as **Exhibit C**.

Section 5. Dissemination Agent. (a) The Dissemination Agent agrees to perform such duties, but only such duties, as are specifically set forth in this Agreement, and no implied duties or obligations of any kind shall be read into this Agreement with respect to the Dissemination Agent. The Dissemination Agent's obligation to deliver the information at the times and with the contents described in this Agreement shall be limited to the extent the Corporation and the Master Developer have provided the information required to be provided by each of them to the Dissemination Agent as required by this Agreement. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports or other materials furnished to the Dissemination Agent pursuant to this Agreement, and in the case of notices, reports and financial statements required to be furnished to the Dissemination Agent pursuant to this Agreement, the Dissemination Agent shall have no duty whatsoever to examine or verify the same to determine whether they conform to the requirements of this Agreement. The Dissemination Agent shall have no responsibility for either the Corporation's or the Master Developer's failure to report to the Dissemination Agent a Bond-Related Material Event or a Project-Related Material Event, respectively, or a duty to determine the materiality or occurrence thereof. The Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Corporation or the Master Developer have complied with their respective obligations under this Agreement.

(b) The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Corporation, the Master Developer, any Bond owners, the Underwriter or any other party. The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the Dissemination Agent engaged in negligent conduct or willful misconduct in ascertaining the pertinent facts related thereto. The Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Agreement unless it shall be proven that the Dissemination Agent was grossly negligent or engaged in willful misconduct.

(c) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, it shall be entitled to the advice of counsel concerning all matters arising hereunder, and it may in all cases pay such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall not be responsible for the acts or negligence of any such attorneys, agents or counsel appointed with reasonable care.

(d) None of the provisions of this Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Agreement.

(e) The Dissemination Agent shall be entitled to compensation for its services hereunder and reimbursement of expenses in connection with its duties hereunder.

(f) The Dissemination Agent may resign as dissemination agent hereunder after giving at least forty-five (45) days' prior written notice thereof to the Master Developer and the Corporation. The Dissemination Agent may be removed for good cause at any time by written notice to the Dissemination Agent from the Corporation; *provided*, that such removal shall not become effective until a successor dissemination agent has been appointed by the Corporation under this Agreement. The initial Dissemination Agent is UMB Bank, N.A.

(g) The Corporation and the Master Developer will indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Corporation and the Master Developer under this Section will survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 6. Amendment, Changes and Modifications. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Corporation, the Master Developer and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Corporation or the Master Developer) and any provision of this Continuing Disclosure Agreement may be waived, provided that the Corporation has expressly consented in writing to any such amendment or waiver.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Corporation shall describe such amendment in the same manner as filing notice of a Bond-Related Material Event under this Continuing Disclosure Agreement, and such description shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of information being presented by the Corporation or the Master Developer.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Corporation or the Master Developer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Semi-Annual Report or notice of occurrence of a Bond-Related Material Event or Project-Related Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Corporation or the Master Developer choose to include any information in any Semi-Annual Report or notice of occurrence of a Bond-Related Material Event or Project-Related Material Event, as applicable, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Corporation or the Master Developer, as applicable, shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Semi-Annual Report or notice of occurrence of a Bond-Related Material Event or Project-Related Material Event, as applicable.

Section 8. Default. If the Corporation, the Master Developer, or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, the Dissemination Agent may (and, at the request of the Underwriter or the owners of at least 25% aggregate principal amount of Outstanding Bonds and upon indemnification to its satisfaction, shall), or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Corporation, the Master Developer or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Corporation, the Master Developer or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 9. Notices. Any notices or other communications to or among any of the parties to this Continuing Disclosure Agreement shall be sufficiently given and shall be deemed given upon receipt if delivered in person or by overnight courier, if given by facsimile, receipt confirmed by telephone, or if mailed by registered certified mail, return receipt requested, postage prepaid, and will be deemed given on the second day following the date on which such notice or communication is so mailed, addressed, as follows:

If to the Dissemination Agent:	UMB Bank 6034 W. Courtyard Drive, Ste. 370 Austin, Texas 7873 Attention: Corporate Trust Department
If to Master Developer:	Legacy Hutto, LLC 4717 Central Kansas City, Missouri 64112 Attention: Daniel H. Lowe
With a copy to:	Sandberg Phoenix & von Gontard, P.C. 4600 Madison Avenue, Suite 1000 Kansas City, Missouri 64112 Attention: Richard B. Katz
If to the Corporation	Cottonwood Development Corporation 500 W. Live Oak Street Hutto, Texas 78634 Attention: Chair

Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices or communications should be sent.

