City Council Regular Meeting Agenda
Tuesday, April 16, 2024 7:00 PM
Kyle City Hall, 100 W. Center Street, Kyle, TX. 78640

Watch City Council Meetings at home on Spectrum 10 or
Watch Online at www.cityofkyle.com/kyle10

I. Call Meeting to Order and Roll Call

II. Approval of Minutes

1. Approval of the City Council April 2, 2024 Special Meeting Minutes and April 2, 2024 Regular Meeting Minutes.
   (Item Presenter: Jennifer Kirkland, TRMC, City Secretary)
   Exhibit 1 - April 2, 2024 Draft Special Minutes
   Exhibit 2 - April 2, 2024 Draft Regular Minutes

III. Citizen Comment Period with City Council

The City Council welcomes comments from Citizens early in the agenda of City Council meetings. Those wishing to speak are encouraged to sign in before the meeting begins. Speakers may be provided with an opportunity to speak during this time period on any agenda item or any other matter concerning city business, and they must observe the three-minute time limit.

IV. Agenda Order

2. Agenda Order per Rules of Council Sec. B1.
   (Item Presenter: Travis Mitchell, Mayor)

V. Appointments

3. Consider an appointment to the San Marcos Hays County Emergency Medical Services Board of Directors.
   (Item Presenter: Jeff Barnett, Chief of Police)
   Exhibit 1 - Staff Memo
   Exhibit 2 - Presentation

VI. Reports and Presentations

4. A proclamation recognizing National Telecommunicator Week (April 15-19).
   (Item Presenter: Robert Rizo, Mayor Pro Tem)

5. A proclamation recognizing National Animal Control Officer Appreciation Week (April 14-20).
   (Item Presenter: Miguel A. Zuniga PhD, Council Member)

6. Receive a report and hold a discussion regarding the benchmarked Community Survey Results from ZenCity for the months of December 2023 - February 2024.
(Item Presenter: Rachel Sonnier, Director of Communications)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation

7. Receive a report, hold a discussion and provide staff direction on the preliminary 5-year financial forecast for the City's General Fund for fiscal years 2024-2025 through 2028-2029.
(Item Presenter: Perwez A. Moheet, CPA, Director of Finance)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation

8. Receive a report, hold a discussion, and provide staff feedback regarding the City of Kyle's 2022 Road Bond Program.
(Item Presenter: Joe Cantalupo, K Friese & Associates, City's 2022 Road Bond Program Manager)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation

VII. Consent Agenda

9. Consider approval of Task Order No. 3 to BGE, Inc., in the amount of $59,084 for the development of a preliminary engineering report for the Four Seasons Wastewater Interceptor Improvements project.
(Item Presenter: Leon Barba, P.E., City Engineer)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Task Order

10. Consider approval of an amendment to a purchase agreement with Axon Enterprises, Inc. for the purpose of providing thirteen Fleet 3 in-car camera systems with associated software, and replacement plan in the amount of $519,972.79.
(Item Presenter: Rosie Truelove, Director of Administrative Services)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Agreement

11. Consider approval of a resolution suspending the May 11, 2024 effective date of the proposal by Universal Natural Gas, LLC D/B/A Universal Natural Gas, Inc. to implement GRIP interim rate adjustments for gas utility investment in 2023.
(Item Presenter: Aimee Alcorn-Reed, City Attorney)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Resolution

12. Consider approval of a resolution authorizing a Wastewater Utility Easement from Texas Realty/Retail Partner, Inc. for 150 Business Park Subdivision containing one 0.196-acre easement and one 0.085-acre easement.
(Item Presenter: Leon Barba, P.E., City Engineer)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation

Exhibit 3 - Resolution
Exhibit 4 - Easement

13. Consider approval of agreements with Kalbacher Associates, LLC in the total amount of $116,400 for professional grant writing services.
(Item Presenter: Rosie Truelove, Director of Administrative Services)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Agreement

14. Consider approval of a contract extension with Akin Gump Strauss Hauer & Feld LLP for federal lobbying services through December 31, 2024 in the amount of $129,000.
(Item Presenter: Jesse Elizondo, Assistant City Manager)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Contract Extension

15. Consider award of the Design Services for Kyle Sportsplex: RFQ-2024-01 solicitation to Stantec Consulting Services, Inc. (or another qualified offeror) and authorize the City Manager to negotiate a contract.
(Item Presenter: Rosie Truelove, Director of Administrative Services)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Matrix

VIII. Items Pulled from Consent Agenda

IX. Consider and Possible Action

16. Consider approval of a resolution of the City of Kyle, Texas approving the form and authorizing the distribution of a Preliminary Limited Offering Memorandum for the City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project); and resolving other matters incident and related thereto.
(Item Presenter: Stephanie Leibe, Norton Rose Fulbright, City's Bond Counsel)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Resolution
Exhibit 4 - PLOM
Exhibit 5 - Appendix B - Form of Indenture
Exhibit 6 - Appendix C - Form of PSAP
Exhibit 7 - Appendix D - Form of BC Opinion
Exhibit 8 - Appendix E-1 - Form of Issuer CDA
Exhibit 9 - Appendix E-2 - Form of Developer CDA
Exhibit 10 - Appendix F - Financing Agreement
Exhibit 11 - Appendix G - Development Agreement

17. *(First Reading)* Consider approval of an Ordinance of the City Council of the City of Kyle, Texas Approving the Final Project and Finance Plan and an Interlocal Agreement for the Tax Increment and Reinvestment Zone Number Six, City of Kyle, Texas.
(Item Presenter: Stephanie Leibe, Norton Rose Fulbright, City's Bond Counsel)

Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Ordinance

18. *(First Reading)* Consider approval of an ordinance establishing an exemption from ad valorem taxes for qualifying childcare facility properties.
(Item Presenter: Victoria Vargas, Director of Economic Development)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Ordinance
Exhibit 4 - Tax Code

19. *(First Reading)* Consider approval of an ordinance authorizing the City Manager to execute any and all documents necessary with Archer Western Contractors, LLC for the construction of the FM 1626 Ground Storage Tank and Pump Station Project in an amount not to exceed $25,000,000.
(Item Presenter: Rosie Truelove, Director of Administrative Services)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Ordinance
Exhibit 4 - Cost Proposal Phase 1

20. Consider approval of Task Order No. 3 to BGE, Inc. for PS&E design of the Bunton Creek Road project of the 2022 Road Bond Program in an estimated amount of $2,030,777.09.
(Item Presenter: Joe Cantalupo, K Friese & Associates, City's 2022 Road Bond Program Manager)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Task Order

21. Consider approval of Task Order No. 4 to Cobb, Fendley & Associates, Inc. for development of pedestrian treatment plans for the intersections along the Kyle Parkway/Lehman Road Extension project in an estimated amount of $82,310.75.
(Item Presenter: Joe Cantalupo, K Friese & Associates, City's 2022 Road Bond Program Manager)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Task Order

22. Consider approval of a resolution approving a contract with Burditt Consultants for preliminary design services of the Community Center Project in the amount of $120,000.
(Item Presenter: Jesse Elizondo, Assistant City Manager)
Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Resolution
Exhibit 4 - Agreement

23. Consider approval of a resolution authorizing City Fest featuring the annual State of the City and setting the estimated budget.
(Item Presenter: Rachel Sonnier, Director of Communications)

Exhibit 1 - Staff Memo
Exhibit 2 - Presentation
Exhibit 3 - Resolution

24. Consider directing the City Manager to evaluate the possibility of moving the historic oak tree on Stagecoach Road.
(Item Presenter: Lauralee Harris, Council Member)

25. Council to discuss and designate a City of Kyle representative to serve on the Hays County Mental Health Coordinating Committee.
(Item Presenter: Bear Heiser, Council Member)

26. Discussion and possible action to direct city manager and staff to review and increase parking lot lighting at older parks throughout city.
(Item Presenter: Miguel A. Zuniga PhD, Council Member)

27. Discussion to review Charter Review Commission and councilmember charter amendment process and timelines.
(Item Presenter: Miguel A. Zuniga PhD, Council Member)

28. Consider directing the City Manager to hire a consultant to analyze existing city council district boundaries.
(Item Presenter: Bear Heiser, Council Member)

X. Executive Session

29. Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.
    a. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property for transportation improvements and related infrastructure; **and pursuant to Texas Government Code §551.072** to discuss the possible purchase, exchange, lease, or value of real estate related to same.
    b. **Executive session pursuant to Texas Government Code 551.071 a**nd Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property for park improvements and related infrastructure and downtown properties; **and pursuant to Texas Government Code §551.072** to discuss the possible purchase, exchange, lease, or value of real estate related to same.
    c. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Sahara; **and pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.
    d. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Cliffhanger **and pursuant to Texas Government Code §551.087** to

discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

e. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Lone Oak; **and pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

f. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Two Step; **and pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

g. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Connect Four; **and pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

h. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the City's construction contract with Stoddard Enterprise LLC and/or other legal issues related to La Verde Park and other City-owned property at or near Kohlers Crossing and Burnham.

30. Take action on items discussed in Executive Session.

XI. Adjourn

One or more members of the board may participate in the meeting by videoconference pursuant to Section 551.127, Texas Government Code, provided that a quorum of the board will be present at Kyle City Hall.

Posted this 12th day of April, 2024, prior to 5:00 p.m.

At any time during the City Council meeting, the City Council may elect to go into an Executive Session to discuss any item on the agenda for which state law authorizes an Executive Session to be held. If the City Council elects to go into an Executive Session regarding an agenda item, the presiding officer will first announce the section of the law authorizing a closed meeting. The description of an item in Executive Sessions constitutes the written interpretation by the City Attorney of Chapter 551 of the Texas Government Code and the legal opinion of the City Attorney that said item may be discussed in a closed meeting.

Under the Americans with Disabilities Act, an individual with a disability must have equal opportunity for effective communication and participation in public meetings. Kyle City Hall is wheelchair accessible. Individuals who require auxiliary aids, interpretive services, and/or other services for this meeting should submit a request at https://www.cityofkyle.com/contact or call (512) 262-1010, 48 hours in advance of the meeting.

The City Council of the City of Kyle, Texas met in Special Session on April 2, 2024 at Kyle City Hall with the following persons present:

Mayor Travis Mitchell
Mayor Pro Tem Robert Rizo
Council Member Bear Heiser
Council Member Miguel Zuniga
Council Member Lauralee Harris
Council Member Daniela Parsley
Council Member Michael Tobias
Bryan Langley, City Manager
Amber Schmeits, Assistant City Manager
Jesse Elizondo, Assistant City Manager
Aimee Alcorn-Reed, City Attorney
Rachel Sonnier, Dir. of Communications
Grant Bowling, Audio Film Prod Manager
Jeffrey Banks, Audio & Film Prod Spec
Jennifer Kirkland, City Secretary
Leon Barba, City Engineer
Marco Forti, Director of IT
Mariana Espinoza, Dep. Dir. of Parks & Rec.
Daniel Preston, Police Sergeant
Mike Murphy, Director of Water Utilities

I. Call Meeting to Order and Roll Call

Mayor Mitchell called the meeting to order at 6:00 p.m. Mayor Mitchell asked the city secretary to call roll.

Present were: Mayor Mitchell, Mayor Pro Tem Rizo, Council Member Heiser, Council Member Zuniga, Council Member Harris, Council Member Parsley, and Council Member Tobias. A quorum was present.

II. Citizen Comment Period with City Council

Mayor Mitchell opened citizen comments at 6:00 p.m. With no one wishing to speak, Mayor Mitchell closed citizen comments at 6:00 p.m.

III. Executive Session

1. Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.
    a. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property for transportation improvements and related infrastructure; and pursuant to Texas Government Code §551.072 to discuss the possible purchase, exchange, lease, or value of real estate related to same.

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b. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Emerald Ranch and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations related to same.

c. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property for park improvements and downtown revitalization and related infrastructure; and **pursuant to Texas Government Code §551.072** to discuss the possible purchase, exchange, lease, or value of real estate related to same.

d. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Pixel; and pursuant to **Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

e. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Sahara; and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

f. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project The Stars are Bright; and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

g. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Two Step; and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.

h. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Universal Natural Gas's application for an interim rate adjustment.

i. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property located at or near RM 2770 (Jack C Hays Trail) and FM 150 in Hays County or of property interest related to said property, from Dennis L. Miller and/or other interested parties; and **pursuant to Texas Government Code §551.072** to discuss the possible purchase, exchange, lease, or value of real estate related to same, including the value of easement(s) or other property interests.

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j. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to contracts with various lobbyists and strategic advocacy consultants.

k. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to potential litigation and Equal Employment Opportunity Commission complaint(s) related to the City's reorganization.

l. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property and/or alignment and design of water or wastewater infrastructure; and pursuant to **Texas Government Code §551.072** to discuss the possible purchase, exchange, lease, or value of real estate related to same.

Mayor Mitchell read into the record, "City Council will now go into executive session to discuss items 1 (a)-(l) pursuant to Texas Government Code Sections 551.071, 551.072, and 551.087."

The City Council convened into executive session at 6:01 p.m.

2. Take action on items discussed in Executive Session.

Mayor Mitchell called the meeting back to order at 7:03 p.m. Mayor Mitchell announced that no action took place in Executive Session, but action would be taken now.

Mayor Mitchell moved to authorize the City Manager to negotiate the purchase of a waterline easement and temporary construction easement from Dennis L. Miller and/or interested parties across the Dennis Miller tract, located at or near the intersection of Jack C. Hays Trail and FM 150 in Hays County, based on the City's appraisal, and to execute all documents necessary to purchase those easements on terms determined to be appropriate, within the bounds of the budget, and in a form acceptable to the City Attorney. Council Member Heiser seconded the motion. Motion passed 7 - 0.

IV. Adjourn

Mayor Mitchell moved to adjourn. Council Member Parsley seconded the motion. No vote was held.

With no further business to discuss, the City Council adjourned at 7:03 p.m.

ATTEST: Travis Mitchell, Mayor

Jennifer Kirkland, City Secretary

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The City Council of the City of Kyle, Texas met in Regular Session on April 2, 2024 at Kyle City Hall with the following persons present:

Mayor Travis Mitchell
Mayor Pro Tem Robert Rizo
Council Member Bear Heiser
Council Member Miguel Zuniga
Council Member Lauralee Harris
Council Member Daniela Parsley
Council Member Michael Tobias
Bryan Langley, City Manager
Amber Schmeits, Assistant City Manager
Jesse Elizondo, Assistant City Manager
Aimee Alcorn-Reed, City Attorney
Rosie Truelove, Director of Admin Services
Julie Beggs, Asst. Dir. of Admin Services
Clifton Beck, Asst. Dir. of Admin Services
Rachel Sonnier, Dir. of Communications
Grant Bowling, Audio Film Prod Manager
Jeffrey Banks, Audio & Film Prod Spec
Jennifer Kirkland, City Secretary
Leon Barba, City Engineer
Victoria Vargas, Director of Economic Dev.
Perwez Moheet, Director of Finance
Andy Alejandro, Accounting Manager
Marco Forti, Director of IT
Mariana Espinoza, Dep. Dir.of Parks & Rec.
Melissa McCollum, Chief Dev. Officer
Will Atkinson, Director of Planning
Jason Lutz, Planning Manager
Jeff Barnett, Chief of Police
Pedro Hernandez, Asst. Chief of Police
Daniel Preston, Police Sergeant
Kelly Barron, Victim Svcs. Coord.
Christine Dalton, Crime Victim Liaison
Mike Murphy, Director of Water Utilities
Tim Samford, Asst. Dir. of Water Utilities
Edward Bradley
Nancy Fahy
Betty Conley
Yvonne Flores-Cale
Domingo Castilleja
Courtney Goza
Abby Gibson
Linda Tenorio
Tracy Sheel
Janet Pitman

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I. Call Meeting to Order and Roll Call

Mayor Mitchell called the meeting to order at 7:04 p.m. The Pledge of Allegiance was recited. Mayor Mitchell asked the city secretary to call roll.

Present were: Mayor Mitchell, Mayor Pro Tem Rizo, Council Member Heiser, Council Member Zuniga, Council Member Harris, Council Member Parsley, and Council Member Tobias. A quorum was present.

II. Approval of Minutes

1. Approval of the City Council March 16, 2024 Special Meeting Minutes, March 19, 2024 Special Meeting Minutes, and March 19, 2024 Regular Meeting Minutes.
   (Item Presenter: Jennifer Kirkland, TRMC, City Secretary)

Council Member Tobias moved to approve the minutes of the March 16, 2024 Special Council Meeting, March 19, 2024 Special Council Meeting and the minutes of the March 19, 2024 Regular Council Meeting. Council Member Parsley seconded the motion. Motion passed 7 - 0.

III. Citizen Comment Period with City Council

Mayor Mitchell opened citizen comments at 7:06 p.m.

Edward Bradley was called to speak as registered, on behalf of Kyle's Bright Beginnings Learning Center. He asked Council to adopt Proposition #2. This provides tax relief to childcare providers. He stated that birth to age 5 is the most important stage of development. He stated that the workforce is positively impacted by high quality childcare. He spoke about the benefits of Prop #2. He stated that applications must be received after the ordinance takes effect but no later than April 30.

Nancy Fahy was called to speak as registered in opposition of Item No. 20. She spoke about the gas stipend, stating that there is a procedure for mileage reimbursement, and there is no need for this stipend. She then spoke about health insurance, stating that it is part of compensation, and it is already available to council as long as they pay for it. She stated that since these already have methods to achieve these items, this seems like a way to go around the compensation ordinance. She stated that approving the ordinance violates the charter and that is has been voted down several times in the past.

Kelly Barron was called to speak as registered on behalf of Kyle PD Victims Services. She spoke about sexual assault awareness month and child abuse awareness month. She stated that the numbers continue to increase, and she thanked Council for their support for victim's services. She introduced Christine Dalton, Crime Victims Liaison, who also spoke. She too thanked Council for their support in the proclamations to be read this evening.

Betty Conley was called to speak as registered. She stated that she is president of the Kyle Area Senior Zone. She thanked Council for the streetlights. She also stated that she opposes the insurance and doesn't believe that Council should pass the coverage of insurance at the burden of the taxpayers. She stated that part -time employees do not receive this benefit and Council should not come before them. She stated that Council could be unduly influenced by the source of their benefits. She stated that she would like to see tax dollars spent on much needed upgrades and a community event center with a senior component. She requested that Item 20 be moved to the top of discussions. She stated that she hears over an over that KASZ is not part of the City. She stated that it's true, but the seniors of Kyle are members of the community. She requested 15 - 20,000 square feet as the need for the center.

Yvonne Flores-Cale was called to speak as registered in opposition of Item No. 20. She stated that she has no plans to run for Council in 2024. She stated that in 2019, three Council Members voted against the pay increase proposed. She quoted a newspaper article from that time. She spoke about the history of Council Compensation Committee. She stated that for the third time in five years Council is discussing council compensation. Ms. Flores-Cale spoke about a prior conversation with Council

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Member Heiser. She stated that they are not voting on insurance for everyone, they are voting for insurance for themselves. She stated it should not be the burden of the taxpayers.

Domingo Castilleja was called to speak as registered regarding Item No. 20. He spoke about fiduciary responsibility and that is why he opposes this item.

Courtney Goza was called to speak as registered in opposition of Item No. 20. She asked that Item 20 be moved to the top of the list. She doesn't believe that Council should vote on this for themselves. She stated that the Council Compensation Committee considers compensation as a whole and Council is circumventing this process.

Abby Gibson was called to speak as registered in opposition of Item No. 20. She stated that a petition is going around that has more than 100 signatures in the past three hours. She stated that part of the Council's duties is managing the purse of the taxpayers funds. She stated that this will not benefit the City of Kyle, but the Council Members. She stated that it is distasteful.

Linda Tenorio spoke in opposition of Item No. 20. She asked that Council take care of the Kyle employees and make them the priority. She asked that they don't serve themselves. She stated that Council should represent those who voted them in and think about them. She continued that former Council Member Flores-Cale wanted the City to give her extra money for clothing when she was on the Council.

Tracy Sheel spoke regarding the support from the City during a trying time. She thanked Ms. Cynthia Bennett, Amanda Stark. She stated that the support she got in the form of food and friendship was incredible. She spoke about Item No. 20, stating that when she was on Council, she voted against the council compensation increase. She stated at the time she didn't feel it was full-time, but by 2020, there were many task forces that Council was serving on pushing towards full-time. She stated that her injury would have cost a person without insurance $80,000. She stated that it would be a terrible burden for a person. She asked Council to think about that.

With no one else wishing to speak, Mayor Mitchell closed citizen comments at 7:29 p.m.

IV. Agenda Order

2. Agenda Order per Rules of Council Sec. B1.
   (Item Presenter: Travis Mitchell, Mayor)

Council Member Tobias asked to move Item No. 20 out of order ahead of Item No. 3. Mayor Mitchell objected and stated that Council could vote.

Council Member Tobias moved to bring Item No. 20 to the beginning of the agenda order. Council Member Parsley seconded the motion.

Mayor Mitchell requested a roll call vote. Council Member Harris voted nay; Council Member Tobias voted aye; Mayor Mitchell voted nay; Mayor Pro Tem Rizo voted nay; Council Member Zuniga voted aye; Council Member Heiser voted nay; and Council Member Parsley voted aye Motion failed 3 - 4.

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V. Appointments

3. Consider approval of a resolution to make appointments to the Alliance Regional Water Authority Board of Directors.
   (Item Presenter: Amber Schmeits, Assistant City Manager)

Mayor Mitchell moved to approve the appointments of Mike Murphy, Bryan Langley, and Dr. Harris to the Alliance Regional Water Authority Board of Directors. Mayor Pro Tem Rizo seconded the motion. Motion passed 7 - 0.

VI. Reports and Presentations

4. A proclamation recognizing Child Abuse Prevention Month and approval of a temporary pinwheel garden display at Mary Kyle Hartson Park.
   (Item Presenter: Lauralee Harris, Council Member)

6. A proclamation recognizing Sexual Assault Awareness Month.
   (Item Presenter: Daniela Parsley, Council Member)

Council Member Lauralee Harris read aloud the Proclamation acknowledging Child Abuse Prevention Month. Mayor Mitchell brought forward Item No. 6 simultaneously. Council Member Daniela Parsley read aloud the Proclamation acknowledging Sexual Assault Prevention Month. No action was taken.

5. A proclamation recognizing Autism Awareness Month
   (Item Presenter: Michael Tobias, Council Member)

Council Member Tobias read aloud the Proclamation acknowledging Autism Awareness Month. No action was taken.

VII. Consent Agenda

Council Member Zuniga pulled Item No. 8. Council Member Parsley also had a desire to pull Item No.8. Mayor Mitchell brought forward Item Nos. 7, 9, 10, 11, 12, and 13 for consideration.

7. Consider approval of Task Order No. 2 to Quiddity Engineering, LLC, in the amount of $165,680 for the development of a preliminary engineering report for the Steeplechase Wastewater Interceptor Improvements project.
   (Item Presenter: Leon Barba, P.E., City Engineer)

9. Consider approval of Amendment No. 1 to Task Order No. 12 with CP&Y, Inc. dba STV Infrastructure in an amount of $355,511 to complete final design for Dacy Lane wastewater line upgrades.
   (Item Presenter: Leon Barba, P.E., City Engineer)

10. Consider approval of an agreement for temporary wastewater pump and haul services with Lennar Homes of Texas Land and Construction, LTD.
    (Item Presenter: Amber Schmeits, Assistant City Manager)

11. Approve a resolution acknowledging the alignment of the easement for the Cypress Road Utilities Project and acknowledging the project as serving a public purpose for public use.

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(Item Presenter: Amber Schmeits, Assistant City Manager)

12. *(Second Reading)* Consider approval of an Ordinance approving a Conditional Use Permit for a medical office use pursuant to the Kalterra Capital Partners, LLC Development Agreement for a property located at 2220 Kohlers Crossing, Hays County, TX 78640. (CUP-24-0101)
City Council voted 5-2 to approve on first reading on 3/19/2024/
(Item Presenter: Kaela Sharp, Senior Planner)

13. Consider approval of a resolution approving a Second Amendment of Declaration of Covenants, Conditions, and Restrictions for Plum Creek Uptown District and Agreement to Terminate Certain Instruments.
(Item Presenter: Paige Saenz, The Knight Law Firm)

Mayor Pro Tem Rizo moved to approve Consent Agenda Item Nos. 7, 9, 10, 11, 12, and 13. Council Member Parsley seconded the motion. Motion passed 7 - 0.

VIII. Items Pulled from Consent Agenda

8. Consider approval of Task Order No. 3 with HDR in an amount of $116,414 for evaluation of expansion of reclaimed water distribution system from the Plum Creek golf course holding pond.
(Item Presenter: Leon Barba, P.E., City Engineer)

Mr. Barba presented the item. Mr. Langley and Ms. Schmeits provided information on the item.

Council Member Parsley moved to approve Task Order No. 3 with HDR in an amount of $116,414 for evaluation of expansion of reclaimed water distribution system from the Plum Creek golf course holding pond. Mayor Pro Tem Rizo seconded the motion. Motion passed 7 - 0.

IX. Consider and Possible Action

14. *(First Reading)* Consider approval of an ordinance adopting and endorsing the City's Water Conservation Plan with amendments.
(Item Presenter: Tim Samford, Assistant Director of Water Utilities)

Mike Murphy presented the item.

Council Member Zuniga moved to approve an ordinance adopting and endorsing the City's Water Conservation Plan with amendments. Council Member Harris seconded the motion. Motion passed 7 - 0.

Just after Mr. Moheet began to present Item No. 15, Mayor Mitchell asked if there were any objections to the Ordinance being finally passed. There were none.

15. Consider approval of a resolution accepting the independent auditor's report for the fiscal year ended September 30, 2023.
(Item Presenter: Perwez A. Moheet, CPA, Director of Finance)

Mr. Moheet presented an overview of the report. He then introduced Janet Pitman, Partner of ABIP, P.C., who presented the results of the audit.

DRAFT

Council Member Parsley moved to approve a resolution accepting the independent auditor's report for the fiscal year ended September 30, 2023. Council Member Tobias seconded the motion. Motion passed 7-0.

16. Consider approval of a resolution approving the framework for the Small Business Kickstart Program. (Item Presenter: Victoria Vargas, Director of Economic Development)

Council Member Heiser moved to approve a resolution approving the framework for the Small Business Kickstart Program. Council Member Parsley seconded the motion. Motion passed 7 - 0.

17. Consider approval of a resolution authorizing the City Manager to negotiate a contract for preliminary design services for the Community Center Project.
(Item Presenter: Jesse Elizondo, Assistant City Manager)

Council Member Heiser moved to approve a resolution authorizing the City Manager to negotiate a contract for preliminary design services for the Community Center Project. Council Member Parsley seconded the motion. Motion passed 7 - 0.

18. Consider approval of a resolution approving a waiver for the dedication of public rights-of-ways, allowed by Sec. 41-81 of the City's adopted subdivision ordinance, to allow a portion of the subdivision to be served by private streets for the Live Oak Townhomes project, an approximately 17.758-acre site located east of Live Oak Street and north of the intersection between Porter Street and Cockerham Street.
(Item Presenter: Jason Lutz, Planning Manager)

Council Member Parsley moved to approve a resolution approving a waiver for the dedication of public rights-of-ways, allowed by Sec. 41-81 of the City's adopted subdivision ordinance, to allow a portion of the subdivision to be served by private streets for the Live Oak Townhomes project, an approximately 17.758-acre site located east of Live Oak Street and north of the intersection between Porter Street and Cockerham Street. Council Harris seconded the motion. Motion passed 6 - 1 with Council Member Tobias dissenting.

19. *(First Reading)* Consider approval of an ordinance updating the City of Kyle Fee Schedule in Appendix A of the City of Kyle Code of Ordinances to modify fees for Building, Engineering, Parks, Planning, and Public Works.
    - Public Hearing

    (Item Presenter: Melissa McCollum, Chief Development Officer)

Mayor Mitchell opened the public hearing at 9:28 p.m. With no one wishing to speak, Mayor Mitchell closed the public hearing at 9:28 p.m.

Council Member Tobias moved to approve an ordinance updating the City of Kyle Fee Schedule in Appendix A of the City of Kyle Code of Ordinances to modify fees for Building, Engineering, Parks, Planning, and Public Works. Council Member Parsley seconded the motion. Motion passed 7 - 0.

Mayor Mitchell asked if there were any objections to the Ordinance being finally passed. There were none.

DRAFT

20. *(Second Reading)* Consider approval of an ordinance amending the City's adopted budget for Fiscal Year 2023-2024 to authorize the Mayor and City Council members to access the health insurance program on the same terms as full-time City employees; and amending Ordinance No. 1043 regarding City Council health insurance access.
    City Council voted 4-3 to approve on first reading on 3/19/2024
    (Item Presenter: Jesse Elizondo, Assistant City Manager)

Mayor Mitchell moved to approve an ordinance amending the City's adopted budget for Fiscal Year 2023-2024 to authorize the Mayor and City Council members to access the health insurance program on the same terms as full-time City employees; and amending Ordinance No. 1043 regarding City Council health insurance access. Council Member Heiser seconded the motion.

Mayor Mitchell requested a roll call vote. Mayor Pro Tem Rizo voted aye; Mayor Mitchell voted aye; Council Member Zuniga voted nay; Council Member Heiser voted aye; Council Member Tobias voted nay; Council Member Parsley voted nay; and Council Member Harris voted aye. Motion passed 4 - 3.

21. Consider directing the City Manager to rename the July 13th and September 14th Market Day events.
    (Item Presenter: Daniela Parsley, Council Member)

Mayor Mitchell moved to approve Item No. 21, designating the July 13th Market Day as Independence Themed including Red, White and Blue and September 14th Market Day as Hispanic Heritage Themed. Council Member Parsley seconded the motion.

Council Member Parsley moved to call the question. Mayor Pro Tem Rizo seconded the motion. A roll call vote was held. Council Member Parsley voted aye; Council Member Heiser voted aye; Council Member Harris voted aye; Mayor Mitchell voted aye; Mayor Pro Tem Rizo voted aye; Council Member Zuniga voted aye; and Council Member Tobias voted aye. Motion passed 7 - 0.

Mayor Mitchell called for the vote on the original motion. Motion passed 7-0.

X. Executive Session

22. Pursuant to Chapter 551, Texas Government Code, the City Council reserves the right to convene into Executive Session(s) from time to time as deemed necessary during this meeting. The City Council may convene into Executive Session pursuant to any lawful exception contained in Chapter 551 of the Texas Government Code including any or all of the following topics.

    a. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property for transportation improvements and related infrastructure; and pursuant to Texas Government Code §551.072 to discuss the possible purchase, exchange, lease, or value of real estate related to same.
    b. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Emerald Ranch and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have

DRAFT

locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations related to same.

c. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property for park improvements and downtown revitalization and related infrastructure; and **pursuant to Texas Government Code §551.072** to discuss the possible purchase, exchange, lease, or value of real estate related to same.
d. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Pixel; and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.
e. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Sahara; and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.
f. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project The Stars are Bright; and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.
g. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Project Two Step; and **pursuant to Texas Government Code §551.087** to discuss and deliberate regarding potential financial or other incentives to business prospect(s) that the City seeks to have locate, stay, or expand in or near the City and with which the City is conducting economic development negotiations relate to same.
h. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to Universal Natural Gas's application for an interim rate adjustment.
i. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property located at or near RM 2770 (Jack C Hays Trail) and FM 150 in Hays County or of property interest related to said property, from Dennis L. Miller and/or other interested parties; and pursuant to Texas Government Code §551.072 to discuss the possible purchase, exchange, lease, or value of real estate related to same, including the value of easement(s) or other property interests.
j. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to contracts with various lobbyists and strategic advocacy consultants.
k. **Executive session pursuant to Texas Government Code §551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to potential litigation

DRAFT

and Equal Employment Opportunity Commission complaint(s) related to the City's reorganization.

l. **Executive session pursuant to Texas Government Code 551.071** and Texas Disciplinary Rules 1.05 to consult with attorneys concerning legal issues related to the acquisition of property and/or alignment and design of water or wastewater infrastructure; and **pursuant to Texas Government Code §551.072** to discuss the possible purchase, exchange, lease, or value of real estate related to same.

There was no executive session.

23. Take action on items discussed in Executive Session.

XI. Adjourn

Mayor Mitchell moved to adjourn Council Member Parsley seconded the motion. No vote was held.

With no further business to discuss, the City Council adjourned at 9:41 p.m.

_____
Travis Mitchell, Mayor

ATTEST:

_____
Jennifer Kirkland, City Secretary

DRAFT

Department Memo

City Council Regular Meeting

DEPARTMENT: Kyle Police Department

FROM: Chief Jeff Barnett

MEETING: April 16, 2024

SUBJECT:

Consider the appointment to the San Marcos Hays County EMS, Inc. Board of Directors.

SUMMARY:

San Marcos Hays County EMS, Inc. was formed in 1983 to provide EMS services throughout Hays County. The corporation has 11 directors that each serve three-year terms. The Kyle City Council is allowed to appoint one director on the board. This director position was previously held by Assistant City Manager Jerry Hendrix.

Staff recommends appointing Chief Jeff Barnett as a replacement to fill the current term of the vacant position. Chief Barnett, as the head of the Police Department, has great interest in the operation of the San Marcos Hays County EMS, Inc.

OPTIONS:

1) Approve the appointment of Chief Barnett to the San Marcos Hays County EMS, Inc. Board of Directors.
2) Deny the appointment of Chief Barnett to the San Marcos Hays County EMS, Inc. Board of Directors and appoint someone else.

RECOMMENDATION:

Staff recommends appointment of Chief Barnett.

FISCAL IMPACT:

None.

STAFF CONTACT:

Name: Dr. Jeff Barnett
Title: Chief of Police

Appointment to the San Marcos Hay County EMS Board

Kyle Police

San Marcos Hays County EMS

- San Marcos Hays County EMS, Inc. was formed in 1983 to provide EMS services throughout Hays County.
- There is an 11-member board. The Kyle City Council is allowed to appoint one member.
- Staff recommends the appointment of Kyle Police Department Chief Jeff Barnett.

Options

1. Approve the appointment of Chief Barnett to the San Marcos Hays County EMS, Inc. board of directors.
2. Deny the appointment of Chief Barnett and appoint another person to the San Marcos Hays County EMS Board.

Recommendation

Appointment of Chief Barnett to the San Marcos Hays County EMS, Inc. Board of Directors

Department Memo

City Council Regular Meeting

DEPARTMENT: Communications Department

FROM: Communications Director Rachel Sonnier

MEETING: Tuesday, April 16, 2024

SUBJECT:

Receive a report and hold a discussion regarding the benchmarked Community Survey Results from ZenCity for the months of December 2023 - February 2024.

SUMMARY:

We have received the benchmarked Community Survey Results from ZenCity for the months of December 2023 - February 2024. 634 respondents were digitally recruited over social media, mobile apps, local websites, and survey panels. Zencity built a representative sample by matching respondent data to the U.S. Census Bureau's race, ethnicity, age, and gender distributions in Kyle. Finally, rake-weighting was applied as a statistical safeguard to balance out any remaining discrepancies in distribution, so no demographic group is overrepresented or underrepresented in the final score. These results highlight areas where public opinion of city services have improved as well as areas to focus on.

Strengths:

- Of residents surveyed, 73% were overall satisfied with life in Kyle, a 7% increase over last quarter.
- Access to quality health care services has a 63% satisfaction rate, a 2% increase over last quarter.
- Acceptance of residents of all has a 63% satisfaction rate, a 3% increase over last quarter.
- Sense of overall safety has a 60% satisfaction rate, a 1% increase over last quarter.
- Quality of waste and recycling services has a 60% satisfaction rate, a 4% increase over last quarter.
- Quality of parks and recreational amenities has a 55% satisfaction rate, a 7% increase over last quarter.

Focus Areas:

- Ease of getting around by public transportation has a 16 satisfaction rate, a 2% increase over last quarter.
- Availability of jobs that pay a living wage has a 25% satisfaction rate, a 3% increase over last quarter.
- Availability of a variety of art and cultural events has a 29% satisfaction rate, a 2% increase over last quarter.
- Availability of affordable housing has a 31% satisfaction rate, a 7% increase over last quarter.

- Ability of residents to give input to the Kyle government has a 44% satisfaction rate, a 9% increase over last quarter.
- Sense of community among residents has a 48% satisfaction rate, a 6% increase over last quarter.

Because Transportation has been a consistent Focus Area in our survey results, we asked for community feedback specifically around transportation in Kyle.

Transportation Focus Question Results:

- How would you prefer to get around the city?
  - 77% would prefer private vehicle
  - 21% would prefer a City Bus System
  - 20% would prefer biking
  - 15% would prefer a subsidized rideshare program (UberKyle$3.14)
  - 14% would prefer by foot
  - 3% would prefer other forms of transportation
- Which of the following would you most like to see improved around the city?
  - 63% said traffic congestion
  - 14% said more public transit options
  - 8% said new bike lanes and paths
  - 7% said Improved traffic safety
- In your opinion, what is the one thing the city can do to make it easier for residents to get around the city?
  - 227 respondents answered the city can improve roads to make it easier for residents to get around the city.

OPTIONS:

N/A

RECOMMENDATION:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

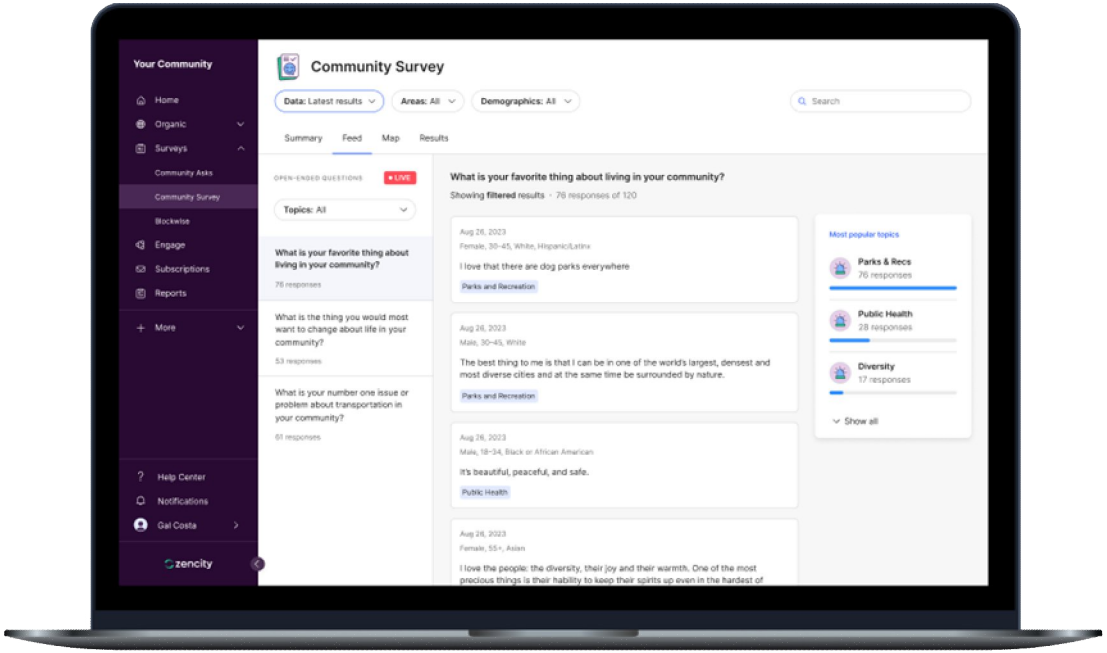
Name: Rachel Sonnier
Title: Communications Director
Email: rsonnier@cityofkyle.com
Phone: 512-813-9976

Kyle, TX

Community Survey

December 2023 - February 2024

Powered by Zencity



The Zencity Community Survey

A recurring survey that never stops running, the Zencity Community Survey measures how satisfied residents are with their community and with local government-provided services and allows officials to compare these scores over time and against a cohort of similar communities.

Survey Methodology

634 respondents were digitally recruited (e.g. over social media, mobile apps, local websites, and survey panels) between December 2023 February 2024. An additional response was collected through the city's distribution efforts, which was used to supplement the Zencity-recruited responses for free-text questions. Zencity built a representative sample by matching respondent data to the U.S. Census Bureau's race, ethnicity, age, and gender distributions in Kyle, TX. Finally, rake-weighting was applied as a statistical safeguard to balance out any remaining discrepancies in distribution, so no demographic group is overrepresented or underrepresented in the final score.

Score Calculation

The overall satisfaction score is calculated by averaging how each resident rated quality of life and community characteristics on a numeric scale 1 5 , and classifying this average as satisfied, neutral, or not satisfied. The resulting score, then, is the weighted percentage of residents who gave an overall satisfied rating.

Overall Satisfaction

The overall satisfaction score is calculated from the questions in the two main sections of the survey: general quality of life and satisfaction with different characteristics of life in your community.

We take the average of these questions, then classify the score as positive (3+), neutral (1.5 to <3), or negative (≤1.5). The percentages represent the percent of respondents in each category.

If you have a previous cycle, the up (↑) and down (↓) arrows will show the change in percentage points.

Zencity Community Survey

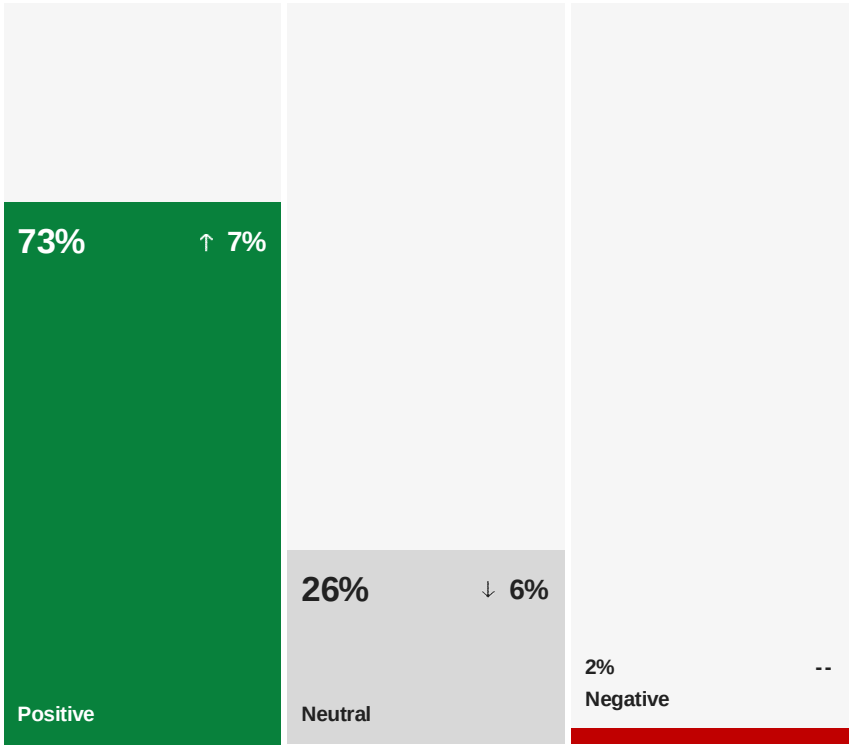
Kyle, TX
December 2023 - February 2024

Powered by Zencity

73%

of 634 surveyed residents are satisfied with life in Kyle

↑ **7%** vs. previous cycle



These are the main measures of satisfaction in your community

The bars on the right show the proportion of responses that are positive (4 or 5), neutral (3), or negative (1 or 2). The percentages show the percent in the positive category.

We take the average of the Community Characteristics, then classify the score as positive (3+), neutral (1.5 to <3), or negative (≤1.5). The percentages represent the percent of respondents in each category.

If you have a previous cycle, the up (↑) and down (↓) arrows will show the change in percentage points.

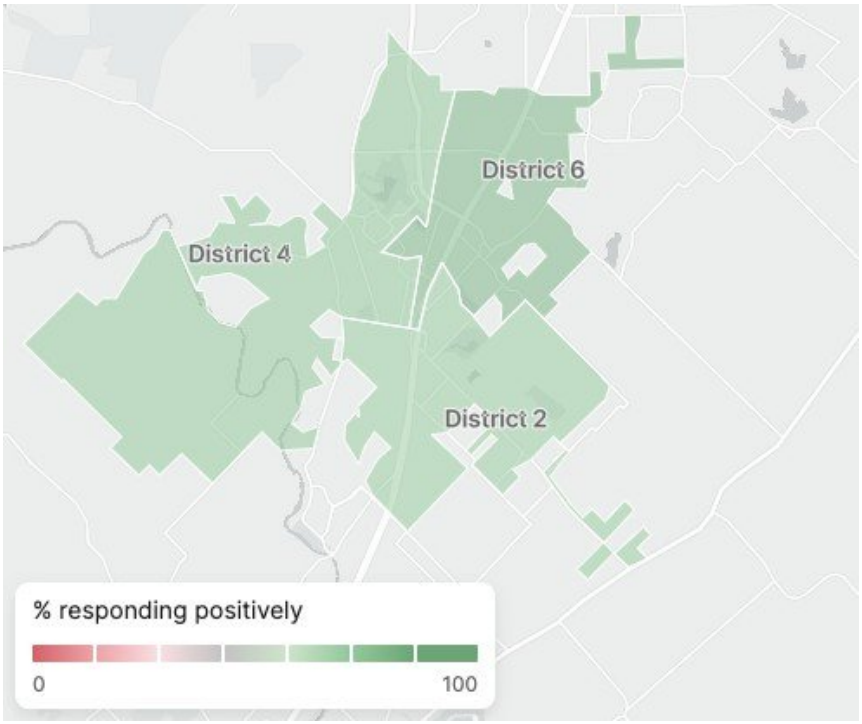
QUESTION	RESIDENT SATISFACTION
How is the overall quality of life in Kyle?	**60%** · ↓ 2%
How likely are you to recommend Kyle as a place to live?	**57%** · ↑ 2%
How likely are you to be living in Kyle 5 years from now?	**62%** · ↑ 9%
Average rating from the Community Characteristics questions	**66%** · ↑ 6%

Across the Community

Zencity Community Survey

Kyle, TX
December 2023 - February 2024

Powered by Zencity



AREA	RESIDENT SATISFACTION
District 2	70% · ↑ 5%
District 4	71% · ↑ 8%
District 6	79% · ↑ 7%

Demographic Breakdown

Smaller sample sizes can lead to unreliable estimates. For this reason, we hide scores for groups under 30 respondents.

For groups between 30 and 49 respondents, we highlight the small sample size using an asterisk (*). Use these scores with caution.

Zencity Community Survey

Kyle, TX
December 2023 - February 2024

Powered by Zencity

DEMOGRAPHIC	GROUP	SCORE	N
Age	18-34	79%	90
Age	35-54	66%	213
Age	55+	75%	313
Education	High school degree or less	77%	111
Education	Some college or college degree	71%	403
Education	Higher education degree	76%	104
Ethnicity	Hispanic/Latino	78%	190

DEMOGRAPHIC	GROUP	SCORE	N
Ethnicity	White	77%	498
Gender	Female	74%	401
Gender	Male	72%	225
Income	$49,999 or less	75%	115
Income	$50,000-$149,999	75%	348
Income	$150,000 or more	72%	87

Life in Kyle

The bars show the percent of respondents who reported positively (4 or 5) in response to questions about community characteristics.

We also display the percent of respondents who were neutral (3, shown with a gray dot) or negative (1 or 2, shown with a red dot).

Zencity Community Survey

Kyle, TX
December 2023 - February 2024

Powered by Zencity

COMMUNITY CHARACTERISTIC	SATISFACTION SCORE	CHANGE
Access to quality health care services	63% 26% 11%	↑ 2% ↓ 2%
Acceptance of residents of all backgrounds	63% 25% 12%	↑ 3% ↓ 4%
Sense of overall safety	60% 26% 14%	↑ 1% ↓ 2%
Quality of waste and recycling services	60% 24% 15%	↑ 4% ↓ 1%
Overall cleanliness and maintenance	56% 28% 16%	- 0% ↑ 1%
Quality of parks and recreational amenities	55% 29% 17%	↑ **7%** ↓ **4%**
Overall quality of services provided by Kyle	54% 32% 14%	↑ 4% ↓ 4%
Access to quality education	53% 32% 14%	↑ **2%** ↓ **6%**

KEY

- POSITIVE
- NEUTRAL
- NEGATIVE

↓ ↑ CHANGE IN POSITIVE SCORE

↓ ↑ CHANGE IN NEGATIVE SCORE

The 'Change' column shows the percentage point changes in positive and negative scores from the previous cycle. In addition, questions with the largest changes above 5% are highlighted.

Zencity Community Survey

Kyle, TX
December 2023 - February 2024

Powered by Zencity

COMMUNITY CHARACTERISTIC	SATISFACTION SCORE	CHANGE
Sense of community among residents	48% 32% 20%	↑ 6% ↓ 4%
Ability of residents to give input to the Kyle government	44% 31% 24%	**↑ 9% ↓ 8%**
Availability of affordable housing	31% 35% 33%	**↑ 7% ↓ 10%**
Availability of a variety of art and cultural events	29% 33% 38%	↑ 2% ↓ 2%
Availability of jobs that pay a living wage	25% 36% 39%	**↑ 3% ↓ 8%**
Ease of getting around by public transportation	16% 14% 70%	↑ 2% ↓ 7%

KEY

- POSITIVE
- NEUTRAL
- NEGATIVE

↓ ↑ CHANGE IN POSITIVE SCORE

↓ ↑ CHANGE IN NEGATIVE SCORE

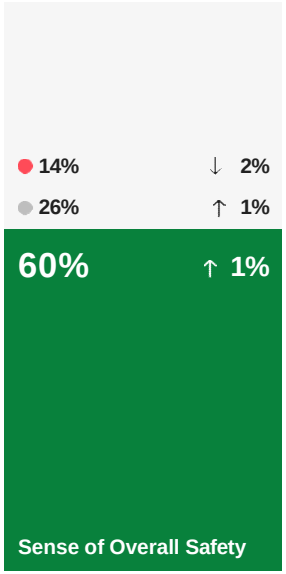
The 'Change' column shows the percentage point changes in positive and negative scores from the previous cycle. In addition, questions with the largest changes above 5% are highlighted.

The ratings residents gave these parts of life showed a connection to their overall satisfaction

In order to appear here, a characteristic must a) demonstrate a strong correlation with how residents rated their overall satisfaction and b) receive a notably high or low satisfaction score

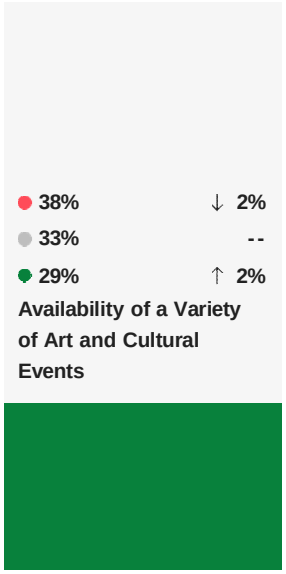
Maintain

High-scoring characteristics with strong correlation to overall satisfaction



Focus on

Low-scoring characteristics with strong correlation to overall satisfaction



Strengths

This community characteristic was selected because it had a high correlation with satisfaction AND received a notably high score.

The percentages shown indicate the percent of respondents who responded positively (4 or 5). The bars indicate the proportion of respondents who were positive, neutral (3), or negative (1 or 2).

For groups between 30 and 49 respondents, we highlight the small sample size using an asterisk (*). Use these scores with caution.

Zencity Community Survey

Kyle, TX
December 2023 - February 2024

Powered by Zencity

60%

of residents are satisfied with the sense of overall safety

↑ 1% vs. previous cycle

Neutral
26% • ↑ 1%

Dissatisfied
14% • ↓ 2%

AREA

District 2	59% • ↑ 4%	
District 4	63% • ↑ 3%	
District 6	59% • ↓ 3%	

AGE

18-34	65% • --	
35-54	60% • ↑ 7%	
55+	55% • ↓ 3%	

RACE/ETHNICITY

White	**60%** • ↓ 1%	
Hispanic/Latino	**63%** • ↑ 1%	

GENDER

Male	63% • ↑ 2%	
Female	**58%** • ↑ 1%	

In Focus

This community characteristic was selected because it had a high correlation with satisfaction AND received a notably low score.

The percentages shown indicate the percent of respondents who responded positively (4 or 5). The bars indicate the proportion of respondents who were positive, neutral (3), or negative (1 or 2).

For groups between 30 and 49 respondents, we highlight the small sample size using an asterisk (*). Use these scores with caution.

Zencity Community Survey

Kyle, TX
December 2023 - February 2024

Powered by Zencity

29%

of residents are satisfied with the availability of a variety of art and cultural events

↑ 2% vs. previous cycle

Neutral
33% • --

Dissatisfied
38% • ↓ 2%

AREA

District 2	19% • ↓ 4%	
District 4	35% • ↑ 6%	
District 6	34% • ↑ 3%	

AGE

18-34	42% • ↑ 11%	
35-54	21% • ↓ 5%	
55+	22% • ↓ 1%	

INCOME

$49,999 or less	35% • ↓ 7%	
$50,000-$149,999	27% • ↑ 4%	
$150,000 or more	31% • ↑ 13%	

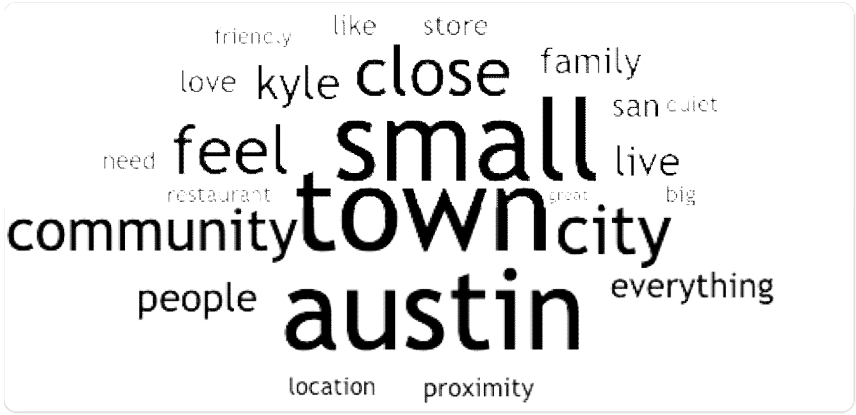
CHILDREN UNDER 18

Yes	25% • ↓ 3%	
No	32% • ↑ 5%	

Free-Text Responses

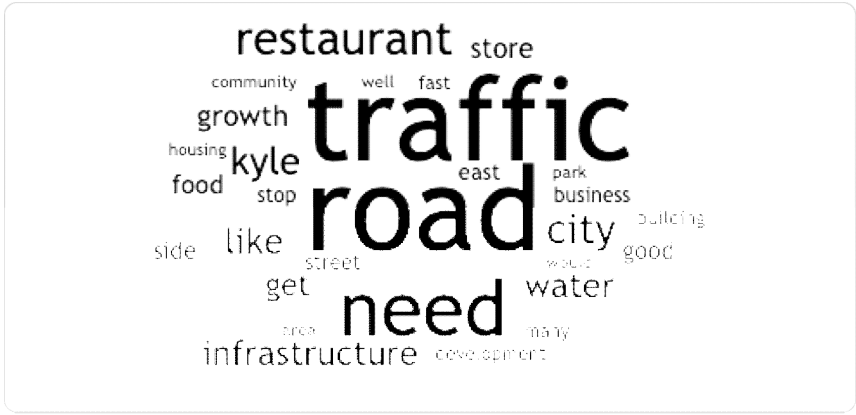
What residents love

Question: What is your favorite thing about living in Kyle?



What residents want changed

Question: What is the one thing you would change in Kyle?

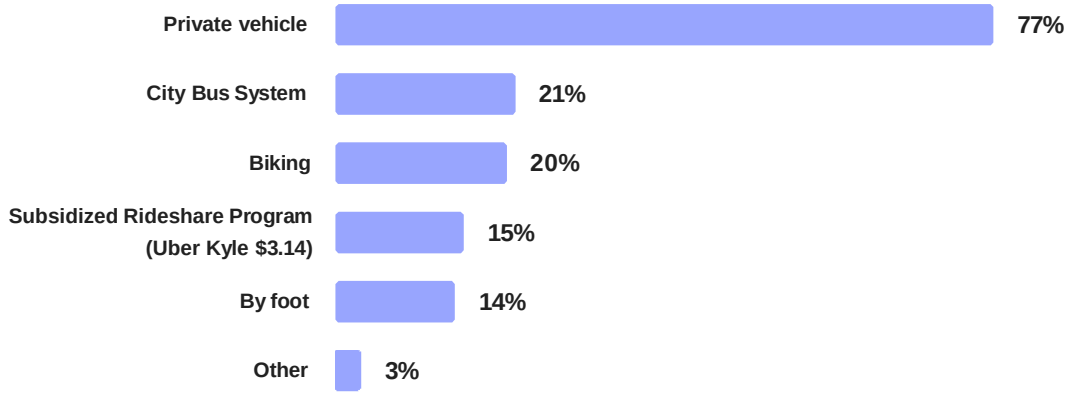


Rotating Survey Section

The rotating survey section focuses on one issue per survey cycle and can be updated as new areas of interest emerge.

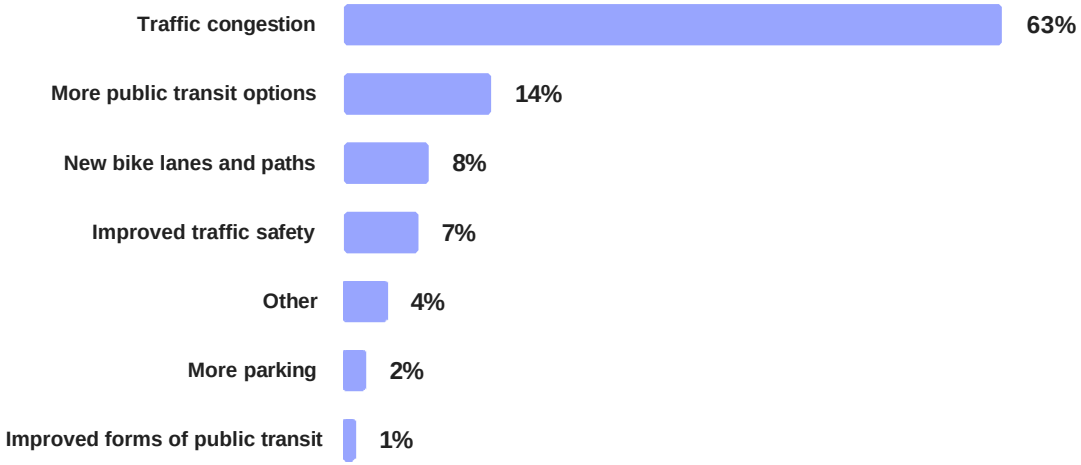
77% of respondents prefer to get around the city via private vehicle.

The question: How would you prefer to get around the city?



63% of respondents would most like to see traffic congestion improved around the city.

The question: Which of the following would you most like to see improved around the city?



227 respondents think the city can improve roads to make it easier for residents to get around the city.

The question: In your opinion, what is the one thing the City can do to make it easier for residents to get around the city?


KYLE
Questions?

Department Memo

City Council Regular Mee?ng

DEPARTMENT: Financial Services

FROM: Perwez A. Moheet, CPA, Director of Finance

MEETING: Tuesday, April 16, 2024

SUBJECT:

Receive a report, hold a discussion, and provide staff direc?on on the preliminary 5-year financial forecast for the City's General Fund for fiscal years 2024-2025 through 2028-2029.

SUMMARY:

The City staff will present the following budgetary informa?on to City Council for discussion and to receive direc?on:

1. General Fund Overview
    a. City s Fund Structure
    b. Approved General Fund Budget for Fiscal Year 2024
    c. Property Tax Rate History & Tax Rate Comparisons
2. Focus on City Council Priori?es for Upcoming Budget for Fiscal Year 2025
3. Key Assump?ons for General Fund 5-Year Financial Forecast
4. Preliminary 5-Year Financial Forecast for General Fund
5. Comparison of Key Indicators
6. Next Steps for Budget Process

FOCUS ON CITY COUNCIL PRIORITIES FOR UPCOMING BUDGET:

1. Implement Customer Service Ini?a?ves Including 311 Program
2. Op?mize Funding Capacity for City s Infrastructure Projects:
    a. Street Maintenance & Reconstruc?on
    b. Sidewalk Improvements
    c. Parks System Enhancements & Improvements
    d. Water & Wastewater System Enhancements
    e. Storm Drainage System Improvements
3. Community Center Project Op?ons & Cost Evalua?on
4. Sportsplex Facility Design & Cost Evalua?on
5. Downtown Development Op?ons & Cost Evalua?on
6. Economic Development Projects
7. Citywide Beau?fica?on Enhancements
8. Maintain Compe??ve Compensa?on & Benefits Program
9. Incorporate Revenue Enhancements & Cost Savings
10. Other?

PURPOSE OF 5-YEAR FINANCIAL FORECAST:

1. The financial forecast is an essen?al part of the annual budget process to help with budgetary decision-making.
2. The purpose of the financial forecast is to evaluate current and future fiscal condi?ons to help guide policy and program/service delivery decisions.
3. A financial forecast is a fiscal management tool that presents es?mated informa?on based on past, current, and projected financial condi?ons.

PRELIMINARY 5-YEAR FINANCIAL FORECAST FOR GENERAL FUND:

- This forecast is based on preliminary financial informa?on and assump?ons.
- Revenue & Expenditure Data are subject to changes.
- City departments will be developing the proposed budget for the next fiscal year.
- Cer?fied assessed valua?ons will be available in late July.
- As we build the City s proposed budget for fiscal year 2025, all revenue and expenditure informa?on will be further refined.

NEXT STEPS & KEY DATES FOR BUDGET:

Tuesday, May 7, 2024
- Compensa?on & Benefits Plan
- Property Tax Rates & Debt Defeasance

Tuesday, May 21, 2024
- Customer Service Plan & Budget Overview
- Economic Development Plan & Budget Overview

Tuesday, June 4, 2024
- Parks Budget Overview & 5-Year Capital Improvements Plan
- Dra? Strategic Plan / Facili?es Plan

Tuesday, June 18, 2024
- Police & Emergency Services Budget Overview
- Police Staffing Analysis Report & Recommenda?ons
- Public Works Budget Overview
- Streets 5-Year Capital Improvements Plan
- Storm Drainage 5-Year Capital Improvements Plan
- Water U?li?es Budget Overview
- Water/Wastewater 5-Year Capital Improvements Plan

Complete Budget Timeline Posted on City s Website:
- cityo? yle.com/FY2025

OPTIONS:

- Provide feedback and direc?on to staff and the City Manager.
- Other?

RECOMMENDATION:
N/A.

PRIOR ACTION/INPUT (Council, Boards, Ci?zens):
N/A.

FISCAL IMPACT:
N/A.

STAFF CONTACT:

Name: Perwez A. Moheet, CPA
Title: Director of Finance
Email: pmoheet@cityo? yle.com
Phone: (512) 262-1010

	Approved Budget 2023-2024	Current Year Estimate 2023-2024	5-Year Budget Forecast Period Year 1 2024-2025	Year 2 2025-2026	Year 3 2026-2027	Year 4 2027-2028	Year 5 2028-2029
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ESTIMATED REVENUES							
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Sales Tax	17,498,571	17,772,081	19,993,591	22,492,790	25,304,389	28,467,437	32,025,867
Development Fees	11,438,769	11,448,460	12,020,883	12,621,927	13,253,024	13,915,675	14,611,458
Other Revenues	13,721,988	13,627,128	14,035,942	14,457,020	14,890,731	15,337,453	15,797,576
Transfers-In	2,136,313	2,136,313	6,338,992	2,563,662	2,640,572	2,719,789	2,801,382
TOTAL REVENUES & TRANSFERS-IN	$ 63,206,221	$ 63,394,562	$ 72,641,046	$ 74,412,201	$ 81,707,037	$ 89,901,424	$ 99,116,515
TOTAL ESTIMATED FUNDS AVAILABLE	$ 97,424,641	$ 97,612,982	$ 98,350,222	$ 99,817,461	$ 103,512,560	$ 110,912,301	$ 121,578,783
ESTIMATED EXPENDITURES							
Operations & Maintenance	$ 52,442,308	$ 52,516,597	56,717,925	61,255,359	66,155,787	71,448,250	77,164,110
Economic Dev Incentive Payments	1,976,900	2,033,509	2,841,900	3,182,928	3,564,879	3,992,665	4,471,785
Cash Funding - CIP	13,965,561	13,965,561	10,000,000	10,000,000	9,000,000	8,000,000	9,600,000
Cash Funding - Equipment/Other	1,674,378	1,674,378	1,500,000	1,500,000	1,500,000	2,500,000	3,000,000
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CHANGE IN FUND BALANCE	$ (8,697,585)	$ (8,509,244)	$ (303,916)	$ (3,599,737)	$ (794,646)	$ 1,451,391	$ 2,120,591
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% Fund Balance in Excess of Minimum Required Per Policy	41.97%	43.02%	39.31%	11.81%	1.87%	1.58%	1.38%

Preliminary Financial Forecast – General Fund

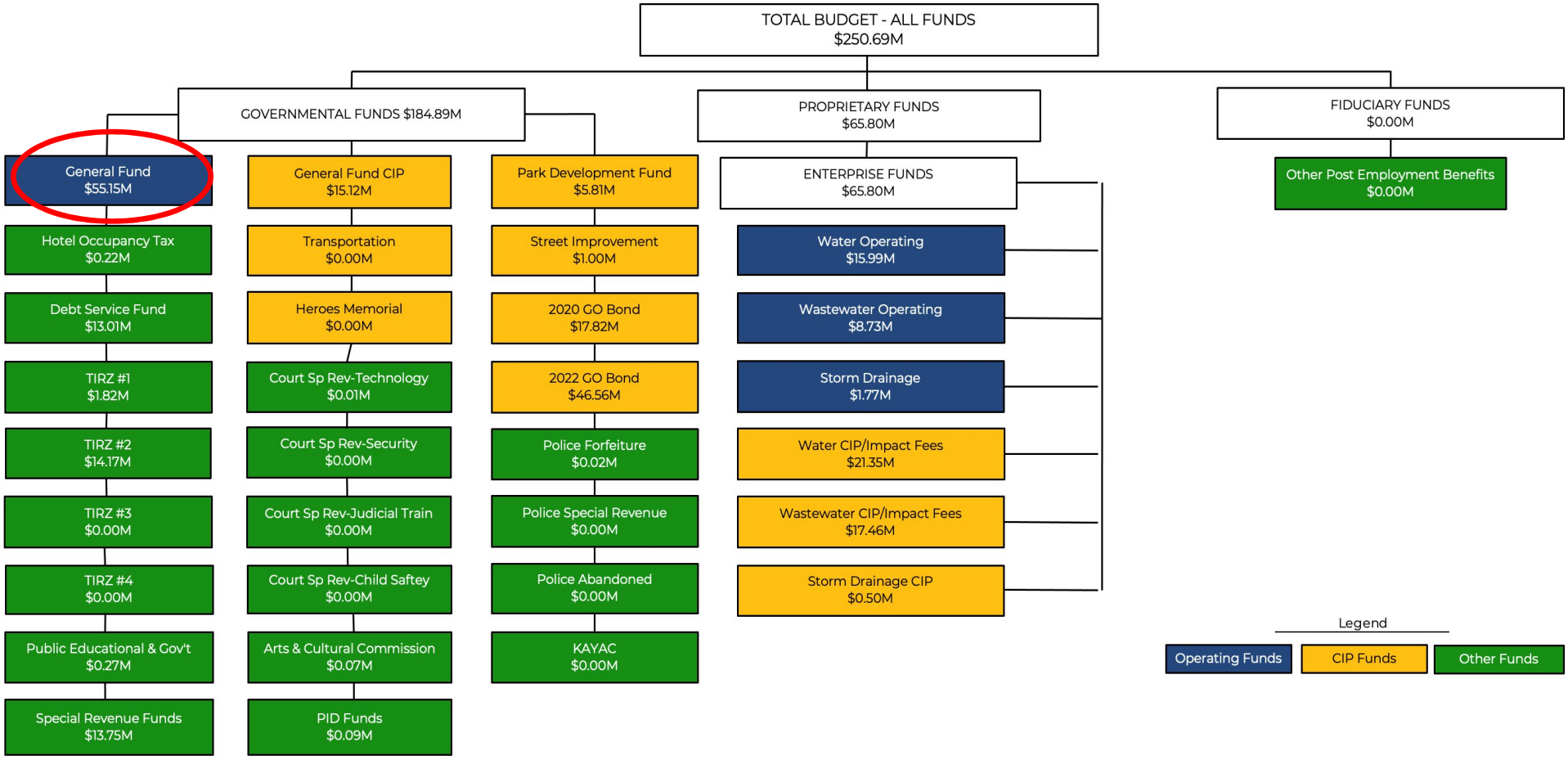
Presented to City Council on April 16, 2024

Financial Services Department

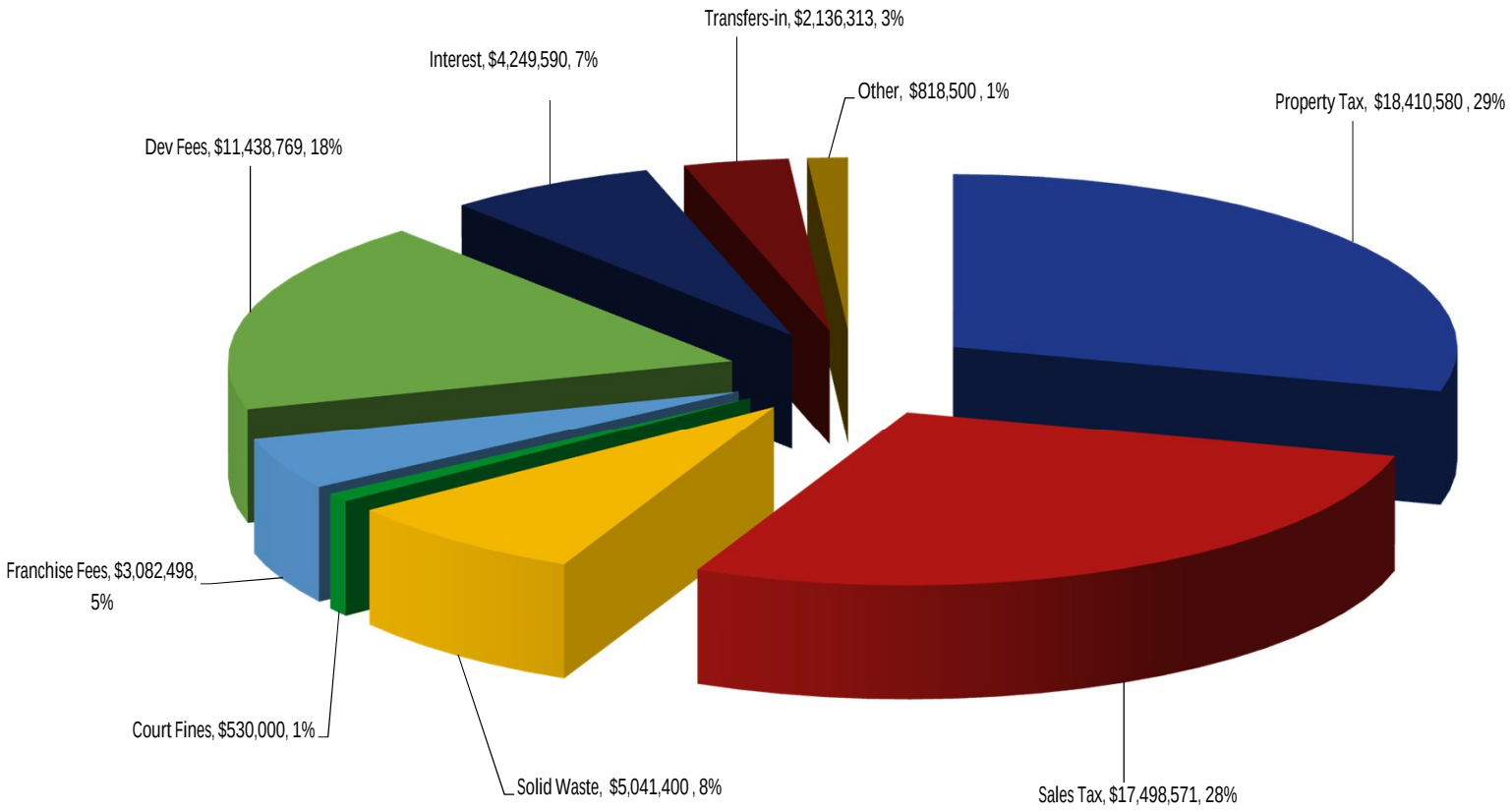
Presentation Overview

1. General Fund Overview
   A. City's Fund Structure
   B. Approved Budget for General Fund
   C. Tax Rate History & Comparisons
2. Budget Focus on City Council Priorities
3. Key Assumptions For General Fund 5-Year Financial Forecast
4. Preliminary 5-Year Financial Forecast for General Fund
5. Comparison of Key Indicators
6. Next Steps For Budget Process

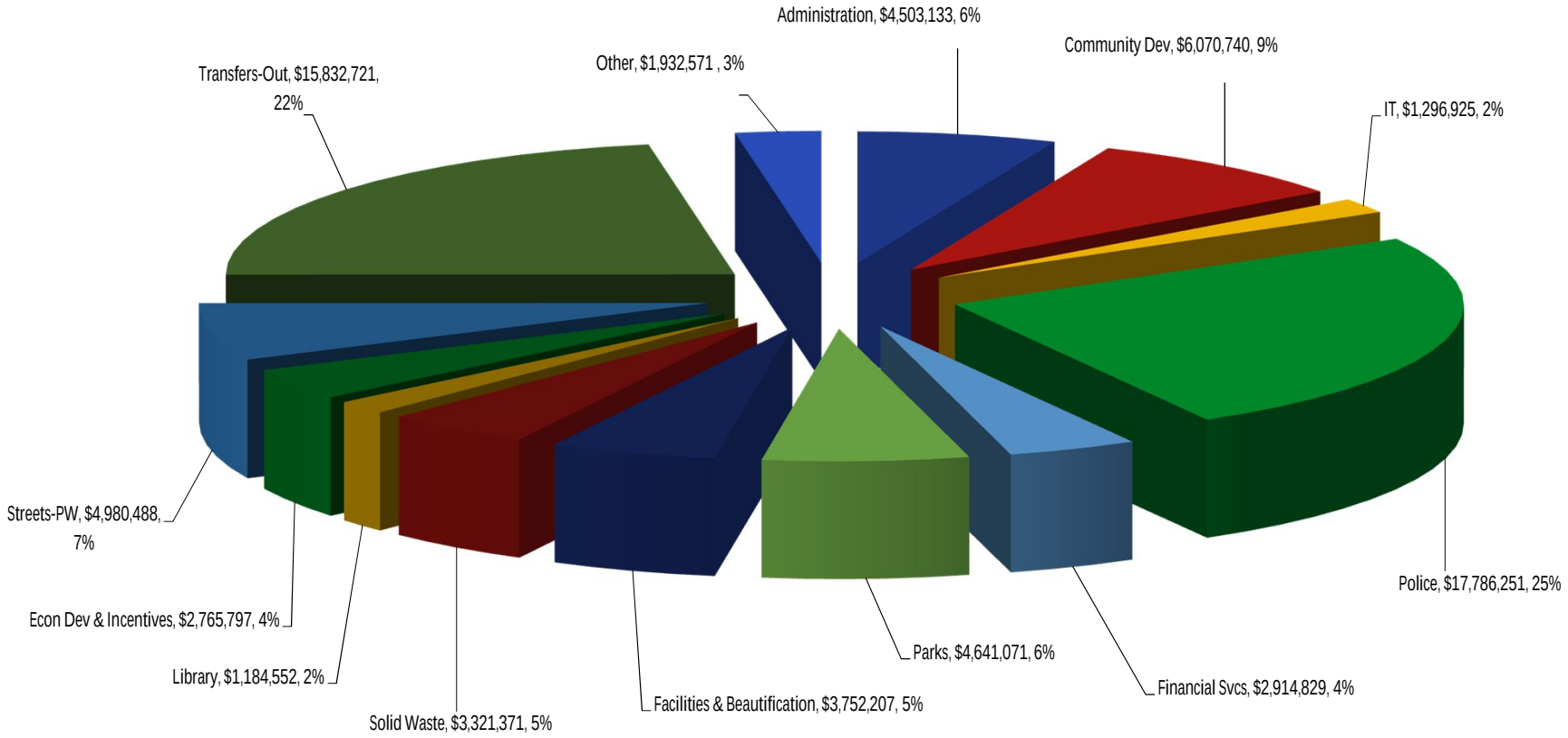
CITY'S FUND STRUCTURE



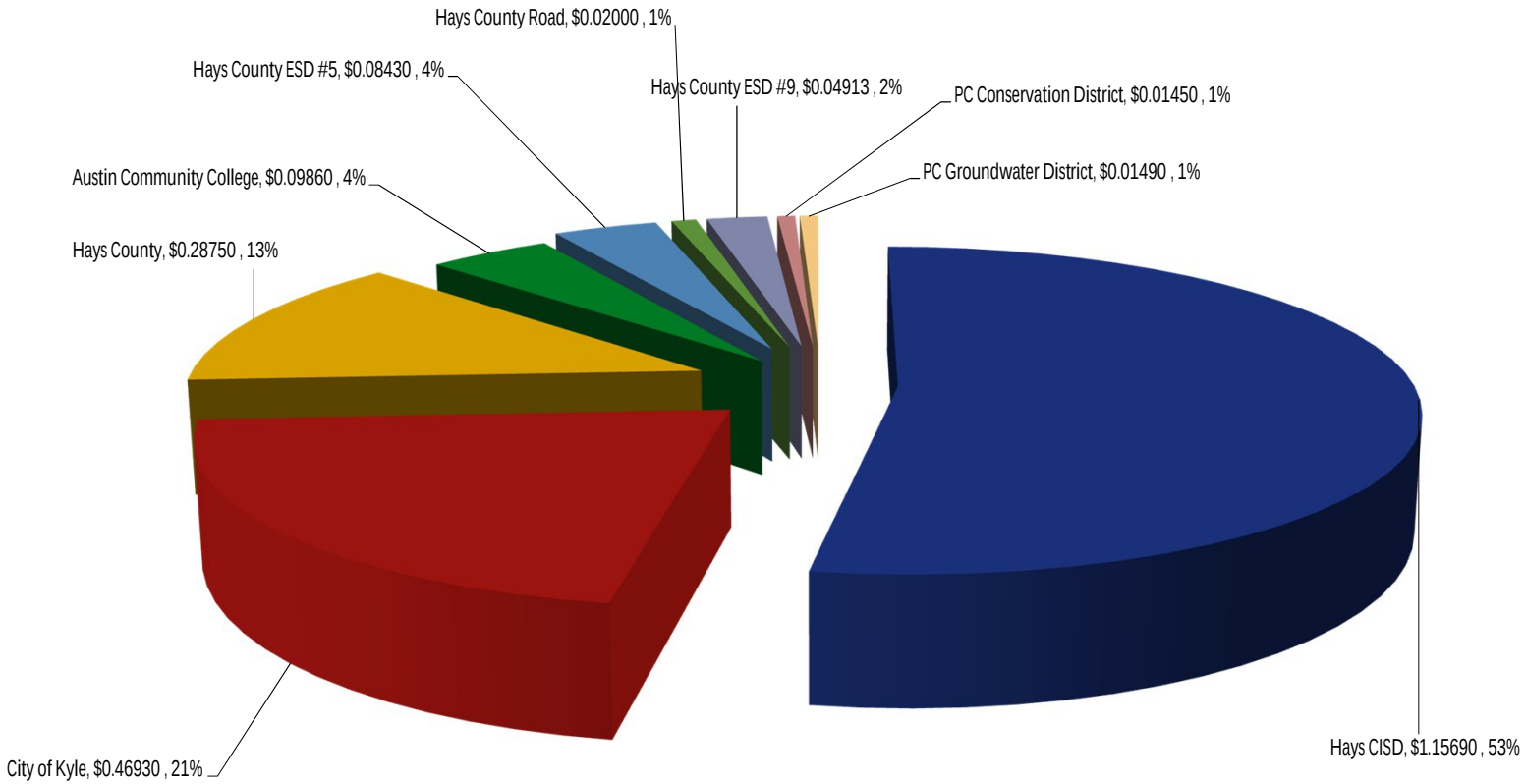
REVENUE & TRANSFERS-IN - GENERAL FUND
APPROVED BUDGET FISCAL YEAR 2023-2024
$63,206,221



EXPENDITURES & TRANSFERS-OUT - GENERAL FUND
APPROVED BUDGET FISCAL YEAR 2023-2024
$71,903,806



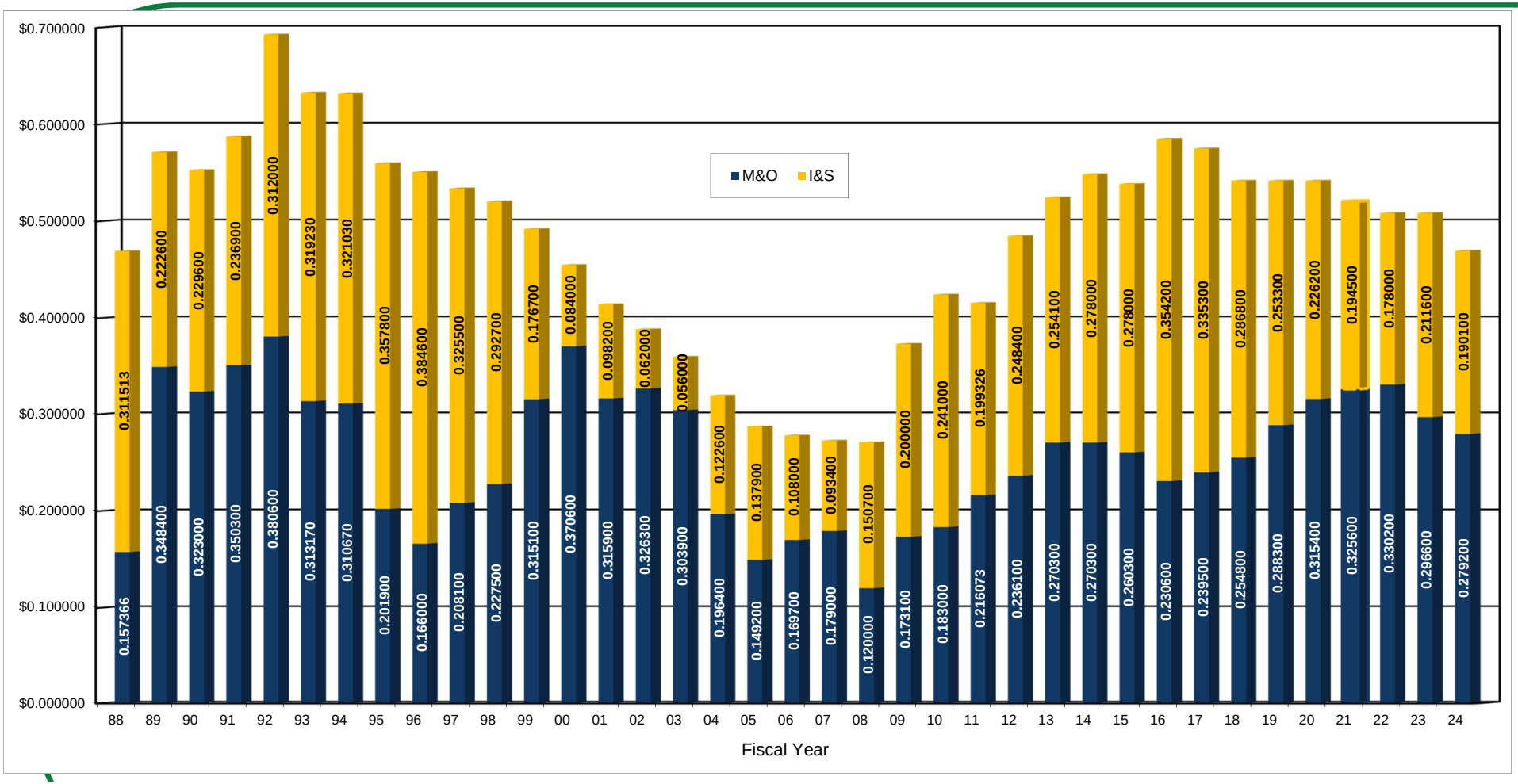
CURRENT PROPERTY TAX RATES IN KYLE - $2.19513



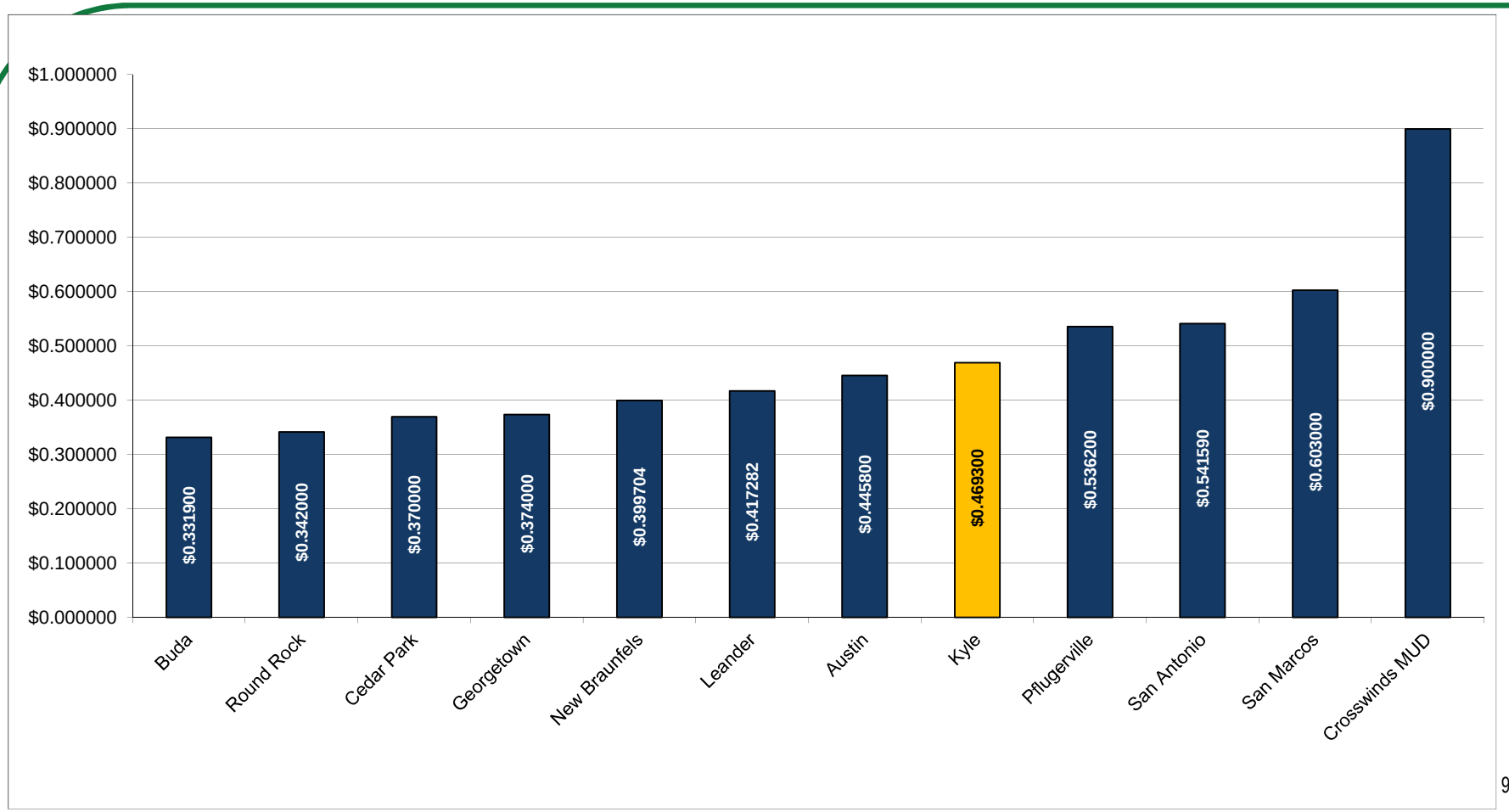
CURRENT PROPERTY TAX RATES

2023 PROPERTY TAX RATES FOR CITY OF KYLE	
	Adopted Tax Rate
Maintenance & Operations (M&O) Rate	$0.2792
Interest & Sinking (I&S) Rate	$0.1901
Total Property Tax Rate Per $100/TAV	$0.4693

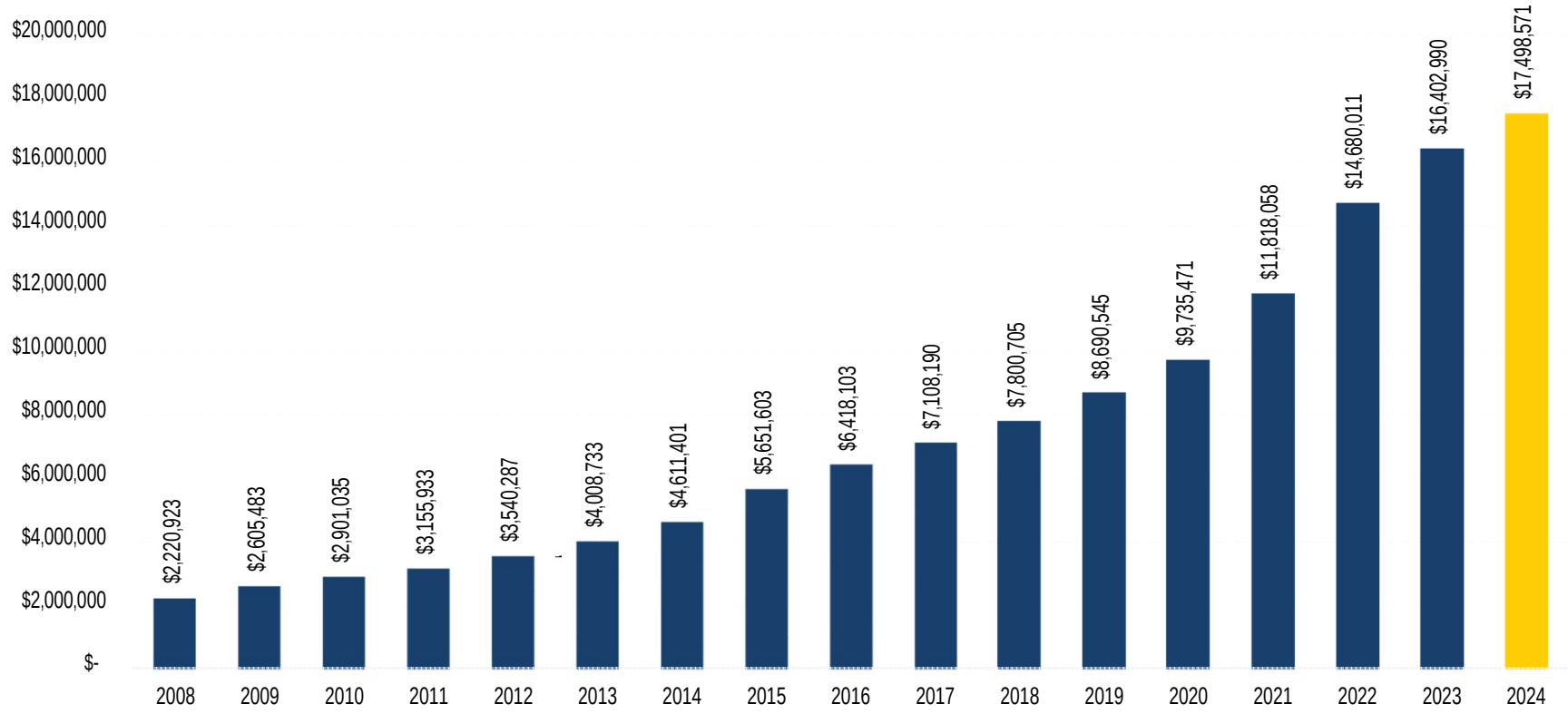
PROPERTY TAX RATE HISTORY
FISCAL YEARS 1988 - 2024



COMPARISON OF
CURRENT PROPERTY TAX RATES



Sales Tax Collections 2008-2024



Focus on City Council Priorities for Upcoming Budget

1. Implement Customer Service Initiatives Including 311 Program
2. Optimize Funding Capacity for City's Infrastructure Projects
    a) Street Maintenance & Reconstruction
    b) Sidewalk Improvements
    c) Parks System Enhancements & Improvements
    d) Water & Wastewater System Enhancements
    e) Storm Drainage System Improvements
3. Community Center Project Options & Cost Evaluation
4. Sportsplex Facility Design & Cost Evaluation
5. Downtown Development Options & Cost Evaluation

Focus on City Council Priorities for Upcoming Budget

6. Economic Development Projects
7. Citywide Beautification Enhancements
8. Maintain Competitive Compensation & Benefits Program
9. Incorporate Revenue Enhancements & Cost Savings
10. Other?

Purpose of 5-Year Financial Forecast

- The financial forecast is an essential part of the annual budget process to help with decision-making.
- The purpose of the financial forecast is to evaluate current and future fiscal conditions to help guide policy and program/service delivery decisions.
- A financial forecast is a fiscal management tool that presents estimated information based on past, current, and projected financial conditions.

Preliminary 5-Year Financial Forecast

- Based on Preliminary Assumptions
- Revenue & Expenditure Data Subject to Changes
- Departments Will Be Developing Proposed Budgets
- Certified Assessed Valuations Available in Late July
- As We Build the City's Proposed Budget, Revenue & Expenditure Information Will Be Further Refined

Key Assumptions - General Fund Revenues

	Year 1 FY 2025	Year 2 FY 2026	Year 3 FY 2027	Year 4 FY 2028	Year 5 FY 2029
Existing Properties Value Growth	10.0%	10.0%	15.0%	15.0%	15.0%
Existing Properties Taxable Value	$5.95B	$6.55B	$7.53B	$8.66B	$9.95B
New Construction Taxable Value	$350.0M	$350.0M	$350.0M	$350.0M	$350.0M
Sales Tax Growth	12.5%	12.5%	12.5%	12.5%	12.5%
Development Revenue Growth	5.0%	5.0%	5.0%	5.0%	5.0%
Other Revenues	3.0%	3.0%	3.0%	3.0%	3.0%

Key Assumptions - General Fund Expenditures

	Year 1 FY 2025	Year 2 FY 2026	Year 3 FY 2027	Year 4 FY 2028	Year 5 FY 2029
Operations & Maintenance	8.0%	8.0%	8.0%	8.0%	8.0%
Compensation (Merit Pay)	4.0%	4.0%	4.0%	4.0%	4.0%
Healthcare Costs	10.0%	10.0%	10.0%	10.0%	10.0%
Economic Dev Incentive Payments	12.0%	12.0%	12.0%	12.0%	12.0%
Cash Funded - CIPs	$10.0M	$10.0M	$9.0M	$8.0M	$9.6M
Cash Funded – Fleet & Equipment	$ 1.5M	$ 1.5M	$ 1.5M	$ 2.5M	$ 3.0M

Development Fee Increases & Cost Savings Included in Forecast

- Development Fee Increases: $1,500,000 Per Year
- Building Inspection Cost Savings: $1,750,000 Per Year
- Total Fee Increases & Cost Savings: $3,250,000 Per Year

5-YEAR FINANCIAL FORECAST – GENERAL FUND
FISCAL YEARS 2025 TO 2029
ESTIMATED REVENUES

	Approved Budget 2023-2024	Current Year Estimate 2023-2024	5-Year Budget Forecast Period				
			Year 1 2024-2025	Year 2 2025-2026	Year 3 2026-2027	Year 4 2027-2028	Year 5 2028-2029
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ESTIMATED REVENUES							
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Sales Tax	17,498,571	17,772,081	19,993,591	22,492,790	25,304,389	28,467,437	32,025,867
Development Fees	11,438,769	11,448,460	12,020,883	12,621,927	13,253,024	13,915,675	14,611,458
Other Revenues	13,721,988	13,627,128	14,035,942	14,457,020	14,890,731	15,337,453	15,797,576
Transfers-In	2,136,313	2,136,313	6,338,992	2,563,662	2,640,572	2,719,789	2,801,382
TOTAL REVENUES & TRANSFERS-IN	$ 63,206,221	$ 63,394,562	$ 72,641,046	$ 74,412,201	$ 81,707,037	$ 89,901,424	$ 99,116,515
TOTAL ESTIMATED FUNDS AVAILABLE	$ 97,424,641	$ 97,612,982	$ 98,350,222	$ 99,817,461	$ 103,512,560	$ 110,912,301	$ 121,578,783

5-YEAR FINANCIAL FORECAST – GENERAL FUND
FISCAL YEARS 2025 TO 2029
ESTIMATED EXPENDITURES

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5-YEAR FINANCIAL FORECAST – GENERAL FUND
FISCAL YEARS 2025 TO 2029
ESTIMATED FUND BALANCE

	Approved Budget 2023-2024	Current Year Estimate 2023-2024	5-Year Budget Forecast Period				
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5-YEAR FINANCIAL FORECAST – GENERAL FUND
FISCAL YEARS 2025 TO 2029

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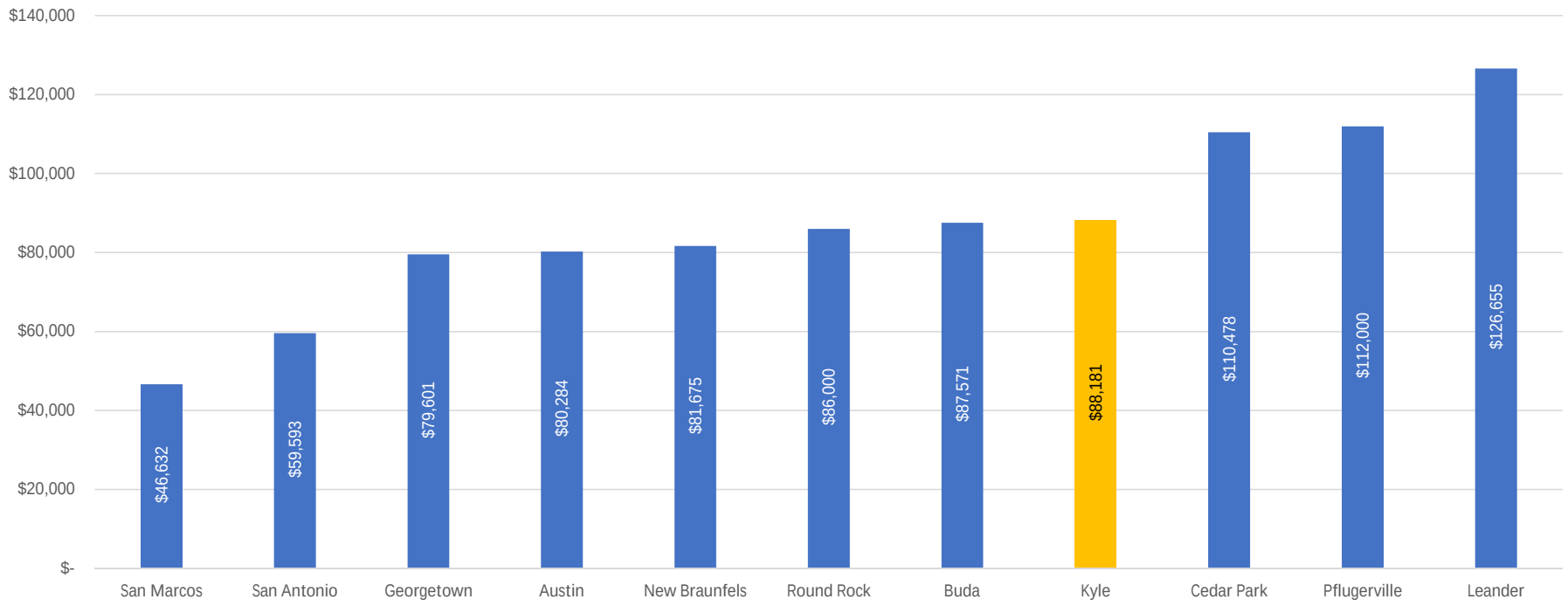
Comparison of Key Indicators

Financial Services Department

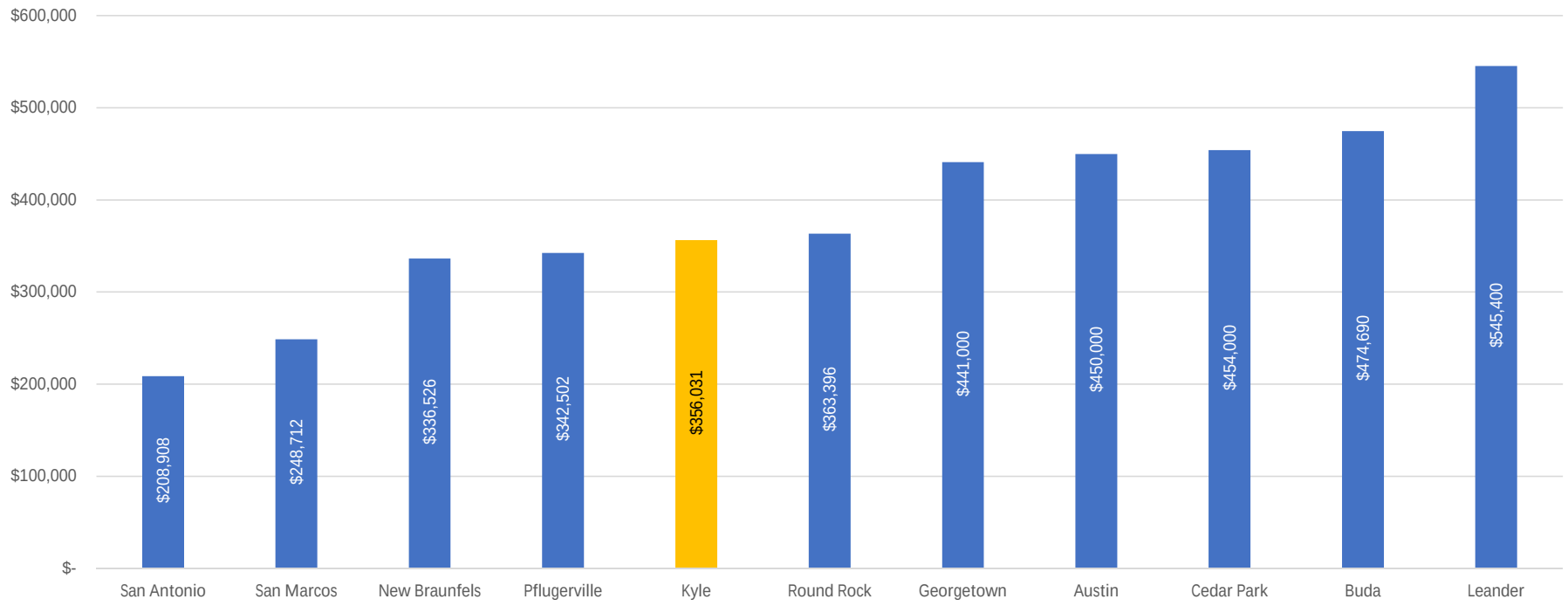
Comparison of Key Indicators

	Cities	Population	Average Household Income	Average Home Value	Property Tax Rate	Average Property Tax Paid	2023 - Sales Tax Collection	Annual Sales Tax Revenue Per Capita	Assessed Value	Outstanding Debt	Debt Per Capita
1	Austin	974,447	$ 80,284	$ 450,000	$ 0.4458	$ 2,006	$ 358,557,000	$ 368	$ 218,259,123,000	$ 7,900,000,000	$ 8,107
2	Buda	16,086	$ 87,571	$ 474,690	$ 0.3379	$ 1,604	$ 13,341,333	$ 829	$ 3,051,681,461	$ 182,783,606	$ 11,363
3	Cedar Park	83,000	$ 110,478	$ 454,000	$ 0.3700	$ 1,680	$ 46,155,510	$ 556	$ 928,184,404	$ 363,402,426	$ 4,378
4	Georgetown	87,000	$ 79,601	$ 441,000	$ 0.3740	$ 1,649	$ 54,671,093	$ 628	$ 15,076,413,021	$ 263,881,175	$ 3,033
5	**Kyle**	**58,450**	**$ 88,181**	**$ 356,031**	**$ 0.4693**	**$ 1,483**	**$ 16,402,990**	**$ 281**	**$ 6,283,173,418**	**$ 174,950,303**	**$ 2,993**
6	Leander	78,211	$ 126,655	$ 545,400	$ 0.4173	$ 2,276	$ 11,533,825	$ 147	$ 12,526,658,384	$ 106,505,000	$ 1,362
7	New Braunfels	100,749	$ 81,675	$ 336,526	$ 0.4139	$ 1,393	$ 33,800,000	$ 335	$ 14,161,400,000	$ 284,602,000	$ 2,825
8	Pflugerville	75,300	$ 112,000	$ 342,502	$ 0.5362	$ 1,837	$ 19,100,000	$ 254	$ 11,200,000,000	$ 810,500,598	$ 10,764
9	Round Rock	128,957	$ 86,000	$ 363,396	$ 0.3420	$ 1,243	$ 69,300,000	$ 537	$ 24,052,055,665	$ 431,235,837	$ 3,344
10	San Antonio	1,472,904	$ 59,593	$ 208,908	$ 0.5416	$ 1,131	$ 411,600,000	$ 279	$ 155,456,627,306	$ 3,757,000,000	$ 2,551
11	San Marcos	67,553	$ 46,632	$ 248,712	$ 0.6030	$ 1,500	$ 39,976,616	$ 592	$ 9,641,964,029	$ 414,380,000	$ 6,134

Average Household Income

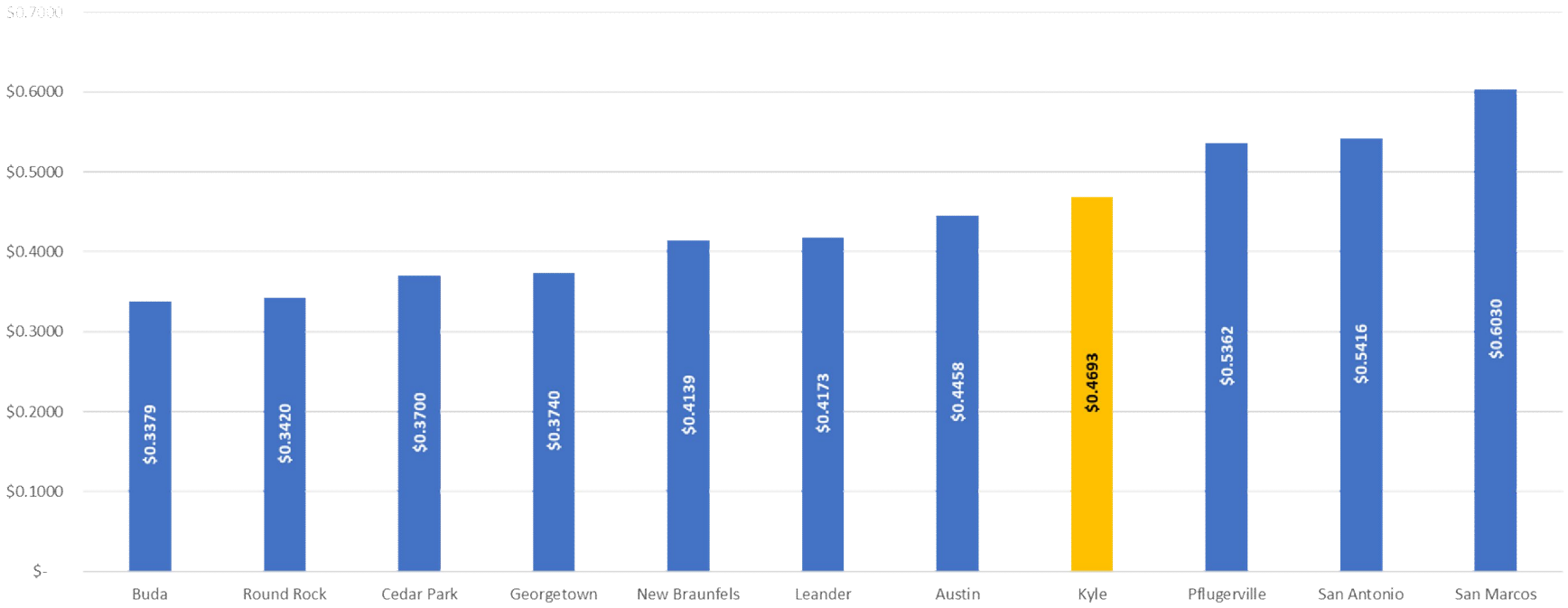


Average Residential Home Value

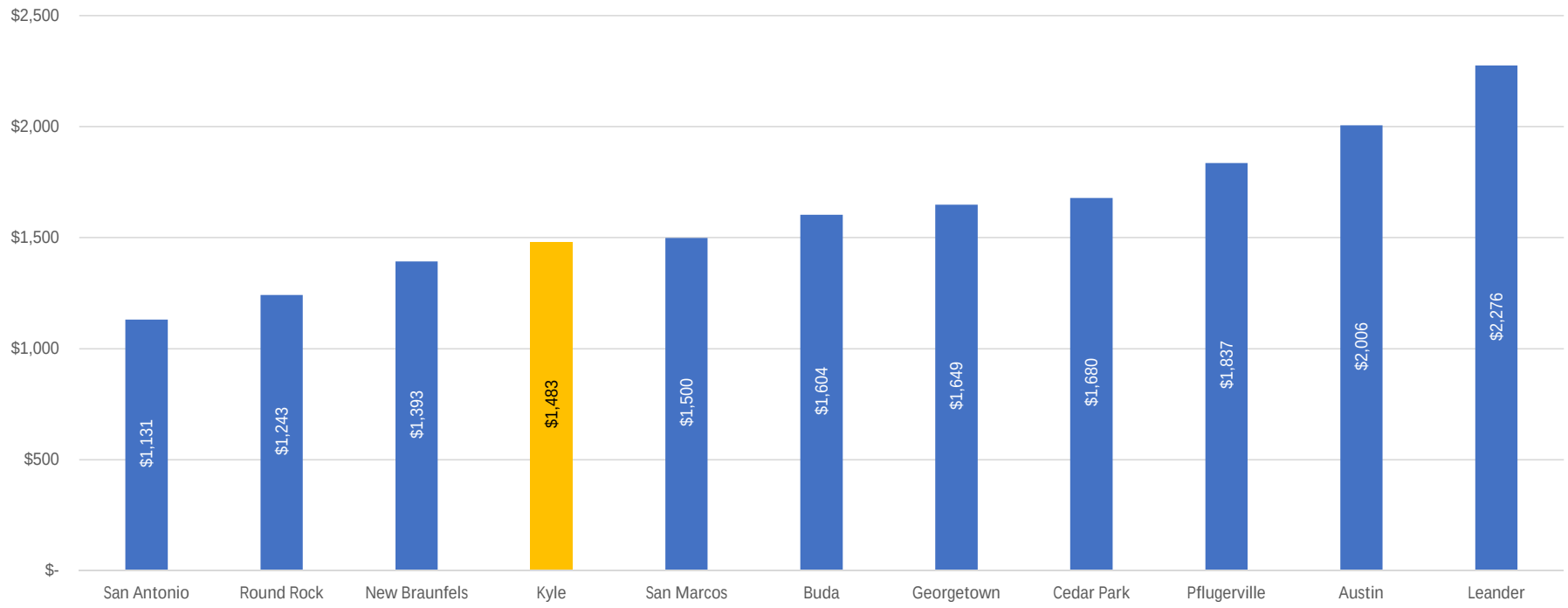


Financial Services Department

Property Tax Rate

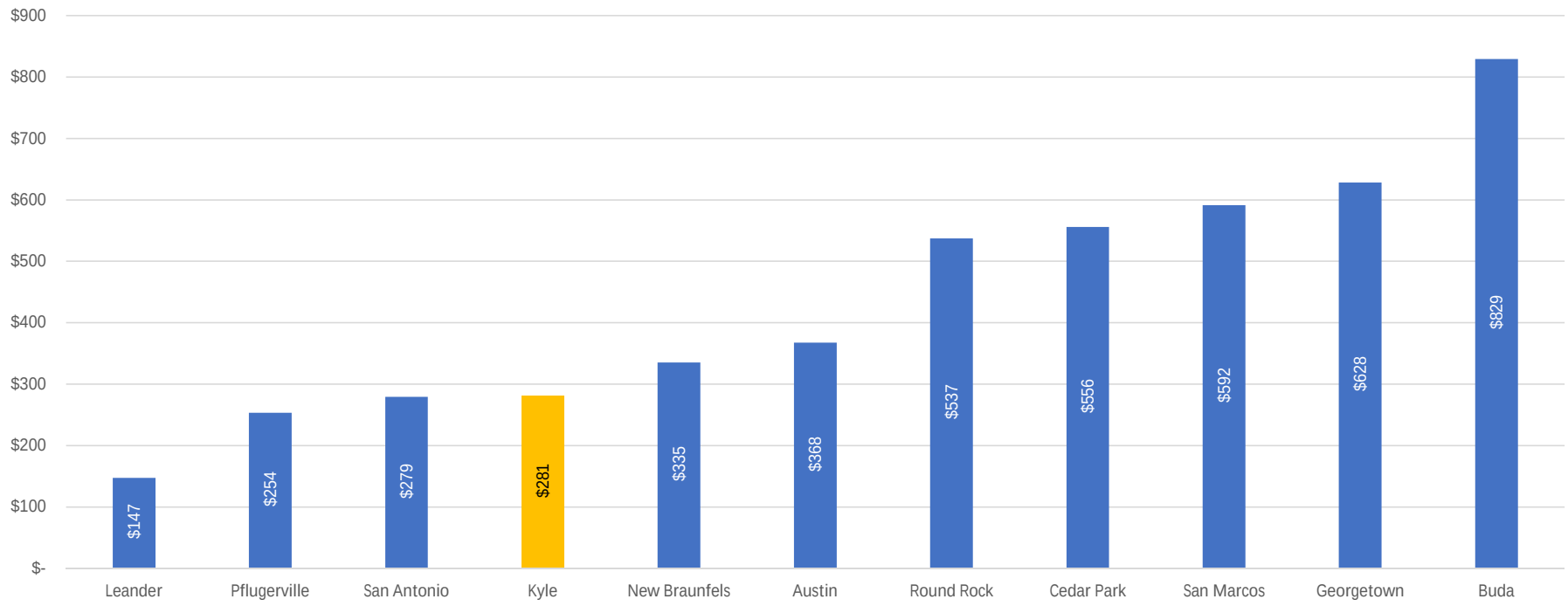


Average Residential City Property Tax Paid

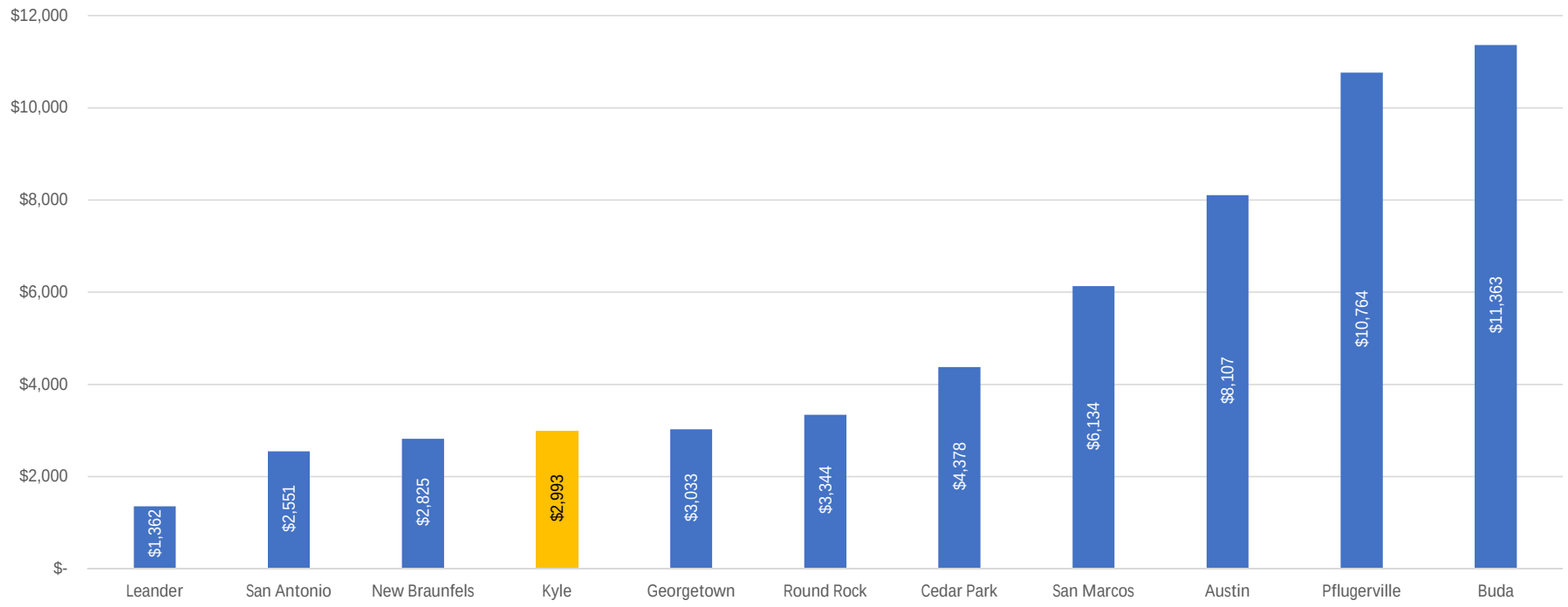


Financial Services Department

Sales Tax Revenue Per Capita



Debt Per Capita



Financial Services Department

Upcoming Key Dates For Budget

- Tuesday, May 7, 2024
  - Compensation & Employee Benefits Plan
  - Property Tax Rates & Debt Defeasance
- Tuesday, May 21, 2024
  - Customer Service Plan & Budget Overview
  - Economic Development Plan & Budget Overview
- Tuesday, June 4, 2024
  - Parks Budget Overview & 5-Year Capital Improvements Plan
  - Draft Strategic Plan / Facilities Plan

Upcoming Key Dates For Budget

- Tuesday, June 18, 2024
  - Police & Emergency Services Budget Overview
  - Police Staffing Analysis Report & Recommendations
  - Public Works Budget Overview
  - Streets 5-Year Capital Improvements Plan
  - Storm Drainage 5-Year Capital Improvements Plan
  - Water Utilities Budget Overview
  - Water/Wastewater 5-Year Capital Improvements Plan
- Complete Budget Timeline Posted on City's Website:

  cityofkyle.com/FY2025

Department Memo

City Council Meeting

DEPARTMENT: Office of the City Manager

FROM: Joe Cantalupo, K Friese + Associates

MEETING: April 16, 2024

SUBJECT:

Presentation providing an overview of the schedules, cost projections, and current status of the 2022 City of Kyle Road Bond Programs.

SUMMARY:

In November of 2022, City of Kyle Voters approved Proposition A, a road bond for 8 transportation projects across Kyle totaling 10.3 total miles of new location, reconstruction, and widening projects to improve the City's transportation network.