Section 10. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Corporation, the Master Developer, the Trustee, the Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 11. Severability. If any provision in this Continuing Disclosure Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12. Governing Law. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 13. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original 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.

Section 14. Assignment. This Agreement may not be assigned by any party without the written consent of the other parties hereto, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

[*Signature appears on the following page*]

COTTONWOOD DEVELOPMENT CORPORATION

By: ____
Name: ______________________________________
Title: ______________________________________

UMB BANK, N.A.,
as Dissemination Agent

By: ____
Name: ______________________________________
Title: ______________________________________

LEGACY HUTTO, LLC,
as Master Developer

By: ____
Name: ______________________________________
Title: ______________________________________

EXHIBIT A

NOTICE OF FAILURE TO FILE SEMI-ANNUAL REPORT

Name of Issuer: Arizona Industrial Development Authority (the **"Authority"**)

Name of Issue: $____________ Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project) (the **"Bonds"**)

CUSIP: ____________

Date of Issuance: ____________ __, 2019

NOTICE IS HEREBY GIVEN that the [Corporation/Master Developer] has not provided a Semi-Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of December 1, 2019. The [Corporation/Master Developer] anticipates that a Semi-Annual Report will be filed by _____________.

Dated: __________________________

UMB BANK, N.A.,

By: ____
Title: ______________________________________

EXHIBIT B

FORM OF SEMI-ANNUAL REPORT

Name of Issuer: Arizona Industrial Development Authority (the **"Authority"**)

Name of Issue: $____________ Taxable Revenue Bonds, Series 2019 (Hutto Perfect Game Development Project) (the **"Bonds"**)

CUSIP: ____________

Date of Issuance: ____________ __, 2019

Date of Report: _____________, 20__

This report is being delivered pursuant to the Continuing Disclosure Agreement dated as of December 1, 2019 (the **"Continuing Disclosure Agreement"**) among the Cottonwood Development Corporation, (the **"Corporation"**), Legacy Hutto, LLC (the **"Master Developer"**), and UMB Bank, N.A., as dissemination agent (the **"Dissemination Agent"**).

For the Semi-Annual Reporting Period ended [June 30][December 31], 20_:

Section 1. **Master Developer and Project Information.** The Master Developer is to provide the following information for the Semi-Annual Reporting Period ended [June 30][December 31], 20_.

a. ***Sale or Acquisition of Land in Development Area Subject to Deed of Trust.*** Since the date of the last Semi-Annual Report (or, in the case of the first Semi-Annual Report, since the date of the relevant information disclosed in the Limited Offering Memorandum), has the Master Developer or any related entity acquired any land in the Development Area or to be included in the Development Area? If so, state the amount of property and its location in the Development Area.

Since the date of the last Semi-Annual Report (or, in the case of the first Semi-Annual Report, since the date of the relevant information disclosed in the Limited Offering Memorandum) has the Master Developer or any related entity conveyed any of its property in the Development Area to any other unrelated entity? If so, state the amount of property, its location in the Development Area and the name of the purchaser.

b. ***Changes in Planned Development.*** Provide a narrative description regarding changes to the components of the Project as described in the Limited Offering Memorandum since the last Semi-Annual Report (or, in the case of the first Semi-Annual Report, since the date of the relevant information disclosed in the Limited Offering Memorandum).

c. ***Project Status.*** Update the following chart regarding the Project with any information relevant thereto including, as necessary, the addition of new rows. Highlight any changes from the information provided in the previous Semi-Annual Report (or, in the case of the first Semi-Annual Report, since the date of the relevant information disclosed in the Limited Offering Memorandum).