All projects are currently in design, and ROW/Utility relocation needs are becoming more clear. As design progresses, the schedules for the projects have been refined and reconciled with the best estimates for utility relocation and ROW acquisition durations. These schedules are provided in the council update, compared against the schedule currently uploaded to the Kyle Bonds website and shared with the public at the public workshops in recent months.

Additionally, cost estimates are provided with each milestone submittal for the projects. These cost projections are shown against the originally budgeted amounts for each project in the presentation.

OPTIONS:

N/A

RECOMMENDATION:

N/A

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

Name: Bryan Langley
Title: City Manager
blangley@cityofkyle.com

Kyle Road Bond Program Update

Council Presentation

Office of City Manager | April 16, 2024

Kyle Road Bond Update

- Project Updates
  - Schedules
- Program Updates
  - Budgets

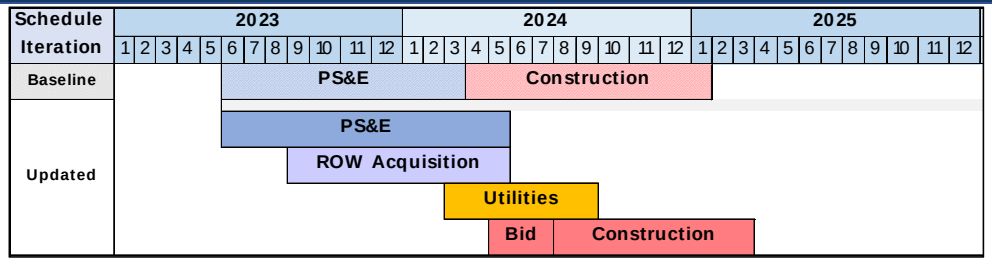
Kyle Road Bond Update

Most Significant Challenges:

- Right-of-Entry
- Right-of-Way Acquisition
- Utility Coordination

Baseline schedule refers to schedules as of May 2023

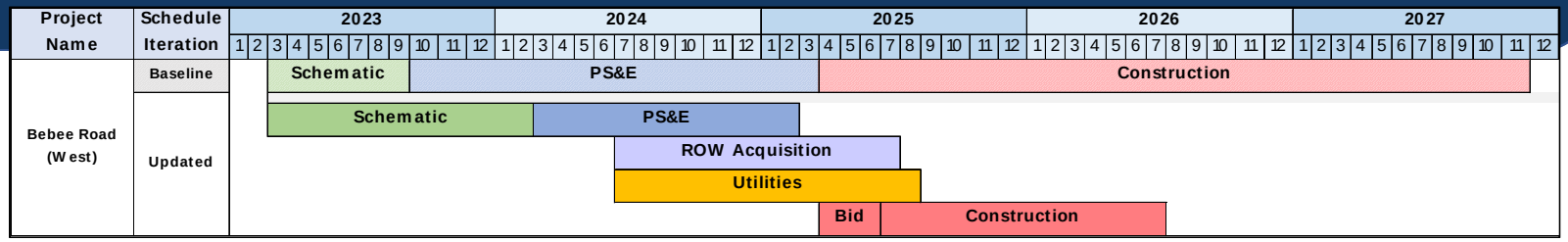
Marketplace Avenue



- Currently in PS&E
- Baseline Schedule: Delivery January 2025
- Current Schedule: Delivery March 2025
- Project Challenges:
  - Shared drainage design with development
  - Vybe trail design
  - ROW and Utility Relocation (Frontier) pending



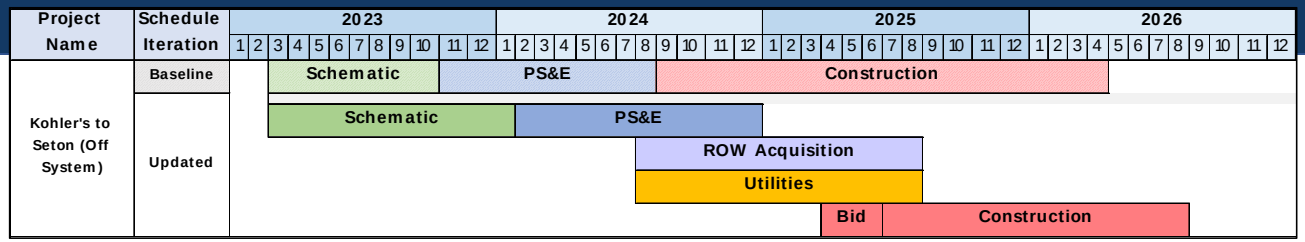
Bebee Road (West)



- Currently in PS&E
- Baseline Schedule: Delivery November 2027
- Current Schedule: Delivery July 2026
  - Western portion of Bebee involves less property acquisition and utility coordination.
- Project Challenges:
  - Coordination with Kohlers project



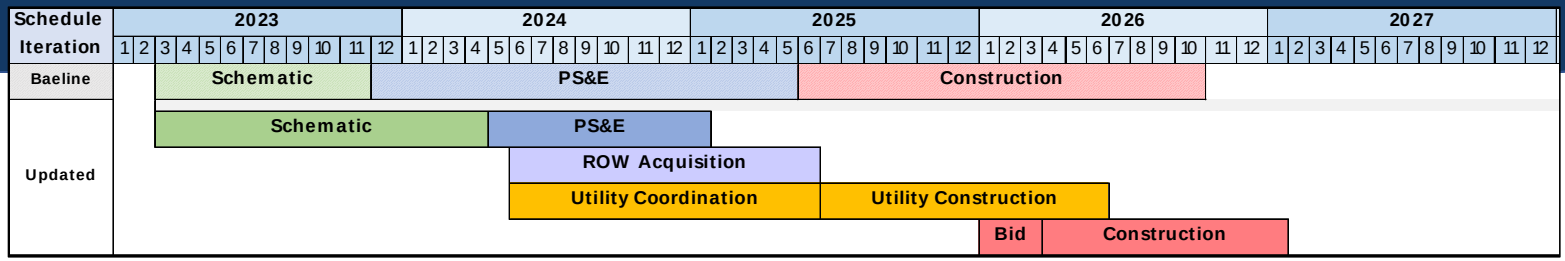
Kohlers to Seton (Off-System)



- Currently in PS&E
- Baseline Schedule: Delivery April 2026
- Current Schedule: Delivery August 2026
- **Project Challenges:**
  - **Sharing stormwater system with development**
  - **Coordination with Bebee (West) project**



Bunton Creek Road

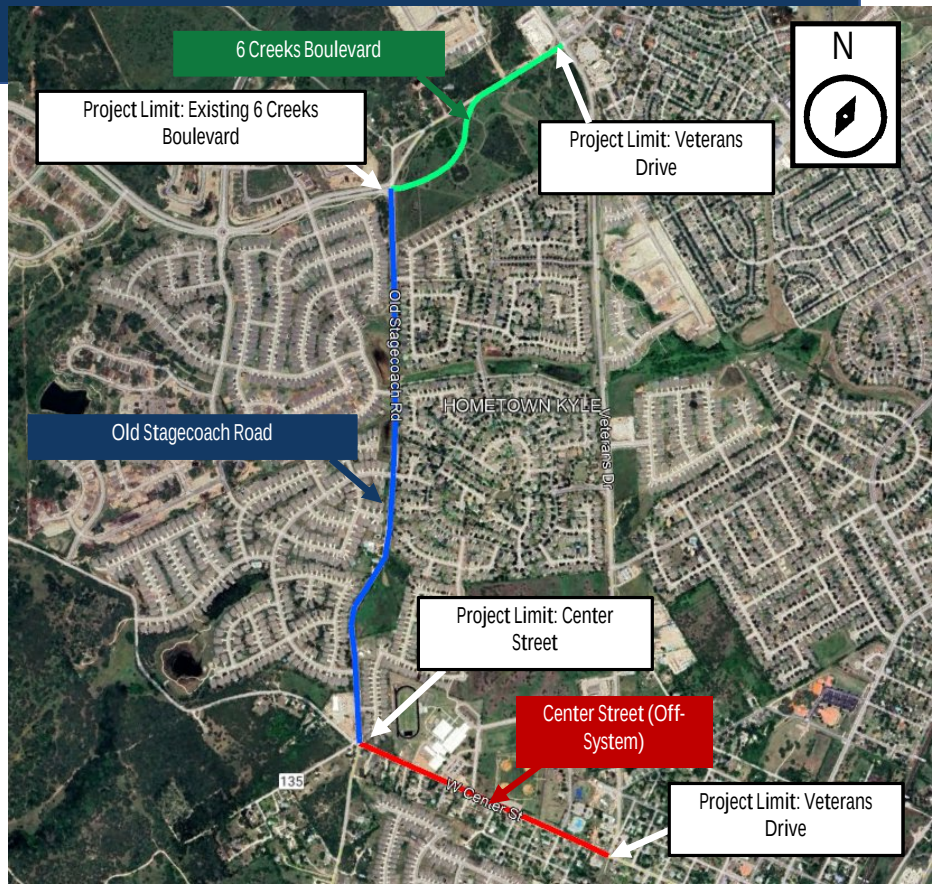


- Currently in Schematic
- Baseline Schedule: Delivery October 2026
- Current Schedule: Delivery January 2027
- Project Challenges:
  - Significant utility coordination
  - Significant right of way acquisition

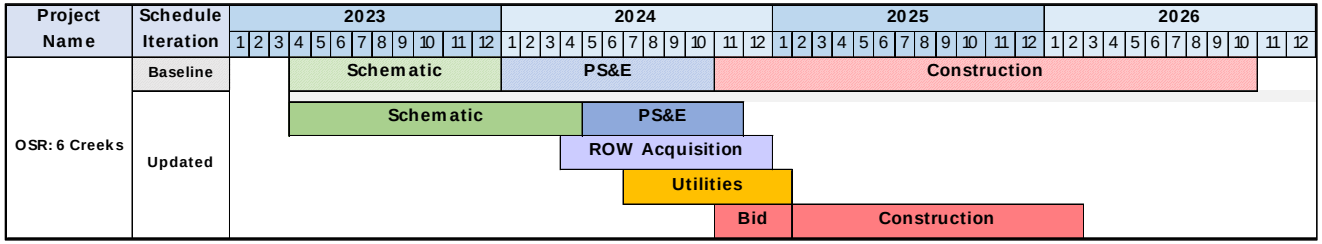


Old Stagecoach Road: Project Breakdown

- Effort for property acquisition and utility relocations varies throughout the project
- Separating the project expedites delivery of less complicated sections



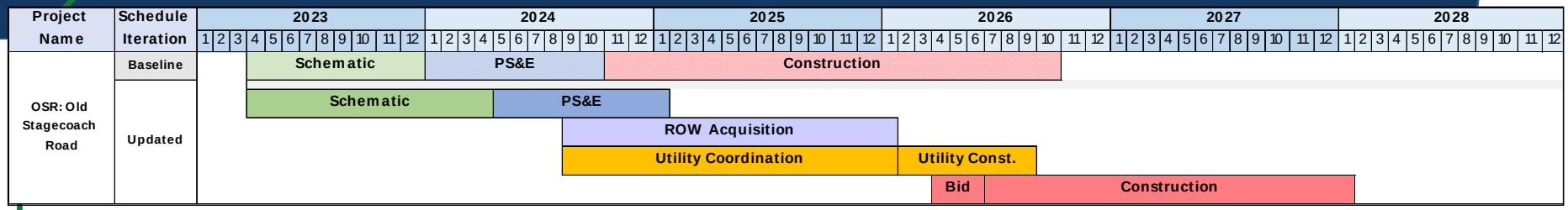
Old Stagecoach Rd: 6 Creeks



- Currently in Schematic
- Baseline Schedule: Delivery October 2026
- Current Schedule: Delivery February 2025
  - This section requires less property acquisition and utility relocation effort
- Project Challenges:
  - Significant ROW Coordination



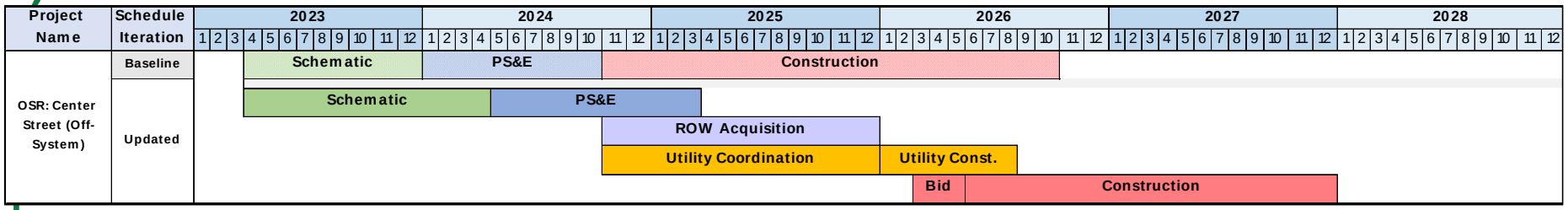
Old Stagecoach Road



- Currently in Schematic
  - Project includes roundabout at Center St & OSR
- Baseline Schedule: Delivery October 2026
- Current Schedule: Delivery January 2028
- Project Challenges:
  - Significant Utility Coordination
  - Significant ROW Acquisition: 2 relocations anticipated



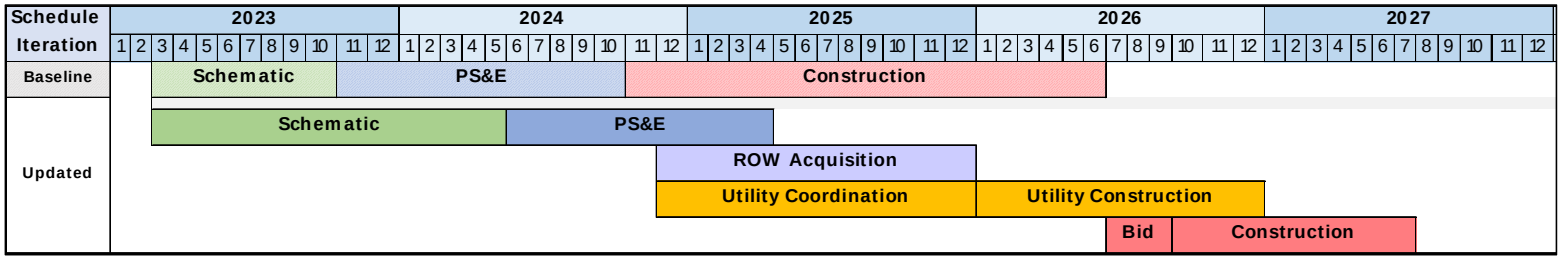
Old Stagecoach Rd: Center St (Off)



- Currently in Schematic
- Baseline Schedule: Delivery October 2026
- Current Schedule: Delivery December 2027
- Project Challenges:
  - Significant Utility Coordination
  - Significant ROW Acquisition



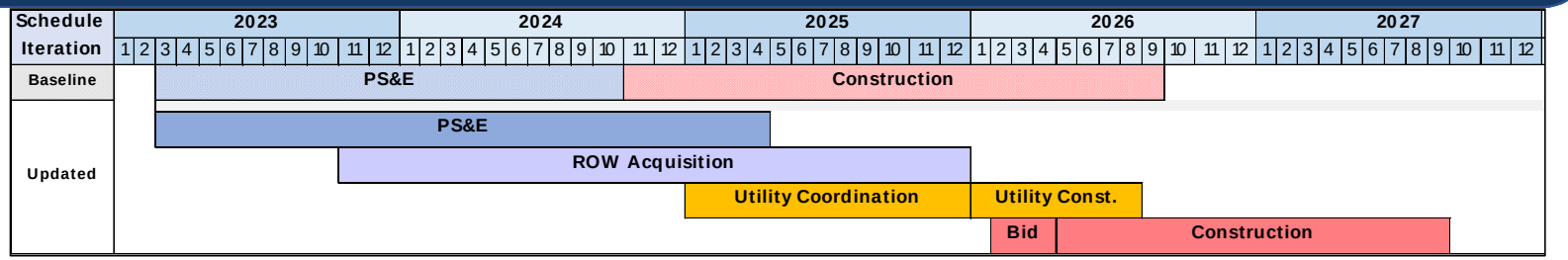
Center Street (On-System)



- Currently in Schematic
- Baseline Schedule: Delivery June 2026
- Current Schedule: Delivery July 2027
- Project Challenges:
  - Coordination with TxDOT
  - Significant Utility Coordination



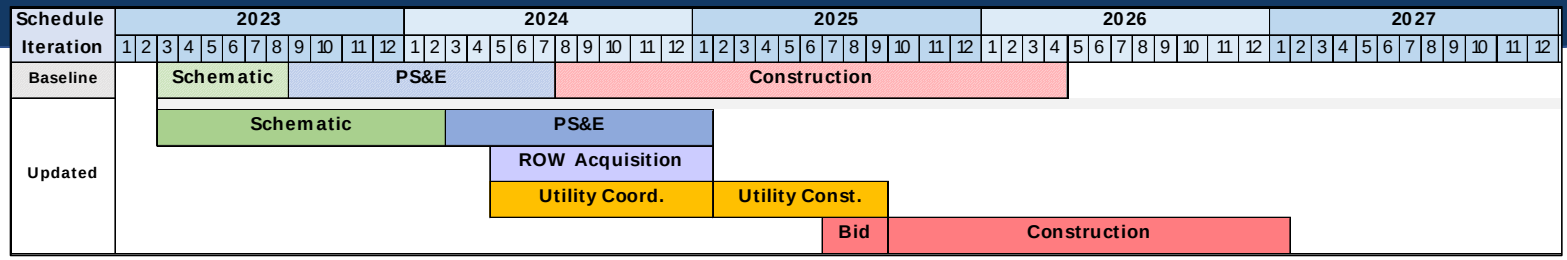
Kyle Parkway & Lehman Road Ext.



- Currently in PS&E
- Baseline Schedule: Delivery September 2026
- Current Schedule: Delivery September 2027
- Project Challenges:
  - Right of Entry challenges delayed survey & environmental studies
  - Significant ROW Acquisition: 1 relocation anticipated



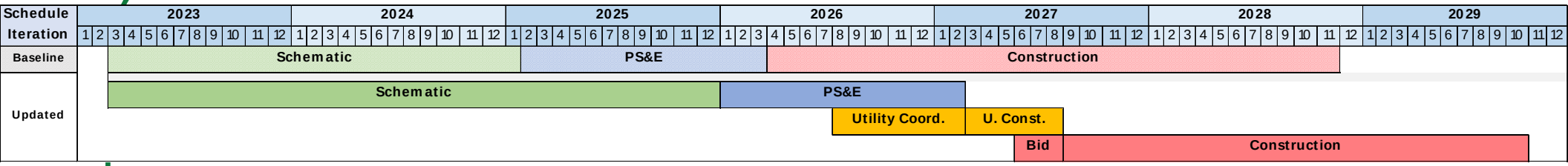
Windy Hill Road



- Currently in PS&E
- Baseline Schedule: Delivery April 2026
- Current Schedule: Delivery January 2027
- Project Challenges:
  - Additional traffic counts were required
  - Additional environmental work was required
  - Significant ROW Coordination



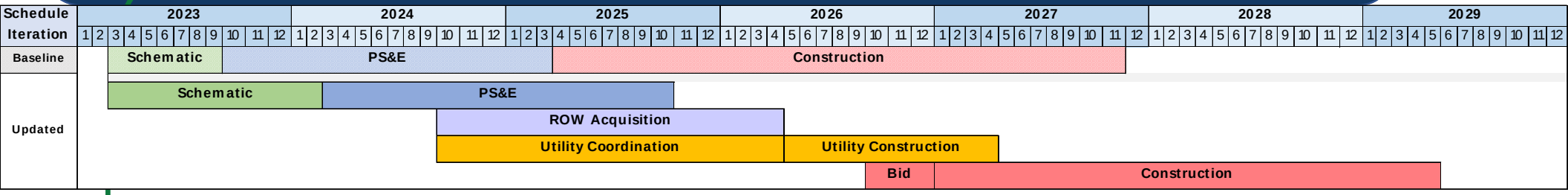
Kohlers to Seton (On-System)



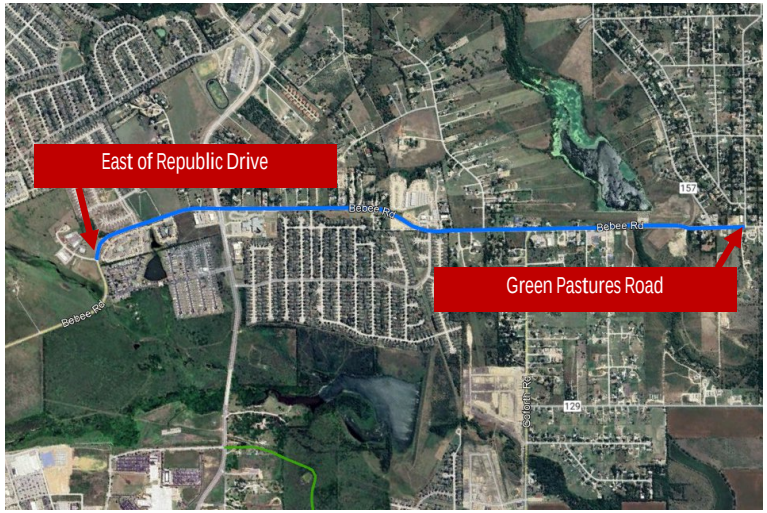
- Currently in Schematic
- Baseline Schedule: Delivery November 2028
- Current Schedule: Delivery October 2029
- Project Challenges:
  - TxDOT Coordination
    - TxDOT Planning & Environmental Linkage (PEL) Study



Bebee Road (East)



- Currently in PS&E
- Baseline Schedule: Delivery November 2027
- Current Schedule: Delivery May 2029
- Project Challenges:
  - Significant Utility Coordination
  - Significant ROW Acquisition



Current Cost Projections

Project Name	Original Budgets		Current Projections	
	Base Cost (No Contingency)	Original Contingency	Current Encumbrances and Projections	Remaining Original
Kohlers to Seton	$ 46,338,705	$ 19,800,715	$ 54,017,781	**$12,121,639.90**
Bebee Rd	$ 54,335,388	$ 12,398,091	$ 82,214,724	**($15,481,244.91)**
OSC/Center (off-system)	$ 37,789,707	$ 3,380,743	$ 36,991,878	**$4,178,572.45**
Center St (on-system)	$ 8,509,929	$ 1,722,546	$ 17,962,859	**($7,730,384.85)**
Kyle Pkwy/Lehman Rd Ext.	$ 29,778,986	$ 12,672,468	$ 24,016,355	**$18,435,099.00**
Marketplace Avenue	$ 10,283,033	$ 1,080,123	$ 12,135,596	**($772,440.55)**
Bunton Creek Road	$ 20,057,979	$ 8,523,249	$ 31,246,143	**($2,664,914.73)**
Windy Hill Road	$ 13,987,214	$ 1,144,911	$ 15,286,503	**($154,378.15)**
Subtotal	**$ 221,080,940.80**	**$ 60,722,845**	**$ 273,871,838**	**$7,931,948.14**

Original		Current		
Total Original Budgeted Costs (No Contingency)	$ 221,080,941	Total Current Projected Costs (No Contingency)		$ 273,871,838
Original Contingency	$ 60,722,845	Contingency	Allocated Contingency	$ 52,790,897
			Remaining Contingency	$ 7,931,948
Pre-Bond Election Expenditures	$ 874,501	Pre-Bond Election Expenditures		$ 874,501
Budget for GEC Services	$ 11,321,713	Budget for GEC Services		$ 11,321,713
Original Estimated Program Total	**$ 294,000,000**	**Current Estimated Program Total**		**$ 294,000,000**

Cost Projections as of April 8, 2024

Current Cost Projections

As of April 8, 2024:

- Program is currently anticipated to be delivered on budget, but…
  - 87% of Contingency has been allocated
  - *Major cost uncertainties remain property acquisition and utility relocation costs*

Program Update

Continuing to:

- Coordinate with TxDOT for On-System Projects
- Move all schematic phase projects into final design (PS&E)
  - Kohlers (On-System), Center St (On-System), Old Stagecoach Rd
- Push ROW and Utility Coordination for all projects
  - Overlapping ROW and Utility Coordination where possible
  - Requesting utility providers begin design prior to 90% PS&E
- Plan for next round of community outreach
  - Goal to keep public informed on project progress

Program Update

Questions?

Department Memo

City Council Regular Meeting

DEPARTMENT: Engineering

FROM: Derek Daniels, Engineering

MEETING: April 16, 2024

SUBJECT:

Consider approval of Task Order No. 2 to BGE, Inc., in the amount of $59,084 for the development of a preliminary engineering report for the Four Seasons Wastewater Interceptor Improvements project.

SUMMARY:

Based on the 2016 Wastewater Model Update, several interceptors were determined to be undersized and in need of upsizing. The Four Seasons Interceptor was one of these wastewater lines that runs from east of Lake Kyle Park going southwest along the boundary of the park and proceeding down Lehman Road to the intersection with FM 150. This existing interceptor is 18-inches in diameter and is suggested to be upsized to at least 30-inches. The Preliminary Engineering Report will seek to validate the proposed alignment, confirm sizing of the proposed project, and provide a summary of potential conflicts, risks, and coordinating stakeholders.

The project will also include approximately 5,100 LF of a parallel 12" reclaimed waterline based on the Reclaimed Water Master Plan and will connect to the previously installed 12" line on the east side of Lehman Road.

Deliverables:

Draft Preliminary Engineering Report – May 2024
Final Preliminary Engineering Report – June 2024

OPTIONS:

Option 1: Approve the BGE, Inc., proposal for the Four Seasons Wastewater Interceptor Improvements Project.

Option 2: Do not approve the proposal for the Four Seasons Wastewater Interceptor Improvements Project.

RECOMMENDATION:

Staff recommend approving Task Order No. 3.

FISCAL IMPACT:

$59,084 to be funded by the Wastewater Impact Fees.

STAFF CONTACT:

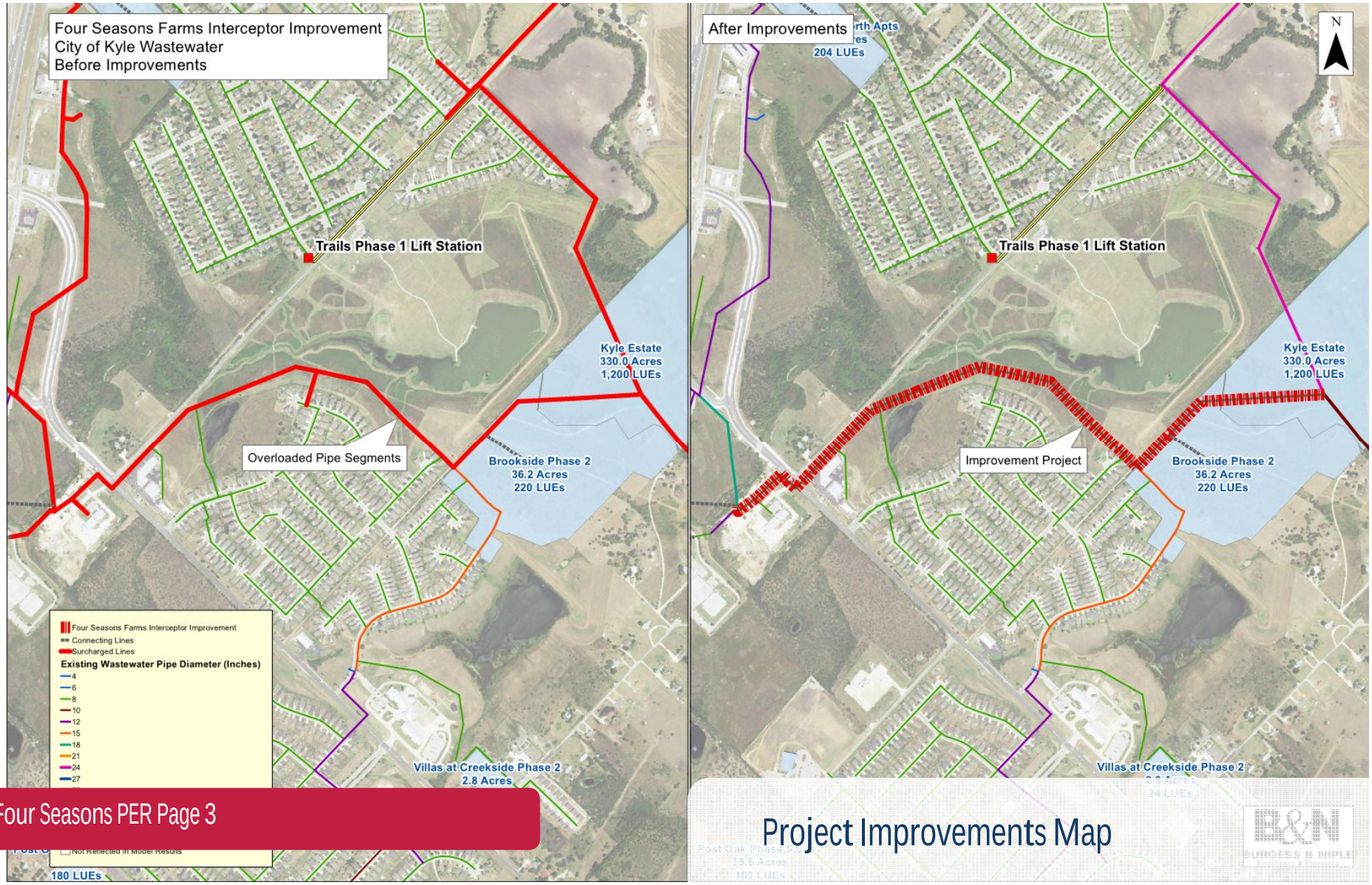
Name: Derek Daniels
Title: Engineer I
ddaniels@cityofkyle.com
512-262-3994

Four Seasons Wastewater Interceptor Improvements

Engineering

Background

- Based on the 2016 Wastewater Model Update, several interceptors were determined to be undersized and in need of upsizing.
- The Four Seasons Interceptor runs from east of Lake Kyle Park going southwest along the boundary of the park and proceeding down Lehman Road to the intersection with FM 150.
- This existing interceptor is 18-inches in diameter and is suggested to be upsized to at least 30-inches.



Four Seasons PER Page 3

Project Improvements Map

Preliminary Engineering Report

- The Preliminary Engineering Report will seek to validate the proposed alignment, confirm sizing of the proposed project, and provide a summary of potential conflict and risks.
- The project will also include approximately 5,100 LF of a parallel 12” reclaimed waterline based on the Reclaimed Water Master Plan for future demand.

Timeline

- Deliverables:
  - Draft Preliminary Engineering Report – May 2024
  - Final Preliminary Engineering Report – June 2024

Options

- Approve Task Order No. 3 for the Four Seasons Wastewater Interceptor Improvements Project in the amount of $59,084 to BGE, Inc.

- Do not approve Task Order No. 3 for the Four Seasons Wastewater Interceptor Improvements Project.

Four Seasons PER Page 6

Recommendations

- Approve Task Order No. 3 to BGE, Inc.

Thank you

- Questions

This is Task Order
No. 3, consisting of
4 pages.

Task Order

In accordance with the **Professional Services Agreement** between Owner and Engineer **dated 12/19/2023**, Owner and Engineer agree as follows:

1. Background Data

a. Effective Date of Task Order:

b. Owner: City of Kyle

c. Engineer: BGE, Inc.

d. Specific Project (title): Four Seasons Interceptor and Reuse Water Line

Specific Project (description): The project includes preparing a preliminary engineering report for the Four Seasons Interceptor and Reuse Line. The project will evaluate alignments for the proposed Four Seasons Interceptor and Reuse Line. This includes approximately 5,100 linear feet (LF) of new 42-inch or 36-inch interceptor with a parallel 12-inch water reuse line. The project also evaluates the feasibility of the removal of the Masonwood Lift Station.

2. Services of Engineer

A. The specific services to be provided or furnished by Engineer under this Task Order are:
Set forth in Exhibit A, "Engineer's Services for Task Order," modified for this specific Task Order, and attached to and incorporated as part of this Task Order.

3. Owner's Responsibilities

Owner shall have those responsibilities set forth in Article 2 of the Agreement.

4. Task Order Schedule

In addition to any schedule provisions provided in Exhibit A or elsewhere, the parties shall meet the following schedule:
All work to be completed within 60 days of execution per the proposed schedule.
NTP 4/22/24
Submit Draft PER to City 5/27/24
City Review due to BGE 6/10/24
Submit Final PER to City 6/21/24

5. Payments to Engineer

A. Owner shall pay Engineer for services rendered under this Task Order as follows:
For the scope of services outline in Exhibit A, a total fee would be $59,084.00. Please see Exhibit B for Fee Breakdown.

6. **Attachments:**
    a. **Exhibit A – Engineer's Scope**
    b. **Exhibit B - Fee**

7. **Terms and Conditions**

Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

8. **Statutory Verifications**

a. To the extent this Agreement constitute a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, Engineer represents that Engineer nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Engineer is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

b. The Engineer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and to the extent such Section is not inconsistent with a governmental entity's constitutional or statutory duties related to the issuance, incurrence, or management of debt obligations or the deposit, custody, management, borrowing, or investment of funds. As used in the foregoing verification, "boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by the preceding statement in (A).

c. The Engineer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" means: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; but does not include (a) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; or (b) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association.

The Effective Date of this Task Order is .

ENGINEEER:	OWNER:
By: Brian D Rice	By:
Print Name: Brian Rice, PE	Print Name: Bryan Langley
Title: Director, Public Works	Title: City Manager

Engineer License or Firm's
Certificate No. (if required): F-1046
State of: Texas

DESIGNATED REPRESENTATIVE FOR TASK ORDER:	DESIGNATED REPRESENTATIVE FOR TASK ORDER:
Name: Adan Rangel, PE	Name: Derek Daniels
Title: Project Engineer	Title: Engineer I
Address: 101 W. Louis Henna Blvd, Suite 400, Austin, Texas 78728	Address: 100 W. Center Street, Kyle, TX 78640
E-Mail Address: arangel@bgeinc.com	E-Mail Address: ddaniels@cityofkyle.com
Phone: 512-806-0285	Phone: 512-256-1426

EXHIBIT A – SCOPE OF SERVICES TO BE PROVIDED BY THE ENGINEER

Project Background

The project will evaluate alignments for the proposed Four Seasons Interceptor and Reuse Line. This includes approximately 5,100 linear feet (LF) of new 42-inch or 36-inch interceptor with a parallel 12-inch water reuse line. The project also evaluates the feasibility of the removal of the Masonwood Lift Station.

Scope of Services

The following Scope of Services is proposed for the completion of the Project. The various tasks and deliverables are to be performed and submitted in accordance with the Project's approved schedule.

1. Project Management and Meetings

a. Project Management: All communication and submittals to the City will be directed through the team's Project Manager unless specifically authorized otherwise. The project management activities shall include task leadership and direction, telephone and written communication, project updates and status reports, project schedule, and personnel and data management along with other general project management activities.
b. Meetings and Site Visits: BGE to provide agendas & meeting minutes. Meetings will include submittal discussions, schedule updates, and overall project coordination. One (1) kickoff meeting, one (1) 2-hour site visit and up to three (3) planning and coordination meetings are included in this task.
c. Utility Coordination: BGE will coordinate with utility owners to identify potential conflicts between proposed project elements and existing utilities.

2. Preliminary Engineering Report

BGE will evaluate the following project elements for inclusion in the design scope (may be modified based on preliminary findings and discussion with City staff). This task includes the following:

a. Regulations research, background conflict research, and minimum design guidelines.
b. Up to three (3) alignments for the interceptor and water reuse line, including GIS layouts.
c. Sizing of the interceptor and sewer lines.
d. Evaluate the feasibility to reroute the flows from the Masonwood Lift Station to a manhole along the proposed interceptor.
e. Utility Coordination: BGE will coordinate with utility owners to identify potential conflicts between proposed project elements and existing utilities.
f. Prepare an engineer's opinion of probable construction costs (OPCC) (+/- 30%) and schedule.
g. Final recommendation on alignment and materials.
h. Deliverables
    i. Draft Preliminary Engineering Report. 1 PDF
    ii. Final Preliminary Engineering Report. 1 PDF

3. Environmental

A. Section 404 Jurisdictional Determination Report

BGE will provide a professional opinion in determining the presence or absence of jurisdictional waters within the proposed wastewater line project area per Section 404 of the Clean Water Act and the pre-2015 regulatory regime consistent with Sackett. BGE will complete field reconnaissance to assess all water features in the project area per current regulations. Any spatial field data will be collected with a GPS capable of sub-meter accuracy.

BGE will provide a report that includes information required per the United States Army Corps of Engineers (USACE) for a Section 404 Jurisdictional Determination Report. The Jurisdictional Determination Report will be created in accordance with the protocols established in the *Corps of Engineers Wetlands Delineation Manual* (1987 Manual) and the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Great Plains Region* (Version 2.0), March 2010. The limits of jurisdictional water features will be provided for inclusion in the design plans in .kmz format. If water features are present, it is anticipated that the proposed project will be permitted utilizing a Nationwide Permit 58 for Utility Line Activities for Water and Other Substances.

B. Cultural Resources Desktop Assessment

Per current understanding of the proposed project, coordination with the Texas Historical Commission (THC) would be necessary as described below:

The proposed project would involve greater than five acres of ground disturbance on land owned or controlled by the City of Kyle, and the proposed project would require USACE Nationwide Permit authorization. THC notification and review of the proposed project would be required under Section 106 of the National Historic Preservation Act and the Antiquities Code of Texas. BGE will prepare a cultural resources desktop assessment, notify the THC of the proposed project, and coordinate project review with the THC. The proposed project would occur primarily within existing ROW/easement and the remainder is within an area that appears to have been subject to extensive disturbance from development. Therefore, BGE does not anticipate that the THC will require survey and mechanical trenching of the proposed alignment. Cultural resources survey and trenching are excluded from this scope of services. If the THC does require survey and/or mechanical trenching of the proposed alignment, BGE would conduct those efforts under a separate supplemental work authorization as needed.

C. Endangered Species Act Compliance & Recommendations Memorandum

Numerous federally listed endangered species, protected by the Endangered Species Act ESA), are known to occur within Hays County. BGE will as assess the potential for listed species, including birds, salamanders, fish, insects, and crustaceans known to occur within the county. BGE will complete the habitat assessment and prepare a Hays County ESA Habitat Conservation Compliance Form in accordance with BGE's field observations. The package will be submitted to Hays County for review and approval.

Exclusions

1. Agency coordination or permitting, including, but not limited to Texas Parks and Wildlife Department, or U.S. Fish and Wildlife Service
2. Surveys including, but not limited to protected karst species, other threatened and endangered species (presence/absence), and/or tree
3. U.S. Army Corps of Engineer coordination is excluded including completion of an Approved Jurisdictional Determination form or Preliminary Jurisdictional Determination form.

4. Assumptions

a. City will provide existing hydraulic, sewer shed, and as-built data.
b. 30% drawings are not included.
c. The Project scope documents and associated fee hours were prepared with the assumption that the Project's phase is 2 months in duration.
d. The three alignment alternatives will not include replacing the interceptor in-place where it is located within resident's backyards.
e. No design, bid-phase, or construction phase services.
f. No hydraulic modeling will be performed.

5. Compensation

Reference Exhibit "B" for a breakdown of services.

PROJECT NAME: **EXHIBIT B-1 - FEE SCHEDULE**

Four Seasons Interceptor PER

April 1, 2024

TASK	DESCRIPTION	BGE	Raba Kistner	TOTAL
1	PROJECT MANAGEMENT	$ 6,704.00		$ 6,704.00
2	PRELIMINARY ENGINEERING REPORT	$ 33,380.00		$ 33,380.00
3	ENVIRONMENTAL	$ 18,840.00		$ 18,840.00
4	OTHER DIRECT EXPENSES	$ 160.00		$160.00
	Total			$ 59,084.00

BGE, INC. **EXHIBIT B - FEE SCHEDULE**

PROJECT NAME: Four Seasons Interceptor and Reuse Water Line

	TASK DESCRIPTION	Senior Project Mgr	Project Manager	Project Engineer	EIT	Senior CADD Op	CADD Tech	Construction PM	Construction Inspector	QA/QC	Admin / Clerical	Total	TOTAL LABOR HRS. & COSTS
1	**PROJECT MANAGEMENT**												**$6,704.00**
	Contract Administration		4	4							6	14	$2,034.00
	Kickoff, Site and PER Planning and Coordination Meetings (3)		10	14								24	$4,670.00
												0	
2	**PRELIMINARY ENGINEERING REPORT**												**$33,380.00**
	Data Collection and Background Research			8	8	8						24	$3,360.00
	Develop Horizontal Pipeline Alignments		4	20	20	16						60	$8,840.00
	Sizing of Sewer lines		2	8	16	8						34	$4,860.00
	Lift Station Removal Feasibility		2	12	16	8						38	$5,480.00
	Utility Coordination		2	6									
	OPCC		2	4	12							18	$2,620.00
	Review / Include Recommendations from City		2	8	8					4		22	$3,860.00
	Final PER per City of Kyle Comments		2	8	12					4		26	$4,360.00
	HOURS SUB-TOTALS	0	30	92	92	40	0	0	0	8	6	260	268
	CONTRACT RATE PER HOUR	$265.00	$250.00	$155.00	$125.00	$140.00	$120.00	$230.00	$150.00	$280.00	$69.00		
	TOTAL LABOR COSTS	$0.00	$7,500.00	$14,260.00	$11,500.00	$5,600.00	$0.00	$0.00	$0.00	$2,240.00	$414.00		$41,514.00
	SUBTOTAL												**$41,514.00**

TASK	TOTAL COSTS	TOTAL DIRECT EXPENSE	TOTAL LABOR COSTS	Senior Project Manager	Project Manager	Project Engineer	EIT	Senior CADD Operator	CADD Tech			QAQC	Admin / Clerical		TOTAL MH BY TASK
	$41,674.00	$160.00	$41,514.00	0	30	92	92	40	0	0	0	8	6	268	268
														0	
SUBTOTAL LABOR HOURS				0	30	92	92	40	0	0	0	8	6	268	268
SUBTOTAL LABOR EXPENSES	**$41,674.00**	**$160.00**	**$41,514.00**	0.0%	11.2%	34.3%	34.3%	14.9%	0.0%	0.0%	0.0%	3.0%	2.2%		

	OTHER DIRECT EXPENSES	QUANTITY	UNIT	RATE	
	Mileage	250	mile	$ 0.56	$140.00
	Photocopies B/W (11" X 17")	100	each	$ 0.20	$20.00
	Photocopies Color (8 1/2" X 11")		each	$ 0.75	$0.00
	Photocopies Color (11" X 17")		each	$ 1.25	$0.00
	Geosearch (hazmat)		each	$ 500.00	$0.00
	Large Format Plotting	0	SF	$ 2.25	$0.00
					$0.00
DIRECT EXPENSES					**$160.00**

SUMMARY	
LABOR COSTS	$41,514.00
NON-SALARY (OTHER DIRECT EXPENSES)	$160.00
GRAND TOTAL	**$41,674.00**

BGE - Environmental Investigation Cost Breakdown
Four Seasons Interceptor
Kyle, TX

I.	**ENVIRONMENTAL SERVICES**		
	A.	Section 404 Jurisdictional Determination Report	$7,045
	B.	Cultural Resources Desktop Assessment	$4,850
	C.	Hays County ESA Compliance Memorandum	$3,725
		TOTAL	**$18,840**

Department Memo

City Council Regular Meeting

DEPARTMENT: Administrative Services

FROM: Rosie Truelove, Director

ON BEHALF OF: Kyle Police Department (Chief Jeff Barnett, Police Department)

MEETING: April 16, 2024

SUBJECT:

Consider approval of a purchase agreement with Axon Enterprises, Inc. for the purpose of providing thirteen (13) Fleet 3 in-car camera systems with associated software, and replacement plan in the amount of $519,972.79.

SUMMARY:

Kyle Police Department actively manages onboarding vehicles into their fleet on an as-available basis, driven by delivery from the manufacturer. Currently, the department has 13 vehicles needing new in-car camera equipment.

Axon Enterprises, Inc. is the current provider of in-car and body worn cameras with cloud-based video storage for the Kyle Police Department. The City is currently in the second year of a 10-year agreement. The action associated with this item will bring the 13 new cameras into the current agreement for its duration and is currently structured as a 107-month contract amendment for $519,972.79, paid on an annual basis as outlined in the agreement.

Approval of this contract authorizing the purchase of thirteen (13) Axon Fleet-3 camera systems will help ensure our patrol vehicles are fully outfitted.

OPTIONS:

1. Approve purchase agreement authorizing purchase of thirteen (13) Axon Fleet-3 camera systems.
2. Decline to approve purchase agreement and limiting the utilization of anticipated patrol vehicles.

RECOMMENDATION:

Staff recommends approval of the amendment to the agreement with Axon.

FISCAL IMPACT:

- FY24 $14,347.14 (no additional funds required)

  Payment Schedule is as follows:

June 2024	$14,347.14
Oct 2024	$48,049.00
May 2025	$57,197.01 (annual amount)
May 2026	$57,197.01 (annual amount)
May 2027	$57,197.01 (annual amount)
May 2028	$57,197.01 (annual amount)
May 2029	$57,197.01 (annual amount)
May 2030	$57,197.01 (annual amount)
May 2031	$57,197.01 (annual amount)
May 2032	$57,197.01 (annual amount)
TOTAL:	$519,972.79

- FY25 $105,246.01 (additional funds to be requested)
- FY26-FY32 $57,191.01 (additional annual funds to be requested)

STAFF CONTACT:

Name: Rosie Truelove
Title: Director of Administrative Services
Email: rtruelove@cityofkyle.com
Phone: (512) 394-4138

Name: Jeff Barnett
Title: Chief of Police
Email: jbarnett@cityofkyle.com
Phone: (512) 268-0859

Axon Enterprise, INC

Purchase Agreement for 13 In-Car Cameras

Administrative Services

Introduction

- Consider approval of a purchase agreement with Axon Enterprises, Inc. for the purpose of providing thirteen (13) Fleet 3 in-car camera systems with associated software, and replacement plan in the amount of $519,972.79.

Background

- Axon Enterprises is the current provider of in-car and body worn cameras for KPD.
- 13 new cameras are needed to fully equip KPD Fleet.

Agreement

- This is an amendment to our existing 10-year agreement with Axon for 13 new cameras.
- 107 months left on the current agreement.
- Annualized payments through May 2032.
- Total $519,972.79.

Options & Recommendation

1. Approve amendment authorizing purchase of thirteen (13) Axon Fleet-3 camera systems.
2. Decline amendment.

RECOMMENDATION: Staff recommends authorizing the purchase of the additional cameras.

Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
International: +1.800.978.2737

Q-531348-45385.861DC

Issued: 04/03/2024

Quote Expiration: 04/25/2024

Estimated Contract Start Date: 07/01/2024

Account Number: 112606

Payment Terms: N30

Delivery Method:

SHIP TO	BILL TO
1700 Kohlers Crossing 1700 Kohlers Crossing Kyle, TX 78640 USA	Kyle Police Dept. - TX 1700 Kohlers Crossing Kyle TX 78640 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Jerrod Wilson Phone: 903-830-5660 Email: jewilson@axon.com Fax:	Daniel Preston Phone: Email: dpreston@ciryofkyle.com Fax:

Quote Summary

Program Length	107 Months
TOTAL COST	$519,972.79
ESTIMATED TOTAL W/ TAX	$519,972.79

Discount Summary

Average Savings Per Year	$757.57
TOTAL SAVINGS	$81,060.13

Payment Summary

Date	Subtotal	Tax	Total
Jun 2024	$14,347.71	$0.00	$14,347.71
Oct 2024	$48,049.00	$0.00	$48,049.00
May 2025	$57,197.01	$0.00	$57,197.01
May 2026	$57,197.01	$0.00	$57,197.01
May 2027	$57,197.01	$0.00	$57,197.01
May 2028	$57,197.01	$0.00	$57,197.01
May 2029	$57,197.01	$0.00	$57,197.01
May 2030	$57,197.01	$0.00	$57,197.01
May 2031	$57,197.01	$0.00	$57,197.01
May 2032	$57,197.01	$0.00	$57,197.01
Total	**$519,972.79**	**$0.00**	**$519,972.79**

Quote Unbundled Price:	**$601,032.92**
Quote List Price:	**$577,441.56**
Quote Subtotal:	**$519,972.79**

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	13		$115.75	$115.75	$19,561.75	$0.00	$19,561.75
Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	107	$211.45	$194.49	$194.49	$270,535.59	$0.00	$270,535.59
A la Carte Software									
80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	107		$72.58	$58.06	$229,875.45	$0.00	$229,875.45
Total							**$519,972.79**	**$0.00**	**$519,972.79**

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
Fleet 3 Basic + TAP 10 Year	11634	AXON FLEET - CRADLEPOINT IBR900-1200M-B-NPS+5YR NETCLOUD	13		06/01/2024
Fleet 3 Basic + TAP 10 Year	70112	AXON SIGNAL - SIGNAL UNIT	13		06/01/2024
Fleet 3 Basic + TAP 10 Year	71200	AXON FLEET - AIRGAIN ANT - 5-IN-1 2LTE 2WIFI 1GNSS BL	13		06/01/2024
Fleet 3 Basic + TAP 10 Year	72036	AXON FLEET 3 - STANDARD 2 CAMERA KIT	13		06/01/2024
Fleet 3 Basic + TAP 10 Year	72048	AXON FLEET 3 - SIM INSERTION - ATT	13		06/01/2024
Fleet 3 Basic + TAP 10 Year	72040	AXON FLEET - TAP REFRESH 1 - 2 CAMERA KIT	13		05/01/2028
Fleet 3 Basic + TAP 10 Year	100092	AXON FLEET - TAP REFRESH 2 - 2 CAMERA KIT	13		05/01/2033

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Fleet 3 Basic + TAP 10 Year	80400	AXON EVIDENCE - FLEET VEHICLE LICENSE	13	07/01/2024	05/31/2033
Fleet 3 Basic + TAP 10 Year	80410	AXON EVIDENCE - STORAGE - FLEET 1 CAMERA UNLIMITED	26	07/01/2024	05/31/2033
A la Carte	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	07/01/2024	05/31/2033

Services

Bundle	Item	Description	QTY
Fleet 3 Basic + TAP 10 Year	73391	AXON FLEET 3 - DEPLOYMENT (PER VEHICLE)	13
Fleet 3 Basic + TAP 10 Year	73392	AXON FLEET 3 - INSTALLATION - UPGRADE (PER VEHICLE)	13

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Fleet 3 Basic + TAP 10 Year	80379	AXON SIGNAL - EXT WARRANTY - SIGNAL UNIT	13	06/01/2025	05/31/2033
Fleet 3 Basic + TAP 10 Year	80495	AXON FLEET 3 - EXT WARRANTY - 2 CAMERA KIT	13	06/01/2025	05/31/2033

Shipping Locations

Location Number	Street	City	State	Zip	Country
	1700 Kohlers Crossing	Kyle	TX	78640	USA

Payment Details

Jun 2024

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
1st Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$6,343.00	$0.00	$6,343.00
1st Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$539.77	$0.00	$539.77
1st Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$7,464.94	$0.00	$7,464.94
Total				**$14,347.71**	**$0.00**	**$14,347.71**

Oct 2024

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
2nd Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$21,242.06	$0.00	$21,242.06
2nd Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$1,807.64	$0.00	$1,807.64
2nd Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$24,999.30	$0.00	$24,999.30
Total				**$48,049.00**	**$0.00**	**$48,049.00**

May 2025

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
3rd Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
3rd Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79
3rd Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

May 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
4th Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
4th Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79
4th Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

May 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
5th Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
5th Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79
5th Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

May 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
6th Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
6th Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79

May 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
6th Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

May 2029

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
7th Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
7th Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79
7th Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

May 2030

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
8th Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
8th Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79
8th Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

May 2031

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
9th Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
9th Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79
9th Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

May 2032

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
10th Payment	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	37	$25,286.32	$0.00	$25,286.32
10th Payment	80461	TRUE UP - FLEET 3 BUNDLE WITH TAP	13	$2,151.79	$0.00	$2,151.79
10th Payment	Fleet3B+TAP10Yr	Fleet 3 Basic + TAP 10 Year	13	$29,758.90	$0.00	$29,758.90
Total				**$57,197.01**	**$0.00**	**$57,197.01**

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Contract BuyBoard Contract 648-21 is incorporated by reference into the terms and conditions of this Agreement. In the event of conflict the terms of Axon's Master Services and Purchasing Agreement shall govern.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

Date Signed

4/3/2024



Department Memo

City Council Regular Meeting

DEPARTMENT: City Attorney/Administration

FROM: Aimee Alcorn-Reed, City Attorney

MEETING: April 2, 2024

SUBJECT:

Consider approval of a resolution suspending the May 11, 2024 effective date of the proposal by Universal Natural Gas, LLC D/B/A Universal Natural Gas, Inc. to implement GRIP interim rate adjustments for gas utility investment in 2023.

SUMMARY:

Universal Natural Gas, LLC D/B/A Universal Natural Gas, Inc. ("UniGas") made filings with the City and the Railroad Commission of Texas on March 1, 2024, proposing to implement interim rate adjustments pursuant to Texas Utilities Code § 104.301 on all customers served by UniGas, effective May 11, 2024. As a regulatory authority, the City may suspend the effective date of the interim rate adjustment for up to 45 days to allow the City time to analyze the request and determine if it complies with the Texas Utilities Code.

OPTIONS:

Approve the resolution to suspend the effective date of the interim rate adjustment.

Deny the resolution and allow the interim rate adjustment to take effect on May 11, 2024.

RECOMMENDATION:

Recommend approval.

FISCAL IMPACT:

NA

STAFF CONTACT:

Name: Aimee Alcorn-Reed
Title: City Attorney
Email: AAlcornReed@cityofkyle.com
Phone: 512-638-8146

Universal Gas Interim Rate Adjustment

Administration

Universal Gas Application

- UniGas filed an application for an interim rate adjustment, which will be effective May 11 if not opposed.
- Increases to rates:
  - 8.24% on residential customers
  - 10.87% on small commercial customers
  - 18.47% on large commercial customers

Gas Reliability Infrastructure Program (GRIP)

- Tex. Utilities Code §104.301 (GRIP) allows a gas utility who has filed a rate case in the last two years to file for an interim rate adjustment to cover the cost of additional infrastructure.
- Increases are considered “interim” and may be refunded following the next rate case.
- City may suspend the interim rate adjustment for up to 45 days to examine the GRIP rate adjustment and determine compliance with Texas Utilities Code.

Options

1. Approve the resolution to delay the effective date by 45 days.
2. Deny the resolution and allow the rate to take effect on May 11, 2024.

Recommendation

Approve the resolution to delay the effective date by 45 days.

RESOLUTION NO. _____

A RESOLUTION BY THE CITY OF KYLE, TEXAS SUSPENDING THE MAY 11, 2024 EFFECTIVE DATE OF THE PROPOSAL BY UNIVERSAL NATURAL GAS, LLC D/B/A UNIVERSAL NATURAL GAS, INC. TO IMPLEMENT GRIP INTERIM RATE ADJUSTMENTS FOR GAS UTILITY INVESTMENT IN 2023 AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

WHEREAS, the City of Kyle, Texas ("City") is a gas utility customer of Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. ("UniGas" or "the Company") and/or a regulatory authority with an interest in the rates and charges of UniGas; and

WHEREAS, UniGas made filings with the City and the Railroad Commission of Texas ("Railroad Commission") on March 1, 2024, proposing to implement interim rate adjustments ("GRIP Rate Increases") pursuant to Texas Utilities Code § 104.301 on all customers served by UniGas, effective May 11, 2024; and

WHEREAS, it is incumbent upon the City, as a regulatory authority, to examine the GRIP Rate Increases to determine its compliance with the Texas Utilities Code.

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

1. The May 11, 2024 effective date of the GRIP Rate Increases proposed by UniGas is hereby suspended for the maximum period allowed by Texas Utilities Code § 104.301(a) to permit adequate time to review the proposed increases, analyze all necessary information, and take appropriate action related to the proposed increases.

2. A copy of this Resolution shall be sent to UniGas, care of Hayley Cunningham at 9950 Woodloch Forst Dr. Suite 2200, Woodlands, Texas 77380 or hayley.cunningham@centric-

us.com, and to Thomas Brocato, legal counsel to the City, at Lloyd Gosselink, 816 Congress Ave., Suite 1900, Austin, Texas 78701 or tbrocato@lglawfirm.com.

Signed this _____ day of _____, 2024.

_____
MAYOR

ATTEST:

_____

Department Memo

City Council Regular Meeting

DEPARTMENT: Engineering Department

FROM: Leon Barba, P.E.

MEETING: April 16, 2024

SUBJECT:

Consider of approval of Wastewater Utility Easement to the City of Kyle, Hays County, Texas from Texas Realty/Retail Partner, Inc. a Texas Corp. for 150 Business Park Subdivision containing a 0.196-acre and a 0.085-acre Wastewater Utility Easement.

SUMMARY:

Easements for public utilities are required to be dedicated as part of the subdivision process.

The easement more particularly described as 0.196 acres of land out of Lot 1, 150 Business Park Subdivision, A Subdivision of record in document number 20052937 of the plat records of Hays County, Texas and being a portion of that certain land described in a correction warranty deed to Texas Realty/Retail Partners, Inc. Recorded in document number 19035759 of The Official Public Records of Hays County, Texas and 0.085 acres (3697 s.f.) of land out of Lot 4, 150 Business Park Subdivision, a subdivision of record in document number 20052937 of the plat records of Hays County, Texas and being a portion of that certain land described in a correction warranty deed to Texas Realty/Retail Partners, Inc. Recorded in document number 19035759 of the Official Public Records of Hays County, Texas.

The easement is for the proposed wastewater lines. When constructed, it will allow the subdivision to tie into the City's existing wastewater system.

OPTIONS:

Approve the Wastewater Utility Easement.

RECOMMENDATION:

Approve the Wastewater Utility Easement.

FISCAL IMPACT:

N/A.

STAFF CONTACT:

Name: Leon Barba
Title: City Engineer
Email: lbarba@cityofkyle.com

Phone: 512-262-3958

Wastewater Utility Easement

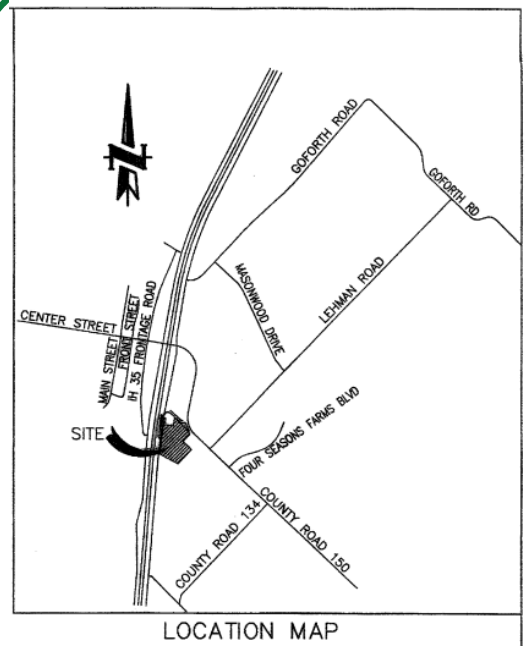
150 Subdivision Business Park

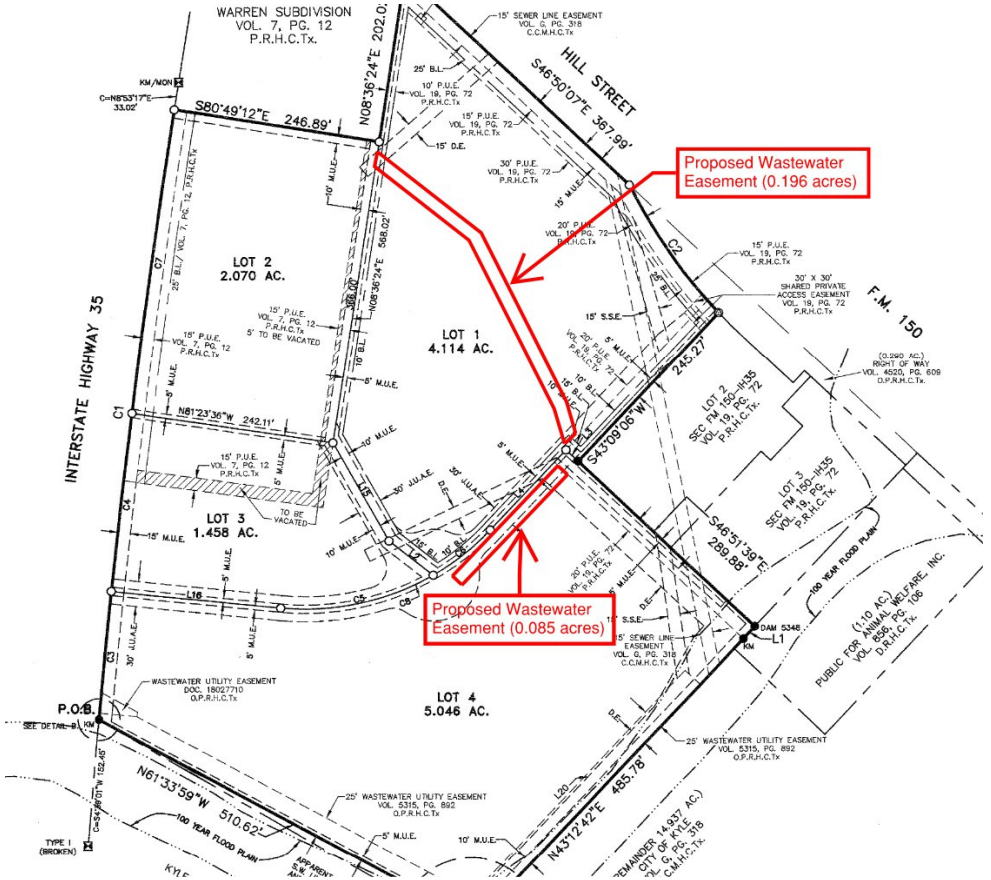
Engineering Department

150 Business Park Subdivision
Wastewater Utility Easement

- Easements for public utilities are required to be dedicated as part of the subdivision process.
- On 2/29/23, received perpetual Wastewater Utility Easement:
  - 0.196 acres of land out of Lot 1, 150 Business Park Subdivision, A Subdivision of record in document number 20052937 of the plat records of Hays County, Texas and being a portion of that certain land described in a correction warranty deed to Texas Realty/Retail Partners, Inc. Recorded in document number 19035759 of The Official Public Records of Hays County, Texas.
  - 0.085 acres (3697 s.f.) of land out of Lot 4, 150 Business Park Subdivision, a subdivision of record in document number 20052937 of the plat records of Hays County, Texas and being a portion of that certain land described in a correction warranty deed to Texas Realty/Retail Partners, Inc. Recorded in document number 19035759 of The Official Public Records of Hays County, Texas.
- The easement is for proposed wastewater lines.
- When constructed, it will allow 150 Business Park Subdivision to tie into City's existing wastewater system.

Easement





Wastewater Easement Page #3

Option

- Option 1
  - Approve the Wastewater Utility Easement

Recommendation

- Option 1
  - Approve the Wastewater Utility Easement

Thank you!

- Thank you!

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO ACCEPT AND EXECUTE A WASTEWATER UTILITY EASEMENT FOR TEXAS REALTY/RETAIL PARTNER, INC., FOR 150 BUSINESS PARK SUBDIVISION, CONTAINING ONE 0.196-ACRE EASEMENT AND ONE 0.085-ACRE EASEMENT.

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

Section 1. The City Manager, or designee, is authorized to execute a Wastewater Utility Easement from Texas Realty/Retail Partner, Inc. for 150 Business Park Subdivision containing one 0.196-acre easement and one 0.085-acre easement.

Section 2. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

Section 3. Effective Date. This resolution will become effective immediately upon its passage by the Kyle City Council.

PASSED AND ADOPTED this _____ day of _____, 2024.

THE CITY OF KYLE, TEXAS

_____
Travis Mitchell, Mayor

ATTEST:

_____
Jennifer Kirkland, City Secretary

NOTICE OF CONFIDENTIALITY RIGHTS: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

WASTEWATER UTILITY EASEMENT

Date:	**February 29, 2023**
Grantor:	**Texas Realty/Retail Partner, Inc., a Texas Corp.**
Grantor's Address:	**9811 S. IH 35, Bldg. 3, Suite 100** **Austin, TX 78744**
Grantee:	City of Kyle Hays County, Texas
Grantor's Address:	100 West Center Street Kyle, TX 78640
Easement Tract:	Being a 0.196 Acre Wastewater Utility Easement more particularly described by metes and bounds in **EXHIBIT A-1** and as shown in **EXHIBIT A-2** attached hereto. Being a 0.085 Acre Wastewater Utility Easement being more particularly described by metes and bounds in **EXHIBIT B-1** and as shown in **EXHIBIT B-2** attached hereto.
Easement Duration:	Perpetual
Easement Purpose:	To install, construct, operate, use, maintain, repair, modify, upgrade, monitor, inspect, replace, make connections with, remove, and decommission the Facilities.
Facilities:	Wastewater Lines, Wastewater Manholes & Wastewater Cleanouts and associated appurtenances.
Permitted Encumbrances:	Any easements, liens, encumbrances, and other matters that are valid, existing, and affect the Easement Tract as of the Date set forth herein and of record in the Real Property Records of Hays County, Texas in which the Easement Tract is located.
Non-Permitted Activity:	Installation, construction, operation, use, maintenance, repair, modification, upgrade, and replacement of any structure, building, retaining wall, detention or water quality controls, rainwater harvesting system or trees, either above or below the surface of the Easement Tract.
Eligible Improvements:	Irrigation systems that are installed perpendicular to the

Facilities, walkways made of concrete, asphalt, granite or any other similar materials, driveways, access roads and parking areas at grade level, barbed-wire, chain-link, and wooden fences, landscaping items such as plants, flowers, shrubs, bushes, hardscapes, rocks, pathways, and movable structure such as benches, gazebos and other similar items.

Grantor, for **TEN AND NO/100 DOLLARS ($10.00)** and other good and valuable consideration paid to Grantor, the receipt and sufficiency of which is acknowledged by Grantor, **GRANTS, SELLS, AND CONVEYS** to the City an exclusive easement in, over, under, on, and across the Easement Tract for the Easement Purpose as may be necessary or desirable subject to the Permitted Encumbrances, together with (i) the right of ingress and egress at all times over, on, and across the Easement Tract for use of the Easement Tract for the Easement Purpose, (ii) the right to eliminate any encroachments in the Easement Tract that are not otherwise permitted hereunder, and (iii) any and all rights and appurtenances pertaining to use of the Easement Tract (collectively, the "**Easement**").

TO HAVE AND TO HOLD the Easement to the City and City's successors and assigns for the Easement Duration and Easement Purpose; provided, however, Grantor reserves the right to enter upon and use any portion of the Easement Tract and to install, construct, operate, use, maintain, repair, modify, upgrade, and replace within the Easement Tract the improvements allowed under the City Permit and the Eligible Improvements, but in no event shall Grantor, except with respect to the improvements allowed under the City Permit and the Eligible Improvements, enter upon or use any portion of the Easement Tract for any Non-Permitted Activity or in any other manner that interferes in any material way or is inconsistent with the rights granted the City under this Easement for the Easement Purpose as determined by City in its reasonable discretion.

City, at its sole cost and expense, shall be obligated to restore the surface of the soil of the Easement Tract that has been removed, relocated, altered as a result of City's use of the Easement Tract, in each case to substantially and a reasonably practicable to the same condition as existed immediately prior to Grantee's exercise of its rights and/or obligations hereunder. City will not be obligated to restore or relocate any other improvements, including Eligible Improvements and Third Party Facilities, located in, upon, under or across the Easement Tract.

Grantor reserves its interest in all oil, gas, and other minerals in and under and that may be produced from the Easement Tract.

Grantor binds Grantor and Grantor's heirs, successors, and assigns to **WARRANT AND FOREVER DEFEND** the title to the Easement, subject to the Permitted Encumbrances, to the City against every person whomsoever lawfully claiming or to claim the Easement Tract or any part of the Easement Tract when the claim is by, through, or under Grantor, but not otherwise.

Except where the context otherwise requires, Grantor includes Grantor's heirs, successors, and assigns and City includes City's employees, agents, consultants, contractors, successors, and assigns; and where the context requires, singular nouns and pronouns include the plural.

Executed effective the Date first above stated.

Grantor:
a Texas Realty/Retail Partner, Inc., a Texas Corporation

By: _____
Robert W. McDonald, III, President

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 11 day of March 2024 by Robert W. McDonald, III, President, on behalf of said entity for the purposes set forth herein.

ANN F. LOPEZ
My Notary ID # 5893045
Expires February 24, 2028

_____
Notary Public in and for the State of Texas

Accepted By:
THE CITY OF KYLE, TEXAS
a Texas-home rule municipal corporation

Attest:
By: _____ By: _____

_____ _____

City Secretary _____

STATE OF TEXAS §
COUNTY OF HAYS §

This instrument was acknowledged before me on the____day of _____ 20__, by_____ _____, _____, of the City of Kyle, Texas, a Texas home-rule municipal corporation, on behalf of said corporation, on behalf of said entity for the purposes set forth herein.

[SEAL]

_____
Notary Public in and for the State of Texas

STATE OF TEXAS
COUNTY OF _____

EXHIBIT A-1

FIELD NOTES TO ACCOMPANY MAP OF SURVEY
0.196 ACRES
150 BUSINESS PARK SUBDIVISION
HAYS COUNTY, TEXAS

FIELD NOTE DESCRIPTION OF 0.196 ACRES (8526 SQUARE FEET) OF LAND OUT OF LOT 1, 150 BUSINESS PARK SUBDIVISION, A SUBDIVISION OF RECORD IN DOCUMENT NUMBER 20052937 OF THE PLAT RECORDS OF HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN LAND DESCRIBED IN A CORRECTION WARRANTY DEED TO TEXAS REALTY/RETAIL PARTNERS, INC. RECORDED IN DOCUMENT NUMBER 19035759 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THE SAID 0.196 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

NOTE: All steel pins set cited herein are ½ inch diameter with cap marked Lenz & Assoc. Bearings cited herein are based on the Texas Coordinate System of 1983 (NAD83), South Central Zone.

BEGINNING at a computed point on the west line of the said Lot 1, the same being the east line of Lot 2 of the said 150 Business Park Subdivision, from which a steel pin set on the west line of the said Lot 1 at the northeast corner of the said Lot 2 bears N 08°36'24" E, 9.57 feet;

THENCE, traversing the interior of the said Lot 1 the following three (3) courses and distances:

1) S 47°02'39" E, 171.21 feet to a computed point;

2) S 29°58'44" E, 201.70 feet to a computed point;

3) S 08°24'00" E, 59.12 feet to a computed point;

THENCE, S 43°09'06" W, across the said Lot 1, at 15.28 feet passing a steel pin set at an interior corner of the said Lot 1, the same being the northerly most corner of Lot 4 of the said 150 Business Park Subdivision, from which a ½ inch diameter steel pin found at an exterior corner of the said Lot 1 bears S 46°51'39" E, 20.00 feet and then continuing S 43°09'06" W, along the southeast line of the said Lot 1 for a **total distance of 25.54 feet** to a computed point, from which a steel pin set at the beginning of a 300 foot radius curve to the right bears S 43°09'06" W, 121.51 feet;

THENCE, traversing the interior of the said Lot 1, the following three (3) courses and distances;

1) N 08°24'00" W, 71.19 feet to a computed point;

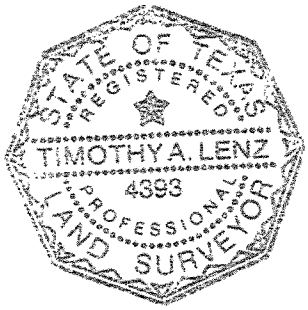
2) N 29°58'44" W, 194.89 feet to a computed point;

3) N 47°02'39" W, 154.54 feet to a computed point on the west line of the said Lot 1, the same being the east line of the said Lot 2, from which a steel pin set at the southeast corner of the said Lot 2 bears S 08°36'24" W, 332.20 feet;

THENCE, N 08°36'24" E, a distance of 24.22 feet along the west line of the said Lot 1 to the **PLACE OF BEGINNING**, containing 0.196 acres (8526 square feet) of land, more or less.

FEBRUARY 29, 2024

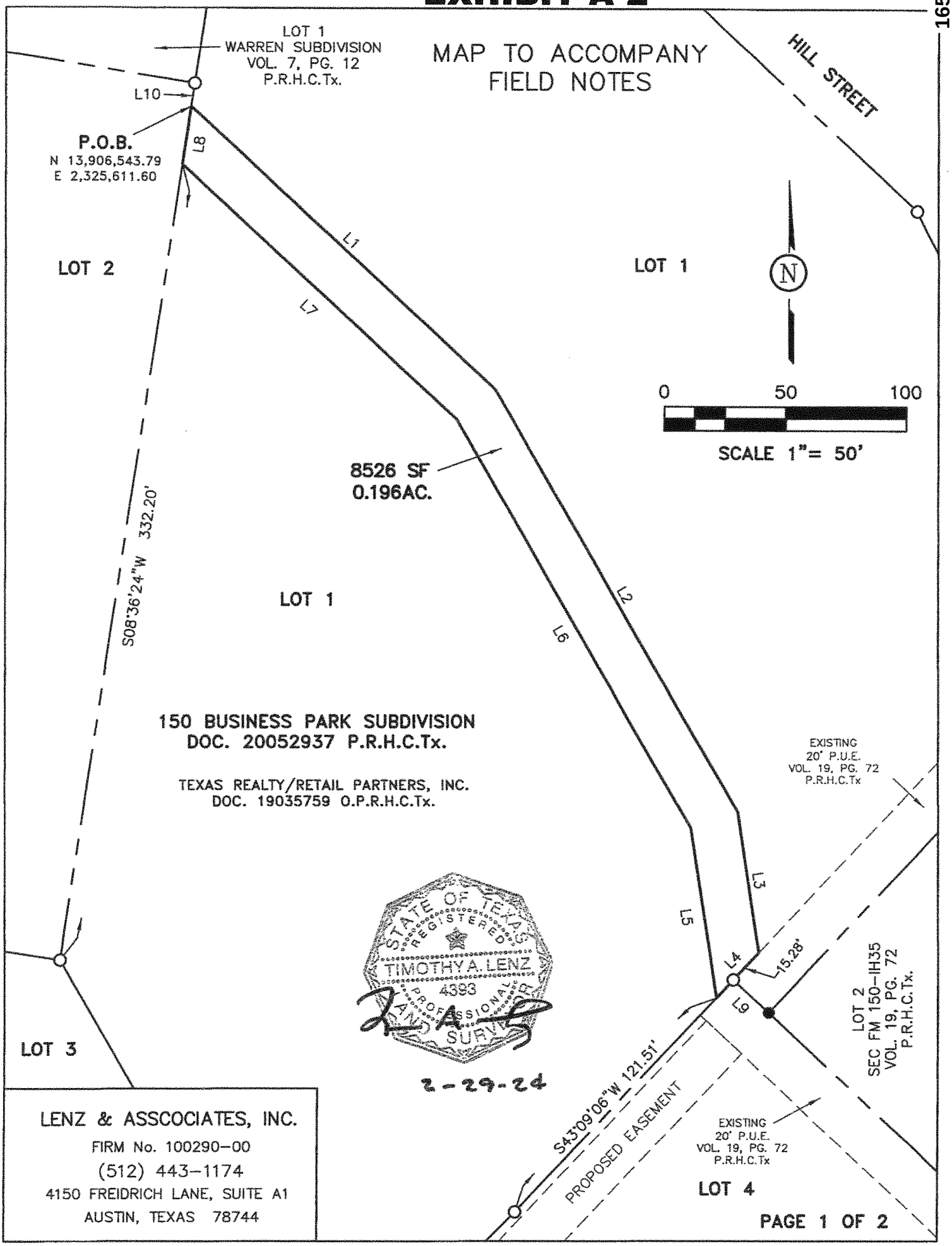
Timothy A. Lenz, R.P.L.S. No. 4393
Lenz & Associates, Inc.
Firm No. 100290-00
4150 Freidrich Lane, Suite A-1
Austin, Texas 78744
(512) 443-1174



2019-0900 (WWE 0.196 AC)

EXHIBIT A-2

MAP TO ACCOMPANY FIELD NOTES



LENZ & ASSCOCIATES, INC.
FIRM No. 100290-00
(512) 443-1174
4150 FREIDRICH LANE, SUITE A1
AUSTIN, TEXAS 78744

S:\CARLSONPROJECTS\KYLE COMMERCIAL PROJECT\DWG\WWE 2019-0900A.dwg, 2/29/2024 12:02:39 PM.

MAP TO ACCOMPANY FIELD NOTES

LEGEND

■ CONCRETE MONUMENT FOUND
● 1/2"STEEL PIN FOUND (UNLESS NOTED)
O 1/2"STEEL PIN SET MARKED LENZ & ASSOC.
P.O.C. POINT OF COMMENCEMENT
P.O.B. POINT OF BEGINNING
P.R.H.C.Tx. PLAT RECORDS HAYS COUNTY TEXAS
O.P.R.H.C.Tx. OFFICIAL PUBLIC RECORDS HAYS COUNTY TEXAS

LINE	BEARING	DISTANCE
L1	S47°02'39"E	171.21'
L2	S29°58'44"E	201.70'
L3	S08°24'00"E	59.12'
L4	S43°09'06"W	25.54'
L5	N08°24'00"W	71.19'
L6	N29°58'44"W	194.89'
L7	N47°02'39"W	154.54'
L8	N08°36'24"E	24.22'
L9	S46°51'39"E	20.00'
L10	N08°36'24"E	9.57'

NOTES:

COORDINATES AND BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), SOUTH CENTRAL ZONE, GRID.

A METES AND BOUNDS DESCRIPTION (FIELD NOTES) WAS PREPARED TO ACCOMPANY THIS MAP.

LENZ & ASSCOCIATES, INC.
FIRM No. 100290–00
(512) 443–1174
4150 FREIDRICH LANE, SUITE A1
AUSTIN, TEXAS 78744

EXHIBIT B-1

FIELD NOTES TO ACCOMPANY MAP OF SURVEY
0.085 ACRES
150 BUSINESS PARK SUBDIVISION
HAYS COUNTY, TEXAS

FIELD NOTE DESCRIPTION OF 0.085 ACRES (3697 SQUARE FEET) OF LAND OUT OF LOT 4, 150 BUSINESS PARK SUBDIVISION, A SUBDIVISION OF RECORD IN DOCUMENT NUMBER 20052937 OF THE PLAT RECORDS OF HAYS COUNTY, TEXAS AND BEING A PORTION OF THAT CERTAIN LAND DESCRIBED IN A CORRECTION WARRANTY DEED TO TEXAS REALTY/RETAIL PARTNERS, INC. RECORDED IN DOCUMENT NUMBER 19035759 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THE SAID 0.085 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

NOTE: All steel pins set cited herein are ½ inch diameter with cap marked Lenz & Assoc. Bearings cited herein are based on the Texas Coordinate System of 1983 (NAD83), South Central Zone.

COMMENCING at a steel pin set at the northerly most corner of the said Lot 4, the same being an interior corner of Lot 1, from which a ½ inch diameter steel pin found at an exterior corner of the said Lot 1 bears S 46°51'39", 20.00 feet;

THENCE, S 43°09'06" W, a distance of 20.01 feet along a common line between the said Lots 1 and 4 to a computed point, from which a steel pin set at the beginning of a 300 foot radius curve to the right bears S 43°09'06" W, 111.76 feet;

THENCE S 46°50'54" E, a distance of 3.43 feet to a computed point in the interior of the said Lot 4 for the **PLACE OF BEGINNING** of the herein described tract;

THENCE, traversing the interior of the said Lot 4, the following three (3) courses and distances:

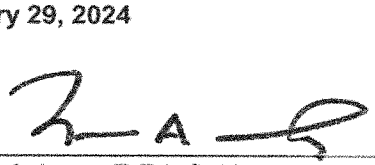
1) S 46°51'02" E, 20.00 feet to a computed point;

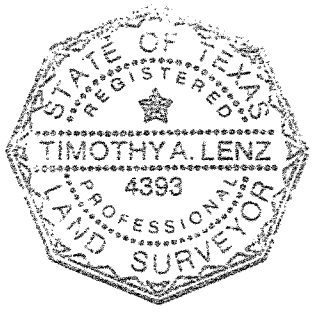
2) S 43°09'06" W, 184.85 feet to a computed point;

3) N 46°50'54" W, 20.00 feet to a computed point, from which a steel pin set at the southerly most corner of the said Lot 1 bears N 85°23'46" W, 20.42 feet;

4) N 43°09'06" E, 184.85 feet to the **PLACE OF BEGINNING**, containing 0.085 acres (3697 square feet) of land, more or less.

February 29, 2024





Timothy A. Lenz, R.P.L.S. No. 4393
Lenz & Associates, Inc.
Firm No. 100290-00
4150 Freidrich Lane, Suite A-1
Austin, Texas 78744
(512) 443-1174

2019-0900 (WWE 0.085 AC)

EXHIBIT B-2

MAP TO ACCOMPANY FIELD NOTES



SCALE 1"= 50'



LOT 2

PROPOSED EASEMENT

LOT 1

LOT 1

150 BUSINESS PARK SUBDIVISION
DOC. 20052937 P.R.H.C.Tx.

EXISTING
20' P.U.E.
VOL. 19, PG. 72
P.R.H.C.Tx

P.O.C.

L6

L5

L7

L1

LOT 2
SEC FM 150-IH35
VOL. 19, PG. 72
P.R.H.C.Tx.

TEXAS REALTY/RETAIL PARTNERS, INC.
DOC. 19035759 O.P.R.H.C.Tx.

S43°09'06"W 111.76'

L4

L2

P.O.B.
N 13,906,165.84
E 2,325,824.70

EXISTING
20' P.U.E.
VOL. 19, PG. 72
P.R.H.C.Tx

3697 SF
0.085 AC.

LOT 3

LOT 4

L3

TEXAS REALTY/RETAIL PARTNERS, INC.
DOC. 19035759 O.P.R.H.C.Tx.

REFERENCE TIE
N85°23'46"W 20.42'



2-29-24

LENZ & ASSCOCIATES, INC.
FIRM No. 100290-00
(512) 443-1174
4150 FREIDRICH LANE, SUITE A1
AUSTIN, TEXAS 78744

MAP TO ACCOMPANY FIELD NOTES

LEGEND

■ CONCRETE MONUMENT FOUND
● 1/2"STEEL PIN FOUND (UNLESS NOTED)
O 1/2"STEEL PIN SET MARKED LENZ & ASSOC.
P.O.C. POINT OF COMMENCEMENT
P.O.B. POINT OF BEGINNING
P.R.H.C.Tx. PLAT RECORDS HAYS COUNTY TEXAS
O.P.R.H.C.Tx. OFFICIAL PUBLIC RECORDS HAYS COUNTY TEXAS

NOTES:

COORDINATES AND BEARINGS ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), SOUTH CENTRAL ZONE, GRID.

A METES AND BOUNDS DESCRIPTION (FIELD NOTES) WAS PREPARED TO ACCOMPANY THIS MAP.

LINE	BEARING	DISTANCE
L1	S46°51'02"E	20.00'
L2	S43°09'06"W	184.85'
L3	N46°50'54"W	20.00'
L4	N43°09'06"E	184.85'
L5	S46°51'39"E	20.00'
L6	S43°09'06"W	20.01'
L7	S46°50'54"E	3.43'

LENZ & ASSCOCIATES, INC.
FIRM No. 100290-00
(512) 443-1174
4150 FREIDRICH LANE, SUITE A1
AUSTIN, TEXAS 78744

Department Memo

City Council Regular Meeting

DEPARTMENT: Administrative Services

FROM: Rosie Truelove, Administrative Services Director
ON BEHALF OF: Jesse Elizondo, Assistant City Manager

MEETING: April 16, 2024

SUBJECT:

Consider approval of an agreement with Kalbacher Associates in the amount of $116,400 for professional grant writing services.

SUMMARY:

The City of Kyle requests assistance with writing and preparing three separate grants that could provide the City with millions of dollars to complete infrastructure projects throughout the city. These include:

- KOHLERS CROSSING & UNION PACIFIC RAIL LINE:
  United States Department of Transportation (US DOT) Consolidated Rail Infrastructure and Safety Improvements (CRISI) and Railroad Crossing Elimination Grant (RCE) grant application(s) for the Kohlers Crossing At-Grade Elimination project. The city seeks US DOT funding to support the completion of the engineering design, environmental studies and construction of a grade separation (i.e., bridge) at Kohlers Crossing and the Union Pacific Railroad (UPRR) rail line. In 2023, the city of Kyle contracted with KA to complete the RCE grant application for Kohlers Crossing At-Grade Elimination project. The project was not awarded grant funds; however, the US DOT debrief was very positive. US DOT encouraged the city to reapply for the grant program in 2024.

- PURPLE PIPE PROJECT:
  Complete required environmental studies and grant workplan for the $2 million FY 2023 Consolidated Appropriations Act. These funds were awarded to the City of Kyle to construct a segment of the Purple Pipe project. Under the FY 2023 Consolidated Appropriations Act, the city has been allocated funds to construct a portion of the purple pipe in the Plum Creek development in the northwest part of the city. The appropriation is part of Congress' Community Grants Program which provides funding to eligible recipients to prepare and/or complete planning and design studies, and to construct drinking water, wastewater, and stormwater infrastructure for water quality protection. The city of Kyle is required to pay a 20% grant cost share in order to receive these grant funds. Congress has directed the Biden Administration to draw funds for the Purple Pipe project from the U.S. Environmental Protection Agency's (EPA) approved FY 2023 budget. In order to access these appropriated funds, the city of Kyle must submit the information to EPA via the grants.gov online portal.

- KOHLERS CROSSING & UNION PACIFIC GRADE SEPARATION PROJECT:
  The US Department of Transportation (US DOT) Infrastructure for Rebuilding America or INFRA grant funding opportunity. The City seeks INFRA grant funds to enable the completion of engineering design, environmental studies and construction of grade separation structures along Kohlers Crossing Road (CR 171) from the Union Pacific Railroad (UPRR) line to east of Interstate 35 (I-35). The City will decide the scope of the project which could include a request for INFRA funding to compete projects at Kohlers Crossing and the UPPR rail line, Kohlers Crossing at I-35, or combine both projects and incorporate the extension of the Vybe regional trail.

OPTIONS:

1) Approve item presented by staff and concur with recommendation to enter into an agreement for professional grant writing services.
2) Decline to approve.

RECOMMENDATION:

Approve as presented.

FISCAL IMPACT:

$116,400

STAFF CONTACT:

Name: Rosie Truelove
Title: Director, Administrative Services Department
Email: rtruelove@cityofkyle.com
Phone: 512-394-4138

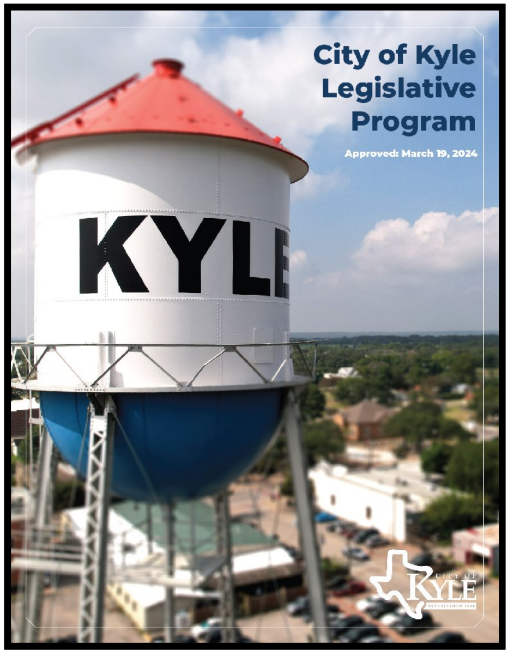
Federal Grant Writing Services

City Council Meeting 4.16.24

Federal Grant Writing Services

City of Kyle Legislative Program

- Serves as the High-Level Legislative Guide for the City
- Dynamic Document to be Reviewed Regularly
- Outlines City Council Legislative Priorities
  - ❖ Infrastructure and Transportation
  - ❖ Water and Wastewater
  - ❖ Public Safety
  - ❖ Environmental and Parks
  - ❖ Mental Health and Human Services
  - ❖ Local Authority and Economic Development
- Details communication on legislative matters
- Prioritizes Intergovernmental collaboration and support through strategic advocacy



Legislative Program Overview

Federal Grant Writing Services

Kalbacher & Associates LLC – CRISI and RCE Grants

- KA is a premier provider of federal, state, and foundation grant services for cities, counties, and non-profit organizations and has worked with the City since 2022.
- Consolidated Rail Infrastructure and Safety Improvements (CRISI) – Submittal Deadline 5/31/24
- Railroad Crossing Elimination Grant (RCE) – Submittal Deadline 7/31/24
- US Department of Transportation – 20% match
- TXDOT, Union Pacific, CAMPO, and Hays County
- A grade separation (i.e., bridge) at Kohlers Crossing and the Union Pacific Railroad (UPRR) rail line.
- Total Funding Opportunity $47,436,416

KALBACHER & ASSOCIATES LLC



CRISI and RCE Grants

Federal Grant Writing Services

Kalbacher & Associates LLC – Infra Grant

- KA is a premier provider of federal, state, and foundation grant services for cities, counties, and non-profit organizations and has worked with the City since 2022.
- Infrastructure for Rebuilding America (INFRA) – Submittal Deadline 5/6/24
- Follows the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Closely
- US Department of Transportation – 20% match
- TXDOT, CAMPO, and Hays County
- The City can decide the scope of the project which could include a request for INFRA funding to compete projects at Kohlers Crossing and the UPPR rail line, Kohlers Crossing at I-35, or combine both projects and incorporate the extension of the Vybe regional trail.
- Total Funding Opportunity $25,000,000

KALBACHER & ASSOCIATES LLC



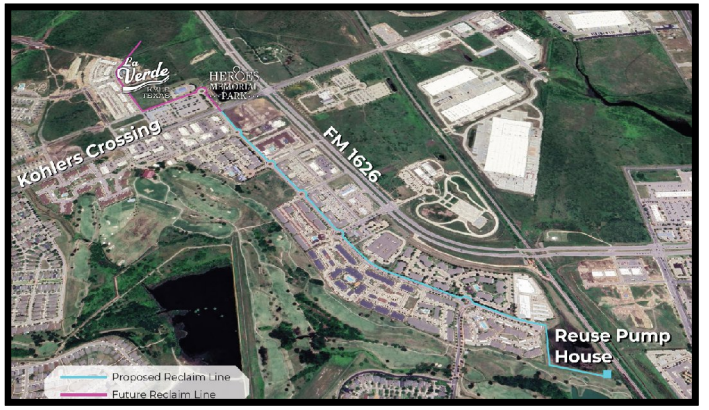
INFRA Grant

Federal Grant Writing Services

Kalbacher & Associates LLC – CWSRF Grant

- KA is a premier provider of federal, state, and foundation grant services for cities, counties, and non-profit organizations and has worked with the City since 2022.
- Clean Water State Revolving Fund (CWSRF) - Awarded
- US Environmental Protection Agency – 20% match
- Complete required environmental studies and grant workplan for implementation and expending of the awarded funds. Includes, but not limited to, compliance with NEPA provisions, pre-award costs, application package, proper EID outline, coordination and facilitation of public meetings, and preparing any other necessary documents in accordance with EPA regulations.
- Total Funding Awarded $2,959,752

KALBACHER & ASSOCIATES LLC



CWSRF Grant

Federal Grant Writing Services

Council Action

1. Approval of agreements with Kalbacher Associates in the total amount of $116,400 for professional grant writing services.
2. Deny the agreements

Staff recommends approval as presented.



Questions?

SERVICE AGREEMENT NO. 2024-14

Grant Writing Services

THIS **Grant Writing Services Agreement** ("Agreement") is entered into by and between the City of Kyle, a Texas home-rule municipal corporation (“City”) and Kalbacher Associates, LLC (“Contractor"), effective upon execution by the City.

WHEREAS, the City has selected a vendor for contract award and declares this contract to be exempt from the competitive solicitation procedures in Local Government Code Chapter 252.022.

NOW, THEREFORE, City and Contractor agree as follows:

1. **Scope.** Contractor will provide Grant Writing (“Services”) in accordance with the attached Scope of Work, as shown in Attachment A, Attachment B, and Attachment C the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

2. **Term.**

(A) The Term of this Agreement is 1 year beginning on the date provided in the Notice to Proceed from the Contract Administrator or the City’s Procurement Division. The Parties may mutually extend the term of this Agreement for up to 0 additional year periods (“Option Period(s)”), provided, the Parties do so in writing prior to the expiration of the original term or the then-current Option Period.

(B) At the end of the Term of this Agreement or the final Option Period, the Agreement may, upon written agreement of the Parties, continue on a month-to-month basis for up to six months with compensation set based on the amount listed in Attachment B for the Term or the final Option Period. During the month-to-month term, either Party may terminate the Agreement upon 30 days’ written notice to the other Party.

3. **Compensation and Payment.** This Agreement is for an amount not to exceed $116,400, subject to approved extensions and changes. Payment will be made for Services performed and accepted by the City within 30 days of acceptance, subject to receipt of an acceptable invoice. All pricing must be in accordance with the attached Bid/Pricing Schedule, as shown in Attachment B, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety. Any amount not expended during the initial term or any option period may, at the City’s discretion, be allocated for use in the next Option Period.

Invoices must be mailed to the following address with a copy provided to the Contract Administrator:

City of Kyle
Attn: Accounts Payable
100 W. Center Street

Kyle, Texas 78640

4. **Contract Administrator.** The Contract Administrator designated by the City is responsible for approval of all phases of performance and operations under this Agreement, including deductions for non-performance and authorizations for payment. The City's Contract Administrator for this Agreement is as follows:

Attn: Jesse Elizondo
Assistant City Manager
1700 Kohlers Crossing, Kyle, TX 78640
JElizondo@cityofkyle.com

5. **Insurance; Bonds.**

(A) Before performance can begin under this Agreement, the Contractor must deliver a certificate of insurance ("COI"), as proof of the required insurance coverages, to the Contract Administrator. Additionally, the COI must state that the City will be given at least 30 days' advance written notice of cancellation, material change in coverage, or intent not to renew any of the policies. The City must be named as an additional insured. The City Attorney must be given copies of all insurance policies within 10 days of the City's written request. Insurance requirements are as stated in Attachment C, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety. Contract, further, must require that any subcontractors provide a COI to Contractor evidencing the same required insurance coverages, including all required endorsements.

(B) In the event that a payment bond, a performance bond, or both, are required of the Contractor to be provided to the City under this Agreement before performance can commence, the terms, conditions, and amounts required in the bonds and appropriate surety information are as included in the RFB/RFP or as may be added to Attachment C, and such content is incorporated here in this Agreement by reference as if each bond's terms, conditions, and amounts were fully set out here in its entirety.

6. **Inspection and Acceptance.** City may inspect all Services and products supplied before acceptance. Any Services or products that are provided but not accepted by the City must be corrected or re-worked immediately at no charge to the City. If immediate correction or re-working at no charge cannot be made by the Contractor, a replacement service may be procured by the City on the open market and any costs incurred, including additional costs over the item's bid/proposal price, must be paid by the Contractor within 30 days of receipt of City's invoice.

7. **Warranty.**

(A) The Contractor warrants that all products supplied under this Agreement are new, quality items that are free from defects, fit for their intended purpose, and of good material and workmanship. The Contractor warrants that it has clear title to the products and that the products are free of liens or encumbrances.

(B) In addition, the products purchased under this Agreement shall be warranted by the Contractor or, if indicated in Attachment D by the manufacturer, for the period stated in Attachment D. Attachment D is attached to this Agreement and is incorporated by reference into this Agreement as if fully set out here in its entirety.

(C) Contractor warrants that all Services will be performed in accordance with the standard of care used by similarly situated contractors performing similar services. Contractor will correctly

reperform any substandard Services at no cost to the City if the City notifies Contractor within six months after the completion of the substandard Services.

8. **Non-Appropriation**. The continuation of this Agreement after the close of any fiscal year of the City, which fiscal year ends on September 30th annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council to determine whether or not to fund this Agreement. The City does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.

9. **Independent Contractor.** Contractor will perform the work required by this Agreement as an independent contractor and will furnish such Services in its own manner and method, and under no circumstances or conditions will any agent, servant or employee of the Contractor be considered an employee of the City.

10. **Subcontractors.** Contractor may use subcontractors in connection with the work performed under this Agreement. When using subcontractors, however, the Contractor must obtain prior written approval from the Contract Administrator unless the subcontractors were named in the bid or in an Attachment to this Agreement, as applicable. In using subcontractors, the Contractor is responsible for all their acts and omissions to the same extent as if the subcontractor and its employees were employees of the Contractor. All requirements set forth as part of this Agreement, including the necessity of providing a COI in advance to the City, are applicable to all subcontractors and their employees to the same extent as if the Contractor and its employees had performed the work. The City may, at the City's sole discretion, choose not to accept Services performed by a subcontractor that was not approved in accordance with this paragraph.

11. **Amendments.** This Agreement may be amended or modified only in writing executed by authorized representatives of both parties.

12. **Waiver.** No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.

13. **Taxes.** The Contractor covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other applicable taxes. Upon request, the City Manager shall be provided proof of payment of these taxes within 15 days of such request.

14. **Notice.** Any notice required under this Agreement must be given by hand delivery, or certified mail, postage prepaid, and is deemed received on the day hand-delivered or on the third day after postmark if sent by certified mail. Notice must be sent as follows:

IF TO CITY:
City of Kyle
Attn: Jesse Elizondo
Assistant City Manager
1700 Kohlers Crossing, Kyle, TX 78640
(737) 273-4898

IF TO CONTRACTOR:
Kalbacher Associates, LLC
Attn: Karl Kalbacher
President
1324 Roundhouse Lane, Alexandria, VA 22314
703-303-4665

15. ***Contractor shall fully indemnify, hold harmless and defend the City of Kyle and its officers, employees and agents ("Indemnitees") from an against any and all liability, loss, claims, demands, suits, and causes of action of whatever nature, character, or description on account of personal injuries, property loss, or damage, or any other kind of injury, loss, or damage, including all expenses of litigation, court costs, attorneys' fees and expert witness fees, which arise out of or in connection with a breach of this Agreement or the performance of this Agreement by the Contractor or result from the negligent act, omission, misconduct, or fault of the Contractor or its employees or agents. Contractor must, at its own expense, investigate all claims and demands, attend to their settlement or other disposition, defend all actions based thereon with counsel satisfactory to the City Attorney, and pay all charges of attorneys and all other costs and expenses of any kind arising or resulting from any said liability, damage, loss, claims, demands, suits, or actions. The indemnification obligations of Contractor under this section shall survive the expiration or earlier termination of this Agreement.***

16. **Termination.**

(A) The City may terminate this Agreement for Contractor's failure to comply with any of the terms of this Agreement. The City must give the Contractor written notice of the breach and set out a reasonable opportunity to cure. If the Contractor has not cured within the cure period, the City may terminate this Agreement immediately thereafter.

(B) Alternatively, the City may terminate this Agreement for convenience upon 30 days advance written notice to the Contractor. The City may also terminate this Agreement upon 24 hours written notice to the Contractor for failure to pay or provide proof of payment of taxes as set out in this Agreement.

17. **Owner's Manual and Preventative Maintenance.** Contractor agrees to provide a copy of the owner's manual and/or preventative maintenance guidelines or instructions if available for any equipment purchased by the City pursuant to this Agreement. Contractor must provide such documentation upon delivery of such equipment and prior to receipt of the final payment by the City.

18. **Limitation of Liability**. The City's maximum liability under this Agreement is limited to the total amount of compensation listed in Section 3 of this Agreement. In no event shall the City be liable for incidental, consequential or special damages.

19. **Assignment.** No assignment of this Agreement by the Contractor, or of any right or interest contained herein, is effective unless the City Manager, or designee, first gives written consent to such assignment. The performance of this Agreement by the Contractor is of the essence of this Agreement, and the City Manager's right to withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever.

20. **Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this

Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.

21. **Order of Precedence.** In the event of any conflicts or inconsistencies between this Agreement, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:

    A. this Agreement (excluding attachments and exhibits);
    B. its attachments;
    C. the bid/proposal solicitation document including any addenda (Exhibit 1); then,
    D. the Contractor's bid/proposal response (Exhibit 2).

22. **Certificate of Interested Parties.** Contractor agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to complete Form 1295 "Certificate of Interested Parties" as part of this Agreement if required by said statute.

23. **Governing Law.** Contractor agrees to comply with all applicable laws in the performance of this Agreement. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue for such disputes is the appropriate district, county, or justice court in and for Hays County, Texas.

24. **Verification of Compliance with Laws.**

    (A) For purposes of compliance with Chapter 2271.002 of the Texas Government Code, and subject to applicable Federal law, Contractor verifies that it does not boycott Israel and will not boycott Israel while this Agreement is in effect. The term "boycott Israel" as used in this paragraph shall have the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

    (B) For purposes of compliance with Section 2274.002, Texas Government Code, and subject to applicable Federal law, Contractor verifies that it does not boycott energy companies and will not boycott energy companies while this Agreement is in effect. The phrase "Boycott Energy Companies" as used in this paragraph shall have the meaning assigned to the phrase "Boycott Energy Company" in Section 809.001 of the Texas Government Code, as amended.

    (C) For purposes of compliance with Section 2274.002, Texas Government Code, and subject to applicable Federal law, Contractor verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association while this Agreement is in effect. The phrase "Discriminates Against a Firearm Entity or Firearm Trade Association" as used in this paragraph shall have the meaning assigned to the phrase "Discriminate Against a Firearm Entity or Firearm Trade Association" in Section 2274.001(3) of the Texas Government Code, as amended.

25. **Public Information Act Requirements.** This paragraph applies only to agreements that have a stated expenditure of at least $1,000,000 or that result in the expenditure of at least $1,000,000 by the City. The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and the Contractor agrees that the contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

26. Entire Agreement. This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties.

CONTRACTOR

Signature: Karl Kalbacher

Printed Name: Karl Kalbacher

Title: President

Date: April 10, 2024

CITY OF KYLE

_____

Bryan Langley
City Manager

Date: _____

Attached and Incorporated by Reference:

Attachment A: Scope of Work – Purple Pipe Project
Attachment B: Scope of Work – Infrastructure for Rebuilding America
Attachment C: Scope of Work – USDOT CRISI and RCE Appications
~~Attachment D: Bid/Pricing Schedule~~ Not Applicable
Attachment E: Insurance and Bond Requirements
~~Attachment F: Warranty Requirements~~ Not Applicable

Incorporated by Reference Only:

~~Exhibit 1: RFB/RFP No. 123~~ Not Applicable
~~Exhibit 2: Contractor's Bid/Proposal Response~~ Not Applicable

KALBACHER ASSOCIATES LLC

March 14, 2024

Amber Schmeits
Assistant City Manager
City of Kyle, TX
100 W. Center Street
Kyle, TX 78640

RE: FY 2023 Congressional Directed Spending Community Grant Award – Purple Pipe Project

Dear Amber,

Thank you for requesting Kalbacher Associates, LLC (KA) to submit a technical cost proposal to the city of Kyle to complete required environmental studies and grant workplan for the $2 million FY 2023 Consolidated Appropriations Act. These funds were awarded to the City of Kyle to construct a segment of the Purple Pipe project.

Under the FY 2023 Consolidated Appropriations Act, the city has been allocated funds to construct a portion of the purple pipe in the Plum Creek development in the northwest part of the city. The appropriation is part of Congress' Community Grants Program which provides funding to eligible recipients to prepare and/or complete planning and design studies, and to construct drinking water, wastewater, and stormwater infrastructure for water quality protection. The city of Kyle is required to pay a 20% grant cost share in order to receive these grant funds.

STAG—Clean Water State Revolving Fund	City of Kyle, TX for the Reclaimed Water Master Plan Project	$2,000,000

Congress has directed the Biden Administration to draw funds for the Purple Pipe project from the U.S. Environmental Protection Agency's (EPA) approved FY 2023 budget. In order to access these appropriated funds, the city of Kyle must submit the following information to EPA via the grants.gov online portal.

Project Narrative

1) Name of Applicant and Project Title

2) Project Objective(s) and Need: This narrative will describe how project will resolve the stated need and purpose.

3) Project Description: The project description will include the following items: project maps, photographs, relevant design parameters etc. It will provide a clearly defined scope of work which outlines all activities to be performed under the grant. It will provide a detailed description of the proposed project and summary of deliverables. The framework for managing the project will be provided and, it will also include an explanation of the approach, procedures, and controls for ensuring that awarded grant funds will be expended in a timely and efficient manner, evaluating performance and reporting progress toward achieving the expected outputs and outcomes. It will describe how tasks/activities will be undertaken. The scope of work must be in conformance with the project description.

4) Budget Narrative: This narrative will link to the project workplan tasks activities and includes source(s) of non-federal cost share.

5) Milestone Schedule: This item will be presented in both narrative or tabular form for each grant activity's estimated start and end dates, interim milestones, deliverables, and project completion. The length of the grant award project period should be consistent with the milestone schedule.

6) Environmental Results/Benefits: A narrative and/or tabular linkage of each grant activity will be prepared in relation to the applicable EPA Strategic Plan goal and objective (i.e. EPA's FY2022 – FY2026 Strategic Plan Goal 5: Ensure Clean and Safe Water for All Communities, Objective 5.1: Ensure Safe Drinking Water and Reliable Water Infrastructure), anticipated environmental results, anticipated environmental outputs, and anticipated environmental outcomes. This narrative will include Outputs and Outcomes that will be described as follows:

    - Outputs: environmental activities, efforts, and/or associated work products related to environmental goals or objectives, that will be produced or provided over a period of time or by a specified date. Outputs should be well-defined and may be quantitative or qualitative but must be measurable during an assistance agreement funding period.

- Outcomes: the results, effects or consequences that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. Outcomes should be well-defined to the maximum extent practicable, and may be environmental, behavioral, health-related, or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement funding period.

The following application documents will be prepared by KA and submitted with the approval of Kyle through the Grants.gov online portal:

1) Application for Federal Assistance (SF 424)
2) SF 424A Construction Form. This will include budget details by Object Class Categories.
3) Project Narrative: This attachment will include the Workplan described above. The workplan should include tasks, milestones, and expected environmental results or outcomes.
4) Other Attachments Form. This will include the city of Kyle's current Indirect Cost Rate Negotiation Agreement, if applicable.
5) EPA Key Contacts Form (EPA Form 5700-4)
6) Pre-Award Compliance Review Report (EPA Form 4700-4), current form with authorized signature.
7) Disclosure of Lobbying Activities (Form SF-LLL), with authorized signature attached with the grant application package.

KA will prepare the above documents and work with the city of Kyle's Grants.gov Administrative Organization Official (AOR) to upload the congressionally directed spending request into the Grants.gov online portal.

Pre-Award Phase

Congress has directed that Community Grants awarded to specified recipients comply with statutory and regulatory requirements before EPA can release grant funding. These requirements include, but are not limited to, providing necessary information to comply with the provisions of the National Environmental Policy Act (NEPA), review of any pre-award costs, and submittal of a complete grant application package.

NEPA Environmental Review:

As required by EPA's NEPA implementing regulations (40 CFR 6.100-6.406), EPA must complete the NEPA review process before awarding a grant for design and/or construction of a project. KA has secured the services of Covington Civil & Environmental to complete the NEPA documentation for the Purple Pipe Project. The NEPA document will follow the

EPA required format for content which is called the Environmental Information Document, or EID. KA will work with Covington Civil & Environmental to complete the EID which will include the planning and holding of a Public Meeting to review the findings of the EID document. Covington and KA personnel will travel to Kyle to hold the public meeting with Kyle officials. We will also prepare a responsiveness summary report of the public meeting which is also an EID requirement.

Attached is the technical cost proposal for completing the EID from Covington Civil & Environmental.

Fee: These services will be provided in accordance with the attached General Conditions for a lump sum fee of $66,900.00. This fee includes travel for Kalbacher Associates and Covington Civil & Environmental personnel to Kyle to lead the public meeting for the EID.

Kalbacher Associates appreciates the opportunity to provide these services to the city of Kyle. We look forward to your decision to proceed.

Sincerely,

Karl Kalbacher

Karl Kalbacher, PG
President

COVINGTON
CIVIL AND ENVIRONMENTAL

March 14, 2024

Mr. Karl Kalbacher
Kalbacher Associates, LLC
1324 Roundhouse Lane
Alexandria, VA 22314

Re: Proposal for Environmental Services (NEPA EA)
City of Kyle, Texas – Reclaimed Water System Expansion Project

Dear Mr. Kalbacher,

Covington Civil & Environmental, LLC (CCE) is pleased to provide this proposal for environmental services for the referenced project, which will include construction of a new pump station and pipeline to deliver Type 2 reclaimed water from a holding pond at Plum Creek Golf Course north to an existing segment of reclaimed water pipe installed at Kohlers Crossing Boulevard. The project will help the City of Kyle, Texas meet irrigation and potentially cooling water demands while reducing the use of potable drinking water for these demands.

The scope of work to be completed by CCE is as follows:

- Preparation of a document according to the Environmental Information Document (EID) Outline which is attached. CCE will coordinate with Kalbacher Associates to gather and incorporate the project specific information which is not publicly available (Sections 1, 2 and 3 of the EID).

- Coordination and facilitation of a public meeting at a public facility in Kyle, Texas. CCE will be responsible for the following:

    - Preparing and facilitating public notice and advertisement of the meeting;
    - providing a Spanish language interpreter and a court reporter;
    - preparing and delivering a power point presentation of the EID and the reasons for preparing the EID; and

- preparing a summary responsive document of comments and questions from the public meeting, and submitting the summary document to the City of Kyle for posting to the city web portal.

These services will be provided in accordance with the attached General Conditions for a lump sum fee of **$44,400.00.** This fee includes the travel and lodging to hold the public meeting in Kyle, Texas. The timeline for completion of this EID document is approximately three (3) months from approval to proceed.

As noted in the attached General Conditions, CCE will submit monthly invoices based on percent complete with payment of the invoice required within forty-five (45) days of invoice date.

Covington greatly appreciates the opportunity to provide you with these services. If you have questions or require additional information, please contact me at (228) 363-2970. If this proposal is acceptable, please execute by signature below and return by e-mail to alane@ccellc.us.

Sincerely,

COVINGTON CIVIL & ENVIRONMENTAL, LLC

Alane C. Young
Senior Geologist

Approved by:

Name	**Signature**	**Date**

Suggested Environmental Information Document Outline

1. PROPOSED PROJECT AND FUNDING

1.1 Project Description

a. Project summary

(1) Planning area description (including a map with facilities)

(2) Planning period (time period)

(3) Description of project construction phases

b. Project-related infrastructure (proposed)

(1) Owner and operator of the facilities

(2) Location of the facilities (include an 8.5 x 11 inch, black and white project map suitable for distribution)

(3) Capacity information

1.2 Relevant Design Parameters

a. Design information

(1) Description of major unit processes – including, for storm water projects, description of major storm water components (structural and non-structural)

(2) Flow diagram

(3) Estimated pollutant removal capability (i.e., performance criteria of structural components)

(4) Sewer/water pipe lengths, sizes, and locations

(5) Basic design criteria (e.g., design storm events for storm water components)

(6) Other

b. Energy, water, and sustainability

(1) Calculate annual energy requirements *

(2) Determine sources of energy *

(3) Calculate GHG emissions *

(4) Calculate annual water requirements *

(5) Describe water efficiency measures (if applicable) *

(6) Describe energy efficiency measures (if applicable) *

(7) Describe renewable energy produced (if applicable) *

*Encouraged but not required.

(8) Describe green infrastructure (if applicable) *

(9) Describe reuse program implemented (if applicable)

1.3 Funding Information

a. Proposed total project cost

b. Portion of total project cost funded by EPA

c. List of amount, sources, and status of all funding sources

2. PURPOSE AND NEED FOR PROPOSED PROJECT

2.1 Project Purpose and Need (Select at Least One)

a. Water quality/water quantity problems

b. Public health concerns

c. Inadequate system or system components

d. More stringent effluent limits (wastewater only)

(1) Existing effluent limitations

(2) Proposed effluent limitations

e. Other (specify):

2.2 Expanded Description of Need

a. Description of the following (as applicable):

(1) Land use projections/impervious cover/pollutant sources

(2) Population forecast/projections

(3) Calculations and assumptions for forecasted flow and waste load

(4) Future environment without the project

3. EXISTING INFRASTRUCTURE

3.1 General Description of Wastewater Collection and Treatment and Storm Water

a. Include a system description and map

3.2 Existing Wastewater System (Wastewater Only)

a. Description of wastewater system to include (as applicable):

(1) Wastewater flows (current average, peak, wet weather)

(2) Influent characteristics

(3) Major industrial users

(4) Residuals (sludge) disposal

*Encouraged but not required.

(5) Service area

(6) Infiltration and inflow

(7) Present capacity (e.g., describe whether there is excess capacity in digesters [if applicable])

(8) Calculate annual energy requirements*

(9) Determine source of energy and GHG emissions*

(10) Calculate annual water requirements*

(11) Describe water efficiency measures (if applicable)*

(12) Describe energy efficiency measures (if applicable)*

(13) Describe renewable energy produced (if applicable)*

(14) Describe green infrastructure (if applicable)*

(15) Describe reuse programs implemented (if applicable)

3.3 Existing Drinking Water System (Drinking Water Only)

a. Description of treatment and distribution system to include (as applicable):

(1) Water demand (average, peak)

(2) Surface water source (intake locations, permitted and actual withdrawal)

(3) Ground water source (wells and well fields)

(4) Water storage

(5) Raw water characteristics

(6) Residuals (sludge) and backwash disposal

(7) Service area

(8) Calculate annual energy requirements*

(9) Determine source of energy and GHG emissions*

(10) Calculate annual water requirements*

(11) Describe water efficiency measures (if applicable)*

(12) Describe energy efficiency measures (if applicable)*

(13) Describe renewable energy produced (if applicable)*

(14) Describe green infrastructure (if applicable)

3.4 Existing Storm Water System (Storm Water Only)

a. Detailed description of existing storm water system to include (as applicable):

(1) Description of major structural components

(2) Description of non-structural components/actions-full cost pricing

(3) Description of design parameters/performance criteria/permits

*Encouraged but not required.

(4) Description of existing capacity and reuse program

(5) Description of green infrastructure (if applicable)*

3.5 Existing System Performance

a. National Pollutant Discharge Elimination System (NPDES) violations

b. Safe Drinking Water Act violations

c. Other system problems

4. ANALYSIS OF ALTERNATIVES

4.1 Development of Alternatives

a. No-Action Alternative

b. Optimum utilization of existing facility

(1) Describe renewable energy produced (if applicable) *

(2) Describe reuse program implemented (if applicable) *

(3) Describe water and energy efficiency measures (if applicable) *

(4) Describe green infrastructure (if applicable) *

c. New construction alternatives

d. Source reduction

e. Non-structural and structural storm water system components

4.2 Alternative Screening (Include discussion for each Alternative)

a. Criteria for evaluating alternatives

b. Assigning weights for criteria

(1) Present worth or equivalent annual cost

(2) Reliability

(3) Complexity

(4) Environmental factors

(5) Feasibility (constraints)

(6) Flexibility

(7) Water/energy use comparison *

4.3 Identification of Preferred Alternative

5. EXISTING ENVIRONMENT (AS PERTAINS TO PROJECT)

5.1 Water Resources

a. Water quality

*Encouraged but not required.

(1) Public health problems due to water quality

(2) Water quality problems, fish kills, etc.

(3) Water quantity problems (i.e., drought, arid conditions, groundwater overdrafts, location of water source from site, if applicable)

b. Surface and ground water hydrology

c. Drinking water sources and supply

d. Floodplains and wetlands

5.2 Physiography, Topography, Geology, and Soils

5.3 Federally Endangered and Threatened Species

5.4 Air Quality

a. If in a non-attainment area, include information about any required state sign-off

5.5 Environmental Justice Information

a. Minority and low-income areas (include median family income)

b. Census maps

5.6 Land Use and Development, Percent Impervious Cover, Pollutant Sources

6. ENVIRONMENTAL CONSEQUENCES AND MITIGATION MEASURES FOR PREFERRED, NO ACTION, AND ALTERNATIVES

6.1 Impacts Discussion

a. Direct impacts

b. Indirect or secondary impacts of future growth and development

(4) GHG emissions *

(5) Water/energy use comparison *

c. Unavoidable adverse impacts

6.2 Mitigation

a. Minimization of adverse impacts

6.3 Cross-Cutter Environmental Laws (Coordination and Consultation Process)

a. Archeological resources

b. Air quality

c. Coastal barrier resources

d. Coastal zones

*Encouraged but not required.

e. Endangered species
f. Environmental justice
g. Floodplains
h. Wetlands
i. Protected farmlands
j. Fish and wildlife
k. National historic resources
l. Drinking water supplies
m. Wild and scenic rivers
n. Essential Fish Habitat

6.4 Reviews, Permits, and Authorizations

a. Intergovernmental review per Executive Order 12372
b. Necessary permits (NPDES, wetlands) issued
c. Necessary inter-municipal agreements executed

7. PUBLIC PARTICIPATION

7.1 Summary of Public Participation

7.2 Documentation of any Public Participation

a. Public meeting date and record if applicable
b. Copy of any publication/copy of newspaper advertisement

COVINGTON
CIVIL AND ENVIRONMENTAL

COVINGTON CIVIL AND ENVIRONMENTAL, LLC
GENERAL CONDITIONS

1.0 BILLING

1.1 A monthly invoice will be issued based upon percentage complete, payable within 45 days after submittal, unless otherwise agreed. Payment of an invoice is not conditioned upon closing of loans, obtaining financing or any other condition, unless agreed to, in writing, by Covington Civil and Environmental, LLC.

1.2 Interest of 1.5% per month (but not exceeding the maximum rate allowable by law) will be payable on any amounts not paid within 15 days, payment thereafter to be applied first to accrued interest and then to the principal unpaid amount. The Client shall pay any attorney's fees or other costs incurred in collecting any delinquent amount.

1.3 In the event that the Client requests termination of the work prior to completion of a report, Covington Civil and Environmental, LLC reserves the right to complete such analyses and records as are necessary to place its files in order and, where considered necessary to protect its professional reputation, to complete a report on the work performed to date. In addition to the costs incurred to the date of termination, a termination charge in an amount not to exceed 30% of all charges incurred up to the date of the stoppage of the work may, at the discretion of Covington Civil and Environmental, be made.

1.4 The parties consent to the exclusive jurisdiction of the Circuit Court of Harrison County, MS for any disputes arising from the performance of either party's obligations hereunder, and further waive all objections to personal jurisdiction and venue.

1.5 Either party has the right, at any time upon written notice to the other, to terminate or suspend all or part of the Services to be performed hereunder for convenience. In the event of a termination or suspension for convenience, the Professional shall deliver to Contractor all Instruments of Service and thereupon Contractor shall pay Professional any unpaid balance for the Services rendered to the date of such termination or suspension. If the Services are suspended rather than

terminating this Agreement for convenience, Professional shall reactivate its Services within fourteen (14) days of written notice from Contractor, or otherwise as soon as practicable.