	Use	Anticipated Units/ Hotel Rooms/ Square Feet	Construction Status	Anticipated Completion of Construction in Progress
COMMERCIAL				
RETAIL				
RESIDENTIAL				
ATHLETIC FIELDS				
CONVENTION CENTER				
HOTEL				

Section 2. **Corporation Information.** The Corporation is to provide the following information for the Semi-Annual Reporting Period ended [June 30][December 31], 20_ .

a. ***Revenue Fund Deposits.*** The amount of Pledged Revenues received by the Corporation and sent to the Trustee for deposit into the Revenue Fund was as follows:

	Revenues
[month]	$
[month]	$
[month]	$
[month]	$
[month]	$
[month]	$
Total	$

b. ***Principal Amount of Bonds Redeemed During Semi-Annual Reporting Period.*** The principal amount of Bonds redeemed during the Semi-Annual Reporting Period indicated above was $____________, according to the Trustee.

c. ***Aggregate Principal Amount of Bonds Redeemed.*** The aggregate principal amount of Bonds redeemed since the date of issuance of the Bonds is $__________, according to the Trustee.

d. ***Sale or Acquisition of Land in Development Area Subject to Deed of Trust.*** Since the date of the last Semi-Annual Report (or, in the case of the first Semi-Annual Report, since the date of the relevant information disclosed in the Limited Offering Memorandum), has the Corporation acquired any land in the Development Area subject to the Deed of Trust? If so, state the amount of property and its location in the Development Area.

Since the date of the last Semi-Annual Report (or, in the case of the first Semi-Annual Report, since the date of the closing on the Bonds), has the Trustee exercised its right to foreclose upon and sell the land in the Development Area subject to the Deed of Trust? If so, has the Trustee received, or does it anticipate receiving, any proceeds from such sale and, if so, how much and when?

The information contained in this report has been obtained from sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness. The information contained in this report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds, and is neither intended to, nor shall it be, used by the owners or beneficial owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this report by any person or entity shall create no obligation or liability of the Corporation, the Master Developer or the Dissemination Agent.

The undersigned hereby certifies that he/she is an authorized representative of the Corporation and the Master Developer and further certifies on behalf of the Corporation and the Master Developer that the information contained in the foregoing report, in **Section 1** with respect to the Master Developer and in **Section 2** with respect to the Corporation, is, to his/her actual knowledge, true, accurate and complete.

* * *

Dated: ____________________, __ 20__

COTTONWOOD DEVELOPMENT CORPORATION

By: ____________________________________
Name: __________________________________
Title: ___________________________________

LEGACY HUTTO, LLC

By: ____________________________________
Name: __________________________________
Title: ___________________________________

EXHIBIT C

FORM OF ACKNOWLEDGEMENT OF ANY NON-AFFILIATE ASSIGNEE OF MASTER DEVELOPMENT AGREEMENT AND/OR CONTINUING DISCLOSURE AGREEMENT

______________ [NAME OF ASSIGNEE] (the **"Assignee"**), as the assignee of the rights and obligations of Legacy Hutto, LLC (the **"Master Developer"**) under the development agreement dated September 20, 2019 (the **"Master Development Agreement"**) between the City of Hutto, Texas (the **"City"**) and the Master Developer and/or assignee of the obligations of the Master Developer under the Continuing Disclosure Agreement dated as of December 1, 2019 (the **"Continuing Disclosure Agreement"**) among the Master Developer, the Cottonwood Development Corporation (the **"Corporation"**) and UMB Bank, N.A., as dissemination agent (the **"Dissemination Agent"**), has received a copy of the Continuing Disclosure Agreement and agrees to provide the information required in **Section 1** of the Semi-Annual Reports to the Dissemination Agent pursuant to the requirements of the Continuing Disclosure Agreement. The Assignee agrees to cause any assignee of all or substantially all of its rights and obligations under the Master Development Agreement to execute and deliver to the Corporation a written acknowledgement and agreement to provide the Semi-Annual Reports pursuant to the Continuing Disclosure Agreement (which acknowledgment and agreement shall be in form and substance similar to this Acknowledgment). In the event the Assignee (or any successor in ownership) fails to perform its obligations under this Acknowledgment, the sole remedy of the Corporation shall be an action to compel performance.

Dated this ____ day of __________, 20__.

[ASSIGNEE NAME]

By: ____
Name: ______________________________________
Title: _______________________________________