2.0 WARRANTY AND LIABILITY

2.1 Covington Civil and Environmental, LLC warrants that its services are performed, within the limits prescribed by its Clients, in a manner consistent with that level of care and skill ordinarily exercised by members of the same professions currently practicing in the same locality under similar conditions. No other warranty or representation, either expressed or implied, is included in its proposals, contracts or reports.

2.2 Covington Civil and Environmental, LLC has neither created nor contributed to the existence of any hazardous, radioactive, toxic or otherwise dangerous substance or condition at the site, and its compensation hereunder is in no way commensurate with the potential risk of injury or loss that may be caused by exposure to such substances or conditions. Accordingly, notwithstanding any other provision herein, the liability of Covington Civil and Environmental, LLC, its employees, subcontractors and agents for any injury or loss arising from any such pre-existing or client generated dangerous substance or condition at or near the project site, shall not exceed$5,000.

2.3 Covington Civil and Environmental, LLC, its employees, subcontractors and agents shall not be liable for indirect or consequential damages, including without limitation loss of use, lost business opportunity, or loss of profits.

2.4 In addition to the limitations provided in 2.2 and 2.3, and notwithstanding any other provision herein, the liability of Covington Civil and Environmental, LLC, its employees, subcontractors and agents shall be limited to injury or loss to the extent caused by the negligence of Covington Civil and Environmental, LLC its subcontractors and/or agents hereunder, and the liability of Covington Civil and Environmental for injury or loss arising from (1) professional errors or omissions and/or (2) environmental impairment or pollution and/or (3) radiation, nuclear reaction, or radioactive substances or conditions shall not exceed $5,000.

2.5 The liability of Covington Civil and Environmental, LLC, its employees, subcontractors and agents for any other claim(s) of any kind shall not exceed the fee for services.

2.6 Increased liability limits may be negotiated upon the Client's written request, prior to commencement of services, and agreement to pay an additional fee.

2.7 The Client agrees to indemnify and hold harmless Covington Civil and Environmental, LLC, its employees, subcontractors and agents against and from any and all claims of liability, including attorneys' fees or other defense costs incurred, because of (i) injury or loss caused in whole or in part by the actions or omissions of the Client, its employees or its other agents, contractors or subcontractors, or (ii) any third party claim arising from the performance of services hereunder by Covington Civil and Environmental, its agents or subcontractors, to the extent the liability and costs exceed the relevant amount of Covington Civil and Environmental, LLC's liability specified in sections 2.2-2.6 above and does not result solely from the negligence or willful misconduct of Covington Civil and Environmental, its agents or subcontractors. Covington Civil and Environmental's reports contain limitations and exceptions.

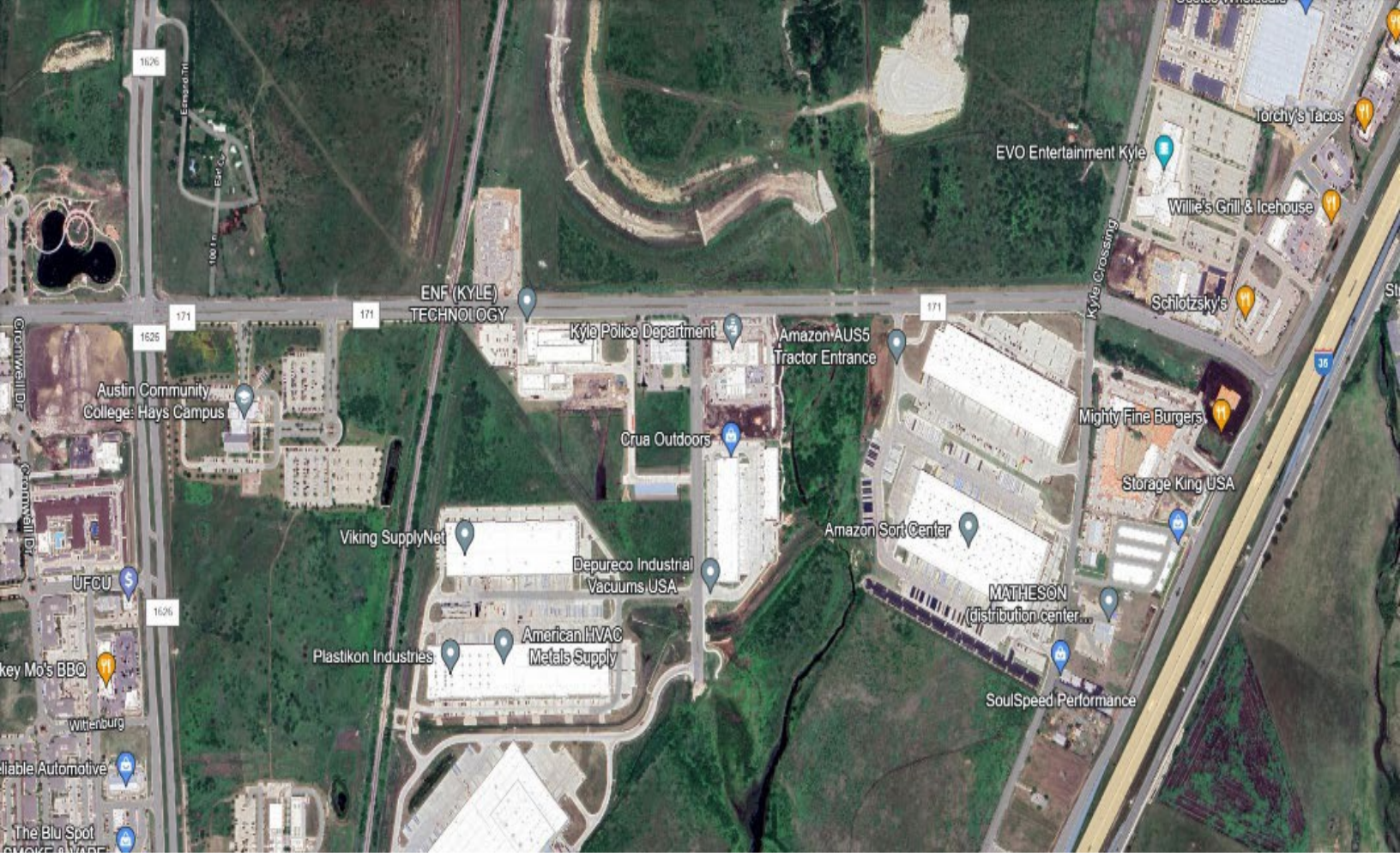
2.8 In the event the Client makes a claim against Covington Civil and Environmental, LLC, at law or otherwise, for any alleged error, omission or other act arising out of the performance of its professional services, and to the extent the Client fails to prove such claim, then the Client shall pay all costs, including attorney's fees, incurred by Covington Civil and Environmental, LLC in defending itself against the claim.

3.0 GENERAL REPRESENTATIONS

3.1 Client represents it is duly organized and validly existing under the laws of its jurisdiction.

3.2 The execution, delivery and performance of this agreement and the consummation of the Services contemplated hereby have been duly authorized by all necessary corporate action on its part.

3.3 Client acknowledges Covington Civil and Environmental, LLC is looking solely to Client for payment for the Services provided hereunder. In the event Client fails to timely pay Covington Civil and Environmental, LLC for the Services to be provided hereunder, and notwithstanding whether Covington Civil and Environmental, LLC exercises its rights under Section 1.3 above, Client acknowledges any such failure to pay entitles Covington Civil and Environmental, LLC to lien pursuant to Miss. Code Ann. § 85-7-401 *et seq.* for all amounts that are due and owing and that Covington Civil and Environmental, LLC qualifies as a "professional engineer" as defined in that section.



ATTACHMENT B - SCOPE OF WORK - INFRASTRUCTURE FOR REBUILDING AMERICA

City of Kyle, TX

Grant Writing & Infrastructure Planning Services Proposal

KALBACHER ASSOCIATES LLC

Karl Kalbacher, PG, President
Kalbacher Associates, LLC
(703) 303-4665
KFKalbacher@KalbacherAssociates.com
www.KalbacherAssociates.com

March 28, 2024

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I. Introduction

Kyle, Texas Kohlers Crossing Transportation Project

Kalbacher Associates, LLC (KA) is pleased to offer to the City of Kyle, TX grant writing and Benefit Cost Analysis (BCA) services for the US Department of Transportation (US DOT) Infrastructure for Rebuilding America or INFRA grant funding opportunity. Eligible projects under the INFRA program include:

1. A highway freight project on the National Highway Freight Network
2. A highway or bridge project on the National Highway System
3. A freight intermodal, freight rail, or freight project within the boundaries of a public or private freight rail, water (including ports), or intermodal facility and that is a surface transportation infrastructure project necessary to facilitate direct intermodal interchange, transfer, or access into or out of the facility
4. A highway-railway grade crossing or grade separation project
5. A wildlife crossing project
6. A surface transportation project within the boundaries or functionally connected to an international border crossing that improves a facility owned by Fed/State/local government and increases throughput efficiency
7. A project for a marine highway corridor that is functionally connected to the NHFN and is likely to reduce road mobile source emissions
8. A highway, bridge, or freight project on the National Multimodal Freight Network

The City seeks INFRA grant funds to enable the completion of engineering design, environmental studies and construction of grade separation structures along Kohlers Crossing Road (CR 171) from the Union Pacific Railroad (UPRR) line to east of Interstate 35 (I-35). The City will decide the scope of the project which could include a request for INFRA funding to compete projects at Kohlers Crossing and the UPPR rail line, Kohlers Crossing at I-35, or combine both projects and incorporate the extension of the Vybe regional trail.

The Kohlers Crossing at I-35 satisfies grant eligibility as a highway or bridge on the National Highway System. KA contacted the INFRA program to determine eligibility for the Kohlers Crossing at UPRR with respect to designation on the National Multimodal Freight Network. USDOT is establishing the National Multimodal Freight Network. Therefore, it is unclear if the Kohlers Crossing at UPRR would be an eligible project under the INFRA program.

For the purposes of this proposal the Kohlers Crossing at I-35 will be described; however, should the US DOT provide additional project eligibility guidance, KA can amend the project scope to meet the city's needs.

The City of Kyle has previously applied for US DOT grant funding for both Kohlers Crossing projects. The INFRA grant application will build off the work products and will address all INFRA submittal requirements. The deadline for INFRA grant submittal is May 6, 2024.

II. Kalbacher Associates

KA was established in 2015. Since our inception we have made central to our business the provision of topflight consulting, advocacy, and grants services. We want to be part of the city's grants success story – a story that we know will have an incredibly positive and lasting impact on the lives of so many people.

KA possesses multiple decades of both public and private sector experience that we will put to work for the City of Kyle. Specifically, KA has developed a high-level understanding of the Biden Administration's grant funding goal across virtually all federal agencies to have grant awardees meet or exceed the Environmental Justice40 (EJ40) program goals.

The Federal Government has made it a goal that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. President Biden made this historic commitment when he signed Executive Order 14008. KA has the expertise to collect the most relevant socio-economic-environmental data and use this information to draft a compelling case on how the city will achieve the EJ40 goal for county transportation projects.

The following lists the services that Kalbacher Associates offers.

Products & Services

Environmental	NEPA Environmental Assessments Phase I and II Environmental Site Assessments Water Supply Studies Superfund Site Environmental Consulting HUD Environmental Review Record Regulation Policy Analysis
Grants	Writing Editing Research Management Advocacy
Housing	Comprehensive Land Use Planning Property Assessment HUD Consolidated Plan HUD Analysis of Impediments to Fair Housing HUD Comprehensive Annual Performance and Evaluation Reports
Economic Development	Funding Analysis for Local Governments Economic & Demographic Report for Local Governments Cost Benefit Analysis



BIO - Karl Kalbacher, P.G.

Karl Kalbacher is President of Kalbacher Associates (KA) and directly manages the highly successful Grant Practice Group. Karl's grant experience is significant, having successfully secured funding from US DOT, DOJ, DOC, DOE, DOD, DOL, HUD, DHS, USDA, and EPA. He also has negotiated grant award agreements and completed all forms for the cities of Huntsville, AL, and Fernley, NV for US DOT grant awards.

Since 2015, KA has secured over $1.15 billion in federal grants and below-market fixed-rate loans for clients in the areas of infrastructure, economic development, energy, hazard mitigation, housing, environmental protection, and transportation.

Karl is a leading expert in areas of environmental regulatory compliance and economic development policy and practice. A nationally recognized Brownfields redevelopment expert, Karl is a Professional Geologist who has developed and managed environmental cooperative agreements and finance programs at both the state and local levels. Karl has extensive experience managing economic development programs and energy conservation sustainability projects and has a proven record of securing state and federal grants.

Since 2018, Karl has won 12 US DOT grants totaling $178M and four US EDA grants totaling $5.4M.

Karl has developed a high level of proficiency and success in preparing US DOT and US EDA grant applications. Since 2018, KA has won 12 US DOT Infrastructure Development grants for clients totaling $177,917,294, three US Department of Energy (DOE) totaling $520,995,451, and four US EDA grants totaling $5,420,000. In 2023, KA secured a $15.1 million US DOT grant for Madison, WI, and a $22,400,000 US DOT grant for the Virgin Islands Port Authority. See the following table for the full list of US DOT and US EDA grant awards.

US DOE, US DOT and US EDA Grant Awards

SSAB, MS US DOE 2023 Industrial Decarbonization and Emissions Reduction Demonstration to Deployment Grant Program	$500,000,000
Babcock & Wilcox, OH 2023 US DOE/Wyoming Energy Authority Energy Matching Funds Grant Program	$15,995,451
EnergyX, TX US DOE 2022 AMMTO-GTO Lithium Extraction and Conversion from Geothermal Brines	$5,000,000
Madison, WI US DOT 2023 BIP Grant	$15,100,000
Virgin Island Port Authority 2023 US DOT Port Infrastructure Development Grant	$22,400,000
Fernley, NV US DOT 2022 RAISE Grant	$25,000,000
Charlotte, NC US DOT 2021 RAISE Grant	$15,000,000
Virgin Island Port Authority 2020 US DOT Port Infrastructure Development Grant	$21,869,260
Lexington, NC US DOT 2020 BUILD Grant	$24,960,534
Jacksonville, FL Port Authority US DOT 2019 BUILD Grant	$20,000,000
Mooresville, NC 2019 US DOT BUILD Grant	$13,600,000
Mooresville, NC 2019 US DOT CRISI Grant	$4,487,500
Cumberland CID 2019 US DOT INFRA Grant	$5,000,000
Huntsville, AL 2019 US DOT CRISI Grant	$8,000,000
Port of New Orleans, LA US DOT 2018 America's Marine Highways Grant	$2,500,000
State of Delaware 2012 US DOT TIGER Grant	$10,000,000
State of Delaware 2009 US DOT TIGER Planning Grant	$2,250,000
Vallejo, CA US EDA 2021 Economic Adjustment Assistance	$960,000
Bowie, TX US EDA 2020 Economic Adjustment Assistance	$1,460,000
Fairview, TX US EDA 2020 Economic Adjustment Assistance	$3,000,000

For these projects, KA either drafted the US DOT grant narrative, completed the BCA (in compliance with US DOT BCA Guidance), or completed both tasks. For a subset of these awards, KA completed the National Environmental Policy (NEPA) Environmental Assessment (EA) as well as a Phase I Environmental Site Assessment. KA has also provided grant advocacy services before Members of Congress, US DOT-appointed officials and White House Administration – Office of Inter-Government Affairs. Following grant awards, KA has also supported grant contract negotiations.

As the Director of Economic Development for New Castle County, DE from 2005-2012, Karl led economic development services that supported business retention, expansion, and attraction of over 4,300 jobs which fostered entrepreneurship and small business development.

Karl Kalbacher served four terms on the City Council of Newark, Delaware where he acquired expertise in land use development, annexations, condemnations, rezonings, capital improvement projects, operating budgets, land acquisition, and approved the creation of the Downtown Newark Partnership, one of five winners of the 2011 Great American Main Street Awards.

Karl holds a B.S. in Geology from Tulane University and a Master of Science Degree in Geology from Stephen F. Austin State University. Karl is a Delaware Registered Professional Geologist.

The following lists the public, private and non-profit sector clients that KA has provided grant writing and/or environmental services to in the past five years.

Kalbacher Associates Grant Experience (Local Governments – Private Sector)

Dothan, AL
Huntsville, AL
Southside, AL
SSAB, AL
Burlingame, CA
Contra Costa, CA
Vallejo, CA
Long Beach, CA
San Bruno, CA
Centennial Yards, GA
Buckhead CID, GA
CERM Legacy Foundation, GA
St. Petersburg, FL
Port St. Joe, FL
Port St. Lucie, FL
Jacksonville, FL
New Orleans, LA
Lexington, NC
Mooresville, NC
Henderson, NC
Charlotte, NC
Atrium Health, NC
Fernley, NV
North Las Vegas, NV
MARK IV Capital, NV
Ashford, NY
New Rochelle, NY
Babcock & Wilcox, OH
Harrisburg, PA
Norristown, PA
Silvi Materials, PA
Bowie, TX
Fairview, TX
Kyle, TX
EnergyX, TX
SE Rural Comm. Asst. Project, VA
Virginia Commonwealth University, VA
Port of Edmonds, WA
Madison, WI
Louis Dreyfus Company, CT
Scoular, IA
Oak Ridge, TN
Virgin Islands Port Authority

III. US DOT Awarded Grants

KA distinguishes itself from the competition in two ways. We are fundamentally and technically sound in how we prepare BCA's and US DOT grant narratives for our clients, and we offer unparalleled customer service. We take pride in the work that we do and the commitment that we have to our clients and their priorities. Since 2018, KA has won 12 US DOT infrastructure grants for clients totaling $178 million. The table below describes the services that were provided to these clients.

KA Client	US DOT Grant	US DOT Project Description and Award Amount
Madison, WI	US DOT 2023 BIP Grant	$15,100,000 – KA prepared the BCA for this project and assisted in writing the grant application. Bridge Investment Program (BIP) funds will support the replacement of six off-system bridges in poor condition along the John Nolen Drive Causeway.
Virgin Island Port Authority	2023 US DOT Port Infrastructure	$22,400,000 - KA prepared the BCA report for the Wilfred "Bomba" Allick Terminal Improvements Project. The project includes the replacement or repair of pile caps, concrete piles,

	Development Grant	steel decks, mooring foundations and bollards, as well as extensive pavement reconstruction in a container yard.
Fernley, NV	US DOT 2022 RAISE Grant	$25,000,000 - KA prepared the BCA and wrote the grant application. The grant will fund the completion of the Nevada Pacific Parkway connection from I-80 to Highway 50 and expand industrial rail access to tenants within 4,300-acre Victory Logistics District (Industrial Park).
Charlotte, NC	US DOT 2021 RAISE Grant	$15,000,000 – KA prepared the BCA for the construction of a new Transportation Center for the Charlotte Transportation Authority.
Virgin Islands Port Authority	US DOT 2020 Port Infrastructure Development Grant - Crown Bay Terminal	$21,869,260 – KA prepared the BCA report for the Crown Bay Terminal Improvements Project to support the reconstruction and modernization of cargo handling and storage infrastructure. The project includes bulkhead rehabilitation, concrete apron restoration, reconstruction of three cargo storage areas, and security improvements.
Lexington, NC	US DOT 2020 BUILD Grant – Lexington Train Station	$24,960,534 – KA prepared the Benefit Cost Analysis report for Lexington Train Station, and provided grant advocacy before Members of Congress, US DOT and White House officials. The project constructs a multimodal passenger rail and bus station in Lexington's Depot District, replaces an at-grade rail crossing with a grade-separated rail crossing, and makes track improvements.
Jacksonville Port Authority, FL	US DOT 2019 BUILD Grant - International Cargo Terminal Modernization Project	$20,000,000 - KA prepared the Benefit Cost Analysis report for the International Cargo Terminal Modernization Project. The project will reconstruct and modernize the SSA Marine cargo terminal on Blount Island across six phases. In addition to repaving, the project will improve stormwater management, install new lighting, signage, and other utilities.
Port of New Orleans, LA	US DOT 2018 America's Marine Highway Grant - Port of New Orleans, LA - Container on Barge Project	$2,500,000 - KA prepared the Benefit Cost Analysis and grant application narrative report for the Port of New Orleans and SEACOR AMH for the Port of New Orleans, LA - Container on Barge Project. The grant will support the current container-on-barge shuttle service between New Orleans, Baton Rouge and Memphis. Funds will be used to purchase marine terminal handling equipment.
Mooresville, NC	2019 US DOT BUILD Grant - Silicon Shores East-West Connector Road Project	$13,600,000 - KA prepared the BUILD grant narrative, Statement of Work, and Benefit Cost Analysis for the Silicon Shores East-West Connector Road Project for the Town of Mooresville, NC. KA prepared a NEPA Environmental Assessment and Phase I Environmental Site Assessment. The project will construct three connector roads near I-77, including divided highways. The project will improve driver safety. The project will better accommodate planned future growth. Bicycle lanes will be incorporated into the new roadway as well.

Mooresville, NC	2019 US DOT CRISI Grant - Mazeppa Road Flyover Rail Crossing Project	$4,487,500 – KA was tasked by the Town of Mooresville to prepare the CRISI grant narrative, Statement of Work, Benefit Cost Analysis, and to prepare a NEPA Environmental Assessment and Phase I Environmental Site Assessment. The Mazeppa Road Flyover Rail Crossing Project is a highway-rail grade separation project that will eliminate the at-grade rail crossing and build a four-lane bridge for vehicular traffic. Highway NC-115 with Norfolk Southern Railway in Mooresville.
Cumberland CID, GA	2019 INFRA Grant – Akers Mill Ramp Phase II Project	$5,000,000 – KA was tasked by Cumberland CID (PONTEM) to prepare the grant application narrative and to provide grant advocacy before Members of Congress, US DOT and White House appointed officials for the Akers Mill Ramp Phase II Project. The Akers Mill Ramp is a reversible ramp that will provide additional direct access to/from the I-75 Northwest Express Lane System and will continue to substantially improve regional mobility.
Huntsville, AL	2019 CRISI Grant – Old Highway 20 Grade Separation Project	$8,000,000 - KA was tasked by the City of Huntsville to prepare the CRISI grant narrative, Statement of Work, Benefit Cost Analysis, and a NEPA Environmental Assessment and Phase I Environmental Site Assessment for Old Highway 20. The improvements include an overpass over Norfolk Southern railways. Following the grant award, KA provided contract negotiation support with US DOT to implement the project.

IV. References

KA offers the following two references.

1. Ross Pfautz
   Senior Vice President
   Northern Nevada
   Mark IV Capital, Inc
   200 S Virginia St Ste 720
   Reno, NV 89501
   T 949.509.1444
   M 949-293-4802
   RPfautz@MarkIV.com

KA prepared the BCA and wrote the grant application for MARK IV Capital and the City of Fernley, NV for the 2022 RAISE grant application. The grant will fund the completion of the Nevada Pacific Parkway connection from I-80 to Highway 50 and expand industrial rail access to tenants within 4,300-acre Victory Logistics District (Industrial Park) which is owned by MARK IV.

2. Matt Gresham
   Chief of Governmental Relations
   Port of New Orleans, LA
   T 504.528.3255
   matt.gresham@portnola.com

KA prepared the Benefit Cost Analysis and grant application narrative report for the US DOT 2018 America's Marine Highway Grant for the Port of New Orleans and SEACOR AMH for the Port of New Orleans, LA - Container on Barge Project. The grant will support the current container-on-barge shuttle service between New Orleans, Baton Rouge and Memphis. Funds will be used to purchase marine terminal handling equipment.

V. INFRA Grant Requirements

Kyle seeks to apply for INFRA grant funding to construct a grade separation structure at Kohlers Crossing and I-35. The purposes of the INFRA Program are:

- Invest in surface transportation that will have a significant local or regional impact; and
- Support projects that are consistent with the Department's strategic goals: improve safety, economic strength and global competitiveness, equity, and climate and sustainability.

INFRA grants will be awarded on a competitive basis for planning or constructing surface transportation infrastructure projects that will improve safety; environmental sustainability; quality of life; mobility and community connectivity; economic competitiveness and opportunity including tourism; state of good repair; partnership and collaboration; and innovation.

The INFRA offers two funding approaches; Planning grants, and Capital grants. INFRA grants may be used for up to 60 percent of future eligible project costs. INFRA has made available $2.7 billion in funds. Project requests can range from $5 million to $100 million.

The Kyle project is located in a designated disadvantaged community and in an area classified as being in Persistent Poverty. Applying the Department's Equitable Transportation Community (ETC) Explorer (arcgis.com) for the project area reveals that the project experiences transportation related disadvantages as it relates to access (99%), and a multitude of social vulnerabilities 76%).

The INFRA application will include the following information.

Project Description
Project Location
Project Budget
Funding Commitment Documentation
Merit Criteria Narrative
Project Readiness
Benefit-Cost Analysis Narrative (capital projects only)
Benefit-Cost Analysis Calculations (capital projects only, unlocked Excel file)
Letters of Support

KA will work closely with Kyle to ensure that the project meets INFRA grant eligibility criteria and is highly competitive. KA will work with the team to:

- Expand partnerships with local, regional, state, and national organizations;
- Add or subtract project components to better fit federal programmatic objectives;
- Leverage assistance or other local/state/federal resources into the project; and
- Develop a competitive application package.

Section I. Project Description (5 Pages)

This file will include a description of the project and include a detailed statement of work that focuses on the technical and engineering aspects of the project, the current design status of the project, the transportation challenges that the project is intended to address, and how the project is expected address those challenges.

This file may also discuss the project's history, including a description of any previously completed components. The applicant may use this file to place the project into a broader context of other transportation infrastructure investments being pursued.

This file should also describe the project location in a narrative fashion, including a detailed geographical description of the proposed project and map(s) of the project's location, to supplement the geographic project map provided in the project location file. The project location description should narratively identify:

(a) whether the project is located in an Area of Persistent Poverty, including the relevant County and/or census tract(s);
(b) whether the project is located in a Historically Disadvantaged Community, including the relevant census tract(s);
(c) the Census-designated urbanized area in which the project is located, if relevant.

Section II. Project Location

Applicants should submit one of the following file types with project location identification. Acceptable file types are Shapefile, GEOJSON, KML/KMZ, or CSV.

Section III. Project Budget (5 Pages)

This file should describe the budget for the INFRA project (i.e., the project scope that includes INFRA funding and matching funding if required), including information about the degree of design completion (e.g., 60 percent design) for which the cost was estimated.

The budget should show how each source of funds will be spent. The budget should also show how each funding source will share in each major construction activity and present that data in dollars and percentages. If applicable, the budget should identify Federal funds that have been previously authorized by a Federal agency. The budget should clearly identify any expenses expected to be incurred between time of award and obligation because these expenses are not eligible for reimbursement, or for non-Federal funds. The budget details should sufficiently demonstrate that the project satisfies the statutory cost-sharing/matching funds requirements. At a minimum, the project budget should include:

(a) Total Project Costs for the FY 2024 INFRA project
(b) FY 2024 INFRA grant funding request;
(c) Specific source, amount, and type (grant, loan, etc.), of funds to be used for eligible project costs;
(d) Specific sources and amounts of non-Federal funds, if included, to be used for eligible project costs; and

(e) Documentation of funding commitments for those non-Federal and other Federal funds.

Applicants are encouraged to include the following table filled out with project details.

Funding Source	[Component 1] Funding Amount	[Component 2] Funding Amount	Total Funding
MPDG Funds:	[$XXX]	[$XXX]	[$XXX]
Other Federal Funds:	[$XXX]	[$XXX]	[$XXX]
Non-Federal Funds:	[$XXX]	[$XXX]	[$XXX]
Total:	[$XXX]	[$XXX]	[$XXX]

Funding Source	[Component 1] Funding Amount	[Component 2] Funding Amount	Total Funding
MPDG Funds:	[$XXX]	[$XXX]	[$XXX]
Other Federal Funds:	[$XXX]	[$XXX]	[$XXX]
Non-Federal Funds:	[$XXX]	[$XXX]	[$XXX]
Total:	[$XXX]	[$XXX]	[$XXX]

Section IV. Outcome Criteria (15 Pages)

The Merit Criteria include statutory criteria: achieving safety, efficiency, or reliability improvements; supporting economic vitality; and leveraging Federal funding, and merit criteria based on other DOT priorities: addressing climate change and environmental justice; advancing equity and opportunity for all.

1. Safety

Safety is a primary project purpose AND the project has clear, direct, data-driven (for capital projects only), and significant benefits that targets a known, documented safety problem, by doing one or more of the following:

- Protect non-motorized travelers and communities from safety risks; or
- Reduce fatalities and/or serious injuries to bring them below the state-wide average for underserved communities; or
- Incorporate and cite specific actions and activities identified in the Department's National Roadway Safety Strategy plan

Projects that improve safety should include a discussion of the degree to which the proposed project enhances safety by avoiding transportation-related crashes or other unintended consequences of travel, and quantify how the project will target known, documented safety problems within the project area or wider transportation network. Projects that enhance existing transportation infrastructure should discuss how these improvements will improve safe travel, while projects that shift transportation traffic from vehicles to other modes should estimate the number of vehicle collisions avoided by taking these vehicles off the road.

2. Climate Change, Resilience, and the Environment

Environmental sustainability is a primary project purpose AND the project has clear, direct, data-driven (for capital projects only), and significant benefits that explicitly considers climate change and environmental justice, by doing one or more of the following:

- Reduce transportation-related air pollution and greenhouse gas emissions in underserved communities; or
- Address the disproportionately negative environmental impacts of transportation on underserved communities such as by reducing exposure to elevated levels of air, water, and noise pollution; or
- Align with the applicant's State, regional, county, or city decarbonization plan; or
- Implement transportation-efficient land use and design, such as drawing on the features of historic towns and villages that had a mix of land uses, compact and walkable development patterns, accessible green space, and neighborhood centers; or
- Reduce vehicle miles traveled specifically through modal shift to transit or active transportation; or
- Reduce emissions specifically by shifting freight to lower-carbon travel modes; or Incorporate energy efficient investments, such as electrification or zero emission vehicle infrastructure; or
- Remove, replace, or restore culverts for the purpose of improving passage of aquatic species; or
- Avoid adverse environmental impacts to air or water quality, wetlands, and endangered species.
- The project is specifically identified in a Resilience Improvement Plan or similar plan and advances objectives in the National Climate Resilience Framework.
- Improves disaster preparedness in an area most vulnerable to climate change impacts, such as a FEMA-designated Community Disaster Resilience Zone.
- A primary purpose of the project is to incorporate all nature-based solutions / natural infrastructure or stormwater management improvements that are beyond standard practice.

3. Equity, Multimodal Options, and Quality of Life

Quality of life is a primary project purpose AND the project has clear, direct, data-driven (for capital projects only) and significant benefits, by doing one or more of the following:

- Increase affordable transportation choices by improving and expanding active transportation usage or significantly reducing vehicle dependence, particularly in underserved communities; or
- Increases the walkability and accessibility for pedestrians and encourage thriving communities for individuals to work, live, and play by creating transportation choices for individuals to move freely with or without a car; or
- Reduce transportation and housing cost burdens by integrating mixed-use development and a diversity of housing types, including affordable housing, with multimodal transportation infrastructure; or
- Coordinate and integrate land use, affordable housing, and transportation planning in order to create more livable communities and expand travel choices; or
- Improve access to daily destinations like jobs, healthcare, grocery stores, schools, places of worship, recreation, or parks through transit and active transportation; or
- Implement transit-oriented development that benefits existing residents and businesses, low-income and disadvantaged communities, and minimizes displacement; or Improve public health by adding new facilities that promote walking, biking, and other forms of active transportation; or

- Mitigate urban heat islands to protect the health of at-risk residents, outdoor workers, and others; or
- The project sponsor has adopted an equity and inclusion program/plan or has otherwise instituted equity-focused policies related to project procurement, material sourcing, construction, inspection, hiring, or other activities designed to ensure equity in the overall project delivery and implementation

4. Economic Impacts, Freight Movement, and Job Creation

Economic competitiveness is a primary project purpose AND the project has clear, direct, data-driven (for capital projects only), and significant benefits, by doing one or more of the following:

- Improve intermodal and/or multimodal freight mobility, especially for supply chain bottlenecks; or
- Facilitate tourism opportunities; or
- Decreases transportation costs and improves access to employment centers and job opportunities.
- Promote robust job creation by supporting good-paying jobs directly related to the project with free and fair choice to join a union, expand training programs, and implement policies such as targeted hiring preferences that will promote the entry and retention of underrepresented populations into those jobs including women, people of color, and people with convictions; or
- Promote greater public and private investments in land-use productivity, including rural main street revitalization or locally driven density decisions that support equitable commercial and mixed-income residential development.
- Results in high quality job creation by supporting good-paying jobs with a free and fair choice to join a union, in project construction and in on-going operations and maintenance, and incorporate strong labor standards, such as through the use of project labor agreements
- Invests in high-quality workforce training programs such as registered apprenticeship programs and joint-labor management training programs to recruit, train, and retain skilled workers, and implement policies such as targeted hiring preferences that will promote the entry and retention of local underrepresented populations into those jobs.
- The project includes physical-barrier-mitigating land bridges, caps, lids, linear parks, and multimodal mobility investments that either redress past barriers to opportunity or that proactively create new connections and opportunities for disadvantaged and other communities that are underserved by transportation.
- The project includes new or improved walking and bicycling infrastructure, reduces automobile dependence, and improves access for people with disabilities and proactively incorporates Universal Design.

5. State of Good Repair

State of good repair is a primary project purpose AND the project has clear, direct, data-driven (for capital projects only) and significant benefits, by doing one or more of the following:

- Restore and modernize (such as through road diets and complete streets approaches) the existing core infrastructure assets that have met their useful life; or
- Reduce construction and maintenance burdens through efficient and well-integrated design; or
- Create new infrastructure in remote communities that will be maintained in a state of good repair; or
- Address current or projected system vulnerabilities for underserved communities; or
- Prioritize improvement of the condition and safety of existing transportation infrastructure within the existing footprint.

6. Innovation Areas: Technology, Project Delivery, and Financing

Project has, or demonstrates plans for, one or more of the following innovative benefits.

- Innovative Technologies
  - Enhance the environment for electric, connected, and automated vehicles to improve the detection, mitigation, and documentation of safety risks; or
  - Use low-carbon materials; or
  - Use caps, land bridges, or underdecks
- Innovative Project Delivery
  - Use practices that facilitate accelerated project delivery such as single contractor design-build arrangements, congestion management, asset management, or long-term operations and maintenance
- Innovative Financing
  - Secure TIFIA, RRIF, or private activity bond financing; or
  - Use congestion pricing or other demand management strategies

Project Readiness and Environmental Risk Project

Project Readiness

Project Readiness will be assessed based on a Technical Assessment, Financial Completeness Assessment, and Environmental Risk Assessment. Projects that receive funding in this round of INFRA will be required to obligate funds by September 30, 2028, or the funding will expire. An obligation occurs when a selected applicant and DOT enter into a written agreement after the applicant has satisfied applicable administrative requirements, including transportation planning and environmental review requirements. Therefore, DOT will assess every application to determine whether the project is likely to proceed to obligation by the statutory deadline, as evidenced by:

i. Technical Capacity - The technical capacity of the project should be demonstrated by engineering and design studies and activities; the development of design criteria and/or a basis of design; the basis for the cost estimate presented in the INFRA application, including the identification of contingency levels appropriate to its level of design; and any scope, schedule, and budget risk-mitigation measures. Applicants must include a detailed statement of work that focuses on the technical and engineering aspects of the project and describes in detail the project to be constructed. KA will need to work with Kyle ’s engineering firm to collect this information.

ii. Financial Completeness Assessment - The viability and completeness of the project’s financing package should be demonstrated, including evidence of stable and reliable capital and (as appropriate) operating fund commitments sufficient to cover estimated costs; the availability of contingency reserves should capital or operating revenue sources not materialize; evidence of the financial condition of the project sponsor; and evidence of the grant recipient’s ability to manage grants. KA will include a detailed project budget in this section of the application containing a breakdown of how the funds will be spent. That budget must estimate—both dollar amount and percentage of cost— the cost of work for each project component and provide examples. If the project will be completed in individual segments or phases, a budget for each individual segment or phase must be included. Budget spending categories must be broken down between INFRA, other Federal, and non-Federal sources, and identify how each

funding source will share in each activity. For non-Federal funds to be used for eligible project costs, will need to provide documentation of funding commitments.

iii. Project Schedule – KA will work with Kyle to prepare a detailed project schedule that includes all major project milestones-such as start and completion of environmental reviews and approvals; design; right of way acquisition; approval of plan, specification and estimate (PS&E); procurement; and construction-- with sufficiently detailed information to demonstrate that:

a. All necessary activities will be complete to allow grant funds to be obligated no later than September 30, 2028.
b. The project can begin construction quickly upon receipt of a INFRA Grant, and the grant funds will be spent steadily, and expeditiously once construction starts.
c. Either does not own all of the property or right-of-way required to complete the project but can provide evidence that the property and/or right-of-way acquisition can and will be completed expeditiously.

Environmental Risk

a. Environmental Risk - This section of the application should include sufficient information for DOT to evaluate whether the project is reasonably expected to begin construction in a timely manner consistent with all applicable local, State, and Federal requirements. Applicants should provide the information requested on project schedule, required approvals and permits, NEPA class of action and status, public involvement, right- of-way acquisition plans, risk and mitigation strategies.
b. Project Schedule: All applications should include a detailed project schedule that identifies all major milestones. For capital project applications, examples of such milestones include State and local planning approvals (e.g., programming on the Statewide Transportation Improvement Program); start and completion of NEPA and other Federal environmental reviews and approvals including permitting; design completion; right-of-way acquisition; approval of plans, specifications and estimates; procurement; State and local approvals; public involvement; project partnership and implementation agreements, including agreements with railroads; and construction The schedule should be sufficiently detailed to demonstrate that:

1. all necessary activities will be complete to allow INFRA grant funds to be obligated sufficiently in advance of the administrative deadline (September 30, 2028), and that any unexpected delays will not put the funds at risk of expiring before they are obligated;
2. the capital project can begin construction upon obligation of grant funds and that those funds will be spent expeditiously once construction starts, with all funds expended by September 30, 2033;
3. all real property and right-of-way acquisition will be completed in a timely manner in accordance with 49 CFR part 24, 23 CFR part 710, and other applicable legal requirements or a statement that no right-of-way acquisition is necessary; and

4. the applicant has meaningfully sought community input through public involvement, particularly engaging environmental justice communities or disadvantaged communities that may be affected by the project where applicable.

c. State and local planning approvals - The applicant should demonstrate that a project that is required to be included in the relevant State, metropolitan, and local planning documents has been or will be included. If the project is not included in the relevant planning documents at the time the application is submitted, you should submit a certification from the appropriate planning agency that actions are underway to include the project in the relevant planning document. The project should also include a description of public engagement about the project that has occurred, proactively inclusive of historically disadvantaged communities, including details on compliance with environmental justice requirements and the degree to which public comments and commitments have been integrated into project development and design. Right- of-Way acquisition plans should be provided if applicable. should also include information on local approvals on which the project depends, such as State and local environmental and planning approvals and Statewide Transportation Improvement Program (STIP) or Transportation Improvement Program (TIP) funding.

d. Environmental Permits and Reviews. The capital project application should demonstrate receipt (or reasonably anticipated receipt) of all environmental approvals and permits necessary for the project to proceed to construction on the timeline specified in the project schedule and necessary to meet the statutory obligation deadline, including satisfaction of all Federal, State and local requirements and completion of the NEPA process. Specifically, the application should include:

- Information about the NEPA status of the project. If the NEPA process is complete, an applicant should indicate the date of completion, and provide a website link or other reference to the final Categorical Exclusion, Finding of No Significant Impact, Record of Decision, and any other NEPA documents prepared. If the NEPA process is underway, but not complete, the application should detail the type of NEPA review underway, where the project is in the process, and indicate the anticipated date of completion of all milestones and of the final NEPA determination. If the last agency action with respect to NEPA documents occurred more than three years before the application date, the applicant should describe why the project has been delayed and include a proposed approach for verifying and, if necessary, updating this material in accordance with applicable NEPA requirements.

- Environmental studies or other documents, preferably through a website link, that describe in detail known project impacts, and possible mitigation for those impacts.

- A description of public engagement about the project that has occurred, proactively inclusive of historically disadvantaged communities, including details on compliance with environmental justice requirements and the degree to which public comments and commitments have been integrated into project development and design. Right-of-Way acquisition plans should be provided if applicable.

e. Assessment of Project Risk and Mitigation Strategies - the application should identify the material risks to the project and the strategies that the lead applicant and any project partners have undertaken or will undertake in order to mitigate those risks.

f. Technical Capacity (capital projects) - All applications should include a section in the Project Readiness file that describes their Technical Capacity to deliver the project.

Benefit Cost Analysis

INFRA capital projects require the submittal of a Benefit Cost Analysis (BCA). The BCA will permit quantification of project benefits and permit US DOT to determine the ratio of benefits to costs.

Crafting a Benefit-Cost Analysis is one of the most technically demanding aspects of a INFRA grant application. An effective BCA requires the monetization of a variety of project costs and benefits, including metrics that may not be easily monetized. If there are significant metrics which are exceptionally difficult to monetize, these may be quantified in non- monetary terms. However, there should be sufficient metrics that can be monetized to enable an effective evaluation by DOT. Some metrics that are commonly used in a BCA include:

- Costs
  - Capital costs, as articulated in proposal;
  - New maintenance or operational costs;
  - Costs to surrounding communities or transportation systems associated with shifting travelers to new system.
- Benefits
  - Maintenance savings;
  - Time savings from alleviated congestion or shorter commute times;
  - Fuel savings;
  - Emission reductions;
  - Transportation crash reductions (property, injury and fatality savings);
  - Passenger savings from more cost-effective transportation modes (transit);
  - Health benefits associated with reduced emissions and increased cycling/walking;
  - Increases in land value.

KA's approach to preparing the BCA for Kyle will be to follow the 2024 US DOT BCA Resource Guide. The Guide provides supplemental information, standard monetized values and updates for preparing a portion of the BCA.

We will also use local demand forecasts provided by that calculate projected levels of use for the INFRA project to monetize these benefits in the BCA.

The BCA will describe the project and the expected changes with respect to infrastructure, population affected, expected economic benefits, and an analysis of benefits calculated. The costs of completing the project and operation and maintenance costs will also be included. This project will also result in a modal shift from car use to bike/ped use and increase active health benefits of walking and cycling.

BCA Data Needs: The following lists and describes the data and information required to complete the BCA for the Kohlers Crossing grant project.

1. Project Description–A description of the project which includes all major roads and highways; a description of current and project road conditions (i.e., Level of Service, troublesome road networks; basis for grant funding request).
2. Traffic Modeling – This task has been completed.

Once the baseline condition is established in the TDM the modeler would then run the model incorporating project improvements following construction completion. The "Build" condition would be modeled for years 4-33, based on the assumption that construction would occur in years 1-3.

The results of the traffic modeling for the project area will be used in the BCA to determine travel time savings, fuel savings, vehicle operating savings and reductions in greenhouse gas emissions. In some cases, there can be dis-benefits if the project results in more traffic and more congestion. The following is an example of a traffic modeling output that will need to be produced to input into the BCA project benefits analysis.

3. Safety –Information/data on accidents that have occurred over the last five years will be incorporated in to the BCA model. The accidents will be classified by location/year, and include metrics on property damage, minor injury, serious injury, or death. Ideally, a map that depicts accident locations would also be helpful.
4. Project Configuration/Design information – engineering diagrams or relevant figures.
5. Project Schedule (by year) for major project elements. The project cost for each item in the applicable year will be incorporated into the BCA Excel Spreadsheet.
6. Project Costs - Please provide project costs. Kyle will also need to have the Operation and Maintenance (O&M) costs defined for post construction completion years 1-30.
7. Right-of-Way – KA will need to understand how the Right of Way will be acquired.
8. Property Valuation – If the City believes the project will increase property values proximate to the area, then the BCA can quantify a one-time Increase in property values in the year the project is completed. KA would calculate a one-time increase in property value in the construction completion year by incorporating a percentage increase in property value. The geographic area of valuation increase would be limited to no more than ¼ mile from the project and be based on real estate comparables. KA would work with the city to collect this information.

Federal Wage Rate Certification: Kyle will be requested to sign a certification, stating that they will comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code, as required by the FY 2017 Appropriations Act.

VI. Fee

KA proposes to complete the tasks described above for a lump sum fee of $14,500. This is a reduced fee based on work previously completed under the RAISE grant for the Kohlers Crossing at I-35 project. This fee includes all administrative and overhead costs but does not include travel expenses. In the event KA is requested to travel for Kyle grant services, the travel costs will be an extra fee to this contract.

To facilitate an efficient, comprehensive, transparent and high end-product grant writing process, KA will develop at the initiation of the grant writing process (i.e., within one week of city notice to proceed) a customized checklist of information that will be required to complete the grant application and a schedule for the city and KA to follow for the grant project to ensure that all submitted applications are complete and submitted 48 hours prior to deadline. The schedule will include detailed timelines on

- relevant grant information the city must provide KA and when the information must be provided,
- when the city can expect the first and second drafts of the grant narratives from KA,
- when city feedback is due back to the KA grant writers; and
- submittal of the final grant application 48 hours before the grant deadline.

KA will continually update the grant project timeline - making modifications based on issues that arise during preparation of the grant application. Our goal in preparing these descriptive timelines is to maintain accountability in the collection of information and in the development of project and budget narratives, budgets, and in collecting critically important letters of support from relevant organizations.

KA will work directly with the city during the grant writing process to ensure the city has many opportunities to provide feedback and guidance on the application, including final edits and review of grant narratives and accompanying materials. KA will take the lead in writing grant applications, which will include preparing federal, state and foundation required forms, drafting grant narratives and budget narratives, completing benefit cost analyses, preparing statements of work and proposed grant deliverables schedule, completing logic models (e.g., inputs, outputs and outcomes), preparing graphs and figures, and collecting and presenting in the grant narrative demographic data from the US Census and other federal and state web sites (i.e., NEPAssist, CPD Maps (hud.gov), OnTheMap (census.gov), Measuring Distress: StatsAmerica, USA Towns in Profile: StatsAmerica, USA Opportunity Zones Tool: StatsAmerica, Online GIS Maps | PolicyMap, Explore Census Data, UDS Mapper, EnviroMapper for Envirofacts | US EPA, FEMA's National Flood Hazard Layer (NFHL) Viewer (arcgis.com), EnviroAtlas (epa.gov)). KA will also consult with the city on entities who would be good candidates to receive letters of support for grant applications and we will draft the letters of support.

KALBACHER ASSOCIATES LLC

May 30, 2024

Jesse Elizondo
Assistant City Manager
City of Kyle, TX
1700 Kohlers Crossing
Kyle, TX 78640

RE: Kyle, TX- US DOT Consolidated Rail Infrastructure and Safety Improvements (CRISI) and Railroad Crossing Elimination Grant (RCE) Applications

Dear Mr. Elizondo,

Thank you for requesting a technical cost proposal from Kalbacher Associates, LLC (KA) to prepare United States Department of Transportation (US DOT) Consolidated Rail Infrastructure and Safety Improvements (CRISI) and Railroad Crossing Elimination Grant (RCE) grant application(s) for the Kohlers Crossing At-Grade Elimination project.

KA understands that Kyle seeks US DOT funding to support the completion of the engineering design, environmental studies and construction of a grade separation (i.e., bridge) at Kohlers Crossing and the Union Pacific Railroad (UPRR) rail line. In 2023, the city of Kyle contracted with KA to complete the RCE grant application for Kohlers Crossing At-Grade Elimination project. The project was not awarded grant funds; however, the US DOT debrief was very positive. US DOT encouraged the city to reapply for the grant program in 2024.

The RCE and CRISI grants have similar requirements. RCE is focused exclusively on funding the elimination of at-grade rail-road crossings. CRISI's mission is more expansive. The purpose of the CRISI Program is to invest in a wide range of projects that improve railroad safety, efficiency, and reliability; mitigate congestion at both intercity passenger and freight rail chokepoints to support more efficient travel and goods movement; enhance multi-modal connections; and lead to new or substantially improved Intercity Passenger Rail Transportation corridors.

CRISI Eligible Applicants

The entities who are eligible to apply for CRISI grant funding are as follows:

a. A State (including the District of Columbia)
b. A group of States
c. An Interstate Compact
d. A public agency or publicly chartered authority established by 1 or more States

e. A political subdivision of a State
f. Amtrak or another rail carrier that provides intercity rail passenger transportation (as rail carrier and intercity rail passenger transportation are defined in section 24102)
g. A Class II railroad or Class III railroad, including any holding company of a Class II railroad or Class III railroad (as those terms are defined in section 20102)
h. An association representing one or more railroads
i. A federally recognized Indian Tribe.
j. Any rail carrier or rail equipment manufacturer in partnership with at least 1 of the entities (a) through (e)
k. The Transportation Research Board and any entity with which it contracts in the development of rail-related research, including cooperative research programs
l. A University transportation center engaged in rail-related research
m. A non-profit labor organization representing a class or craft of employees of rail carriers or rail carrier contractors.

In 2022, US DOT allocated $1.42 billion to support CRISI competitive grants to communities, rail lines, and university transportation centers. There are no predetermined maximum dollar thresholds for individual awards, however, the US DOT will fund up to 80% of eligible project costs.

The CRISI grant Notice of Funding Availability has not been released; however, I anticipate a March 2024 release and application deadline around May 31, 2024.

CRISI Grant Application

CRISI applications for engineering, environmental and construction activities must include:

1. Project Narrative
2. Statement of Work
3. Benefit Cost Analysis
4. Environmental Compliance (NEPA) Documentation
5. One Form SF-424 (Application for Federal Assistance) from each co-applicant, as applicable.
6. One Form SF-424C (Budget Information—Construction Programs) per project.
7. One Form SF-424D (Assurances—Construction Programs).
8. The Federal Railroad Administration's (FRA) Additional Assurances and Certifications (FRA F 30).
9. FRA's Applicant Financial Capability Questionnaire (FRA F 251)
10. SF LLL: Disclosure of Lobbying Activities (only required if reportable Lobbying activities exist)
11. Documentation of Matching Share for each matching share source, such as a commitment letter, board resolution, proof of bonding authority, or similar document, as applicable.

The project narrative is limited to 25 pages and will include the following CRISI required sections:

I. Cover Page
II. Project Summary
III. Project Funding
IV. Applicant Eligibility
V. Detailed Project Description

VI. Project Location
VII. Grade Crossing Information
VIII. Evaluation & Selection Criteria
IX. Safety Benefit
X. Project Implementation & Management
XI. Environmental Readiness

The CRISI grant application requires that a Benefit Cost Analysis (BCA) be prepared for the project. KA will prepare the BCA report in compliance with the US DOT 2024 Benefit Cost Analysis Guidance document.

Other CRISI grant required documents that will be prepared for the Kohler's Crossing grant project include:

- The US DOT Statement of Work (SOW)
- Project Schedule
- Project Budget
- Performance Measures

RCE Eligible Projects

Projects that are eligible for RCE funding include:

- Grade separation or closure, including through the use of a bridge, embankment, tunnel, or combination thereof;
- Track relocation;
- Improvement or installation of protective devices, signals, signs, or other;
- Measures to improve safety related to a separation, closure, or track relocation project;
- Other means to improve the safety if related to the mobility of people and goods at highway-rail grade crossings (including technological solutions);
- The planning, environmental review, and design of an eligible project type.

RCE Eligible Recipients:

RCE grant eligible entities include:

- States, including the District of Columbia, Puerto Rico, and other United States territories and possessions;
- Political subdivision of a state;
- Federally recognized Indian Tribe;
- A unit of local government or a group of local governments;
- A public port authority;
- A metropolitan planning organization;
- A group of the entities described above.

In 2022, US DOT allocated $573 million to support RCE competitive grants to communities, rail lines, and university transportation centers. There are no predetermined maximum dollar thresholds for individual awards, however, the US DOT will fund up to 80% of eligible project costs.

The RCE grant Notice of Funding Availability has not been released; however, I anticipate a May 2024 release and application deadline around July 31, 2024.

RCE Grant Application

Required documents for a RCE grant application package are listed below.

i. Project Narrative
ii. Statement of Work
iii. Environmental Compliance Documentation
iv. SF 424—Application for Federal Assistance.
v. SF 424A—Budget Information for Non-Construction or SF 424C—Budget Information for Construction.
vi. SF 424B—Assurances for Non-Construction or SF 424D—Assurances for Construction.
vii. FRA F 30—Certifications Regarding Debarment, Suspension and Other Responsibility Matters, Drug-Free Workplace Requirements and Lobbying.
viii. FRA F 251—Applicant Financial Capability Questionnaire
ix. SF LLL—Disclosure of Lobbying Activities, if applicable.

The project narrative is limited to 25 pages and will include the following RCE required sections:

I. Cover Page
II. Project Summary
III. Project Funding
IV. Applicant Eligibility
V. Detailed Project Description
VI. Highway-Rail Grade Crossing Safety Information and Education Programs
VII. Grade Crossing Information
VIII. Evaluation & Selection Criteria
IX. Safety Benefit
X. Project Implementation & Management
XI. DOT Strategic Goals
XII. Environmental Readiness

KA CRISI/RCE Grant Application Proposal

KA appreciates this opportunity to provide grant writing services for Kyle. KA has developed a high level of proficiency and success preparing US DOT grant applications. Since 2018, KA has won 12 US DOT Infrastructure Development grants for clients totaling $178 million.

KA expects to be working closely with Kyle to mold the grant application as you would like. Our proposed fee to complete the above-described US DOT CRISI and RCE grant applications is $35,000. KA estimates the completion date for the application to be July 31, 2024.

If the terms of this Letter Agreement are acceptable to Kyle, please sign below. I am excited to get started on this project and look forward to your response.

Best Regards,



Karl Kalbacher, PG
President

ACKNOWLEDGED AND AGREED TO BY:

Kalbacher Associates, LLC	City of Kyle, TX
	
_____	_____
	
_____	_____
Karl Kalbacher President	
02/26/2024 Date	_____ Date

ATTACHMENT E

Insurance Requirements

1.1 Contractor must not commence work under this agreement until all required insurance has been obtained and such insurance has been approved by the City. Contractor must not allow any subcontractor to commence work until all similar insurance required of any subcontractor has been obtained.

1.2 Contractor must furnish to the City Attorney a copy of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's City Attorney. **The City must be listed as an additional insured on the General liability and Auto Liability policies, and a waiver of subrogation is required on all applicable policies. Endorsements must be provided with COI. Project name and or number must be listed in Description Box of COI.**

TYPE OF INSURANCE	**MINIMUM INSURANCE COVERAGE**
30-written day notice of cancellation, required on all certificates or by applicable policy endorsements	**Bodily Injury and Property Damage** Per occurrence - aggregate
PROFESSIONAL LIABILITY (Errors and Omissions)	$1,000,000 Per Claim If claims made policy, retro date must be prior to inception of agreement, have 3-year reporting period provisions and identify any limitations regarding who is insured.

1.3 In the event of accidents of any kind related to this agreement, Contractor must furnish the City with copies of all reports of any accidents within 10 days of the accident.

1.4 Contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Contractor's sole expense, insurance coverage written on an occurrence basis, with the exception of professional liability, which may be on a per claims made basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII. **Contractor is required to provide City with renewal Certificates.**

1.5 Contractor is required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Contractor

shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Kyle
Attn: City Attorney
1700 Kohlers Crossing
Kyle, TX 78640

1.6 **Contractor agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**

1.6.1 List the City and its officers, officials, employees and elected representatives as additional insured by endorsement, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City with the exception of the professional liability/Errors & Omissions policy;

1.6.2 Provide for an endorsement that the "other insurance" clause shall not apply to the City of Kyle where the City is an additional insured shown on the policy;

1.6.3 Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation or non-renewal of coverage, and not less

than ten (10) calendar days advance written notice for nonpayment of premium.

1.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.

1.8 In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to remove the exhibit hereunder, and/or withhold any payment(s) if any, which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

1.9 Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor’s performance of the work covered under this agreement.

1.10 It is agreed that Contractor's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by the City of Kyle for liability arising out of operations under this agreement.

1.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

Department Memo

City Council Regular Meeting

DEPARTMENT: City Manager's Office

FROM: Jesse Elizondo, Assistant City Manager

MEETING: April 16, 2024

SUBJECT:

Consider approval of a contract extension with Akin Gump Strauss Hauer & Feld LLP for federal lobbying services through December 31, 2024 in the amount of $129,000.

SUMMARY:

On March 19, 2024 the City of Kyle created its first legislative program that reflects the City Council's priorities for a welcoming, thriving, safe, sustainable, resilient, and vibrant community, and serves as the City's legislative roadmap. As part of its mission the legislative program is set to strategically identify and leverage opportunities to boost and broaden access to funding and resources via grants, strategic partnerships, and intergovernmental collaborations. It aims to establish a comprehensive framework for utilizing key advocacy partners, alongside evaluation procedures and schedules to ensure alignment with the City's ever-present needs.

Akin Gump Strauss Hauer & Feld LLP, a premier federal lobbying and public policy firm recognized for bipartisan expertise and specializing in legislative policy and direct strategic advocacy, has worked with the City of Kyle since September of 2021. In partnership with the City Council and staff, the firm has established vital strategic partnerships and facilitated the acquisition of $2 million in federal grant funding. More recently, building on these efforts with a renewed focus and the introduction of the City of Kyle's legislative program, the firm has enhanced legislative connections at both federal and regional levels, improving the city's access to funding opportunities. Since January of 2024 Akin Gump has helped secure an extra $1.1 million in grants for the city. Additionally, the firm has been instrumental in helping the city apply for more than $95 million in potential federal funding that could possibly be awarded throughout 2024.

This contract extension continues the services of Akin Gump Strauss Hauer & Feld LLP through December 31, 2024. Throughout this period, the City Council and staff will regularly evaluate the partnership to ensure it aligns with the best interests of Kyle, delivers tangible benefits to its residents, and supports the broader community in accordance with the city's legislative program.

OPTIONS:

1) Approve the contract as presented.
2) Approve the contract with changes.
3) Deny the contract.

RECOMMENDATION:

Staff recommends approval of the contract as presented.

FISCAL IMPACT:

$129,000 total price of contract extension.

STAFF CONTACT:
Name: Jesse Elizondo
Title: Assistant City Manager
Email: jelizondo@cityofkyle.com
Phone: (512) 992-5501

Federal Lobbyist Contract Extension

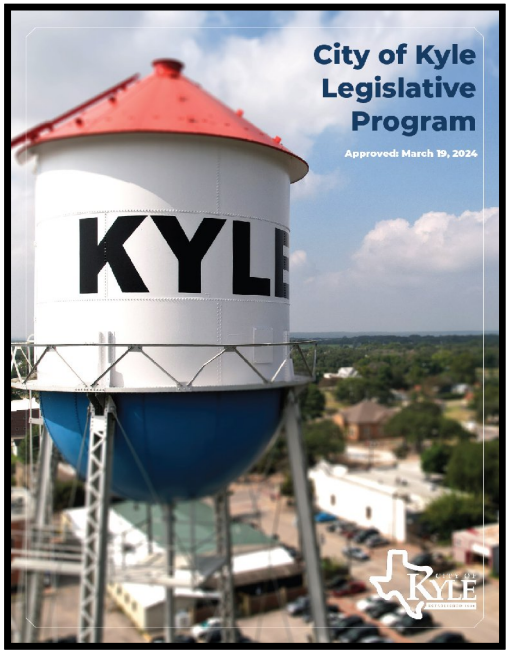
City Council Meeting 4.16.24

CITY OF KYLE
ESTABLISHED 1880

Federal Lobbyist Contract Extension

City of Kyle Legislative Program

- Serves as the High-Level Legislative Guide for the City
- Dynamic Document to be Reviewed Regularly
- Outlines City Council Legislative Priorities
  - ❖ Infrastructure and Transportation
  - ❖ Water and Wastewater
  - ❖ Public Safety
  - ❖ Environmental and Parks
  - ❖ Mental Health and Human Services
  - ❖ Local Authority and Economic Development
- Details communication on legislative matters
- Prioritizes Intergovernmental collaboration and support through strategic advocacy



Legislative Program Overview

Federal Lobbyist Contract Extension

Akin Gump Strauss Hauer & Feld LLP

- Federal lobbying and public policy firm specializing in legislative policy and direct strategic advocacy. Has worked with the City of Kyle since September of 2021.
- Since 2021 in partnership with the City Council and staff, the firm has established strategic partnerships and facilitated the acquisition of $2 million in federal grant funding.
- Starting January 2024 with a renewed focus and the introduction of the City of Kyle's legislative program the firm has enhanced legislative connections at both federal and regional levels and helped secure an extra $1.1 million in grants for the city
- Additionally, the firm has been instrumental in helping the city apply for more than $95 million in potential federal funding that could possibly be awarded throughout 2024.

Akin Gump
STRAUSS HAUER & FELD LLP

Contract Extension Overview

Federal Lobbyist Contract Extension

Council Action

1. Approve the contract extension with Akin Gump Strauss Hauer & Feld LLP for federal lobbying services through December 31, 2024 in the amount of $129,000
2. Approve the contract with changes
3. Deny the contract

Staff recommends approval as presented.



Questions?

Akin Gump
STRAUSS HAUER & FELD LLP

JAMES ROMNEY TUCKER, JR.
202.887.4279/fax: 202.887.4288
Jtucker@@akingump.com

April 1, 2024

VIA E-MAIL

Bryan Langley, City Manager
City of Kyle, Texas
100 W. Center Street
Kyle, TX 78640

Re: Confirmation letter for Extension of Federal Government Affairs Services

Dear Mayor Mitchell:

I am pleased to confirm our continued representation of the City of Kyle, Texas in connection with federal funding for the city's infrastructure priorities.

For this scope of work, we request a retainer of $13,000 per month for the period of April 1, 2024 to December 31, 2024 plus a fixed quarterly fee of $4,000 per quarter to cover any and all travel expenses, for a total additional cost of $129,000. The agreed upon retainer is valid for the months specified above, after which we will negotiate the terms of an extension of this representation.

We very much appreciate your continued confidence in the firm and look forward to working with you again.

Sincerely,

James Romney Tucker, Jr.

City of Kyle, Texas

By:_____
Bryan Langley, City Manager Date

Department Memo

City Council Regular Meeting

DEPARTMENT: Administrative Services

FROM: Rosie Truelove

MEETING: April 16, 2024

SUBJECT:

Consider award of the Design Services for Kyle Sportsplex: RFQ-2024-01 solicitation to Stantec Consulting Services, Inc. (or another qualified offeror) and authorize the City Manager to negotiate a contract.

SUMMARY:

The City of Kyle released the Design Services for Kyle Sportsplex: RFQ-2024-01 on February 26, 2024 and received 8 responses on March 18, 2024. An evaluation panel of City Staff was convened to review the proposals received and 2 firms (Mesa Design Associates, Inc. and Stantec Consulting Services, Inc.) were shortlisted for consideration by the Kyle Sportsplex Task Force. The Kyle Sportsplex Task Force opted to not conduct the optional interview.

Both the Staff Evaluation Panel and Kyle Sportsplex Task Force recommend awarding the contract to Stantec Consulting Services, Inc.

Should Council award this contract, Staff will work with the selected firm to negotiate a contract for the design of the Kyle Sportsplex and will return to Council for authorization to execute that agreement.

OPTIONS:

Option 1: Approve the award of the Design Services for Kyle Sportsplex: RFQ-2024-01 to Stantec Consulting Services, Inc.

Option 2: Approve award of the contract to another qualified offeror.

Option 3: Do not award the contract.

RECOMMENDATION:

Option 1

PRIOR ACTION/INPUT (Council, Boards, Citizens):

Council considered award of a previous solicitation for design of the Kyle Sportsplex and subsequently approved rejection of all proposals with direction to re-issue the solicitation.

FISCAL IMPACT:

N/A

STAFF CONTACT:

Name: Rosie Truelove
Title: Director of Administrative Services
Email: rtruelove@cityofkyle.com
Phone: (512) 394-4138

Design Services for Kyle Sportsplex: RFQ-2024-01

Contract award to Stantec Consulting Services, Inc.

Item

- Consider award of the Design Services for Kyle Sportsplex: RFQ-2024-01 solicitation to Stantec Consulting Services, Inc. (or another qualified offeror) and authorize the City Manager to negotiate a contract.

Background

- February 26, 2024 – City released Design Services for Kyle Sportsplex: RFQ-2024-01
- March 18, 2024 – City received 8 responses
- City Staff Evaluation Panel was convened to review the proposals and shortlisted two firms for consideration by the Kyle Sportsplex Task Force:
  - Mesa Design Associates, Inc.
  - Stantec Consulting Services, Inc.
- Both the City Staff Panel and the Kyle Sportsplex Task Force recommend awarding the contract to Stantec

Options

- Option 1: Approve the award of the Design Services for Kyle Sportsplex: RFQ-2024-01 to Stantec Consulting Services, Inc.
- Option 2: Approve award of the contract to another qualified offeror.
- Option 3: Do not award the contract.

Recommendation

- Option 1: Approve the award of the Design Services for Kyle Sportsplex: RFQ-2024-01 to Stantec Consulting Services, Inc.

Should Council award this contract, Staff will work with the selected firm to negotiate a contract for the design of the Kyle Sportsplex and will return to Council for authorization to execute that agreement.

Thank you!

- Questions?

Design Services for Kyle Sportsplex

RFQ 2024-01

Evaluator Name: Combined Staff Panel

	Evaluator 1 Submission Requirements 10 Points	**Evaluator 2** Firm Qualifications & Availability 10 Points	**Evaluator 3** Proposed Staff's Qualifications & Experience 40 Points	**Evaluator 4** Project Approach Plan 40 Points	**Total** 100 Points	**Rank**
Stantec	100	95	98	97	97.5	1
MESA	79	91	93	92	88.75	2
Design Workshop, Inc	84	89	85	87	86.25	3
Walter P. Moore	75	94	89	86	86	4
Parkhill	95	89	67	85	84	5
Hitchcock Design Group	74	82	58	86	75	6
Logan Architecture	69	84	52	81	71.5	7
GLS Architecture | Engineering | Interior Design | Surveying	63	76	47	76	65.5	8

Evaluator Name: Combined Sportsplex Task Force

	Rank (average)	**Final Rank**
Stantec	1.3	1
MESA	1.7	2

Department Memo

Mayor & Council Regularly Scheduled Meeting

DEPARTMENT: Planning

FROM: Stephanie Leibe, Norton Rose Fulbright, City's Bond Counsel

MEETING: Tuesday, April 16th, 2024

SUBJECT:

Limestone Creek Public Improvement District – Improvement Area #1B Bonds

SUMMARY:

The Limestone Creek Public Improvement District (the "District") was created on October 18, 2022 to finance certain improvements benefiting the PID. On June 20, 2023, the City Council approved the Service and Assessment Plan for the District, levied assessments in Improvement Area #1 of the District, and issued the first series of PID Bonds for Improvement Area #1. Since the issuance of the first series of PID Bonds for Improvement Area #1, land values have increased such to support a second series of PID Bonds for Improvement Area #1, to finance the costs of the balance of the Improvement Area #1 Projects (the "Improvement Area #1B Bonds"). The resolution before the City Council approves the Preliminary Limited Offering Memorandum (the "PLOM") and authorizes the underwriter to utilize the PLOM in connection with the marketing and sale of the Improvement Area #1B Bonds.

OPTIONS:

Approve, deny or amend the resolution.

RECOMMENDATION:

Approve the resolution as written.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

10/18/22 – City Council creates the District.

6/20/23 – City Council approves the service and assessment plan, levies assessments in Improvement Area #1 of the District, and issues the first series of PID Bonds for Improvement Area #1.

7/17/23 – First series of PID Bonds for Improvement Area #1 close.

4/16/24 – PLOM resolution before City Council, authorizing the underwriter to utilize the PLOM in connection with the marketing and sale of the second series of PID bonds for Improvement Area #1.

FISCAL IMPACT:

No fiscal impact to the City – the Improvement Area #1B Bonds will be payable from the assessments levied in Improvement Area #1 on 6/20/23. The Improvement Area #1B Bonds will not be payable from any other City funds.

STAFF CONTACT:

Name: Will Atkinson
Title: Director of Planning
watkinson@cityofkyle.com
512-233-1144

Limestone Creek Public Improvement District – Improvement Area #1B Bonds

April 16, 2024

Stephanie Leibe, Norton Rose Fulbright US LLP

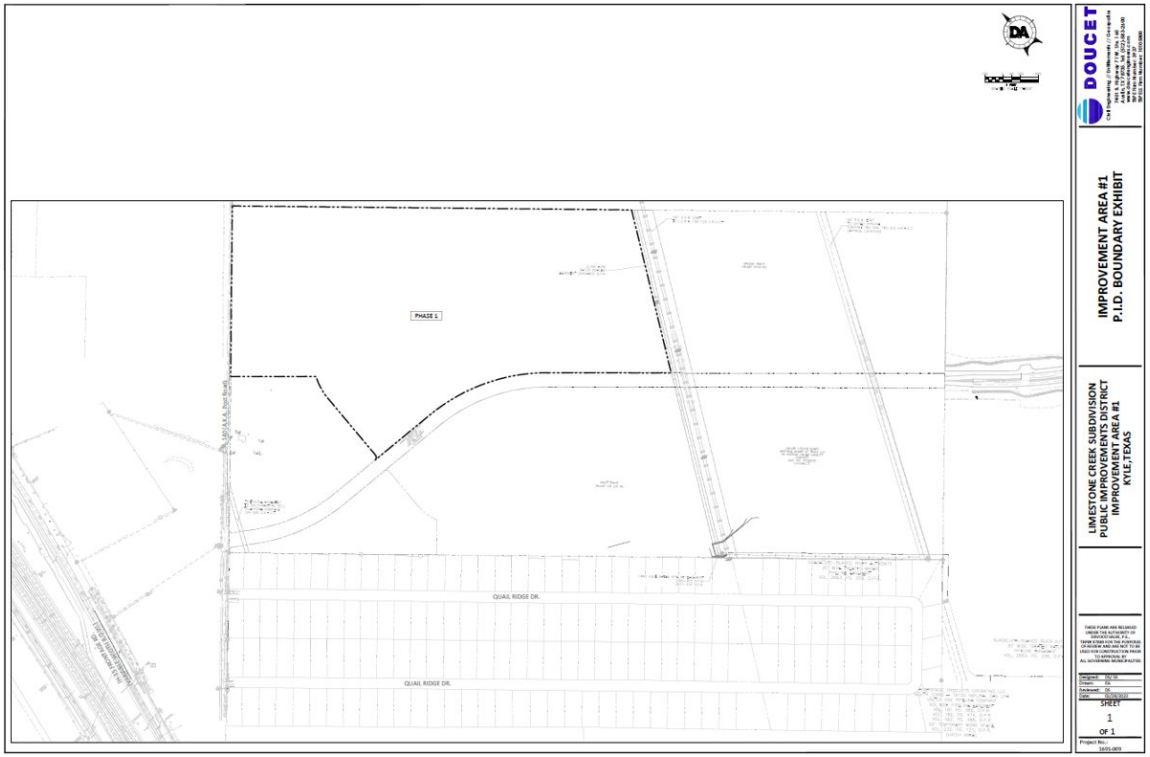
CITY OF KYLE
ESTABLISHED 1880

Limestone Creek PID – Overview

- Limestone Creek PID (the "District") was created by Resolution No. 1327 adopted by the City Council on October 18, 2022.
- On June 20, 2023, assessments in the amount of $15,694,000 were levied against the property within Improvement Area #1 of the District to finance projects benefiting Improvement Area #1.
- Improvement Area #1 Projects include improvements to Waterstone Boulevard and additional roadway, water wastewater, and drainage improvements.
- The first series of PID Bonds for Improvement Area #1 was closed on July 17, 2023 in the par amount of $7,884,000.

Limestone Creek PID – Boundaries

- PID Total: 161.5 Acres & 406 lots (est.)
- IA#1: 55.95 Acres & 179 lots



Limestone Creek PID – Current Steps

- Land values in the District have increased such that a second series of PID Bonds for Improvement Area #1 may be issued to finance the balance of the costs of the Improvement Area #1 Projects (the "Improvement Area #1B Bonds").
- The Resolution approves the Preliminary Limited Offering Memorandum ("PLOM") for the Improvement Area #1B Bonds and authorizes the underwriter to use the PLOM in connection with the marketing and sale of the Improvement Area #1B Bonds.

Limestone Creek PID– Next Steps

- May 7, 2024 – The City Council will consider the ordinance approving the issuance and sale of the Improvement Area #1B Bonds.

Limestone Creek PID

- Questions?



RESOLUTION NO. ____

A RESOLUTION OF THE CITY OF KYLE, TEXAS APPROVING THE FORM AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR THE CITY OF KYLE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1B PROJECT); AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act") authorizes the City of Kyle, Texas (the "City") to create a public improvement district within the corporate boundaries of the City; and

WHEREAS, pursuant to Resolution No. 1327 (the "Authorization Resolution"), adopted by the City Council (the "City Council") of the City on October 18, 2022, the City has created the "Limestone Creek Public Improvement District" (the "District"); and

WHEREAS, the City intends to issue the bonds to be designated "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)" (the "Bonds") to fund certain improvements in the District as authorized by the PID Act; and

WHEREAS, there has been presented to this City Council a Preliminary Limited Offering Memorandum relating to the Bonds (the "PLOM"); and

WHEREAS, this City Council finds and determines that it is necessary and in the best interests of the City to approve the form and content of the PLOM and authorize the use of the PLOM in the offering and sale of the Bonds by FMSbonds, Inc. (the "Underwriter"), under the conditions outlined herein; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AS FOLLOWS:

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

SECTION 2. The form and content of the PLOM is hereby approved with such changes, addenda, supplements or amendments as may be approved by the City Manager.

SECTION 3. The City hereby authorizes the PLOM to be used by the Underwriter in connection with the initial marketing and sale of the Bonds; provided that the PLOM shall not be released to the public without the approval of the City Manager, which approval shall be made in consultation with SAMCO Capital Markets, Inc., the City's Financial Advisor and Norton Rose Fulbright US LLP, the City's Bond Counsel.

SECTION 4. The City Council hereby delegates to the City Manager the authority to approve release of the PLOM to the public for use in marketing the Bonds under the conditions outlined herein.

SECTION 5. The City staff is authorized and directed to do all things proper and necessary to carry out the intent hereof.

SECTION 6. This Resolution shall become effective from and after its date of passage in accordance with law.

[Execution page follows]

ADOPTED, PASSED, AND APPROVED, this April 16th, 2024.

CITY OF KYLE, TEXAS

_____
Travis Mitchell, Mayor

ATTEST:

_____
Jennifer Kirkland, City Secretary

(City Seal)

NEW ISSUE **NOT RATED**

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [_____], 2024

THE SERIES 2024 BONDS ARE INITIALLY OFFERED ONLY TO PERSONS WHO MEET THE DEFINITION OF "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933) OR "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933). SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

In the opinion of Bond Counsel, interest on the Series 2024 Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" herein. See "TAX MATTERS – Tax Exemption" herein for a discussion of Bond Counsel's opinion.

$[6,671,000]*
CITY OF KYLE, TEXAS,
(a municipal corporation of the State of Texas located in Hays County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1B PROJECT)

Bond Date: May 29, 2024

Interest Accrual Date: Date of Delivery (defined below) **Due: September 1, as shown on the inside cover**

The City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project) (the "Series 2024 Bonds"), are being issued by the City of Kyle, Texas (the "City"). The Series 2024 Bonds will be issued in fully registered form, without coupons. Beneficial ownership of the Series 2024 Bonds initially may be acquired in principal denominations of $100,000 and in integral multiples of $1,000 in excess thereof. The Series 2024 Bonds will bear interest at the rates set forth on the inside cover, calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing September 1, 2024*, until maturity or earlier redemption. The Series 2024 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). No physical delivery of the Series 2024 Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Series 2024 Bonds will be paid from the sources described herein by BOKF, NA, Houston, Texas, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Series 2024 Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance expected to be adopted by the City Council of the City (the "City Council") on May 7, 2024, the Indenture of Trust dated as of July 1, 2023 (the "2023 Indenture") entered into by and between the City and the Trustee, and the Supplemental Indenture of Trust dated as of May 1, 2024 (the "2024 Supplemental Indenture," and together with the 2023 Indenture, the "Indenture"), entered into by and between the City and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Series 2024 Bonds will be used to provide funds for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying capitalized interest on the Series 2024 Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, and (iv) paying costs of issuance of the Series 2024 Bonds. See "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS" and "APPENDIX B – Form of Indenture."

The Series 2024 Bonds are an additional series of Bonds Similarly Secured and are being issued on parity with the Series 2023 Bonds. The Bonds Similarly Secured, which term includes the Series 2023 Bonds and the Series 2024 Bonds, when issued and delivered, will constitute valid and binding special, limited obligations of the City payable solely from and secured by the Trust Estate, consisting primarily of Assessments levied against assessable properties in Improvement Area #1 of the District (the "Assessed Property" or "Assessed Properties") in accordance with a Service and Assessment Plan and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein. The Bonds Similarly Secured are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS SIMILARLY SECURED." The Series 2024 Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions."

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

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

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

The Series 2024 Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Series 2024 Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Series 2024 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D – Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, for the City by its counsel, The Knight Law Firm, LLP, and for the Developer by the Regional Counsel of Meritage Homes Corporation, and by its special counsel, Cinclair Law, PLLC. It is expected that the Series 2024 Bonds will be delivered in book-entry form through the facilities of DTC on or about May 29, 2024 (the "Date of Delivery").

FMSbonds, Inc.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion and amendment without notice. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

* Preliminary, subject to change.

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

CUSIP Prefix: [(a)]

$[6,671,000][*]
CITY OF KYLE, TEXAS,
(a municipal corporation of the State of Texas located in Hays County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1B PROJECT)

$_____ _____% Term Bonds, Due September 1, 20__, Priced to Yield _____%; CUSIP No.___ [(a) (b) (c) (d)]

$_____ _____% Term Bonds, Due September 1, 20__, Priced to Yield _____%; CUSIP No.___ [(a) (b) (c) (d)]

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

(b) The Series 2024 Bonds are subject to extraordinary optional redemption as described herein under "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions."

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

(d) The Term Bonds are also subject to mandatory sinking fund redemption as described herein under "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions."

[*] *Preliminary, subject to change.*

CITY OF KYLE, TEXAS
CITY COUNCIL

Name	Place	Term Expires (November)
Travis Mitchell	Mayor	2026
Robert Rizo	Council Member (District 2), Mayor Pro Tem	2026
Bear Heiser	Council Member (District 1)	2025
Miguel Zuniga, Ph.D.	Council Member (District 3)	2025
Dr. Lauralee Harris	Council Member (District 4)	2026
Daniela Parsley	Council Member (District 5)	2024
Michael Tobias	Council Member (District 6)	2024

CITY MANAGER
Bryan Langley

ASSISTANT CITY MANAGER
Amber Schmeits

ASSISTANT CITY MANAGER
Jesse Elizondo

CITY SECRETARY
Jennifer Kirkland

CITY FINANCE DIRECTOR
Perwez A. Moheet, CPA

PID ADMINISTRATOR
P3Works, LLC

FINANCIAL ADVISOR TO THE CITY
SAMCO Capital Markets, Inc.

BOND COUNSEL
Norton Rose Fulbright US LLP

UNDERWRITER'S COUNSEL
Orrick, Herrington & Sutcliffe LLP

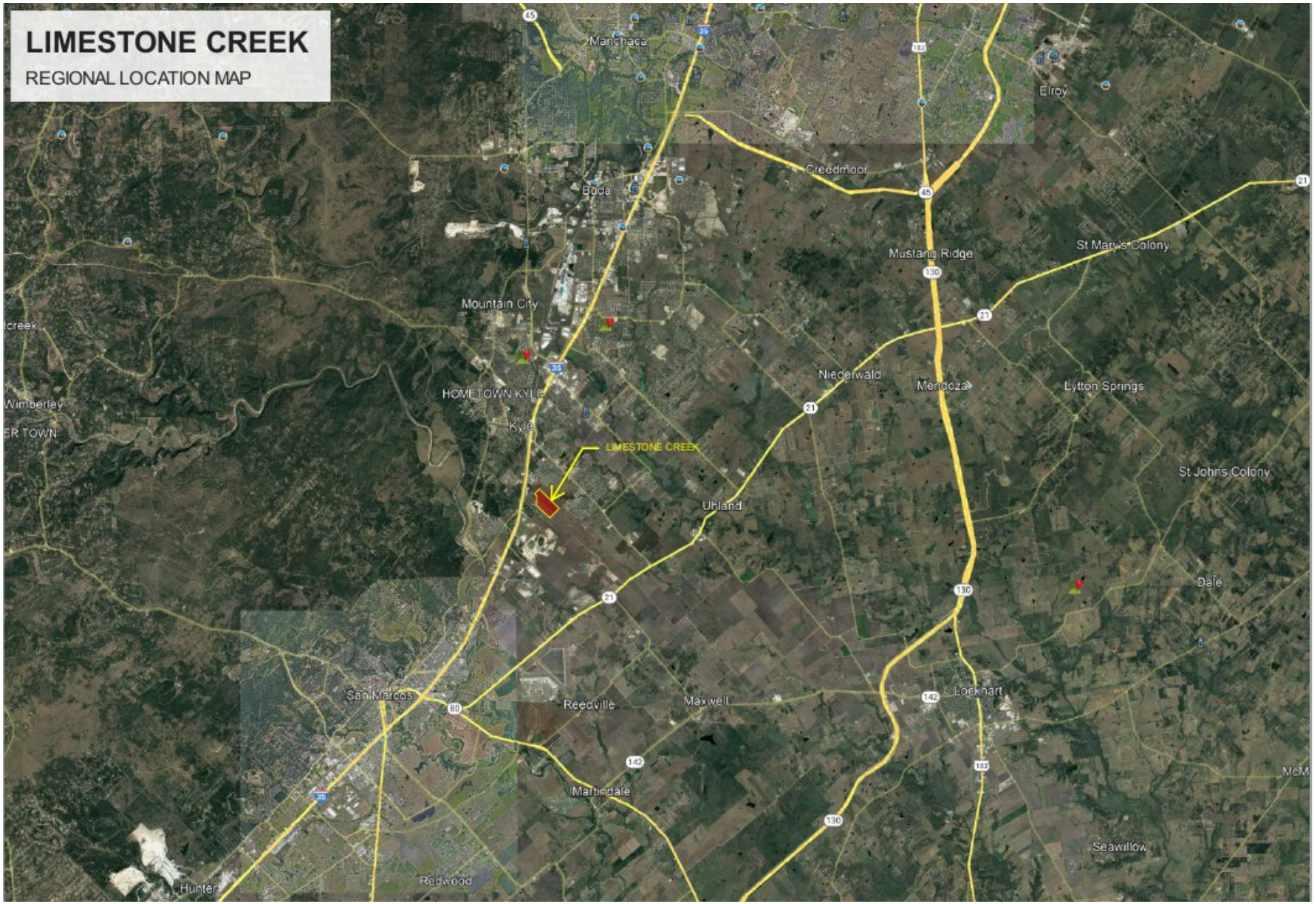
For additional information regarding the City, please contact:

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Director of Finance
City of Kyle, Texas
100 W. Center Street
Kyle, Texas 78640
(512) 262-1010
pmoheet@cityofkyle.com

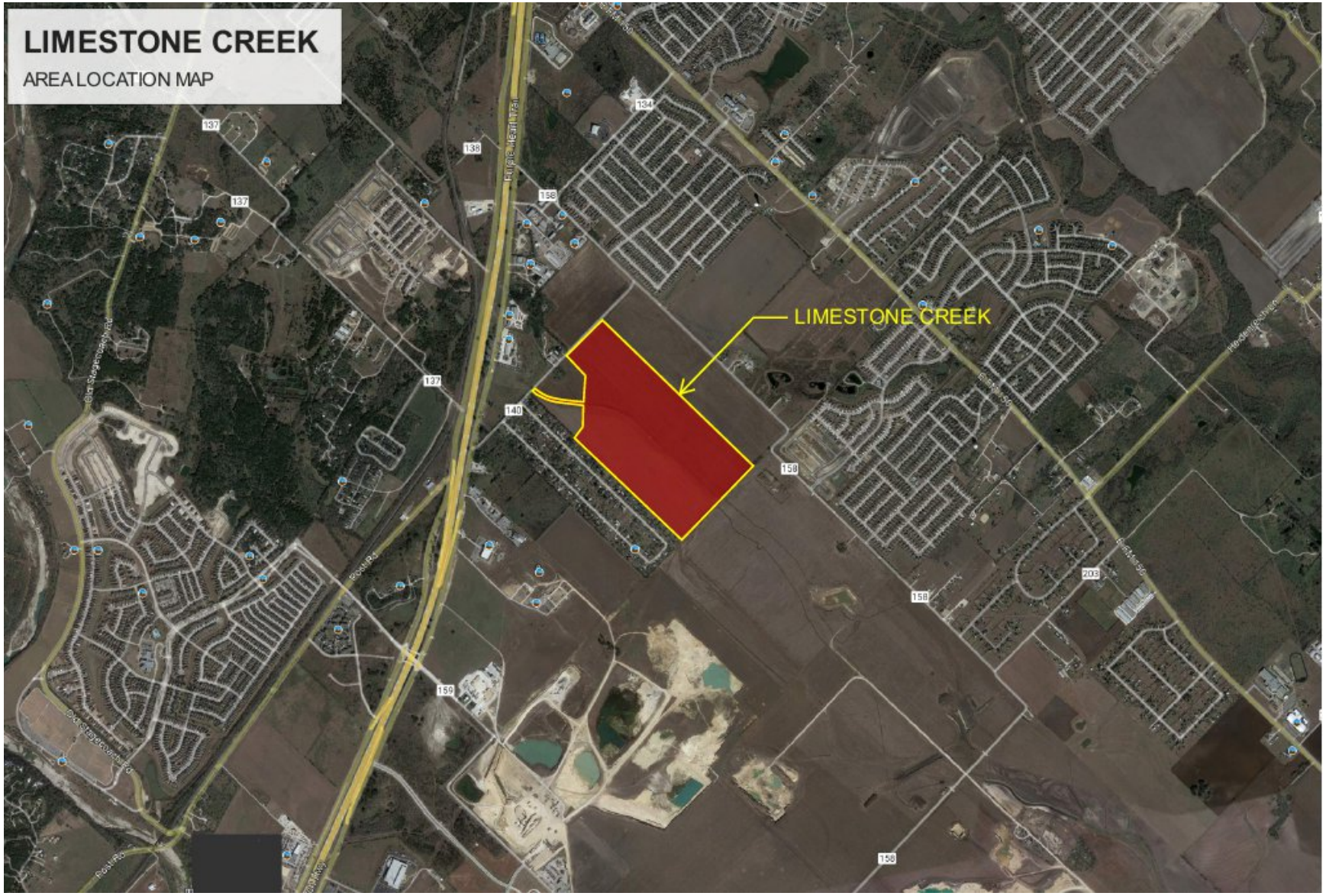
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Andrew T. Friedman
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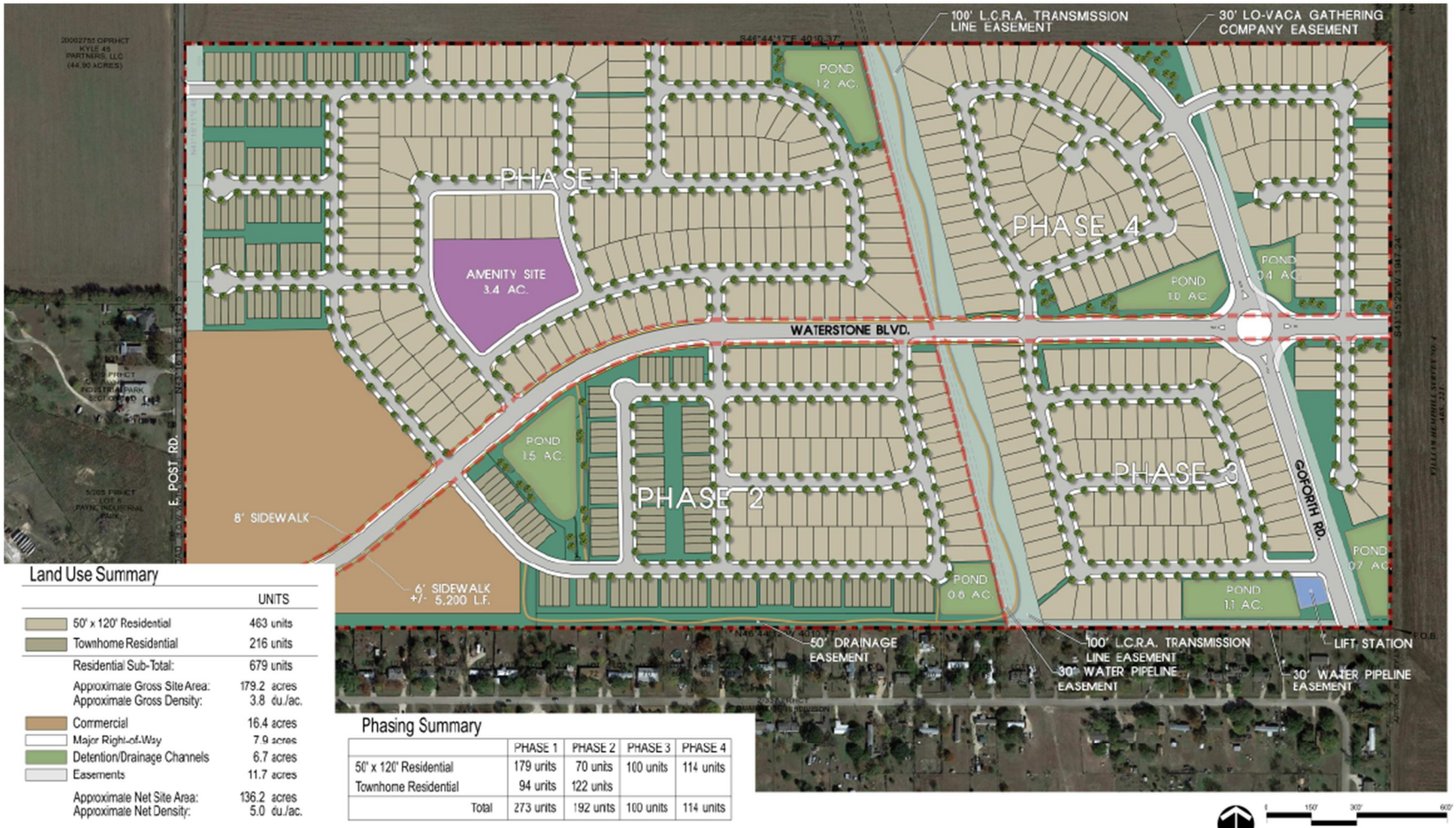
REGIONAL LOCATION MAP OF THE DISTRICT



AREA LOCATION MAP OF THE DISTRICT



MAP SHOWING CONCEPT PLAN OF THE DISTRICT



Land Use Summary

	UNITS
50' x 120' Residential	463 units
Townhome Residential	216 units
Residential Sub-Total:	679 units
Approximate Gross Site Area:	179.2 acres
Approximate Gross Density:	3.8 du./ac.
Commercial	16.4 acres
Major Right-of-Way	7.9 acres
Detention/Drainage Channels	6.7 acres
Easements	11.7 acres
Approximate Net Site Area:	136.2 acres
Approximate Net Density:	5.0 du./ac.

Phasing Summary

	PHASE 1	PHASE 2	PHASE 3	PHASE 4
50' x 120' Residential	179 units	70 units	100 units	114 units
Townhome Residential	94 units	122 units		
Total	273 units	192 units	100 units	114 units

SEC Planning, LLC
Land Planning • Landscape Architecture • Community Branding
AUSTIN, TEXAS

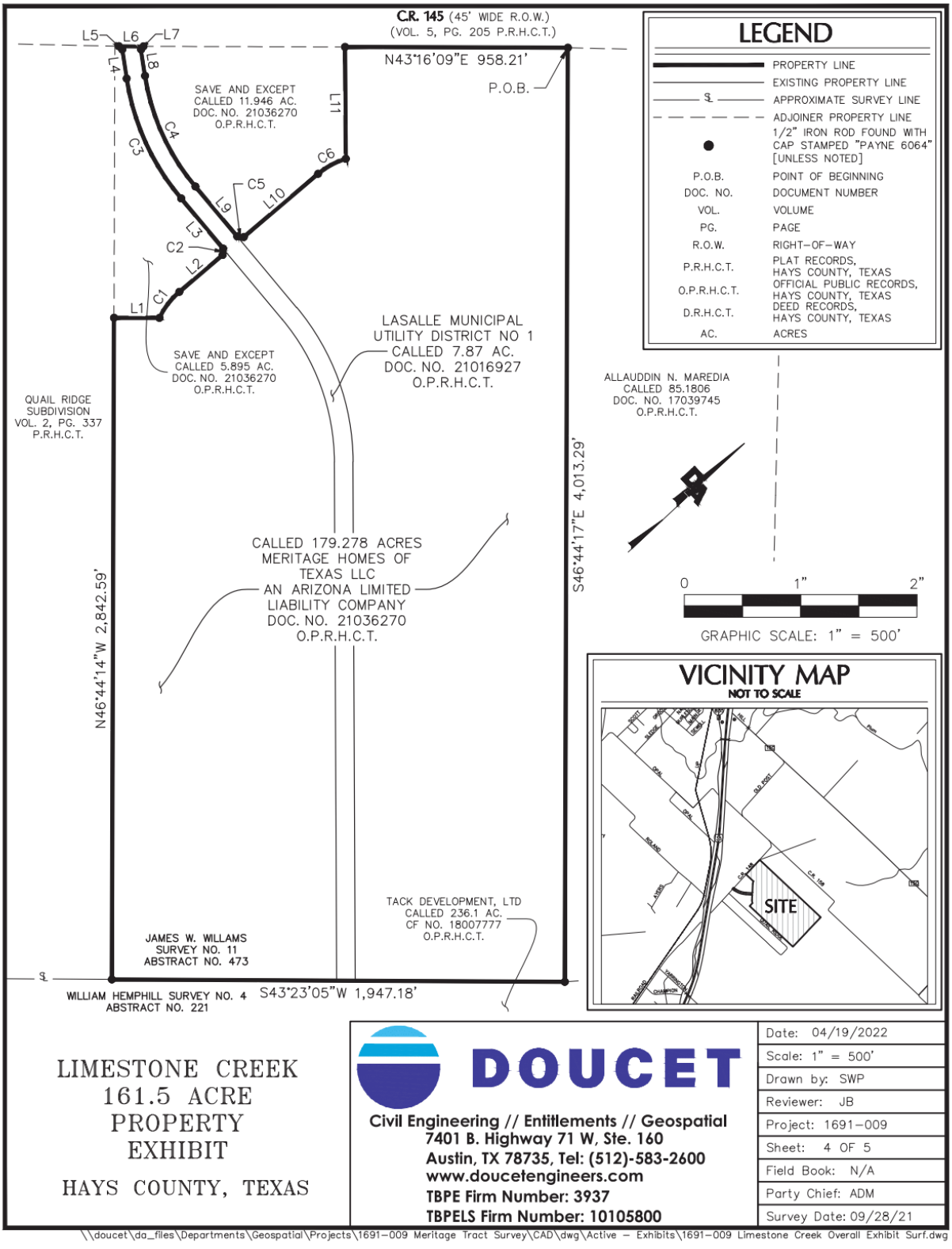
LOTTING J

WATERSTONE CROSSING
KYLE, TEXAS

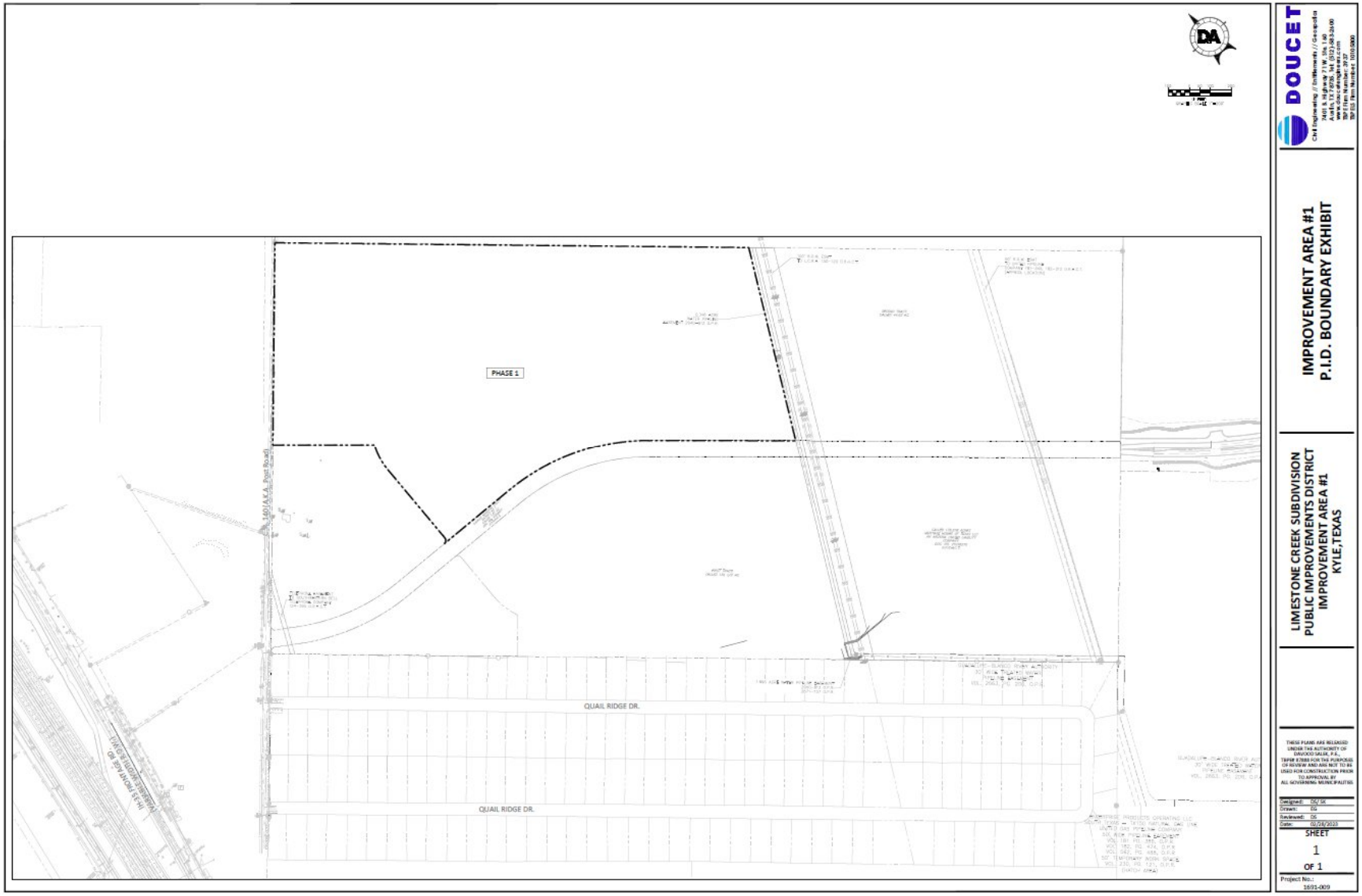
North
Scale: 1" = 300'
Date: March 14, 2024

Base mapping compiled from best available information. All map data should be considered as preliminary, in need of verification, and subject to change. This land plan is conceptual in nature and does not represent any regulatory approval. Plan is subject to change.

MAP SHOWING BOUNDARIES OF THE DISTRICT



MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #1 OF THE DISTRICT



MAP SHOWING BOUNDARIES OF REMAINDER AREA OF THE DISTRICT



USE OF LIMITED OFFERING MEMORANDUM

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

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

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

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

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE

UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY NEITHER PLANS TO ISSUE ANY UPDATES OR REVISIONS NOR PLANS TO REQUEST THAT THE DEVELOPER PROVIDE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE– THE CITY" AND "– THE DEVELOPER," RESPECTIVELY HEREIN.

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

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

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

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PRELIMINARY LIMITED OFFERING MEMORANDUM

**$[6,671,000]*
CITY OF KYLE, TEXAS,
(a municipal corporation of the State of Texas located in Hays County)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1B PROJECT)**

INTRODUCTION

The purpose of this Preliminary Limited Offering Memorandum, including the cover page, inside cover and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Kyle, Texas (the "City"), of its $[6,671,000]* aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project) (the "Series 2024 Bonds").

The Series 2024 Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Series 2024 Bonds expected to be adopted by the City Council of the City (the "City Council") on May 7, 2024 (the "2024 Bond Ordinance"), an Indenture of Trust dated as of July 1, 2023 (the "2023 Indenture") entered into by and between the City and BOKF, NA, Houston, Texas, as trustee (the "Trustee") and a Supplemental Indenture of Trust, dated as of May 1, 2024 (the "2024 Supplemental Indenture"), entered into by and between the City and the Trustee. The 2024 Supplemental Indenture supplements the 2023 Indenture, which was entered into in connection with the issuance of the Series 2023 Bonds (as defined below) (the 2023 Indenture and the 2024 Supplemental Indenture, are collectively referred to herein as the "Indenture"). The Series 2024 Bonds are an additional series of the Bonds Similarly Secured (as defined herein) to be issued, on parity with the Series 2023 Bonds, under the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED." Payment of the Bonds Similarly Secured, including the Series 2024 Bonds, is secured by a pledge of and a lien upon the Trust Estate (as defined herein), consisting primarily of revenue from special assessments ("Assessments") levied pursuant to a separate ordinance adopted by the City Council on June 20, 2023 (the "Assessment Ordinance") against assessable property (the "Assessed Property" or "Assessed Properties") located within Improvement Area #1 (as defined below) of the Limestone Creek Public Improvement District (the "District"), all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

Reference is made to the Indenture for a full statement of the authority for, and the terms and provisions of, the Series 2024 Bonds. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings set forth in the Indenture. See "APPENDIX B – Form of Indenture."

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinance, the 2024 Bond Ordinance, the Service and Assessment Plan (as defined herein), the Development Agreement (as defined herein), the Financing Agreement (as defined herein), the Developer (as defined herein) and the PID Administrator (as defined herein), together with summaries of terms of the Series 2024 Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Series 2024 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Series 2024 Bonds from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, telephone number (214) 302-2246. The Form of Indenture appears in APPENDIX B and the Form of Service and Assessment Plan appears in APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

* *Preliminary, subject to change.*

PLAN OF FINANCE

Development Plan

Land Acquisition. On or about July 2, 2021, Kyle Land Partners, LLC, a Texas limited liability company ("Kyle LP") conveyed 153.567 acres to Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer") via warranty deed. La Salle Municipal Utility District No. 1 ("La Salle MUD No. 1"), which owns land contiguous to the 153.567 acres, also owns a 7.87-acre parcel that runs through the 153.567 acre parcel owned by the Developer and connects East Post Road, which connects to Interstate Highway 35. The 153.567 acres owned by the Developer and the 7.87 acres owned by La Salle MUD No. 1 equate to approximately 161.5 acres which comprise the District (the "Property"). Pursuant to a ROW Cost Sharing Agreement and a Construction Cost Sharing Agreement (each as defined herein) the 7.87 acres owned by La Salle MUD No. 1 will be developed into a four-lane street to provide ingress and egress to the District, as well as La Salle MUD No. 1. See "THE DEVELOPER – History and Financing of the District" and "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS – Cost Sharing Agreements."

Development Agreement. The City and the Developer entered into an agreement (the Agreement Regarding Roadway and Drainage Improvements – Spooner Tract), effective on or about December 15, 2020, as amended and restated by the Amended and Restated Limestone Creek Development Agreement, effective as of June 21, 2022, as amended by the First Amendment to the Amended and Restated Limestone Creek Development Agreement, effective as of October 18, 2022, and as amended by the Second Amendment to the Amended and Restated Limestone Creek Development Agreement, effective as of March 7, 2023 (together, the "Development Agreement") to provide standards for developing the District, and to provide for the development of the Authorized Improvements (as defined herein), including the Improvement Area #1 Projects (as defined herein). For additional information regarding the Development Agreement, see "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS – The Development Agreement."

Development within the District. The current development plans for the District consist of the development of approximately three (3) improvement areas consisting of the development of phases of local improvements necessary to serve each improvement area of the District, as well as certain other major infrastructure that will benefit the entire District (the "Major Improvements"). The improvements will consist of improvements authorized under the PID Act, including those improvements listed in the Service and Assessment Plan (the "Authorized Improvements"). See "THE DEVELOPMENT – Overview."

Development in Improvement Area #1. Development in the District began in 2022 with the concurrent development of the internal infrastructure (the "Improvement Area #1 Improvements") to serve the initial residential improvement area of the District ("Improvement Area #1"), as well as Improvement Area #1's allocable share of the Major Improvements (together with the Improvement Area #1 Improvements, the "Improvement Area #1 Projects"). The Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Series 2023 Bonds and the Series 2024 Bonds, and any Additional Bonds (as defined herein), if such bonds are issued, are collectively referred to herein as the "Improvement Area #1 Authorized Improvements." The Developer completed construction of the Improvement Area #1 Projects in August of 2023, with the Improvement Area #1 Improvements being accepted by the City on August 3, 2023. As of March 1, 2024, the Developer has spent $12,366,520 toward the costs of the Improvement Area #1 Projects, and $3,500,000 toward the costs of the Major Improvements, including Waterstone Boulevard and associated landscaping for Improvement Area #2 and Improvement Area #3. The Developer expects Waterstone Boulevard to be accepted by the City in the second annual quarter of 2024 and associated landscaping to be completed and accepted by the City in the fourth annual quarter of 2028.

Improvement Area #1 is approximately 55.95 acres and contains 179 single-family residences on 50' lots, 94 townhome residences (the "Townhomes"), pursuant to the Condominium Regime for Limestone Creek Townhomes (the "Condominium Regime"), and an Amenity Center (defined herein). The Developer is the sole homebuilder in Improvement Area #1 of the District. As of March 27, 2024, the Developer has completed construction of 14 single-family residences and 21 townhomes in Improvement Area #1.

The Remainder Area. The remaining approximately 105.55 acres in the District, meaning the land within the District except Improvement Area #1, is defined as the "Remainder Area." The Developer's current plans are to

develop the Remainder Area into two additional improvement areas in three additional phases. The second improvement area ("Improvement Area #2") is expected to include phase 2 and is expected to be approximately 32.41 acres and contain 70 single-family residences on 50' lots and 122 Townhomes. The third improvement area ("Improvement Area #3") is expected to include phases 3 and 4 and is expected to be approximately 73.14 acres and contain 214 single-family residences on 50' lots.

The Developer expects to commence construction of the internal improvements in Improvement Area #2 (the "Improvement Area #2 Improvements") in the second annual quarter of 2025 and expects to complete these improvements in the second annual quarter of 2026. Additionally, the Developer expects to commence construction of the internal improvements in Improvement Area #3 (the "Improvement Area #3 Improvements") in the second annual quarter of 2026 and expects to complete these improvements in the second annual quarter of 2029.

The boundaries of the District, Improvement Area #1, and the Remainder Area are shown in "MAP SHOWING BOUNDARIES OF THE DISTRICT," "MAP SHOWING BOUNDARIES OF IMPROVEMENT AREA #1 OF THE DISTRICT" and "MAP SHOWING BOUNDARIES OF REMAINDER AREA OF THE DISTRICT" on pages vi, vii, and viii respectively.

Financing Plan

Costs of the Improvement Area #1 Authorized Improvements. The total cost of the Improvement Area #1 Authorized Improvements (consisting of the Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Series 2023 Bonds and the Series 2024 Bonds) was approximately $15,294,943.* The costs of the Improvement Area #1 Authorized Improvements, in the amount of $7,884,000 was financed with proceeds of the Series 2023 Bonds. It is expected that a portion of the balance of the costs of the Improvement Area #1 Authorized Improvements, in the total approximate amount of $7,410,943 will be financed, in part, by the Series 2024 Bonds in the amount of $6,671,000[1]. The balance cost of the Improvement Area #1 Authorized Improvements is expected to be $739,943*, and is expected to be finance by the Developer without reimbursement from the City. See "SOURCES AND USES OF FUNDS" and "APPENDIX C – Form of Service and Assessment Plan."

Costs of Remainder Area Authorized Improvements. The total cost of the Remainder Area Authorized Improvements (as defined herein) is approximately $3,484,926. Concurrent with the levy of the Assessments, the City levied an assessment on the Remainder Area to finance the costs of the Remainder Area Authorized Improvements (the "Remainder Area Assessment"). See also "– Remainder Area Reimbursement Agreement and Future Improvement Area Bonds" below.

Financing Agreement. The Limestone Creek Public Improvement District Financing Agreement (the "Financing Agreement"), effective as of June 20, 2023, established provisions for the apportionment and levying of Assessments, construction of the Authorized Improvements, and the advancing of funds.

TIRZ No. 4 Ordinance. On March 7, 2023, the City adopted an ordinance (the "TIRZ No. 4 Ordinance"), creating the Reinvestment Zone Number Four, City of Kyle, Texas ("TIRZ No. 4"), pursuant to Chapter 311 of the Texas Tax Code (the "TIRZ Act"), covering the District, as well as additional commercial land adjacent to the District but not included in the District, and authorizing the use of Residential TIRZ Increment Receipts (as defined herein) for project costs under the TIRZ Act, relating to the Authorized Improvements, including the Improvement Area #1 Projects, as provided for in the Preliminary Project and Finance Plan for Reinvestment Zone Number Four, City of Kyle, Texas and the Development Agreement, as described in more detail under "SECURITY FOR THE BONDS SIMILARLY SECURED – Amount of Assessments May be Reduced by TIRZ Annual Credit Amount." See also "BONDHOLDERS' RISKS – TIRZ Annual Credit Amount and Marketing of the Development." The City approved the final Project and Finance Plan for Reinvestment Zone Number Four, City of Kyle, Texas (the "TIRZ No. 4 Project Plan") on June 20, 2023.

[1] Preliminary, subject to change.

The Series 2024 Bonds

The proceeds of the Series 2024 Bonds will be used primarily for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying capitalized interest on the Series 2024 Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, and (iv) paying costs of issuance of the Series 2024 Bonds. See "APPENDIX B – Form of Indenture."

"Bonds Similarly Secured" means the Series 2023 Bonds and the Series 2024 Bonds, and any Additional Bonds[1] and any Refunding Bonds hereafter issued pursuant to and secured under the Indenture. Payment of the Bonds Similarly Secured, including the Series 2023 Bonds and the Series 2024 Bonds, is secured by a pledge of and a lien upon the Trust Estate, consisting primarily of revenue from the Assessments levied against the assessable parcels or lots within Improvement Area #1 of the District, all to the extent and upon the conditions described herein and in the Indenture. See "SECURITY FOR THE BONDS SIMILARLY SECURED" and "ASSESSMENT PROCEDURES."

THE BONDS SIMILARLY SECURED SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY, THE STATE OF TEXAS (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THE BONDS SIMILARLY SECURED ARE LIMITED AND SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TRUST ESTATE AS PROVIDED IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE BONDS SIMILARLY SECURED.

Remainder Area Reimbursement Agreement and Future Improvement Area Bonds

The Developer may make one or more requests to the City to issue one or more series of improvement area bonds (each such series of bonds are "Future Improvement Area Bonds") to finance the cost of Authorized Improvements to be developed to serve future improvement areas in the Remainder Area (the "Future Improvement Areas") as the development proceeds and to refund such Future Improvement Area's allocable share of the Remainder Area Reimbursement Obligation (defined herein). The estimated costs of the internal improvements benefiting Future Improvement Areas of the District will be determined as the Remainder Area of the District is developed, and the Service and Assessment Plan will be updated to identify the Authorized Improvements to be constructed within or benefiting Future Improvement Areas of the District to be financed by each series of Future Improvement Area Bonds. Pursuant to the Limestone Creek Public Improvement District Improvement Remainder Area Reimbursement Agreement, effective June 20, 2023, (the "Remainder Area Reimbursement Agreement"), the City will pay the Developer for the costs of the Remainder Area's allocable share of the Major Improvements (the "Remainder Area Authorized Improvements") in an amount not to exceed $3,484,926.25 (the "Remainder Area Reimbursement Obligation"). The Remainder Area Reimbursement Obligation accrues no interest and will be payable from proceeds of one or more series of Future Improvement Area Bonds. Such Future Improvement Area Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within the applicable Future Improvement Areas in the Remainder Area of the District that benefit from the Authorized Improvements.

Bonds Sold Pursuant to this Preliminary Limited Offering Memorandum

Only the Series 2024 Bonds are offered pursuant to this Preliminary Limited Offering Memorandum. Each series of Bonds Similarly Secured are or will be a separate and distinct series of securities issued under the Indenture but will be equally and ratably secured by the Trust Estate. Any Future Improvement Area Bonds issued by the City will be a separate and distinct issues of securities secured by separate assessments.

[1] Upon the issuance of the Series 2024 Bonds, the outstanding amount of the Improvement Area #1 Assessments will be pledged to the payment of the Bonds Similarly Secured, and, therefore, no Additional Bonds may be issued subsequent to the Series 2024 Bonds.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

1. The Investor has authority and is duly authorized to purchase the Series 2024 Bonds and to execute any instruments and documents required to be executed by the Investor in connection with the purchase of the Series 2024 Bonds.

2. The Investor is an "accredited investor" under Rule 501 of Regulation D of the Securities Act of 1933 or a "qualified institutional buyer" under Rule 144A of the Securities Act of 1933, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Series 2024 Bonds.

3. The Series 2024 Bonds are being acquired by the Investor for investment and not with a view to, or for resale in connection with, any distribution of Series 2024 Bonds, and the Investor intends to hold Series 2024 Bonds solely for its own account for investment purposes and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Series 2024 Bonds. However, the Investor may sell at any time the Investor deems appropriate. The Investor understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.

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

5. The Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Improvement Area #1 Projects, the Series 2024 Bonds, the security therefor, and such other information as the Investor has deemed necessary or desirable in connection with its decision to purchase the Series 2024 Bonds (collectively, the "Investor Information"). The Investor has received a copy of this Limited Offering Memorandum relating to the Series 2024 Bonds. The Investor acknowledges that it has assumed responsibility for its review of the Investor Information and it has not relied upon any advice, counsel, representation or information from the City in connection with the Investor's purchase of the Series 2024 Bonds. The Investor agrees that none of the City, its councilmembers, officers, or employees shall have any liability to the Investor whatsoever for or in connection with the Investor's decision to purchase the Series 2024 Bonds except for gross negligence, fraud or willful misconduct. For the avoidance of doubt, it is acknowledged that the Underwriter is not deemed an officer or employee of the City.

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

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

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

DESCRIPTION OF THE SERIES 2024 BONDS

General Description

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

The Series 2024 Bonds will be issued in fully registered form, without coupons. Beneficial ownership of the Series 2024 Bonds may be acquired in principal denominations of $100,000 and in integral multiples of $1,000 in excess thereof ("Authorized Denominations"); provided, however, that if the total principal amount of any Outstanding Series 2024 Bond is less than $100,000, then the Authorized Denomination of such Outstanding Series 2024 Bond shall be the amount of such Outstanding Series 2024 Bond. Upon initial issuance, the ownership of the Series 2024 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem the Series 2024 Bonds maturing on or after September 1, 20__, before their respective scheduled maturity dates, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the Redemption Price.

Extraordinary Optional Redemption. Notwithstanding any provision in the Indenture to the contrary, the City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part and in an amount and on a date specified in a City Certificate, at the Redemption Price of such Bonds Similarly Secured, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund, any other transfers to the Redemption Fund, or as a result of unexpended amounts transferred from the Project Fund). The City will provide the Trustee a City Certificate directing the Series 2024 Bonds to be redeemed pursuant to the Indenture.

Mandatory Sinking Fund Redemption. The Series 2024 Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

* Preliminary, subject to change.

**$__ Term Bonds due September 1, 20__*

Redemption Date	Sinking Fund Installment
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Stated maturity.

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction, the Trustee shall select a principal amount of Series 2024 Bonds of such maturity equal to the Sinking Fund Installment amount of such Series 2024 Bonds to be redeemed, shall call such Series 2024 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption.

The principal amount of Series 2024 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Series 2024 Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been acquired by the City at a price not exceeding the principal amount of such Series 2024 Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Series 2024 Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Series 2024 Bonds which, at least forty-five 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

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

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

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

If less than all of a series of Bonds Similarly Secured are called for extraordinary optional redemption under the Indenture, the Bonds Similarly Secured or portion of a Bond Similarly Secured, as applicable, of such series to be redeemed shall be selected in the following manner: (i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis (as nearly as practicable) among all Outstanding Bonds Similarly Secured of such series, and (ii) with respect to a Minor Amount Redemption, the Outstanding Bonds Similarly Secured of such series shall be redeemed in inverse order of maturity.

Upon surrender of any Bond Similarly Secured for redemption in part, the Trustee, in accordance with the Indenture, shall authenticate and deliver an exchange Bond Similarly Secured of the same series and in an aggregate

principal amount equal to the unredeemed portion of the Bond Similarly Secured so surrendered, such exchange being without charge.

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

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

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

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

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Series 2024 Bonds is to be transferred and how the principal of, premium, if any, and interest on the Series 2024 Bonds are to be paid to and credited by the DTC, while the Series 2024 Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City believes to be reliable, but none of the City, the City's Financial Advisor or the Underwriter takes any responsibility for the accuracy or completeness thereof.

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

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

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

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

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

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

Redemption notices for the Series 2024 Bonds shall be sent to DTC. If less than all Series 2024 Bonds of the same maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant of such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede

& Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered. Thereafter, Series 2024 Bond certificates may be transferred and exchanged as described in the Indenture.

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

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

In reading this Limited Offering Memorandum it should be understood that while the Series 2024 Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the Participant acquires an interest in the Series 2024 Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System and (ii) except as described above, notices that are to be given to registered owners under the Indenture will be given only to DTC.

SECURITY FOR THE BONDS SIMILARLY SECURED

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

General

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

The principal of, premium, if any, and interest on the Bonds Similarly Secured, including the Series 2024 Bonds, are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Assessments levied against the assessable parcels or lots within Improvement Area #1 of the District and other funds comprising the Trust Estate, all to the extent and upon the conditions described herein and in the Indenture. "Bonds Similarly Secured" means the Series 2023 Bonds and the Series 2024 Bonds, and any Additional Bonds[1] and any Refunding Bonds hereafter issued pursuant to and secured under the Indenture. Bonds Similarly Secured does not include the Future Improvement Area Bonds. Improvement Area #1 contains approximately 55.95 acres, which originally consisted of one or more parcels to be assessed (each, a "Parcel" and collectively, the "Assessed Property"). The Assessed Property has been or will be subdivided into 179 lots or units for single-family residential and 94 townhome lots (each, a "Lot"). In accordance with the PID Act and in connection with the issuance of the Series 2024 Bonds, the City intends to approve and adopt an amended and restated service and assessment plan (as may be updated and amended from time to time, the "Amended and Restated Service and Assessment Plan") on May 7, 2024, which will amend and restate the service and assessment plan the City adopted on June 20, 2023 (the "Original Service and Assessment Plan" and with the "Amended and Restated Service and Assessment Plan," as may be updated, amended and supplemented from time to time, the "Service and Assessment Plan"), which will describe the special benefit received by the property within the District, including Improvement Area #1, provide the basis and justification for the determination of special benefit on such property, establish the methodology for the levy of Assessments and provide for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds Similarly Secured, including the Series 2024 Bonds. The form of the Service and Assessment Plan is attached hereto as "APPENDIX C – Form of Service and Assessment Plan."

The Service and Assessment Plan is reviewed and updated at least annually for the purpose of determining the annual budget for improvements and the Annual Installments (as defined below) of Assessments due in a given year. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future developers within the District. See "APPENDIX C – Form of Service and Assessment Plan."

Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance the Improvement Area #1 Authorized Improvements by levying Assessments upon properties in Improvement Area #1 of the District benefitted thereby. For a description of the assessment methodology, see "ASSESSMENT PROCEDURES" and "APPENDIX C – Form of Service and Assessment Plan." The City will covenant in the Indenture that it will take and pursue all actions permissible under the PID Act, and all other laws or statutes, rules, or

[1] Upon the issuance of the Series 2024 Bonds, the outstanding amount of the Improvement Area #1 Assessments will be pledged to the payment of the Bonds Similarly Secured, and, therefore, no Additional Bonds may be issued subsequent to the Series 2024 Bonds.

regulations, and any amendments thereto, of the State or of the United States (collectively, "Applicable Laws") to cause the Assessments to be collected and the liens thereof to be enforced continuously. See "– Pledged Revenue Fund," "APPENDIX B – Form of Indenture" and "APPENDIX C – Form of Service and Assessment Plan."

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

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

"Annual Installment" means, with respect to each Assessed Property, each annual payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F and related to the Improvement Area #1 Authorized Improvements; which annual payment includes Annual Collection Costs and the Additional Interest collected on each annual payment of the Assessments as described in the Indenture and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

"Pledged Funds" means the Pledged Revenue Fund (excluding the Developer Reimbursement Pledged Revenue Account), the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Annual Collection Costs and Delinquent Collection Costs and (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

The PID Act provides that the Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens or claims, except liens and claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein.

Collection and Deposit of Assessments

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

The Assessments assessed to pay debt service on the Bonds Similarly Secured, including the Series 2024 Bonds, together with interest thereon, are payable in Annual Installments established by the Assessment Ordinance and the Service and Assessment Plan to correspond, as nearly as practicable, to the debt service requirements for the Bonds Similarly Secured. An Annual Installment of Assessments has been made payable in the Assessment Ordinance in each Fiscal Year preceding the date of final maturity of the Bonds Similarly Secured which, if collected, will be sufficient to pay the portion of the debt service requirements attributable to Assessments in the Service and Assessment

Plan. Each Annual Installment is payable as provided in the Service and Assessment Plan and the Assessment Ordinance.

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

Amount of Assessments may be Reduced by TIRZ Annual Credit Amount

On March 7, 2023, the City adopted the TIRZ No. 4 Ordinance authorizing the use of Residential TIRZ Increment Receipts for costs of the Residential Projects, including the Improvement Area #1 Projects, as defined and provided for in the TIRZ No. 4 Project Plan.

"Residential TIRZ Increment Receipts" mean, for each Tax Year, the amount deposited in the Residential Subaccount of the TIRZ Fund pursuant to the TIRZ Plan Ordinance, as described in the TIRZ Plan, and the TIRZ Agreement (all as defined in the Service and Assessment Plan). See "APPENDIX C — Form of Service and Assessment Plan."

The City has agreed to use a portion of Residential TIRZ Increment Receipts generated from each Residential Property, less TIRZ Administrative Costs, to offset a portion of such property's Assessment by the TIRZ Annual Credit Amount up to the TIRZ Maximum Annual Credit Amount (all as defined in the Service and Assessment Plan). To see the TIRZ Maximum Annual Credit Amount for each Lot Type in Improvement Area #1, see Exhibit P to "APPENDIX C — Form of Service and Assessment Plan." The TIRZ Maximum Annual Credit Amount for Lots within the Remainder Area will be determined at the time of levy of the Assessments for such Improvement Area.

The Annual Installment will be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to such lot, but in no event shall the TIRZ Annual Credit Amount exceed the TIRZ Maximum Annual Credit Amount. "TIRZ Maximum Annual Credit Amount" means the amount of Residential TIRZ Increment Receipts that, when applied to Assessed Property on a lot type basis to reduce the Annual Installment next due for such Assessed Property, results in an aggregate equivalent tax rate credit of Annual Installments of Assessments plus all other overlapping taxing entities (using the 2023 tax rates for such taxing entities) of $3.10 per $100 of assessed value for Assessed Property, based on the Estimated Buildout Value (as defined in the Service and Assessment Plan) of such Assessed Property at the time the City Council approved the Assessment Ordinance. See "APPENDIX C — Form of Service and Assessment Plan."

Under the TIRZ No. 4 Ordinance and TIRZ No. 4 Project Plan, the Residential TIRZ Increment Receipts generated by each applicable lot in any given year shall be used to calculate such lot's TIRZ Annual Credit Amount in the following year (i.e., Residential TIRZ Increment Receipts collected in 2024 shall be used to calculate the TIRZ Annual Credit Amount applicable to Annual Installments to be collected in 2025). The Residential TIRZ Increment Receipts are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable lot in any year. Consequently, the Residential TIRZ Increment Receipts are generated only if the appraised value of real property on such lot in any year is greater than the base value. Any delay or failure of the Developer or homebuilders to develop Improvement Area #1 may result in a reduced amount of the Residential TIRZ Increment Receipts being available to credit the Assessments. See "ASSESSMENT PROCEDURES — Assessment Methodology — TIRZ Annual Credit Amount" and "APPENDIX C — Form of Service and Assessment Plan."

TIRZ No. 4 will terminate, unless the City elects to extend the term, on December 31, 2063, with the last payment being due January 31, 2064, unless terminated by the City earlier.

THE RESIDENTIAL TIRZ INCREMENT RECEIPTS WILL NOT BE PLEDGED TO THE PAYMENT OF THE BONDS SIMILARLY SECURED, AND THERE IS NO GUARANTEE THAT THERE WILL EVER BE SUFFICIENT RESIDENTIAL TIRZ INCREMENT RECEIPTS TO GENERATE THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT. THE OWNERS OF THE BONDS SIMILARLY SECURED SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS SIMILARLY SECURED FROM RESIDENTIAL TIRZ INCREMENT RECEIPTS. THE TIRZ ANNUAL CREDIT AMOUNT WILL NOT BE APPLIED IN ANY MANNER THAT WOULD AFFECT THE COLLECTION AND CONTINUOUS ENFORCEMENT OF ASSESSMENTS

COLLECTED FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS SIMILARLY SECURED AND ANNUAL COLLECTION COSTS AND THE FUNDING OF THE DELINQUENCY AND PREPAYMENT RESERVE REQUIREMENT, IN THE MANNER AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS. SUCH TIRZ ANNUAL CREDIT AMOUNT IS NOT EXPECTED TO BE AVAILABLE TO REDUCE THE ANNUAL INSTALLMENT FOR ANY ASSESSED PROPERTY UNTIL 2025. RESIDENTIAL TIRZ INCREMENT RECEIPTS GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREA #1 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ MAXIMUM CREDIT FOR PARCELS WITHIN IMPROVEMENT AREA #1 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREA #1 MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE "OVERLAPPING TAXES AND DEBT," "BONDHOLDERS' RISKS — TIRZ ANNUAL CREDIT AMOUNT AND MARKETING OF THE DEVELOPMENT" AND "APPENDIX C — FORM OF SERVICE AND ASSESSMENT PLAN."

Unconditional Levy of Assessments

The City has imposed Assessments on the property within Improvement Area #1 of the District to pay the principal of and interest on the Bonds Similarly Secured scheduled for payment from the Trust Estate, as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Assessments are effective from the date, and strictly in accordance with the terms, of the Assessment Ordinance. Each Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds Similarly Secured, which installments shall include interest on the Assessments. Pursuant to the Assessment Ordinance, interest on the Assessments for each lot or unit within Improvement Area #1 and allocated to the Bonds Similarly Secured, begins to accrue on the date specified in the Service and Assessment Plan and, bears interest at the rate of interest on the Series 2023 Bonds or the Series 2024 Bonds, as applicable, plus the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the PID Act ("Additional Interest Rate"). Each Annual Installment, including the interest on the unpaid amount of Assessments, will be determined by September 30 of each year and billed on or around October 15 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.003(b)(14) of the PID Act, the City will collect each year while the Bonds Similarly Secured are Outstanding and unpaid, an amount to pay the Annual Collection Costs. The portion of each Annual Installment of Assessments used to pay the Annual Collection Costs shall remain in effect from year to year until all Bonds Similarly Secured are finally paid or until the City adjusts the amount of Annual Collection Costs after an annual review in any year pursuant to Section 372.015(d) of the PID Act. The amount collected to pay Annual Collection Costs shall be due in the manner set forth in the Assessment Ordinance, and shall be billed as part of the Annual Installment on or about October 15 of each year and shall be delinquent if not paid by February 1 of the following year. Amounts collected for Annual Collection Costs do not secure repayment of the Bonds Similarly Secured.

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

The PID Act provides that the Assessments (including any reassessment), with interest, the expense of collection and reasonable attorney's fees, if incurred, are a first and prior lien (the "Assessment Lien") against the property within Improvement Area #1, superior to all other liens and claims, except liens and claims for the State, county, school district, or municipality for ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid (or otherwise discharged) and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See "ASSESSMENT PROCEDURES" herein. The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance.

However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinance ("Pre-existing Homestead Rights") for as long as such rights are maintained on the property. See "BONDHOLDERS' RISKS – Assessment Limitations." There are currently no properties within Improvement Area #1 that have claimed a homestead exemption.

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

Perfected Security Interest

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, and execution and delivery of the Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of the Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Series 2024 Bonds and the pledge of the Trust Estate granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Series 2024 Bonds are outstanding such that the pledge of the Trust Estate granted by the City under the Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then in order to preserve to the registered owners of the Series 2024 Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX B – Form of Indenture."

Pledged Revenue Fund

On or before February 15 of each year while the Bonds Similarly Secured are Outstanding and beginning February 15, 2025, the City shall deposit or cause to be deposited the Pledged Revenues, other than the Pledged revenues on deposit in the Project Collection Fund, into the Pledged Revenue Fund. As soon as practicable following deposit into the Pledged Revenue Fund, the Trustee shall apply the Pledged Revenues in the following order of priority:

(i) *first*, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year;

(ii) *second*, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement;

(iii) *third*, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any;

(iv) *fourth*, to the Developer Reimbursement Pledged Revenue Account of the Pledged Revenue Fund to pay the Developer for costs of Improvement Area #1 Projects that have been paid by the Developer (including any accrued interest);

(v) *fifth*, to pay Actual Costs of the Improvement Area #1 Projects; and

(vi) *sixth*, to pay other costs permitted by the PID Act.

Moneys transferred to the Developer Reimbursement Pledged Revenue Account shall not be a part of the Trust Estate and are not security for the Bonds Similarly Secured. Following the issuance of the Series 2024 Bonds the Developer Reimbursement Pledged Revenue Account will be closed.

Along with each deposit of Pledged Revenues from the Project Collection Fund to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee as to (i) the Funds and Accounts into which the amounts

are to be deposited or retained, as applicable, and (ii) the amounts of any payments to be made from such Funds and Accounts.

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

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

From time to time as needed to pay the obligations relating to Actual Costs of the Improvement Area #1 Projects that are paid by the Developer, and once all amounts deposited into the Improvement Area #1 Improvements Account of the Project Fund have been disbursed, the Trustee shall, pursuant to a completed Reimbursement Payment Request, withdraw from the Developer Reimbursement Pledged Revenue Account and transfer to the Reimbursement Fund such amount needed to pay the Developer for funds it paid to fund Actual Costs of the Improvement Area #1 Projects, including any accrued interest. When all amounts due to the Developer to pay it for the funds it used to pay for Actual Costs of the Improvement Area #1 Projects have been paid to the Developer, whether through Assessments received and applied in accordance with the Indenture and the Service and Assessment Plan or an Annual Service Plan Update, or through the proceeds of Additional Bonds, no further deposits shall be made to the Developer Reimbursement Pledged Revenue Account and the Developer Reimbursement Pledged Revenue Account shall be closed.

Notwithstanding the above-described flow of funds, the Trustee shall deposit Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the above-described flow of funds, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Property(s) to which the Foreclosure Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Property(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund, the City may direct the Trustee by City Certificate to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid, including the funding of any obligations due to the Developer with funds deposited to the Developer Reimbursement Pledged Revenue Account.

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

Bond Fund

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

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

Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Series 2024 Bonds on the following date and in the following amount:

Date	Amount
September 1, 20	$_____

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Improvements Account of the Project Fund, as directed by the City pursuant to a City Certificate, or if the Improvement Area #1 Improvements Account has been closed as provided in the Indenture, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds Similarly Secured, and the Capitalized Interest Account shall be closed.

Project Fund

Pursuant to the Indenture, a Project Fund will be created to be used for the purposes described in "PLAN OF FINANCE – The Series 2024 Bonds."

Money on deposit in the Project Fund shall be used for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying capitalized interest on the Series 2024 Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, and (iv) paying costs of issuance of the Series 2024 Bonds. Money on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area Projects.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay Bond Issuance Costs of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from the other Accounts of the Project Fund to pay Actual Costs of the Improvement Area #1 Projects shall be made by the Trustee upon receipt by the Trustee of either properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvements Account pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement. See "APPENDIX F – Financing Agreement."

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment of the Improvement Area #1 Projects, as applicable, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Improvements Account of the Project Fund will ever be expended for the purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund that are not expected to be used for purposes of such Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

Upon the filing of a City Certificate stating that all Improvement Area #1 Projects have been completed and that all Actual Costs of the Improvement Area #1 Projects have been paid, or that any such Actual Costs of the Improvement Area #1 Projects are not required to be paid from the Improvement Area #1 Improvements Account of the Project Fund pursuant to a Certificate for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvements Account of the Project Fund to the Bond Fund and (ii) shall close the Improvement Area #1 Improvements Account. If the Improvement Area #1 Improvements Account has been closed

as provided above and the Cost of Issuance Account of the Project Fund has been closed pursuant to the Indenture, the Project Fund shall be closed.

Not later than six months following each respective Closing Date, or upon a determination by the City Representative that all Bond Issuance Costs of such series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred, first, to another Account of the Project Fund and used to pay Actual Costs, and second, to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Redemption Fund

The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds Similarly Secured as provided in the provisions of the Indenture relating to optional redemption and extraordinary optional redemption on the dates specified for redemption as provided in the Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in provisions in the Indenture relating to redemption.

Reserve Fund: Reserve Account and Additional Interest Reserve Account

Pursuant to the Indenture, a Reserve Account was created within the Reserve Fund for the benefit of the Bonds Similarly Secured in connection with the issuance of the Series 2023 Bonds and is held by the Trustee. The Reserve Account was initially funded with proceeds of the Series 2023 Bonds and, upon the issuance of the Series 2024 Bonds, proceeds of the Series 2024 Bonds will be deposited in the amount of $_____. Following the deposit of the Series 2024 Bond proceeds, $_____ will be on deposit in the Reserve Account to satisfy the Reserve Account Requirement, all in accordance with the Indenture. Additionally, an Additional Interest Reserve Account was created within the Reserve Fund for the benefit of the Bonds Similarly Secured in connection with the issuance of the Series 2023 Bonds and is held by the Trustee. The Additional Interest Account is funded from the deposit of Additional Interest in the amount of the Additional Interest Account Requirement. See "APPENDIX B – Form of Indenture" and "APPENDIX C – Form of Service and Assessment Plan."

The City agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits described in the Indenture, and when accumulated, maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such deficiency is due pursuant to the Indenture. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in the Indenture.

The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2025, an amount equal to the Additional Interest collected, if any, until the Additional Interest Reserve Requirement has been has accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to the Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan

or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

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

Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to the Indenture, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount of Bonds Similarly Secured to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account, the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of debt service on the Bonds Similarly Secured on the next Interest Payment Date in accordance with the Indenture, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under the Indenture, (ii) to a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date of the Indenture, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

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

At the final maturity of the Bonds Similarly Secured, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Principal and Interest Account of the Bond Fund and applied to the payment of the principal of the Bonds Similarly Secured.

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

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

Administrative Fund

On or before February 20, 2025, and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with the Indenture. Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds and Accounts created and administered under the Indenture and used as directed by a City Certificate solely for the purposes set forth in the Service and Assessment Plan. See "APPENDIX C — Form of Service and Assessment Plan."

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

Project Collection Fund

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in the Indenture. The City shall provide such City Certificate on or before February 20, 2025 and every August 20 and February 20 thereafter while the Bonds Similarly Secured are Outstanding. The Project Collection Fund is not a Pledged Fund.

Reimbursement Fund

Money on deposit in the Reimbursement Fund shall be disbursed to the Developer, once all amounts deposited into the Improvement Area #1 Improvements Account of the Project Fund have been disbursed, to pay the Actual Costs of the Improvement Area #1 Projects previously paid by the Developer, as evidenced by a Certificate for Payment. Disbursements shall be made pursuant to the Indenture, based upon approval of a Reimbursement Payment Request by the City Representative. When all amounts due to the Developer to pay it for the funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects have been paid to the Developer, whether through Assessments received and applied in accordance with the Indenture and the Service and Assessment Plan or an Annual Service Plan Update, or through the proceeds of Additional Bonds, no further deposits shall be made to the Reimbursement Fund and the Reimbursement Fund shall be closed. In the event that the Reimbursement Fund is closed pursuant to the Indenture, any remaining balance in the Reimbursement Fund and in any Account therein shall be transferred to the Pledged Revenue Fund and applied in accordance with the Indenture.

Bonds Similarly Secured Deemed Paid

All Outstanding Bonds Similarly Secured shall, prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds Similarly Secured are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee for such purpose, shall be sufficient to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys and/or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds Similarly Secured to become due on such Bonds Similarly Secured on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if any Bonds Similarly Secured are then rated, the Trustee shall have received

written confirmation from each rating agency then publishing a rating on such Bonds Similarly Secured that such deposit will not result in the reduction or withdrawal of the rating on such Bonds Similarly Secured. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds Similarly Secured. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall, be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds Similarly Secured on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

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

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

Events of Default

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

(i) the failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) the failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with the Indenture;

(iii) the failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and

(iv) default in the performance or observance of any covenant, agreement or obligation of the City under the Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

Immediate Remedies for Default

Upon the happening and continuance of any of the Events of Default described in the Indenture, the Trustee may, and at the written direction of Owners of at least 25% of the Bonds Similarly Secured then Outstanding, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained therein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

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

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

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

Restriction on Owner's Actions

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

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

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

Application of Revenues and Other Moneys After Event of Default

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

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

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

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

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

Investment of Funds

Money in any Fund or Account established pursuant to the Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment. The Money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in the Indenture) on the Bonds

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

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

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

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

Against Encumbrances

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

So long as Bonds Similarly Secured are Outstanding, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, except for other indebtedness incurred in compliance with the Indenture.

Additional Obligations or Other Liens; Additional Bonds

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

Other than Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured or Additional Bonds issued in accordance with the Indenture, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of the Indenture or the priority thereof might or could be lost or impaired.

The requirements necessary to issue Additional Bonds have been met, prior to the issuance of the Series 2024 Bonds. The City does not anticipate issuing any Additional Bonds, other than the Series 2024 Bonds.

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SOURCES AND USES OF FUNDS*

The table that follows summarizes the expected sources and uses of proceeds of the Series 2024 Bonds:

Sources of Funds:	
Principal Amount	$
TOTAL SOURCES	$
Use of Funds:	
Deposit to Improvement Area #1 Improvements Account of the Project Fund	$
Deposit to Capitalized Interest Account of the Bond Fund	
Deposit to Costs of Issuance Account of the Project Fund	
Deposit to Reserve Account of the Reserve Fund	
Underwriter Discount[(1)]	
TOTAL USES	$

(1) Includes Underwriter's Counsel's fee.

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* Preliminary, subject to change.

DEBT SERVICE REQUIREMENTS[1]

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

	Series 2024 Bonds			Outstanding Series 2023 Bonds			Total Bonds Similarly Secured
Year Ending (September 30)	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	
2024[(1)]							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
2042							
2043							
2044							
2045							
2046							
2047							
2048							
2049							
2050							
2051							
2052							
2053				-	-	-	
Total	**$***						

* To be updated and completed upon pricing.

(1) Interest due in 2024 will be paid from amounts on deposit in the Capitalized Interest Account.

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[1] Preliminary, subject to change.

OVERLAPPING TAXES AND DEBT

The land within Improvement Area #1 of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities. Such taxes and assessments are payable in addition to the Assessments.

Overlapping Taxes

Hays County, Austin Community College District, Hays County Emergency Services District No. 5, Hays County Emergency Services District No. 9, and the Hays Consolidated Independent School District may each levy ad valorem taxes upon land in Improvement Area #1 of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or assessments levied by such other taxing authorities. The following tables reflect the overlapping ad valorem tax rates currently levied on property located in Improvement Area #1 of the District and the estimated Annual Installment as a tax rate equivalent in both the growth and the no-grow scenarios.

Overlapping Taxes in Improvement Area #1 – Growth Scenario[(1)]

Taxing Entity	Tax Year 2023 Ad Valorem Tax Rate[(2)] (2039 TRE[(3)]) *Without application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate	Tax Year 2023 Ad Valorem Tax Rate[(2)] (2039 TRE[(3)]) *With application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate	Tax Year 2023 Ad Valorem Tax Rate[(2)] (2053 TRE[(3)]) *Without application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate	Tax Year 2023 Ad Valorem Tax Rate[(2)] (2053 TRE[(3)]) *With application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate
Hays County	$0.2875	$0.2875	$0.2875	$0.2875
Hays County (Special Road District Tax)	$0.0200	$0.0200	$0.0200	$0.0200
City of Kyle	$0.4693	$0.4693	$0.4693	$0.4693
Austin Community College District	$0.0986	$0.0986	$0.0986	$0.0986
Hays County Emergency Services District No. 5	$0.0843	$0.0843	$0.0843	$0.0843
Hays County Emergency Services District No. 9	$0.0491	$0.0491	$0.0491	$0.0491
Hays Consolidated Independent School District	$1.1569	$1.1569	$1.1569	$1.1569
Total Current Tax Rate	**$2.1657**	**$2.1657**	**$2.1657**	**$2.1657**
Estimated Average Annual Installment of Assessment as an Equivalent Tax Rate[(4)]	$0.8577	$0.8577	$0.8771	$0.8771
TIRZ Maximum Annual Credit Amount applicable to Annual Installment of Assessment as an Equivalent Tax Rate[(5)]	–	$(0.1510)	–	$(0.1145)
Estimated Total Net Tax Rate and Average Annual Installments in Improvement Area #1 as an Equivalent Tax Rate[(4)(5)]	$3.0234	$2.8724	$3.0428	$2.9283

(1) Assumes 2% annual home price appreciation in calculating the estimated annual installment as a Tax Rate Equivalent. For the amortization of the Assessments, see Exhibit G to the Service and Assessment Plan and "DEBT SERVICE REQUIREMENTS."

(2) As reported by the taxing entities. Per $100 in assessed value. Rounded to the fourth decimal place.

(3) For illustrative purposes, installment payment years 2039 and 2053 are shown; 2053 is the tax year in which the final Annual Installment is due. For additional information, see "Appendix C – Service and Assessment Plan."

(4) *Preliminary, subject to change*; Assumes completion of homes at values estimated by the Developer.

(5) *Preliminary, subject to change*; Pursuant to the Development Agreement, the maximum equivalent tax rate, including the Assessments and all overlapping taxing jurisdictions, cannot exceed $3.30 per $100 taxable assessed valuation. In the Development Agreement, the City has agreed to use TIRZ Increment Receipts generated from each lot within Improvement Area #1, in an amount not to exceed the TIRZ Maximum Annual Credit Amount, to offset a portion of such lot's Annual Installment of Assessment due each year. Derived from information in the Service and Assessment Plan. See "ASSESSMENT PROCEDURES – Assessment Amounts – TIRZ Annual Credit Amount" herein. TIRZ No. 4 will terminate, unless the City elects to extend the term, on December 31, 2063, with the last payment being due January 31, 2064, unless terminated by the City earlier.

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

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Overlapping Taxes in Improvement Area #1 – No Growth Scenario[1]

Taxing Entity	Tax Year 2023 Ad Valorem Tax Rate[2] (2039 TRE[3]) *Without application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate	Tax Year 2023 Ad Valorem Tax Rate[2] (2039 TRE[3]) *With application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate	Tax Year 2023 Ad Valorem Tax Rate[2] (2053 TRE[3]) *Without application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate	Tax Year 2023 Ad Valorem Tax Rate[2] (2053 TRE[3]) *With application of TIRZ Maximum Annual Credit Amount* Tax Year 2023 Ad Valorem Tax Rate
Hays County	$0.2875	$0.2875	$0.2875	$0.2875
Hays County (Special Road District Tax)	$0.0200	$0.0200	$0.0200	$0.0200
City of Kyle	$0.4693	$0.4693	$0.4693	$0.4693
Austin Community College District	$0.0986	$0.0986	$0.0986	$0.0986
Hays County Emergency Services District No. 5	$0.0843	$0.0843	$0.0843	$0.0843
Hays County Emergency Services District No. 9	$0.0491	$0.0491	$0.0491	$0.0491
Hays Consolidated Independent School District	$1.1569	$1.1569	$1.1569	$1.1569
Total Current Tax Rate	**$2.1657**	**$2.1657**	**$2.1657**	**$2.1657**
Estimated Average Annual Installment of Assessment as an Equivalent Tax Rate[4]	$1.1543	$1.1543	$1.5575	$1.5575
TIRZ Maximum Annual Credit Amount applicable to Annual Installment of Assessment as an Equivalent Tax Rate[5]	–	$(0.2033)	–	$(0.2033)
Estimated Total Net Tax Rate and Average Annual Installments in Improvement Area #1 as an Equivalent Tax Rate[4][5]	$3.3200	$3.1167	$3.7232	$3.5199

(1) Assumes 0% annual home price appreciation in calculating the estimated annual installment as a Tax Rate Equivalent. For the amortization of the Assessments, see Exhibit G to the Service and Assessment Plan and "DEBT SERVICE REQUIREMENTS."

(2) As reported by the taxing entities. Per $100 in assessed value. Rounded to the fourth decimal place.

(3) For illustrative purposes, installment payment years 2039 and 2053 are shown; 2053 is the tax year in which the final Annual Installment is due. For additional information, see "Appendix C – Service and Assessment Plan."

(4) *Preliminary, subject to change*; Assumes completion of homes at values estimated by the Developer.

(5) *Preliminary, subject to change*; Pursuant to the Development Agreement, the maximum equivalent tax rate, including the Assessments and all overlapping taxing jurisdictions, cannot exceed $3.30 per $100 taxable assessed valuation. In the Development Agreement, the City has agreed to use TIRZ Increment Receipts generated from each lot within Improvement Area #1, in an amount not to exceed the TIRZ Maximum Annual Credit Amount, to offset a portion of such lot's Annual Installment of Assessment due each year. Derived from information in the Service and Assessment Plan. See "ASSESSMENT PROCEDURES – Assessment Amounts – TIRZ Annual Credit Amount" herein. TIRZ No. 4 will terminate, unless the City elects to extend the term, on December 31, 2063, with the last payment being due January 31, 2064, unless terminated by the City earlier.

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

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Overlapping Debt

As noted above, Improvement Area #1 of the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes or assessments. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within Improvement Area #1 of the District, and City debt to be secured by the Assessments:

Overlapping Debt in the District

Taxing or Assessing Entity	Gross Outstanding Debt as of April 1, 2024	Estimated Percentage Applicable[(1)]	Direct and Estimated Overlapping Debt[(2)]
The City (Assessments – The Series 2024 Bonds)	$ 6,671,000*	100.00%	$6,671,000*
The City	150,175,000	0.36%	543,001
Hays County	475,481,919	0.05%	239,833
Austin Community College District	562,445,000	0.01%	34,063
Hays County Emergency Services District No. 5	-	N/A	-
Hays County Emergency Services District No. 9	-	N/A	-
Hays Consolidated Independent School District	874,350,000	0.14%	1,251,409
	$2,069,100,919		**$8,717,306**

* *Preliminary, subject to change*.

(1) The overlapping percentages are based upon retail value of Improvement Area #1 as provided in the appraisal report prepared in connection with the issuance of the Series 2023 Bonds, dated December 29, 2022.

(2) Based upon certified valuations of Tax Year 2023 for the taxing entities and the appraised value for Improvement Area #1.

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

Homeowners' Association

In addition to the Assessments described above, the Developer anticipates that each single-family residential lot owner in Improvement Area #1 will pay an annual maintenance and operation fee and/or a property owner's association fee to a homeowners' association (the "Master Association HOA"). The Master Association HOA fees are expected to be approximately $55.00 per month. An additional condominium owners' association will be created for the owners of the townhomes (the "Condominium Association HOA"). The Condominium Association HOA fees are expected to be approximately $74.00 per month.

ASSESSMENT PROCEDURES

General

Capitalized terms under this caption and not otherwise defined in the Limited Offering Memorandum shall have the meaning given to such terms in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Authorized Improvements through assessments, it must adopt a resolution generally describing the Authorized Improvements and the land within the District to be subject to assessments to pay the costs therefor. The City has caused assessment rolls to be prepared (the "Assessment Roll" and the "Remainder Area Assessment Roll"), which assessment rolls show the land within the District to be assessed, the amount of the benefit to and the assessment against each lot or parcel of land and the number of Annual Installments in which the assessment is divided. The assessment rolls will be filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing will be conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Authorized Improvements and funding the same with assessments. The City levied the Assessments against the Improvement Area #1 Assessed Property and the assessment against the property in the Remainder Area (the "Remainder Area Assessments" and the "Remainder Area Assessed Property," respectively) and adopted the Assessment Ordinance on June 20, 2023. After adoption of the Assessment Ordinance, such assessments became legal, valid and binding liens upon the property against which the assessments were made.

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

Assessment Methodology

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

As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area #1 Authorized Improvements are being funded with proceeds of the Series 2024 Bonds, which are payable from and secured by Pledged Revenues and other funds comprising the Trust Estate. The balance of the costs of the Improvement Area #1 Authorized Improvements are being financed by the Developer.

Authorized Improvements shall be allocated as follows:

Major Improvements shall be allocated pro rata between the Assessed Property in Improvement Area #1 and the Remainder Area Assessed Property pro rata based on Estimated Buildout Value.

Improvement Area #1 Improvements are allocated entirely to the Assessed Property in Improvement Area #1.

Remainder Area Authorized Improvements are allocated entirely to the Remainder Area Assessed Property.

Bond Issuance Costs and Administrative Reserves shall be allocated entirely to the Assessed Property securing the applicable bond.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments initially be allocated to each Assessed Property within Improvement Area #1 based upon the ratio of the Estimated Buildout Value of each Parcel designated as Assessed Property to the Estimated Buildout Value of all Assessed Property. Upon the division of any Assessed Property without the recording of a subdivision plat, the PID Administrator shall reallocate the Assessment for the Assessed Property prior to the subdivision among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meaning:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefitted Property
E = the number of newly subdivided Lots with the same Lot Type

Prior to the recording of a subdivision plat, the Parcel owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Estimated Buildout Value for a Lot shall be performed by the PID Administrator and confirmed by the City Council based on information provided by the Parcel owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

The Assessment for any resulting Lot may not exceed the "Maximum Assessment" for such Lot Type, as shown in Exhibit Q to the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

TIRZ Annual Credit Amount. Pursuant to the Development Agreement, the Service and Assessment Plan and the TIRZ No. 4 Ordinance, the City has agreed to use a portion of TIRZ Increment Receipts generated from each Assessed Property, less TIRZ Administrative Costs, to offset a portion of such property's Assessment by the TIRZ Annual Credit Amount. The Annual Installment of the Assessments for each Parcel within Improvement Area #1 will be calculated by taking into consideration any TIRZ Annual Credit Amount applicable to such Parcel, as described under "SECURITY FOR THE BONDS SIMILARLY SECURED – Amount of Assessments May be Reduced by TIRZ Annual Credit Amount" and in "APPENDIX C – Form of Service and Assessment Plan," but in no event shall the TIRZ Annual Credit Amount exceed the TIRZ Maximum Annual Credit Amount. The TIRZ Increment Receipts are generated only from ad valorem taxes levied and collected by the City on the captured appraised value on the applicable Parcel in any year. Consequently, the TIRZ Increment Receipts are generated only if the appraised value of real property on such Parcel in any year is greater than the base value. See "APPENDIX C – Form of Service and Assessment Plan."

TIRZ INCREMENT RECEIPTS GENERATED FROM THE CAPTURED APPRAISED VALUE FOR EACH PARCEL IN IMPROVEMENT AREA #1 DURING THE DEVELOPMENT OF SUCH PARCEL WILL NOT RESULT IN A TIRZ ANNUAL CREDIT AMOUNT WHICH IS SUFFICIENT TO ACHIEVE THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT. THE TIRZ ANNUAL CREDIT AMOUNT MAY NOT PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT UNTIL THE SECOND YEAR THAT A HOME ON SUCH PARCEL IS ASSESSED. THE ABILITY OF THE TIRZ ANNUAL CREDIT AMOUNT TO PROVIDE FOR THE TIRZ MAXIMUM ANNUAL CREDIT AMOUNT FOR PARCELS WITHIN IMPROVEMENT AREA #1 IS DEPENDENT ON THE ACTUAL BUILDOUT VALUE IN IMPROVEMENT AREA #1 MEETING THE PROJECTIONS FOR THE ESTIMATED BUILDOUT VALUES DESCRIBED IN THE SERVICE AND ASSESSMENT PLAN. SEE "OVERLAPPING TAXES AND DEBT" AND "APPENDIX C – FORM OF SERVICE AND ASSESSMENT PLAN." **SUCH TIRZ INCREMENT RECEIPTS ARE NOT PLEDGED AS SECURITY FOR THE BONDS SIMILARLY SECURED.**

Method of Allocation of Assessments. As set forth in the Service and Assessment Plan, the Improvement Area #1 Assessments were levied on the Improvement Area #1 Assessed Property according to the Improvement Area #1 Assessment Roll. See Exhibit C, Authorized Improvements, and Exhibit F, Improvement Area #1 Assessment Roll, to "APPENDIX C – Form of Service and Assessment Plan."

Method of Reallocation of Assessments. Upon division, the Assessment allocated to the Improvement Area #1 Initial Parcel shall be allocated to the newly created Assessed Property based on the ratio of Estimated Buildout Value of each Assessed Property or Lot (upon recorded subdivision plat – estimated average build out value of all newly subdivided Lots with same Lot Type) to the Estimated Buildout Value for all Parcels or Lots within the prior Parcel.

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

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

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

True-up of Assessments if Maximum Assessment Exceeded. Prior to the approval of a final subdivision plat, the PID Administrator will certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

Mandatory Prepayment of Assessments. If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefitted Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status. Provided that, however, such mandatory prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an owners association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder of the Parcel to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

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

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The following table provides the initial allocation of Assessments of Improvement Area #1.

Assessment Allocation[1]

Owner	Assessment
Developer	$[_____]*

The following tables provide the expected allocation of Assessments based on Lot Type.

Assessment Reallocation in Improvement Area #1(1)

Planned Lot Type (ft.)	Units	Projected Home Value per Unit/Sq. Ft(2)	Estimated Assessment per Lot(3)	Total Assessment per Lot Type(3)	Estimated Annual Installment s per Lot (2025)(4)	Estimated Annual Installments per Lot (2039)(4)	Estimated Annual Installments per Lot (2053)(4)
50'	179	$425,000	$58,015	$10,384,728	$3,745	$4,906	$6,620
Townhomes	94	$325,000	$44,365	$ 4,170,272	$2,864	$3,752	$5,062
Total/WAVG.	**273**	**$390,568**	**$53,315**	**$14,555,000**	**$3,442**	**$4,508**	**$6,083**

(1) *Preliminary, subject to change.* Estimates based on information available as of the date of this Preliminary Limited Offering Memorandum. The above estimate assumes an average of 5.875% interest rate on the assessments securing the Series 2024 Bonds and a 30-year term for the Series 2024 Bonds and Annual Collection Costs of $40,000 increasing 2% per year. For additional information regarding the annual installment as a tax rate equivalent, see "OVERLAPPING TAXES AND DEBT – Overlapping Taxes – Overlapping Taxes – Growth Scenario" and "–Overlapping Taxes – No-Growth Scenario" or Exhibit Q – Maximum Assessment, to Exhibit C – Service and Assessment Plan.

(2) Estimate provided by the Developer. Estimated Buildout Value used in the Service and Assessment Plan.

(3) Obtained from the Service and Assessment Plan; based upon projected home values provided by the Developer. As of February 1, 2024, the total outstanding Improvement Area #1 Assessment for a 50' Lot was $62,555.22, of which $31,425.09 was attributable to the Improvement Area #1 Initial Bonds and $31,130.13 was attributable to the Improvement Area #1 Reimbursement Agreement, and the total outstanding Improvement Area #1 Assessment for a Townhome Lot was $47,836.34, of which $24,030.95 was attributable to the Improvement Area #1 Initial Bonds and $23,805.39 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

(4) Assumes completion of homes at values estimated by the Developer. As of February 1, 2024, the total outstanding Improvement Area #1 Assessment was $15,694.000, of which $7,884,000 was attributable to the Improvement Area #1 Initial Bonds and $7,810,000 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

(5) Assumes completion of homes at values estimated by the Developer. The amortization of the assessments escalates at a rate of 2% annually.

Collection and Enforcement of Assessment Amounts

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

The City will covenant in the Indenture to collect, or cause to be collected, Assessments as provided in the Assessment Ordinance. No less frequently than annually, City staff or a designee of the City shall prepare, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the

[1] Preliminary, subject to change.

Annual Installment for each Parcel. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

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

To the extent permitted by law, notice of the Annual Installments will be sent by, or on behalf of, the City to the affected property owners on the same statement or such other mechanism that is used by the City, so that such Annual Installments are collected simultaneously with ad valorem taxes and shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. Notwithstanding the foregoing, the City shall be permitted to reduce the Assessments on a Parcel within Improvement Area #1 by the TIRZ Annual Credit Amount pursuant to the Development Agreement and the Service and Assessment Plan; provided, however, that no such reduction shall operate to reduce the amounts levied for the payment of the Annual Collection Costs.

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

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

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

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

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

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

Assessment Amounts

The maximum amounts of the Assessments levied on Improvement Area #1 have been established by the methodology described in the Service and Assessment Plan. The Improvement Area #1 Assessment Rolls set forth for each year the Annual Installment for each Parcel consisting of payment of (i) principal, (ii) interest, (iii) Annual Collection Costs, and (iv) Additional Interest (relating to assessments securing the Bonds Similarly Secured). The Annual Installments for Improvement Area #1 of the District may not exceed the amounts shown on the Improvement Area #1 Assessment Rolls. The Assessments were levied against the parcels comprising the Improvement Area #1 Assessed Property in the District as indicated on the Improvement Area #1 Assessment Rolls. See "APPENDIX C – Form of Service and Assessment Plan."

The Annual Installments shown on the Improvement Area #1 Assessment Rolls will be reduced to equal the actual costs of repaying the Bonds Similarly Secured, the Additional Interest (on the Bonds Similarly Secured), and actual Annual Collection Costs (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

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

Additionally, the amount of the Remainder Area Assessments levied on the Remainder Area have been established by the methodology described in the Service and Assessment Plan. The Remainder Area Assessments are not security for the Bonds Similarly Secured.

Prepayment of Assessments

Pursuant to the PID Act and the Indenture, the owner of any property assessed may voluntarily prepay (a "Prepayment") all or part of any assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied towards the redemption or payment of the Bonds Similarly Secured. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an assessment are not to be considered a Prepayment, but rather are to be treated as payment of the regularly scheduled installment of the assessments.

Prior to the approval of a final subdivision plat, the PID Administrator shall certify that the final plat will not cause the assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any assessed property by a final subdivision plat causes the assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the respective landowner shall partially prepay the assessment for each assessed property that exceeds the applicable Maximum Assessment for such Lot Type in an amount sufficient to reduce the assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such assessments.

Priority of Lien

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

Foreclosure Proceedings

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

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

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

ASSESSMENT DATA

Collection and Delinquency History of Assessments

Improvement Area #1 Assessments. Assessments were levied on assessable property in Improvement Area #1 of the District on June 20, 2023. The initial Annual Installment, consisting of principal, interest, Additional Interest and Annual Collection Costs, will be billed in October of 2024 and will be delinquent if not received by January 31, 2025.

Special Assessment Payer Concentration in Improvement Area #1. As of the date of the Assessment Ordinance, the Developer owned all of the Assessed Property in Improvement Area #1.

Remainder Area Assessments. The Remainder Area Assessments were also levied on assessable property in the Remainder Area of the District on June 20, 2023. The City expects to refund the Remainder Area Assessments in connection with the issuance of each series of Future Improvement Area Bonds. Any Remainder Area Assessment not previously refunded will be billed in October of 2052 and will be delinquent if not received by January 31, 2053.

Special Assessment Payer Concentration in the Remainder Area. As of March 1, 2024, the Developer owns all of the Remainder Area Assessed Property in the Remainder Area.

THE CITY

Background

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State including the City's Home Rule Charter, initially adopted by the qualified voters of the City in

the year 2000, and as amended in 2006, 2016, 2018 and 2020. The City operates as a home rule municipality under a Council-Manager form of government with a City Council comprised of the Mayor and six Council Members. The City Manager is the chief executive officer for the City.

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

City Government

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

Water and Wastewater

The City will provide both water and wastewater service to the District. The City contracts with Guadalupe Brazos River Authority, Edwards Aquifer Authority, Barton Springs Edwards Aquifer Conservation District, and the Alliance Regional Water Authority to meet the City's water supply needs. The City owns various facilities including storage and pump facilities, water distribution and sewage collection lines, meters, valves, and other facilities necessary to provide water and sewer service to its customers. The City also expects to construct a new elevated water storage tank, which, pursuant to the Development Agreement, the Developer has agreed to make a contribution to the construction costs of the elevated water storage tank, for potential future water needs; however, the City currently has sufficient water capacity to serve the District. The City's water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the District.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement district to pay for certain improvements. The District was created by Resolution No. 1327 of the City adopted on October 18, 2022 in accordance with the PID Act (the "Creation Resolution") for the purpose of undertaking and financing, in phases, the costs of certain public improvements within the District, including the Improvement Area #1 Projects, authorized by the PID Act and approved by the City Council that confer a special benefit on the portion of the District property being developed. The District is not a separate political subdivision of the State and is governed by the City Council. Maps of the property within the District are included on pages iii -vii hereof.

Powers and Authority of the City

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

Pursuant to the PID Act and the Creation Resolution, the City has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Improvement Area #1

Projects. See "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain improvements within the District, including Improvement Area #1 of the District, and outside of the District, (i) acquisition, construction and improvement of sidewalks, streets, other roadways, and rights-of-way; (ii) acquisition, construction, and improvement of water, wastewater and drainage facilities; (iii) landscaping; (iv) establishment of parks and open space; (v) acquisition, construction, and improvement of off-street parking facilities; (vi) other projects similar to those listed in subsections (i) - (v) above authorized by the Act; (vii) other improvement projects not listed in subsections (i) - (vi) above but are authorized by the Act; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vii) above, including costs of establishing, administering and operation of the District. The City has determined to finance a portion of the costs thereof through the issuance of the Bonds Similarly Secured, including the Series 2024 Bonds, and to provide for the payment of debt service on the Bonds Similarly Secured from the Trust Estate. See "ASSESSMENT PROCEDURES" herein and "APPENDIX C – Form of Service and Assessment Plan."

THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS

General

The Improvement Area #1 Authorized Improvements consist of the Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Series 2023 Bonds, the Series 2024 Bonds, and Additional Bonds, if such bonds are issued. The balance of the costs of the Improvement Area #1 Authorized Improvements will be paid by the Developer under the terms of the Financing Agreement and the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan" and "APPENDIX F – Financing Agreement."

Improvement Area #1 Authorized Improvements

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

Waterstone Boulevard Improvements including erosion control measures, earthwork, subgrade stabilization, concrete and asphalt pavement with curb and gutter, concrete sidewalk on both sides of the ROW with ADA ramps, signage, lighting and construction testing to construct Waterstone Boulevard from I□35 to the eastern side of the project, a four-lane City arterial street. Includes installation of 16" water main within Waterstone Boulevard right of way. The 16" water main will be extended from eastern border of the District to the existing City 12" water line at E. Post Road. Includes construction of 8" and 12" and 15" City wastewater mains within Waterstone Boulevard right of way all the way to existing City manhole at I-35. Includes installation of drainage pipes, box culverts and curb inlets within Waterstone Boulevard right of way, and detention ponds.

Landscaping Improvements including landscaping, planting beds and sod, and fencing along Waterstone Boulevard. These improvements include erosion control measures, earthwork, site improvements, planting, and vegetation.

*Contingency e*stimated to be 5% of construction costs.

Soft Costs Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, and other PID costs incurred and paid by the Owner.

Improvement Area #1 Improvements. The Improvement Area #1 Improvements benefit Improvement Area #1 and consist of the following:

Roadway Improvements including construction of Improvement Area #1 local streets. Improvements to include erosion control measures, earthwork, subgrade stabilization, concrete and asphalt pavement with curb and gutter, concrete sidewalk with ADA ramps, signage, lighting and construction testing.

Water Improvements including erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, valves, fire hydrant assemblies, service connections, testing and all necessary appurtenances constructed to City standards required to provide water service to Improvement Area #1.

Wastewater Improvements including erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, manholes, service connections, testing and all necessary appurtenances constructed to City standards required to provide wastewater service to Improvement Area #1.

Drainage Improvements including erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, box culverts, manholes and junction boxes, curb inlets, headwalls, testing and all necessary appurtenances constructed to City standards required to provide drainage service to Improvement Area #1. Also included are channels, clearing, excavation, piping for inbound and outbound drainage lines and outlet structures.

Contingency estimated to be potential cost fluctuations for Improvement Area #1 construction costs.

Soft Costs Improvements including land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, district formation costs, and other PID costs incurred and paid by the Owner.

Bond Issuance Costs. The Improvement Area #1 Projects also consist of the following "Bond Issuance Costs": the costs associated with issuing a Series of Bonds Similarly Secured, including but not limited to attorney fees, financial advisory fees, consultant fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of the Series 2024 Bonds.

Administrative Reserves. The estimated Annual Collection Costs associated with the first year of the District.

Costs of Improvement Area #1 Authorized Improvements

The cost of the Improvement Area #1 Authorized Improvements (consisting of the Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Bonds and Additional Bonds, if such bonds are issued) was approximately $15,294,943 *. The costs of the Improvement Area #1 Authorized Improvements, in the amount of $7,884,000 was financed with proceeds of the Series 2023 Bonds. It is expected that a portion of the balance of the costs of the Improvement Area #1 Authorized Improvements, in the total approximate amount of $7,410,943, will be financed, in part, by the Series 2024 Bonds in the amount of $6,671,000[1]. The balance of the costs of the Improvement Area #1 Authorized Improvements is expected to be $739,943*, and is expected to be finance by the Developer without reimbursement from the City. See "SOURCES AND USES OF FUNDS" and "APPENDIX C – Form of Service and Assessment Plan."

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[1] Preliminary, subject to change.

Costs of Authorized Improvements[1]

Authorized Improvements	Total Costs [a]	Improvement Area #1 % [b]	Improvement Area #1 Cost	Remainder Area % [b]	Remainder Area Cost
Major Improvements					
Waterstone Boulevard [c]	$ 3,669,462	39.79%	$ 1,460,184	60.21%	$ 2,209,278
Landscaping	1,550,000	39.79%	616,790	60.21%	933,210
Contingency [d]	183,473	39.79%	73,009	60.21%	110,464
Soft Costs [e]	385,294	39.79%	153,319	60.21%	231,974
	$ 5,788,229		$ 2,303,302		$ 3,484,926
Improvement Area #1 Improvements					
Roadway	$ 3,128,395	100.00%	$ 3,128,395	0.00%	$ -
Water	1,407,014	100.00%	1,407,014	0.00%	-
Wastewater	1,203,155	100.00%	1,203,155	0.00%	-
Drainage	2,378,734	100.00%	2,378,734	0.00%	-
Contingency	377,874	100.00%	377,874	0.00%	-
Soft Costs [e]	1,568,047	100.00%	1,568,047	0.00%	-
	$ 10,063,218		$ 10,063,218		$ -
Improvement Area #1 Initial Bond Issuance Costs					
Debt Service Reserve Fund	$ 755,254		$ 755,254		$ -
Capitalized Interest	495,358		495,358		-
Underwriter's Discount	236,520		236,520		-
Cost of Issuance	441,244		441,244		-
	$ 1,928,375		$ 1,928,375		$ -
Improvement Area #1 Additional Bond Issuance Costs					
Debt Service Reserve Fund	$ 187,928		$ 187,928		$ -
Capitalized Interest	131,729		131,729		
Underwriter's Discount	200,130		200,130		-
Cost of Issuance	400,260		400,260		-
	$ 920,047		$ 920,047		$ -
Administrative Reserves					
First Year Annual Collections Costs	$ 80,000		$ 80,000		$ -
	$ 80,000		$ 80,000		$ -
Total	$ 18,779,869		$ 15,294,943		$ 3,484,926

[a] Per the Engineer's Report prepared by Doucet dated May 2023.
[b] Costs of the Major Improvements are allocated pro rata between Improvement Area #1 Assessed Property and Remainder Area Assessed Property based on Estimated Buildout Value at the time the Improvement Area #1 Initial Bonds were issued as shown on Exhibit O.
[c] Includes roadway, water, sanitary sewer, storm drainage and detention pond costs related to such improvement.
[d] Estimated to be 5% of Waterstone Boulevard construction costs.
[e] Includes fees associated with the formation of the District, legal fees and consultant fees incurred by the Owner.

The costs of the Improvement Area #1 Authorized Improvements are based on information provided by the Developer and its engineer and reviewed by the City staff and by third-party consultants retained by the City and are to be approved by the City Council as part of the Service and Assessment Plan. See "APPENDIX C – Form of Service and Assessment Plan."

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[1] Preliminary, subject to change.

Ownership and Maintenance of Improvement Area #1 Projects

The Improvement Area #1 Projects will be designed and constructed in accordance with City standards and specifications, as modified by the Development Agreement. The roadway, water, wastewater, and drainage projects, as well as the public trails will be owned and operated by the City. The City, or HOA, as applicable, will provide for the ongoing operation, maintenance and repair of the Improvement Area #1 Projects constructed and conveyed, as outlined in the Service and Assessment Plan. Pursuant to the Maintenance Agreement between the City and Waterstone Crossing Residential Community, Inc. (the "Maintenance Agreement"), the Developer will convey to the City a public access easement to the temporary ponds near Waterstone Boulevard (the "Waterstone Ponds"). The City and the HOA agree that upon the City's inspection and approval of the Waterstone Ponds, the HOA will maintain the Waterstone Ponds within the public access easement.

The Financing Agreement

The City and the Developer entered into the Financing Agreement on or about June 20, 2023. The Financing Agreement is attached hereto as APPENDIX F.

The Financing Agreement establishes provisions for the apportionment and levying of assessments, including the Assessments, construction of the Authorized Improvements, and the advancing of funds. Pursuant to the Financing Agreement, the Developer agrees to pay the Actual Costs of the Authorized Improvements set forth in the Service and Assessment Plan that are not funded by bond proceeds or by funds in the City Project Fund (as provided in a reimbursement agreement), if any, and agrees to maintain sufficient funds for such purpose in the form of: (i) loan funds, (ii) funds available pursuant to a letter of credit, (iii) available cash, (iv) completion agreement, (v) any other form as agreed to by the City and Developer or (vi) any combination of (i) – (v). The Developer is not required to post fiscal security for the Improvement Area #1 Projects under the terms of the Financing Agreement.

The Financing Agreement may be amended, modified, revised or changed by written instrument executed by the parties thereto. Any such amendment, modification, revision or change could affect the security for the Series 2024 Bonds, particularly if same were to modify or remove the restrictions on the issuance of additional PID Bonds.

The Development Agreement

The City and the Developer entered into the Development Agreement to provide standards for developing the District, and to provide for the development of the Authorized Improvements, including the Improvement Area #1 Projects.

The Development Agreement provides provisions for the construction of various improvements in the District, including: home construction, a trail system, amenities, entry monumentation, water infrastructure, wastewater infrastructure, Waterstone Boulevard and Goforth Boulevard, and related infrastructure (as defined and detailed in the Development Agreement), and other matters. See "THE DEVELOPMENT – Environmental" and "– Zoning/Permitting."

The Developer Agreement requires the Developer to construct or caused to be constructed Waterstone Boulevard, a four-lane street including approximately 4,280 linear foot roadway, in accordance with the Development Agreement and the Construction Cost Sharing Agreement, as well as Goforth Boulevard, approximately 2,800 linear feet of roadway, and its related infrastructure. See "– The Cost Sharing Agreements" below. The construction of Waterstone Boulevard has commenced and is expected to be complete in the third annual quarter of 2023. The cost to construct Waterstone Boulevard and the required related infrastructure is expected to be approximately $5,872,863 and is expected to be funded in accordance with the Construction Costs Sharing Agreement (as defined herein). The construction of Goforth Boulevard is expected to commence in the second annual quarter of 2026 and is expected to be complete in the second annual quarter of 2027. The cost to construct Goforth Boulevard and the required related infrastructure is expected to be approximately $3,137,439. The off-site portion of Goforth Boulevard that is not being financed with Bond proceeds will be funded by Developer, on a cash basis through corporate funding in the amount of $1,060,525. The Developer may seek reimbursement from TIRZ No. 4 of any fees or costs associated with the

construction costs of the off-site portion of Goforth Boulevard, the condemnation of land, and the purchase of the right-of-way related to the completion of Goforth Boulevard located outside of the District.

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

The Cost Sharing Agreements

The Developer and Tack Development, LTD, a Texas limited partnership ("Tack"), on behalf of La Salle MUD, entered into the Cost Sharing Agreement Waterstone Boulevard (the "ROW Cost Sharing Agreement"), effective March 8, 2022, regarding a certain right-of-way land (the "Right-of-Way-Land") for a roadway providing access to the District as well as a development being developed by Tack. Pursuant to the ROW Cost Sharing Agreement, Developer paid Tack $271,369.90, representing one-half of the total costs of acquisition of the Right-of-Way-Land. Tack further agreed to provide Developer with temporary access to the Right-of-Way-Land for purposes of participating with Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership ("Lennar") in the construction of a four-lane roadway within the Right-of-Way-Land providing access to the District (the "Waterstone Boulevard Project"). On January 31, 2022, Lennar and Developer entered into a Cost Sharing and Escrow Agreement (the "Construction Costs Sharing Agreement") pursuant to which Developer, at its sole cost and expense, agreed to design Waterstone Boulevard, and Lennar has agreed to construct Waterstone Boulevard. The Developer and Lennar agreed to deposit the cost of constructing Waterstone Boulevard (the "Road Work") in escrow. The Road Work was estimated to cost $5,938,615.65. The Developer's portion of the Road Work is $3,576,247.77, and Lennar's portion of the Road Work is $2,362,367.88. The Developer's portion of the Road Work is being financed through the District as a Major Improvement. As of March 1, 2024, the design is complete and the construction of Waterstone Boulevard has been completed and is waiting for the City's formal acceptance. The Developer has spent $4,150,192.97 on the Road Work.

THE DEVELOPMENT

Overview

Limestone Creek (the "Development") is an approximately 161.5-acre master planned residential development project located entirely within the City and is located approximately five (5) miles south of the City center a half mile east of Interstate Highway 35 and south of County Road 158, near the intersection of E. Post Road and Waterstone Boulevard. The City is located in the southwest region of the *Austin-Round Rock, TX Metropolitan Statistical Area* (the "Austin MSA") in the Texas Hill Country. Plans for the Development include a variety of trails, approximately 16.6 acres of open space, and an amenity center to include a pool, cabana with restrooms, splash pad, and playground as well as parking facilities, in addition to approximately 463 single family residences on 50' lots and 216 Townhomes.

Land Acquisition. On or about July 2, 2021, Kyle LP conveyed 153.567 acres to Developer via warranty deed. La Salle MUD No. 1, which owns land contiguous to the 153.567 acres, also owns a 7.87-acre parcel that runs through the 153.567 acre parcel owned by Developer and connects to East Post Road, which connects to Interstate Highway 35. The 153.567 acres owned by the Developer and the 7.87 acres owned by La Salle MUD No. 1 equate to approximately 161.5 acres which comprise the District (defined herein as the "Property"). Pursuant to a ROW Cost Sharing Agreement and a Construction Cost Sharing Agreement the 7.87 acres owned by La Salle MUD No. 1 will be developed into Waterstone Boulevard to provide ingress and egress to the District, as well as La Salle MUD No. 1.

Development within the District

The current development plans for the District consist of the development of approximately three (3) improvement areas consisting of development of phases of local improvements necessary to serve each improvement area of the District. The Development will include certain Authorized Improvements for each improvement area as well as each improvement area's pro-rata share of the Major Improvements benefitting such improvement area.

Development in Improvement Area #1. Development in the District began in 2022 with the construction of the Improvement Area #1 Projects. Developer completed construction of the Improvement Area #1 Projects in August of 2023, with the Improvement Area #1 Improvements being accepted by the City on August 3, 2023. As of March 1, 2024, the Developer spent $12,366,520 toward the costs of the Improvement Area #1 Projects and $3,500,000 toward the costs of the Major Improvements including Waterstone Boulevard and associated landscaping for Improvement Area #2 and Improvement Area #3. The Developer expects Waterstone Boulevard to be accepted by the City in the second annual quarter of 2024 and associated landscaping to be completed and accepted by the City in the fourth annual quarter of 2028.

Improvement Area #1 is approximately 55.95 acres and contains 179 single-family residences on 50' lots, 94 Townhomes, and an Amenity Center (defined herein). The Developer is the sole homebuilder in Improvement Area #1 of the District. As of March 27, 2024, the Developer has completed construction of 14 single-family residences and 21 townhomes in Improvement Area #1.

The Developer's current expectations regarding estimated value to lien ratios in Improvement Area #1 are as follows:

Estimated Lot and Home Prices in Improvement Area #1 and Estimated Value to Lien Ratios

Lot Size (Typical)	Qty.	Retail Lot Value[(1)]	Expected Home Price[(2)]	Assessment per Lot[(3)]	Estimated Ratio of Retail Lot Value to Assessment[*]	Estimated Ratio of Expected Home Price to Assessment[*]
50'	179	$92,750	$425,000	$58,015	1.60:1	7.33:1
Townhomes	94	$75,000	$325,000	$ 44,365	1.69:1	7.33:1
Total/Avg.	**273**	**$86,638**	**$390,568**	**$53,315**	**1.62:1**	**7.33:1**

(1) As provided by the Developer

(2) Expected Home Prices are provided by Developer.

(3) Obtained from the Service and Assessment Plan; based upon projected home values provided by the Developer. As of February 1, 2024, the total outstanding Improvement Area #1 Assessment for a 50' Lot was $62,555.22, of which $31,425.09 was attributable to the Improvement Area #1 Initial Bonds and $31,130.13 was attributable to the Improvement Area #1 Reimbursement Agreement, and the total outstanding Improvement Area #1 Assessment for a Townhome Lot was $47,836.34, of which $24,030.95 was attributable to the Improvement Area #1 Initial Bonds and $23,805.39 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

[*] *Preliminary, subject to change*.

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Status of Home Construction and Expected Home Sales within the District

The Developer's current expectations regarding the actual and expected build-out and absorption schedule, the status of lot and home construction, and the sale of homes/townhomes to homebuyers in the District are as follows:

Actual and Expected Build-Out and Absorption Schedule of the District

Improvement Area	Phase	Lot Size	Number of Lots	Expected/ Actual Infrastructure Completion Date	Expected/Actual Initial Date of Single-Family Homes/Townhomes Closed with Homeowners [1]	Expected Final Date of Single-Family Homes/Townhomes Closed with Homebuyers [1] [2]
1	1	50'	179	August 2023	Q1 2024	Q2 2026
1	1	Townhome	94	August 2023	Q1 2024	Q1 2026
2	2	50'	70	Q4 2025	Q3 2026	Q3 2027
2	2	Townhome	122	Q4 2025	Q2 2026	Q4 2027
3	3	50'	100	Q1 2027	Q3 2027	Q1 2029
3	4	50'	114	Q4 2028	Q1 2029	Q4 2030
Total:			**679**			

[1] Represent estimated closing dates. Actual closing dates are subject to change.
[2] Expected final closing dates do not include model homes.

Status of Single-Family Lot and Home Construction in the District[1]

IA#	Phase	Product Type/ Lot Size	Total No. of Lots	Lots Developed[2]	Lots owned by Developer[3]	Homes/ Townhomes under Construction[4]	Homes/ Townhomes under contract w/ Homebuyer	Homes/ Townhomes closed to Homebuyer
1	1	50'	179	179	179	59	17	0
1	1	TH	94	94	90	43	12	4
2	2	50'	70	-	70	-	-	-
2	2	TH	122	-	122	-	-	-
3	3	50'	100	-	100	-	-	-
3	4	50'	114	-	114	-	-	-
TOTAL			**679**		**675**	**102**	**29**	**4**

[1] Information provided by Developer as of March 27, 2024. Information may differ from homebuilders' quarterly reporting.
[2] Lot totals include 2 single-family and 5 townhome model homes. Developed lots are lots for which a final plat has been recorded in the real property records of Hays County.
[3] The Developer is the sole homebuilder in the District. Accordingly, this includes lots not closed to Homebuilder.
[4] Includes lots with active building permits for home construction.

The Remainder Area. The Remainder Area will be developed in stages over time by the Developer. The Developer's current plans are to develop the Remainder Area into two additional improvement areas in three additional phases. Improvement Area #2 is expected to include phase 2 and is expected to be approximately 32.41 acres and contain 70 single-family residences on 50' lots and 122 Townhomes. Improvement Area #3 is expected to include phases 3 and 4 and is expected to be approximately 73.14 acres and contain 214 single-family residences on 50' lots.

The Developer expects to commence construction of the Improvement Area #2 Improvements in the second annual quarter of 2025 and expects to complete these improvements in the fourth annual quarter of 2025. Additionally, the Developer expects to commence construction of the Improvement Area #3 Improvements in the second annual quarter of 2026 and expects to complete these improvements in the fourth annual quarter of 2028. The City levied the Assessments and the Remainder Area Assessments and adopted the Assessment Ordinance on June 20, 2023.

Future Improvement Area Bonds

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

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

Zoning/Permitting

The District lies entirely within the city limits of the City and therefore the City's zoning and subdivision regulations control the aspects of development not specifically set forth in the Development Agreement.

Amenities

Pursuant to the Development Agreement, the Developer is required to construct a minimum of 5,000 linear feet of trails throughout the District (the "Trail System") and a private amenity center (the "Amenity Center"), including a pool, cabana with restrooms, splash pad, and playground as well as parking facilities. Developer expects construction of the Amenity Center to commence in the second annual quarter of 2024 and to be complete in the first annual quarter of 2025. Construction of the Amenity Center is expected to cost approximately $3,000,000.00, which the Developer will finance on a cash basis through corporate funding without reimbursement by the City. Once complete, the Amenity Center will be owned, operated, and maintained by the HOA.

Schools

The District is located entirely within the Hays Consolidated Independent School District ("Hays CISD"). Hays CISD operates 26 campuses that are located throughout northern Hays County and serves approximately 20,000 students. Such campuses include three comprehensive high schools, six middle schools (6-8 grade), 15 elementary schools, an alternative high school of choice, a disciplinary center and a performing arts center. The Hays CISD schools nearest the District are Hemphill Elementary School ("Hemphill Elementary"), Wallace Middle School ("Wallace Middle"), and Jack C. Hays High School ("Hays High"). GreatSchools.org rated Hemphill Elementary 5-out-of-10, Wallace Middle as 4-out-of-10, and Hays High 6-out-of-10. According to the Texas Education Agency 2021-2022 annual school report cards, Hemphill Elementary was rated as "B", Wallace Middle as "C", and Hays High as "A". The 2022-2023 annual school report cards are not yet available. The categories for public school districts and public schools are A, B, C, D or Not Rated.)

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

The District is also located approximately ten miles from Texas State University ("Texas State"), a public research university located in the City of San Marcos, Texas. According to its website, Texas State currently has more

than 38,000 undergraduate and graduate students and offers over 200 bachelor's, master's, and doctoral degree programs.

Environmental

A Phase I Environmental Site Assessment (a "Phase I ESA") of the Property was completed in December of 2020. The Phase I ESA concluded no evidence of recognized environmental conditions in connection with the Property. The Phase I ESA did not recommend that a Phase II environmental site assessment be performed.

According to the website for the United States Fish and Wildlife Service, the Texas blind salamander, Barton Springs salamander, whooping crane, golden-cheeked warbler, fountain darter, San Marcos gambusia, Texas wild-rice, Comal Springs riffle beetle, and Comal Springs dryopid beetle are endangered species in Hays County, and the San Marcos salamander and the red knot are threatened species in Hays County.

Geotechnical Exploration

Preliminary geotechnical explorations (the "Geotechs") were performed by MLA Geotechnical, a division of MLA Labs, Inc., for Phase 1 or Improvement Area #1 in February of 2022. The Geotechs were undertaken for the purpose of making certain recommendations concerning pavement thickness for the property within Improvement Area #1. The Developer has adhered to the recommendations made within the Geotech reports in connection with its construction of the Improvement Area #1 Projects.

Existing Mineral and Groundwater Rights

There are certain mineral rights reservations of prior owners of real property within the District (the "Mineral Owners"), pursuant to one or more deeds in the chain of title for the property in the District. While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer's title policy for the land within the District includes a minerals and surface damage endorsement, which insures against loss that is sustained by reason of damage to permanent buildings located within the District resulting from the future exercise of any right to use the surface of the land for the extraction or development of coal, lignite, oil, gas or other minerals; provided, however, it does not insure against the loss resulting from subsidence. The coverage provided by the Developer's title policy extends to all future homeowners and lenders.

Certain rules and regulations of the Texas Railroad Commission may also restrict the ability to explore or develop the property due to well density, acreage, pooling regulations or location issues. While there are no existing wells or tanks, there are some drainage and water pipeline easements in and around the District. The easements are depicted on the concept map included on page v. For additional information regarding the exercise of mineral and groundwater rights, see "BONDHOLDERS' RISKS – Exercise of Mineral and Groundwater Rights."

Pipeline Easement/Encroachment Agreement

Enterprise Texas Pipeline LLC ("Enterprise") holds a certain right of way and easement upon, over, under and through the property within the District (the "Pipeline Easement"). Enterprise owns and operates an existing high pressure gas pipeline that is located within the Pipeline Easement and commonly known as "177/New Braunfels–Austin Lone Star" pipeline (the "Pipeline," together with any related valves, meters, equipment, and other appurtenances, the "Pipeline Facilities") that runs through the property in Improvement Area #1 of the District pursuant to the Pipeline Easement. The Pipeline Easement was granted pursuant to instruments filed of record in the Deed Records of Hays County, Texas (the "Easement Agreement"). In order to construct certain roadways within Improvement Area #1 of the District, being Waterstone Boulevard and utility facilities, (the "Road and Utility Facilities") over and across the Pipeline Easement, La Salle MUD No. 1 and Enterprise entered into an encroachment agreement (the "Encroachment Agreement").

The Encroachment Agreement provides construction parameters, including the presence of a representative of Enterprise during construction activities, and requires La Salle MUD No. 1 to maintain a minimum cover between

the top of the Pipeline and the top of respective road surfaces. La Salle MUD No. 1 is responsible for any costs relating to Enterprise's operation of the Pipeline Facilities or the Pipeline Easement incurred by Enterprise due to the Road and Utility Facilities. If La Salle MUD No. 1 breaches any term of the Encroachment Agreement, Enterprise, at its option, may terminate the Encroachment Agreement upon 20 days written notice to La Salle MUD No. 1. In the event of termination, La Salle MUD No. 1 is required to remove all Road and Utility Facilities situated on the Pipeline Easement at La Salle MUD No. 1's expense. The terms, covenants and conditions of the Encroachment Agreement constitute covenants running with the land and are binding upon and inure to the benefit of Enterprise and La Salle MUD No. 1, their successors and assigns.

The right-of-way and associated land for the Road and Utility Facilities ("Road and Utility Area") will be dedicated to the City. In connection with the construction of the Road and Utility Facilities and the dedication of the Road and Utility Area, the City expects La Salle MUD No. 1 to make a partial assignment of the Encroachment Agreement to the City (the "Partial Assignment"). In connection with the City's acceptance of the dedication and construction of the Road and Utility Facilities in the Road and Utility Area and the Partial Assignment, the City requires that the Encroachment Agreement be amended with respect to the City's ownership and maintenance of the Road and Utility Facilities (the "Encroachment Agreement Amendment"). The City and Enterprise have begun discussions on the Encroachment Agreement Amendment, and the City is optimistic that the parties will come to an agreement on the Partial Assignment and the Encroachment Agreement Amendment. If the parties are unable to come to an agreement, the layout, design and continuity of the Road and Utility Facilities could be negatively impacted.

Utilities

Water and Wastewater Service. The City will provide both water and wastewater service to the District. The City's water distribution system and wastewater collection and treatment system currently have sufficient capacity to provide water and wastewater service to the Development. See "THE CITY – Water and Wastewater."

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

Aerial Photograph of the District



THE DEVELOPER

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

General

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

Description of Developer

The Developer is a wholly-owned subsidiary of Meritage Homes of Texas Holding, Inc., an Arizona corporation, which is a wholly owned subsidiary of Meritage Homes Corporation ("Meritage"). Meritage stock trades on the New York Stock Exchange under the symbol MTH. Meritage is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Meritage is No.1-9977. Such reports, proxy statements, and other information filed by Meritage can be inspected and copied at the Public Reference Section of the SEC, Room 100 F Street, N.E., Washington D.C. 20549 and at the SEC's internet website at http://www.sec.gov. Copies of such materials can be obtained by mail from the Public Reference Section of the SEC at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 11 Wall Street, New York, New York 10005. All documents subsequently filed by Meritage pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

In addition, Meritage makes available on its web site http://www.meritagehomes.com its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports from Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have electronically filed with the SEC as well as other financial institutions. Unless otherwise specified, information contained on Meritage's website, available by hyperlink from Meritage's website or on the SEC's website, is not incorporated into this Limited Offering Memorandum.

Meritage is a leading designer and builder of single-family homes. Meritage primarily build in historically high-growth regions of the United States and offer a variety of entry-level and first move-up homes. Meritage has homebuilding operations in three regions: West, Central and East, which are comprised of nine states: Arizona, California, Colorado, Texas, Florida, Georgia, North Carolina, South Carolina, and Tennessee. Meritage also operates a financial service reporting segment, offering title and escrow, mortgage, and insurance services.

Meritage homebuilding activities are conducted under the name of Meritage in each of its homebuilding markets. As of the end of 2023, Meritage affiliates were actively selling homes in 271 communities and closed 13,976 homes across nine states during 2023.

A snapshot of some of the communities the principals of the Developer have developed is presented below.

Name of Community	City	Number of Lots	Status of Development
Shadow Glen[(1)]	Manor, TX	1,200+	Ongoing
Butler Farms[(2)]	Liberty Hill, TX	493	Ongoing
Cross Creek[(2)]	Hutto, TX	496	Complete
Wildridge[(1)]	Dripping Springs, TX	861	Entitlements
Riverbend at Double Eagle[(2)]	Bastrop County, TX	482	Ongoing
Turners Crossing[(2)]	City of Austin ETJ/Travis Co, TX	1,328	Ongoing
Homestead[(1)]	Round Rock, TX	613	Ongoing
Prairie Winds[(2)]	Hutto, TX	1,093	Ongoing

(1) Development is funded partly through a municipal utility district.
(2) Development is funded partly through a public improvement district.

Executive Biography of Principals of the Developer

Justin Belmore is the Division Vice President of Land Acquisition for the Developer and has been with the company since 2022. He's worked in the homebuilding industry since 2016, primarily in land, finance, and management roles. He received a Bachelor of Science in Quantitative Economics from the United States Naval Academy in 2009.

Brandon Hammann, P.E., is the Vice President of Land Development for the Austin Division of Meritage Homes of Texas, LLC, and has been with the company since 2022. He worked as an engineering consultant for 16 years prior to joining Meritage. Brandon received a BS in Civil Engineering from The University of Texas at Austin in 2005.

Tara Thomason, Senior Project Manager for the Developer, has delivered thousands of single-family lots during the course of her 13-year career in land development across the Central Texas region. Prior to the Developer she served as Vice President of Market Research at JPI and served as the Director of Strategic Planning and Marketing at Centex Homes (now Pulte). She holds a mediation certification from University of Texas School of Law, Center for Public Policy and Dispute Resolution and a bachelor's degree with concentrations in geographic information systems, geology, and economic geography from the University of North Texas.

History and Financing of the District

On or about July 2, 2021, Kyle LP conveyed the Property to Developer via warranty deed. See "THE DEVELOPMENT – Overview – Land Acquisition." The Developer's acquisition was made on a cash basis through corporate funding, and no third-party financing was used to acquire or has been used to subsequently develop the property within the District. Thus, there are currently no liens on the property within the District which were incurred by the Developer, and the Developer does not currently anticipate incurring any liens on the property within the District for as long as the Developer owns such property (with the exception of the Assessment Lien). The PID Act provides that the Assessment Lien is a first and prior lien against the Assessed Property and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes.

The Developer expects to be reimbursed for a majority of the costs to construct the Improvement Area #1 Projects with proceeds of the Bonds Similarly Secured. The Developer has financed or will finance the total costs to complete the Amenity Center on a cash basis through corporate funding without reimbursement from the City.

THE PID ADMINISTRATOR

The following information has been provided by P3Works, LLC, as the "PID Administrator". Certain of the following information is beyond the direct knowledge of the City and the Underwriter, and neither the City nor the Underwriter have any way of guaranteeing the accuracy of such information.

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

The PID Administrator's duties will include:

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

BONDHOLDERS' RISKS

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

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

General

The ability of the City to pay debt service on the Bonds Similarly Secured as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area #1 of the District to pay Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against property within Improvement Area #1 of the District, (c) general and local economic conditions that may impact real property values, the ability to

liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within Improvement Area #1 of the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District, including Improvement Area #1, should proceed more slowly than expected and the Developer is unable to pay the Assessments, only the value of the lands, with improvements, will be available for payment of the debt service on the Bonds Similarly Secured, and such value can only be realized through the foreclosure or expeditious liquidation of the lands within Improvement Area #1 of the District. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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

The City has not applied for or received a rating on the Series 2024 Bonds. The absence of a rating could affect the future marketability of the Series 2024 Bonds. There is no assurance that a secondary market for the Series 2024 Bonds will develop or that holders who desire to sell their Series 2024 Bonds prior to the stated maturity will be able to do so.

Deemed Representations and Acknowledgment by Purchasers

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

Assessment Limitations

Annual Installments of Assessments are billed to property owners in Improvement Area #1 of the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under "ASSESSMENT PROCEDURES" herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of the Bonds Similarly Secured maturing in each year, Annual Collection Costs, and the Additional Interest. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Assessment payments in the future.

In order to pay debt service on the Bonds Similarly Secured, it is necessary that Annual Installments are paid in a timely manner. Due to the lack of predictability in the collection of Annual Installments in Improvement Area #1 of the District, the City has established a Reserve Account in the Reserve Fund in connection with the issuance of the Series 2023 Bonds. Proceeds of the Series 2024 Bonds will be deposited in the Reserve Account in the Reserve Fund to augment the Reserve Account Requirement in accordance with the 2023 Indenture, to cover delinquencies. The Annual Installments are secured by the Assessment Lien. However, there can be no assurance that foreclosure proceedings will occur in a timely manner so as to avoid depletion of the Reserve Account and delay in payments of debt service on the Bonds Similarly Secured. See "BONDHOLDERS' RISKS – Bondholders' Remedies and Bankruptcy of Property Owners" herein.

Upon an ad valorem tax lien foreclosure event of a property within Improvement Area #1 of the District, any Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Assessments, the liens securing such delinquent ad valorem taxes and delinquent Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Assessments would then be an unsecured personal liability of the original property owner.

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

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

Under State law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the date of adoption of the Assessment Ordinance, no such homestead rights had been claimed. Furthermore, the Developer is not eligible to claim homestead rights and represents that it owned all property within Improvement Area #1 of the District as of the date of the Assessment Ordinance. Consequently, there are and can be no homestead rights on the Assessed Property superior to the Assessment Lien and, therefore, the Assessment Liens may be foreclosed upon by the City.

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

THE ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND IS A PERSONAL OBLIGATION OF AND CHARGE AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT.

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains and freezes. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within the District.

In the event of a severe natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Assessments when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Assessments.

General Risks of Real Estate Investment and Development

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

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

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

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

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

The home prices and buildout values in the Improvement Area #1 is directly related to the local housing and building industry. The housing and building industry has historically been a cyclical industry, affected by both short and long-term interest rates, availability of mortgage and development funds, labor conditions and general economic conditions. A return of relatively high mortgage interest rates similar to those experienced in the past may adversely affect the availability and desirability of mortgage financing for new homes, hence reducing demand for new homes within Improvement Area #1 of the District.

The availability of mortgage and development funds has a direct impact on construction and building activity, particularly the short-term interest rates at which developers and builders can obtain financing for development or

building costs. Interest rate levels may affect the developers' or builders' ability to complete development or building plans. Long-term interest rates affect home purchasers' ability to qualify for and afford the total financing costs of a new home. The return of long-term interest rates at higher levels may negatively affect home sales and the buildout value of homes in Improvement Area #1 of the District.

Competition; Real Estate Market

The successful development of the land within Improvement Area #1 of the District, the success of the District, and the sale of residential units therein, once such homes are built, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer. Moreover, the Developer has the right to modify or change their plans for development of the land within Improvement Area #1 of the District from time to time, including, without limitation, land use changes, changes in overall land and phasing plans, and changes to the type, mix, size and number of units to be developed. No prediction can be made about the state of the real estate market in the future or the availability of financing for potential home buyers.

Contracts that the Developer may have with individual homebuilders are subject to a myriad of contractual conditions and contingencies, all or some of which if not complied with, could precipitate a termination or winding up of such contractual arrangement for the sale of lots, causing the Developer to possibly need to execute a different strategy for the development and sale of lots and residential units within Improvement Area #1 of the District. As described herein, the Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of the Assessments and the recourse for the failure of the Developer or any other landowner to pay the Assessments is limited to the collection proceedings against the land as described herein.

The housing industry in the central Texas area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs that are planned throughout the District will ever commence or be completed in accordance with the Developer's expectations. The competitive position of the Developer in the sale of developed lots or of any other homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this subsection, and such competitive position is directly related to maintenance of market values in the District.

Competitive projects in the area[1,2]

Development	Approx. Distance to District[(1)]	Lot Sizes[(2)]	Price Range
Cottonwood Creek – DR Horton	~11 miles	40' lots	$290,000 - $ 377,000
Kissing Tree/ Bonnell – Brookfield	~11 miles	50'-100' lots	$452,000 - $1,273,000+
Cool Springs – Lennar Homes	~1.7 miles	65' lots	$361,000 - $459,000
Plum Creek, phase 2-1 – Lennar Homes	~4.5 miles	50' lots	$402,000 - $466,000
Sunset Oaks – Centex & Lennar Homes	~3 miles	40' lots	$ 230,000 - $370,000
Hymeadow – Starlight	~3 miles	40' lots	$300,000 - $383,000+
Stagecoach Crossing - KB Homes	~2 miles	50' lots	$360,000 - $440,000

[1] Approximate distances from Google Maps.
[2] Lot sizes and pricing from Zonda Austin Metrostudy 3Q 2022.

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

Risks Related to the Current Residential Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable-rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to

reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel lot and home sales within the District. No assurances can be given that projected home prices and buildout values presented in this Limited Offering Memorandum will be realized.

Risks Related to Recent Increase in Costs and Low Supply of Building Materials

As a result of the pandemic, low supply and high demand, and the ongoing trade war, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. The Developer is responsible for the construction of the Improvement Area #1 Projects. The Developer expects to finance a portion of the costs of the Improvement Area #1 Projects from proceeds of the Bonds Similarly Secured. If the Actual Costs of the Improvement Area #1 Projects are substantially greater than the estimated costs or if the Developer is unable to access building materials in a timely manner, it may affect the ability of the Developer to complete the Improvement Area #1 Projects or pay the Assessments when due. If the costs of material continue to increase, it may affect the ability of the homebuilders to construct homes within the District. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Failure or Inability to Complete Proposed Development

Proposed development within the District (including the foregoing) may be affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of utilities and the development or existence of environmental concerns with such land. See "Availability of Utilities" and "Hazardous Substances" below. Land development within the District could also be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the Development must come from the City.) There can be no assurances that other similar projects will not be developed in the future or that existing projects will not be upgraded or otherwise able to compete with the Development. A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. THE TIMELY PAYMENT OF THE BONDS SIMILARLY SECURED DEPENDS UPON THE WILLINGNESS AND ABILITY OF THE DEVELOPER AND ANY SUBSEQUENT OWNERS TO PAY THE ASSESSMENTS WHEN DUE. ANY OR ALL OF THE FOREGOING COULD REDUCE THE WILLINGNESS AND THE ABILITY OF SUCH OWNERS TO PAY THE ASSESSMENTS AND COULD GREATLY REDUCE THE VALUE OF PROPERTY WITHIN IMPROVEMENT AREA #1 OF THE DISTRICT IN THE EVENT SUCH PROPERTY HAS TO BE FORECLOSED. In that event, there could be a default in the payment of the Bonds Similarly Secured.

Completion of Homes

The cost and time for completion of homes by the Developer is uncertain and may be affected by changes in national, regional, and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes yet to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer.

Absorption Rate and Estimated Pricing

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

Existing Easements and Adjacent Property Owner Rights

Existing Easements. The land within the District is encumbered by various easements, including the Pipeline Easement within Improvement Area #1 held by Enterprise. In order to construct the Road and Utility Facilities within Improvement Area #1 of the District, over and across the Pipeline Easement, La Salle MUD No. 1 and Enterprise entered into the Encroachment Agreement. In connection with the dedication of, as well as the City's acceptance of the dedication and construction of the Road and Utility Facilities and the Road and Utility Area, La Salle MUD No. 1 expects to enter into the Partial Assignment and the Encroachment Agreement Amendment. The City and Enterprise have begun discussions on the Encroachment Agreement Amendment, and the City is optimistic that the parties will come to an agreement on the Partial Assignment and the Encroachment Agreement Amendment. If the parties are unable to come to an agreement, the layout, design and continuity of the Road and Utility Facilities could be negatively impacted.

Non-Adjacent Property Owner Rights. The Developer has received a claim from a non-adjacent landowner that drainage from the Property may, in the future, enter upon the non-adjacent landowner's land. The Developer disputes this claim and has retained outside counsel to rebut the claim, should a formal lawsuit be filed. To date, no such claim has been asserted via a formal lawsuit. The Developer does not expect this to have any effect on its ability to develop any of the proposed Improvement Area #1 Projects as the claim would only affect how stormwater runoff may be conveyed downstream of the Property.

Lien Foreclosure and Bankruptcy

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

Direct and Overlapping Indebtedness, Assessments and Taxes

The ability of an owner of property within Improvement Area #1 of the District to pay the Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of Improvement Area #1 of the District currently impose ad valorem taxes on the property within Improvement Area #1 of the District and will likely do so in the future. Such entities could also impose assessment liens on the property within Improvement Area #1 of the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the Developer to pay the Assessments. See "OVERLAPPING TAXES AND DEBT."

TIRZ Annual Credit Amount and Marketing of the Development

The TIRZ No. 4 Project Plan was approved by the City on June 20, 2023, in conjunction with the issuance of the Series 2023 Bonds. The TIRZ Increment Receipts are generated only from ad valorem taxes levied and collected by the City on the captured appraisal value in TIRZ No. 4 in any year. Any delay or failure by the Developer to develop Improvement Area #1 may result in a reduced amount of the TIRZ No. 4 revenue being available to credit the Assessments. TIRZ Increment Receipts generated from the captured appraised value for each Parcel in Improvement Area #1 during the development of such Parcel will not result in a TIRZ Annual Credit Amount which is sufficient to achieve the TIRZ Maximum Annual Credit Amount. The TIRZ Annual Credit Amount may not provide for the TIRZ Maximum Annual Credit Amount until the second year that a home on such Parcel is assessed. The ability of the TIRZ Annual Credit Amount to provide for the TIRZ Maximum Annual Credit Amount for Parcels within Improvement Area #1 is dependent on the actual buildout values in Improvement Area #1 meeting the projections for the estimated buildout value described in the Service and Assessment Plan. If the buildout values in Improvement Area #1 do not reach the expected values, the TIRZ No. 4 revenue will not be sufficient to produce the TIRZ Maximum Annual Credit Amount. See "OVERLAPPING TAXES AND DEBT" and "APPENDIX C – Service and Assessment Plan."

TIRZ No. 4 will terminate, unless the City elects to extend the term, on December 31, 2063, with the last payment being due January 31, 2064, unless terminated by the City earlier.

If the City contributes the TIRZ Increment Receipts to the payment of the Improvement Area #1 Projects, the City will deposit less tax revenue into its general fund for use on public services, such as police and fire protection. Application of the TIRZ Annual Credit Amount may affect the City's ability to provide for such basic services.

It is uncertain what impact, if any, the TIRZ Annual Credit Amount application to the Annual Installments will have on the underwriting of residential mortgages. If the underwriter of residential mortgages does not recognize the TIRZ Annual Credit Amount, it may make it more difficult for a borrower to qualify for a home mortgage which could have a negative impact on home sales and projected absorption.

Depletion of Reserve Fund

Failure of the owners of property within Improvement Area #1 of the District to pay the Assessments when due could result in the rapid, total depletion of the accounts in the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds Similarly Secured if sufficient amounts are not available in the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve Fund, the amount in the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under "SECURITY FOR THE BONDS SIMILARLY SECURED – Reserve Fund: Reserve Account and Additional Interest Reserve Account" herein.

Hazardous Substances

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

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

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

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

Regulation

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

Changes in State Law Regarding Public Improvement Districts

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

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 88th Legislative Session of the State (the "88th Regular Session") concluded on May 29, 2023. When the regular Legislature is not in session, the Governor of Texas may call one or more special sessions, at the Governor's direction, each lasting no more than 30 days, and for which the Governor sets the agenda. Upon conclusion of the 88th Regular Session, the Governor called four special sessions all of which have ended without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. It is impossible to predict what new proposals may be presented regarding the PID Act and the issuance of special assessment bonds during any upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Texas Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the security for the Bonds Similarly Secured, including the Series 2024 Bonds.

Exercise of Mineral and Groundwater Rights

There are certain mineral rights reservations of prior owners of real property within the District (the "Mineral Owners"), pursuant to one or more deeds in the chain of title for the property in the District. While there is currently no drilling or exploration of minerals, the Developer cannot predict whether the Mineral Owners will take new action in the future to explore or develop the above-described mineral rights. The Developer's title policy for the land within the District includes a minerals and surface damage endorsement, which insures against loss that is sustained by reason of damage to permanent buildings located within the District resulting from the future exercise of any right to use the surface of the land for the extraction or development of coal, lignite, oil, gas or other minerals; provided, however, it

does not insure against the loss resulting from subsidence. The coverage provided by the Developer's title policy extends to all future homeowners and lenders.

The Developer does not expect the existence or exercise of any mineral or and groundwater rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within Improvement Area #1 of the District, or the ability of landowners within Improvement Area #1 of the District to pay Assessments. However, none of the City, the Financial Advisor or the Underwriter provide any assurances as to such Developer's expectations.

Bondholders' Remedies and Bankruptcy of Property Owners

Upon the happening and continuance of any of the Events of Default described in the Indenture, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it shall, proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by the Indenture or Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City s may be sought or shall be permitted.

The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds Similarly Secured or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds Similarly Secured in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Owners of the Bonds Similarly Secured cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds Similarly Secured. The enforceability of the rights and remedies of the owners of the Bonds Similarly Secured further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS – Chapter 9 Bankruptcy Limitation to Bondholders' Rights" herein.

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

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

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

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

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

Judicial Foreclosures

Judicial foreclosure proceedings are not mandatory; however, the City has covenanted to order and cause such actions to be commenced. In the event a foreclosure is necessary, there could be a delay in payments to owners of the Bonds Similarly Secured pending prosecution of the foreclosure proceedings and receipt by the City of the proceeds of the foreclosure sale. It is possible that no bid would be received at the foreclosure sale, and, in such event, there could be an additional delay in payment of the principal of and interest on the Bonds Similarly Secured or such payment may not be made in full. Moreover, in filing a suit to foreclose, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property; the proceeds of any sale of property within Improvement Area #1 of the District available to pay debt service on the Bonds Similarly Secured may be limited by the existence of other tax liens on the property. (See "OVERLAPPING TAXES AND DEBT" herein.) Collection of delinquent taxes, assessments and the Assessments may be adversely affected by the effects of market conditions on the foreclosure sale price, and by other factors, including taxpayers' right to redeem property within two years of foreclosure for residential and agricultural use property and six months for other property, and by a time-consuming and expensive collection procedure.

No Acceleration

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

Limited Secondary Market for the Series 2024 Bonds

The Series 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2024 Bonds in the event an Owner thereof determines to solicit purchasers

for the Series 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2024 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2024 Bonds, depending on the progress of development of Improvement Area #1 of the District subject to the Assessments, existing real estate and financial market conditions and other factors.

No Credit Rating

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

Chapter 9 Bankruptcy Limitation to Bondholders' Rights

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

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

Tax-Exempt Status of the Series 2024 Bonds

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

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

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Series 2024 Bonds to be included in the gross income of owners of the Series

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

Management and Ownership

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

Availability of Utilities

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

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

None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact that such growing demand may have on the City, the District, the projected buildout schedule, availability of water and wastewater service to the District or an investment in the Series 2024 Bonds.

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

None of the City, the Financial Advisor, the Underwriter, or the Developer can predict the impact that the drought or any future similar condition may have on the City, the District, the projected buildout schedule, availability of water service to the District or an investment in the Series 2024 Bonds. See "THE CITY – Water and Wastewater" and "THE DEVELOPMENT – Utilities."

Dependence Upon Developer

The Developer, as the owner of the Assessed Property in Improvement Area #1, currently has the obligation for payment of 100% of the Assessments. The ability of the Developer to make full and timely payment of the Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds Similarly Secured. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds. See "THE DEVELOPER – Description of the Developer."

Moreover, the City will pay the Developer, or its designee, from proceeds of the Series 2023 Bonds and the Series 2024 Bonds for project costs actually incurred in developing and constructing the Improvement Area #1 Projects within Improvement Area #1 of the District.

The source of funding for future land development activities and infrastructure construction to develop the lots proposed for the District also consists of proceeds from Future Improvement Area Bonds and proceeds of lot sales, as well as possible bank financing and equity contributions by the Developer and its members. There can be no assurances given as to the financial ability of the Developer to advance any funds to the City to supplement revenues from the Assessments if necessary, or as to whether the Developer will advance such funds.

TAX MATTERS

Tax Exemption

The delivery of the Series 2024 Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Series 2024 Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as Appendix D. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the Closing Date pertaining to the use, expenditure, and investment of the proceeds of the Series 2024 Bonds and will assume continuing compliance by the City with the provisions of the Indenture subsequent to the issuance of the Series 2024 Bonds. The Indenture contains covenants by the City with respect to, among other matters, the use of the proceeds of the Series 2024 Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Series 2024 Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Series 2024 Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Series 2024 Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Series 2024 Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Series 2024 Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Series 2024 Bonds, the City may have different or

conflicting interests from the owners of the Series 2024 Bonds. Public awareness of any future audit of the Series 2024 Bonds could adversely affect the value and liquidity of the Series 2024 Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should be aware that the ownership of tax-exempt obligations such as the Series 2024 Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Series 2024 Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Series 2024 Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Series 2024 Bonds

The initial public offering price of certain Series 2024 Bonds (the "Discount Bonds") may be less than the amount payable on such Series 2024 Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Series 2024 Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or

incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Series 2024 Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Series 2024 Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

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

State, Local and Foreign Taxes

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

LEGAL MATTERS

Legal Proceedings

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

Norton Rose Fulbright US LLP, serves as Bond Counsel to the City. Orrick, Herrington & Sutcliffe LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Series 2024 Bonds.

Legal Opinions

The City will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Series 2024 Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Series 2024 Bonds are valid and binding special, limited obligations of the City. The City will also furnish the legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Series 2024 Bonds are valid and binding special, limited obligations of the City under the Constitution and laws of the State. The legal opinion of Bond Counsel will further state that the Series 2024 Bonds, including principal of and interest

thereon, are payable from and secured by a pledge of and lien on the Trust Estate. Bond Counsel will also provide a legal opinion to the effect that interest on the Series 2024 Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." A copy of the opinion of Bond Counsel is attached hereto as "APPENDIX D –Form of Opinion of Bond Counsel."

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Series 2024 Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE – The Series 2024 Bonds", "DESCRIPTION OF THE SERIES 2024 BONDS," "SECURITY FOR THE BONDS SIMILARLY SECURED" (except for the subcaption "Amount of Assessments May be Reduced by TIRZ Annual Credit Amount"), "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings," (except for the last paragraph thereof), "LEGAL MATTERS – Legal Opinions," (except for the last paragraph thereof), "CONTINUING DISCLOSURE – The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," APPENDIX B and APPENDIX D, and such firm is of the opinion that the information relating to the Series 2024 Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Series 2024 Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

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

Litigation – The City

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

Litigation – The Developer

At the time of delivery and payment for the Series 2024 Bonds, the Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Series 2024 Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Development Agreement, the Financing Agreement, or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Series 2024 Bonds (individually or in the aggregate, a "Material Adverse Effect"). Additionally, Meritage and its affiliates, including the Developer, have been and are parties to pending and threatened litigation related to their real estate development activities. Such litigation occurs in the ordinary course of business and is not expected to have a Material Adverse Effect.

SUITABILITY FOR INVESTMENT

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

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds Similarly Secured upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See "BONDHOLDERS' RISKS – Bondholders' Remedies and Bankruptcy of Property Owners." Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds Similarly Secured may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

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

CONTINUING DISCLOSURE

The City

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

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

The City's Compliance with Prior Undertakings

During the past five years, the City has complied in all material respects with continuing disclosure agreements made by it in accordance with Rule 15c2-12.

Although the City timely filed annual financial information in compliance with its other outstanding obligations, due to an administrative oversight, the City inadvertently did not associate the filed information with certain CUSIPs for bonds for which the City was an obligated person. On May 2, 2023, the City updated its previously filed required financial information to associate these CUSIPs. As the annual filings were in fact timely filed and readily available on EMMA, the City does not believe this administrative oversight is a material event within the meaning of the Rule.

The Developer

The Developer, the PID Administrator, and the Dissemination Agent will, in connection with the issuance of the Series 2024 Bonds, enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Developer") for the benefit of the Owners of the Series 2024 Bonds (including owners of beneficial interests in the Series 2024 Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding Improvement Area #1 and the Improvement Area #1 Projects (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 – Form of Disclosure Agreement of the Developer." Under certain circumstances, the failure of the Developer or the PID Administrator to comply with its obligations under the Disclosure Agreement of the Developer constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement of the Developer would allow the Owners of the Series 2024 Bonds (including owners of beneficial interests in the Series 2024 Bonds) to bring an action for specific performance.

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

The Developer's Compliance with Prior Undertakings

The Developer has complied with its prior undertakings, except as described below. In connection with the Public Finance Authority, Public Improvement Revenue Bonds (Cross Creek Public Improvement District Project), Series 2019 (the "Cross Creek Bonds"), the Developer entered into a continuing disclosure agreement (the "Cross Creek CDA") whereby it agreed to file quarterly reports on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"). The Developer provided the quarterly report with respect to the Cross Creek Bonds for the period ending on December 31, 2019 to the dissemination agent under the Cross Creek CDA (the "Cross Creek Dissemination Agent") on a timely basis, however, such quarterly report was not timely filed on EMMA due to an error by the Cross Creek Dissemination Agent in filing the incorrect quarterly report for the Cross Creek Bonds. The Developer has since filed on EMMA a notice of failure to file, along with the related quarterly report. Additionally, in connection with the City of Hutto, Texas Special Assessment Revenue Bonds, Series 2021 (Durango Farms Public Improvement District) (the "Durango Bonds"), a continuing disclosure agreement (the "Durango CDA") was created and entered into by certain parties, one of which was the Developer, who, as a significant landowner (as defined in the Durango CDA, became obligated to file quarterly reports on EMMA. The Developer did not timely file the quarterly reports with respect to the Durango Bonds for the periods ending on December 31, 2021 and March 31, 2022. The Developer has since filed on EMMA notices of failure to file, along with the related quarterly reports. The Developer has implemented procedures to ensure that in the future it fully complies with its continuing disclosure undertakings.

THE FINANCIAL ADVISOR

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

SAMCO Capital Markets, Inc. (the "Financial Advisor") is employed as the Financial Advisor to the City in connection with the issuance of the Series 2024 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2024 Bonds is contingent upon the issuance and delivery of the Series 2024 Bonds. SAMCO Capital Markets, Inc., in its capacity as Financial Advisor, has relied on the opinions of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the bond documentation with respect to the federal income tax status of the Series 2024 Bonds. In the normal course of business, the Financial Advisor may also from time to time sell investment securities to the City for the investment of bond proceeds or other funds of the City upon the request of the City.

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

UNDERWRITING

FMSbonds, Inc., (the "Underwriter") has agreed to purchase the Series 2024 Bonds from the City at a purchase price of $_____ (the par amount of the Series 2024 Bonds, less an underwriting discount of $_____, which includes Underwriter's Counsel's fee) and no accrued interest. The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Series 2024 Bonds the Underwriter will be obligated to purchase all of the Series 2024 Bonds. Subject to certain restrictions contained in the bond purchase agreement related to the Series 2024 Bonds, the Series 2024 Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Series 2024 Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Series 2024 Bonds by municipalities or other political subdivisions or public agencies of the State, the Texas Public Funds Investment Act (the "PFIA") requires that the Series 2024 Bonds be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Series 2024 Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Series 2024 Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Series 2024 Bonds are legal investments for various

institutions in those states. No representation is made that the Series 2024 Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

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

INVESTMENTS

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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City's custodian of the banking deposits issued for the City's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above, clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated

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

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

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

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

Under State law, the City's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed

the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

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

INFORMATION RELATING TO THE TRUSTEE

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

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

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

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SOURCES OF INFORMATION

General

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

Source of Certain Information

The information contained in this Limited Offering Memorandum relating to the description of the Improvement Area #1 Authorized Improvements generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE" (except for the information under "– The Series 2024 Bonds"), "THE IMPROVEMENT AREA #1 AUTHORIZED IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area #1 Authorized Improvements and the Development), "LEGAL MATTERS – Litigation – The Developer," and "CONTINUING DISCLOSURE – The Developer" and "– The Developer's Compliance with Prior Undertakings" has been provided by the Developer, and the Developer warrants and represents that the information contained herein is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. At the time of delivery of the Series 2024 Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

Experts

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

Updating of Limited Offering Memorandum

If, subsequent to the date of the Limited Offering Memorandum, the City learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Limited Offering Memorandum to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Series 2024 Bonds, the City will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Limited Offering Memorandum satisfactory to the Underwriter; provided, however, that the obligation of the City to so amend or supplement the Limited Offering Memorandum will terminate when the City delivers the Series 2024 Bonds to the Underwriter, unless the Underwriter notifies the City on or before such date that less than all of the Series 2024 Bonds have been sold to ultimate customers; in which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Series 2024 Bonds) until all of the Series 2024 Bonds have been sold to ultimate customers.

FORWARD-LOOKING STATEMENTS

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

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

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AUTHORIZATION AND APPROVAL

The City Council will approve the form and content of this Preliminary Limited Offering Memorandum and the use thereof by the Underwriter in connection with the marketing and sale of the Series 2024 Bonds. In the Bond Ordinance, the City Council will approve the form and content of the final Limited Offering Memorandum.

CITY OF KYLE, TEXAS

_____
Mayor

ATTEST:

_____
City Secretary

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APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

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

The City is located in Hays County along Interstate Highway 35. It is located approximately eight (8) miles north of the City of San Marcos, twenty (20) miles south of the City of Austin and sixty (60) miles north of the City of San Antonio. The City covers approximately 31.25 square miles. The City's 2020 census population was 45,697, and the City has estimated that its 2024 population is approximately 58,500.

The City is a community having easy access to major highway and roadways, including Interstate Highway 35. The City is located eight miles north of San Marcos, 20 miles south of Austin and 60 miles north of San Antonio. The City is the second largest city in Hays County and enjoys a south-central location convenient to most major population and employment centers in Central Texas.

Historical Employment in Hays County and the City

The following information has been provided for informational purposes only.

Hays County

	Average Annual				
	2024[(1)]	2023	2022	2021	2020
Civilian Labor Force	146,890	144,229	138,543	129,600	121,304
Total Employed	141,477	139,520	134,363	124,271	113,639
Total Unemployed	5,413	4,709	4,180	5,329	7,665
Unemployment Rate	3.7%	3.3%	3.0%	4.1%	6.3%

(1) Data through February 2024.

Source: Texas Labor Market Information.

The City

	Average Annual				
	2024[(1)]	2023	2022	2021	2020
Civilian Labor Force	31,564	31,036	29,828	27,975	25,783
Total Employed	30,509	30,087	28,975	26,799	24,117
Total Unemployed	1,055	949	853	1,176	1,666
Unemployment Rate	3.3%	3.1%	2.9%	4.2%	6.5%

(1) Data through February 2024.

Source: Texas Labor Market Information.

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Major Employers in the City

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

Employer	Employees	Percentage of Total City Employment
Hays County Independent School District	3,258	15.66%
Seton Medical Center Hays	750	3.60%
Amazon	700	12.76%
HEB Plus		0.00%
City of Kyle	349	1.68%
Lowes	100	0.48%
PAM Health Rehabilitation Hospital of Kyle		0.00%
Home Depot	100	0.48%
Austin Community College at Hays	80	0.38%
Plastikon	65	0.31%
KIMWON	38	0.18%
ENF	25	0.12%
FedEx	20	0.10%
Total	**5,485**	**35.76%**

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

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REGIONAL EMPLOYMENT

Surrounding Economic Activity

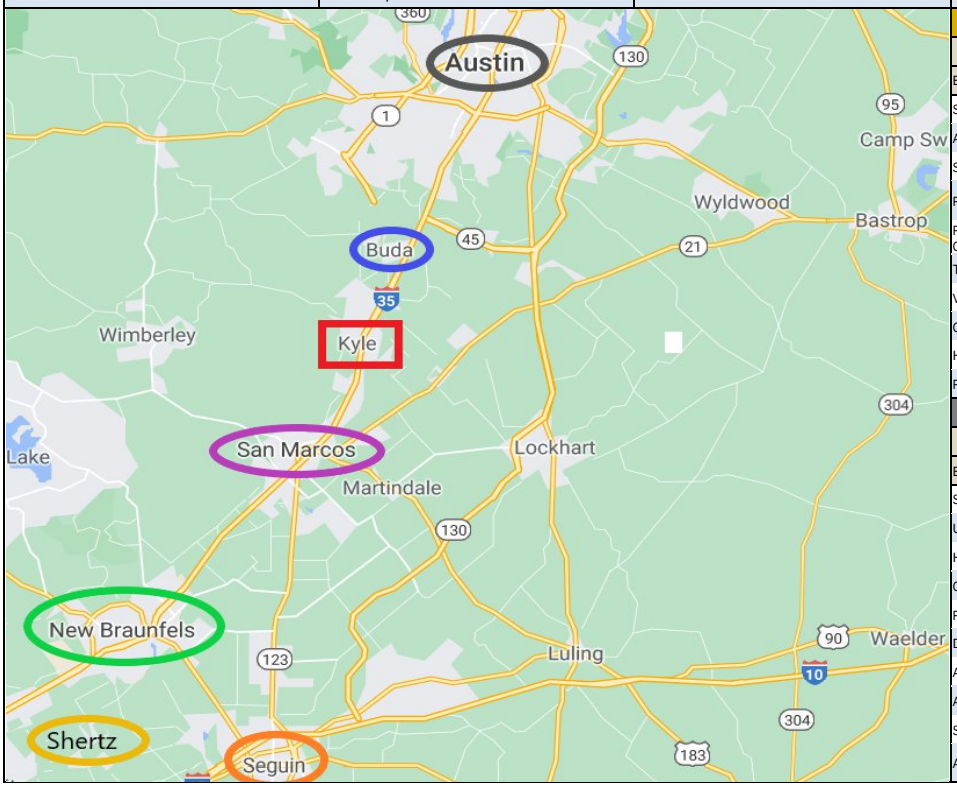
The major employers of municipalities surrounding the City are set forth in the table below.

City of San Marcos, TX	
Approximately 10 Miles from the City	
Employer	Employees
Amazon	5,000
Texas State University	3,730
Premium Outlets San Marcos	1,600
Tanger Factory Outlets	1,540
San Marcos CISD	1,400
Hays County	885
City of San Marcos	818
HEB Distribution Center	750
Central Texas Medical Center	675
CFAN	500

City of New Braunfels, TX	
Approximately 30 Miles from the City	
Employer	Employees
Comal ISD	3,374
Schlitterbahn Water Park	3,000
New Braunfels ISD	1,320
Wal-Mart Distribution Center	1,189
Sysco	794
City of New Braunfels	780
Comal County	734
Christus Santa Rosa Hospital	620
TaskUs	612
Rush Enterprises	528

City of Seguin, TX	
Approximately 30 Miles from the City	
Employer	Employees
Vitesco (Continental AG)	1,565
Texas Power Systems/CAT	1,480
Seguin ISD	1,130
CMC Steel	830
Guadalupe Regional Medical Center	765
Guadalupe County	650
Tyson Foods	550
Texas Lutheran University	440
City of Seguin	429
HEB	400

City of Buda, TX	
Approximately 8 Miles from the City	
Employer	Employees
Capital Excavation	315
H-E-B Grocery	249
Walmart	240
Pro Build	222
Fat Quarter Shop	215
Cabela's	196
Texas Lehigh Cement	180
U.S. Foods	159
Hays Community YMCA	157
Capital Spectrum	150



City of Schertz, TX	
Approximately 45 Miles from the City	
Employer	Employees
Schertz/Cibolo/UC ISD	1,900
Amazon	1,061
Sysco Central Texas	827
FedEx Ground	700
Republic National Distribution Company	639
The Brandt Companies, LLC	527
Visionworks	450
City of Schertz	437
Hollingsworth Logistics Group	400
FedEx Freight	300

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

Source: Municipal Advisory Council of Texas.

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APPENDIX B

FORM OF INDENTURE

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APPENDIX C

FORM OF SERVICE AND ASSESSMENT PLAN

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF THE ISSUER

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APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF THE DEVELOPER

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APPENDIX F

FINANCING AGREEMENT

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APPENDIX G

DEVELOPMENT AGREEMENT

INDENTURE OF TRUST

By and Between

CITY OF KYLE, TEXAS

and

BOKF, NA,
as Trustee

DATED AS OF JULY 1, 2023

SECURING

$7,884,000
CITY OF KYLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

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INDENTURE OF TRUST

THIS INDENTURE, dated as of July 1, 2023 is by and between the CITY OF KYLE, TEXAS (the "City"), and BOKF, NA, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted and filed with the City Secretary of the City (the "City Secretary") pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the "PID Act"), requesting the creation of a public improvement district located in the corporate limits of the City to be known as Limestone Creek Public Improvement District (the "District"); and

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

WHEREAS, on July 19, 2022, after due notice, the City Council of the City (the "City Council") opened and left open a public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Section 372.009 of the PID Act and on October 18, 2022, the City Council continued the public hearing and made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. 1327, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services and also made findings and determinations relating to the estimated total costs of certain Authorized Improvements; and

WHEREAS, on October 25, 2022, the City filed and recorded Resolution No. 1327 with the County Clerk of Hays County, the county in which the District is located; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after October 18, 2022; and

WHEREAS, on June 6, 2023, the City Council by Resolution No. 1375 made findings and determinations relating to the Actual Costs of certain Improvement Area #1 Authorized Improvements, received and accepted a preliminary service and assessment plan and a proposed assessment roll, called a public hearing for June 20, 2023 and directed City staff to (i) file said proposed assessment roll with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice relating to the June 20, 2023 hearing as required by Section 372.016(b) of the PID Act; and

WHEREAS, on June 9, 2023, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of the public hearing in the *Austin-American Statesman*, a newspaper of general circulation in the City, to consider the proposed Service and Assessment Plan and the Improvement Area #1 Assessment Roll and the levy of the Assessments on property within Improvement Area #1 of the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, mailed notice of the public hearing to consider the proposed Improvement Area #1 Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in Improvement Area #1

of the District to the last known address of the owners of the property liable for the Assessments; and

WHEREAS, the City Council opened and convened the hearing on June 20, 2023 and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Service and Assessment Plan, the proposed Improvement Area #1 Assessment Roll and the Assessments, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of estimated costs of the Improvement Area #1 Authorized Improvements, the purposes of the Assessments, the special benefits of the Improvement Area #1 Authorized Improvements, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments, and there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of estimated costs of the Improvement Area #1 Authorized Improvements, the Improvement Area #1 Assessment Roll, and the levy of the Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, the City approved Ordinance No. 1270, which levied the Assessments and approved the Service and Assessment Plan, in conformity with the requirements of the PID Act; and

WHEREAS, the City Council found and determined that the Assessments should be levied as provided in the Service and Assessment Plan; and

WHEREAS, the City Secretary or Assistant City Secretary of the City filed a copy of the Assessment Ordinance not later than the seventh day after the date the City Council approved the Assessment Ordinance and the Service and Assessment Plan with the County Clerk of Hays County; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves, and (iii) paying Bond Issuance Costs; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled “City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2023 (Limestone Creek Public Improvement District Improvement Area #1 Project)”, such Bonds being payable solely from the Trust Estate and for the purposes set forth in the preamble of this Indenture; and

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

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

FIRST GRANTING CLAUSE

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

SECOND GRANTING CLAUSE

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

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

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

PROVIDED, HOWEVER, that if and to the extent Assessments have been prepaid, the lien on real property associated with such Assessment prepayment shall be released and any rights of the Trustee and the Owners, as provided in this Indenture, to request the City to proceed with foreclosure procedures for the purpose of protecting and enforcing the rights of the Owners with respect to the Assessments levied against such property shall terminate;

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

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

ARTICLE I

DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

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

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

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

"Additional Bonds" means the additional parity bonds authorized to be issued in accordance with the terms and conditions prescribed in Section 13.2(c) of this Indenture.

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

"Additional Interest Rate" means the 0.50% additional interest rate charged on the Assessments securing the Bonds pursuant to Section 372.018 of the PID Act.

"Additional Interest Reserve Account" means the reserve account administered by the City and segregated from other funds of the City in accordance with the provisions of Section 6.7 of this Indenture.

"Additional Interest Reserve Requirement" means an amount equal to 5.50% of the principal amount of the Outstanding Bonds Similarly Secured to be funded from Assessment Revenues to be deposited to the Pledged Revenue Fund and transferred to the Additional Interest Reserve Account.

"Additional Obligations" means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary notes or time warrants secured in whole or in part by an assessment, other than the Assessments securing the Bonds Similarly Secured, levied against property within Improvement Area #1 of the District, in accordance with the PID Act.

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

"Administrative Reserves" mean the Annual Collection Costs associated with the first year of Improvement Area #1 of the District.

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

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

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

"Annual Installment" means, with respect to each Assessed Property, each annual payment of the Assessments (including both principal of and interest on the Assessments) as shown on the Improvement Area #1 Assessment Roll attached to the Service and Assessment Plan as Exhibit F and related to the Improvement Area #1 Authorized Improvements; which annual payment includes Annual Collection Costs and the Additional Interest collected on each annual payment of the Assessments as described in Section 6.7 herein and as defined and calculated in the Service and Assessment Plan or in any Annual Service Plan Update.

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

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

"Assessed Property" means any Parcel within Improvement Area #1 of the District that benefits from the Improvement Area #1 Authorized Improvements and on which an Assessment is levied as shown on the Improvement Area #1 Assessment Roll and which includes any and all Parcels within Improvement Area #1 of the District other than Non-Benefited Property.

"Assessment Ordinance" means Ordinance No. 1270 adopted by the City Council on June 20, 2023, which levied the Assessments on the Assessed Property located within Improvement Area #1 of the District.

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

"Assessments" means the aggregate assessments, shown on the Improvement Area #1 Assessment Roll. The singular of such term means the Assessment levied against an Assessed Property, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon

the subdivision of an Assessed Property, or consolidation of multiple Assessed Properties, or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

"Authorized Denomination" means $100,000 and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Bond Similarly Secured is less than $100,000, then the Authorized Denomination of such Outstanding Bond Similarly Secured shall be the amount of such Outstanding Bond Similarly Secured.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Major Improvements, Administrative Reserves, and Bond Issuance Costs as more specifically listed in Section III of the Service and Assessment Plan.

"Bond" means any of the Bonds.

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

"Bond Date" means the date designated as the initial date of the respective series of the Bonds Similarly Secured by Section 3.2 of this Indenture.

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

"Bond Issuance Costs" mean the costs associated with issuing a Series of Bonds Similarly Secured, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter's discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of the Bonds.

"Bond Ordinance" means Ordinance No. 1271 adopted by the City Council on June 20, 2023, authorizing the issuance of the Bonds pursuant to this Indenture.

"Bond Pledged Revenue Account" means the Account of such name established pursuant to Section 6.1.

"Bond Similarly Secured" means any of the Bonds Similarly Secured.

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

"Bonds" means the City's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2023 (Limestone Creek Public Improvement District Improvement Area #1 Project)".

"Bonds Similarly Secured" means the Outstanding Bonds and any Outstanding Additional Bonds and any Outstanding Refunding Bonds hereafter issued pursuant to and secured under this Indenture.

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

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

"Certificate for Payment" means a certificate substantially in the form of Exhibit A to the Financing Agreement or otherwise approved by the Developer and a City Representative executed by a Person approved by a City Representative, delivered to a City Representative and the Trustee specifying the amount of work performed related to the Improvement Area #1 Projects and the Actual Costs thereof, and requesting payment for such Actual Costs from money on deposit in an account of the Project Fund as further described in the Financing Agreement and Section 6.5 herein.

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

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

"Closing Date" means the date of the initial delivery of and payment for each series of the Bonds Similarly Secured. With respect to the Bonds, the Closing Date is July 20, 2023.

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

"Costs of Issuance Account" means the Account of such name established pursuant to Section 6.1.

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

"Delinquent Collection Costs" means, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including costs and expenses to foreclose liens.

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

"Developer" means Meritage Homes of Texas, LLC, an Arizona limited liability company, and its successors and assigns.

"Developer Reimbursement Pledged Revenue Account" means the Account of such name established pursuant to Section 6.1.

"Development Agreement" means that certain Amended and Restated Limestone Creek Development Agreement by and between the City and the Developer and consented to by Kyle Land Partners, LLC, a Texas limited liability company, approved by the City on June 21, 2022, related to development of the property within the District, as amended by the First Amendment to the Amended and Restated Limestone Creek Development Agreement effective on October 24, 2022, and as further amended by the Second Amendment to the Amended and Restated Limestone Creek Development Agreement effective on March 7, 2023, as the same may be amended from time to time.

"District" means the Limestone Creek Public Improvement District.

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

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

"Financing Agreement" means the "Limestone Creek Public Improvement District Financing Agreement" by and between the City and the Developer dated as of June 20, 2023, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within the District (including the Improvement Area #1 Projects), the issuance of bonds, and other matters related thereto.

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

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

"Improvement Area #1" means the initial phase to be developed in the District consisting of approximately 55.95 acres located within the District, as further identified and depicted in Exhibits A-2 and B-2 of the Service and Assessment Plan.

"Improvement Area #1 Assessment Roll" means the assessment roll for the Assessed Property within Improvement Area #1 the District and included in the Service and Assessment Plan as Exhibit F, as updated, modified, or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act.

"Improvement Area #1 Authorized Improvements" means the Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Bonds and the Additional Bonds, if such bonds are issued.

"Improvement Area #1 Improvements" means the Authorized Improvements which only benefit property within Improvement Area #1 of the District, as described in Section III.B and depicted on Exhibit J of the Service and Assessment Plan.

"Improvement Area #1 Improvements Account" means the Account of such name established pursuant to Section 6.1.

"Improvement Area #1 Projects" mean, collectively, the Improvement Area #1 Improvements and Improvement Area #1's allocable share of the Major Improvements.

"Improvement Area #1 Reimbursement Agreement" means the "Limestone Creek Public Improvement District Improvement Area #1 Reimbursement Agreement" between the City and the Developer, dated as of June 20, 2023, which provides for the reimbursement of costs to the Developer for the costs of the Improvement Area #1 Projects not reimbursed through the proceeds of the Bonds, and other matters related thereto.

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

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

"Initial Bond" means, with respect to the Bonds, the Initial Bond as set forth in Exhibit A to this Indenture and, with respect to any other series of Bonds Similarly Secured, the Initial Bond set forth in an exhibit to a Supplemental Indenture.

"Interest Payment Date" means the date or dates upon which interest on any series of Bonds Similarly Secured is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year and commencing, with respect to the Bonds, on September 1, 2023.

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

"Major Improvements" means the Authorized Improvements which benefit all of the property within the District subject to assessments.

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

"Minor Amount Redemption" means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of a series of Bonds Similarly Secured that is less than ten percent (10%) of the Outstanding principal amount of such series of the Bonds Similarly Secured.

"Outstanding" means, as of any particular date when used with reference to the Bonds Similarly Secured, all Bonds Similarly Secured authenticated and delivered under this Indenture or any Supplemental Indenture except (i) any Bond Similarly Secured that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond Similarly Secured for which the payment of the principal or Redemption Price of and interest

on such Bond Similarly Secured shall have been made as provided in Article IV, and (iii) any Bond Similarly Secured in lieu of or in substitution for which a new Bond Similarly Secured shall have been authenticated and delivered pursuant to Section 3.10 herein.

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

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

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

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

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

"Pledged Funds" means the Pledged Revenue Fund (excluding the Developer Reimbursement Pledged Revenue Account), the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

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

"Pledged Revenues" means the sum of (i) Assessment Revenue less the Annual Collection Costs and Delinquent Collection Costs and (ii) the moneys held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds Similarly Secured.

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

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

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

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

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

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

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

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

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

"Redemption Price" means, when used with respect to any Bond Similarly Secured or portion thereof, the amount of par plus accrued and unpaid interest to the date of redemption, unless otherwise provided in a Supplemental Indenture.

"Refunding Bonds" means bonds, which are secured by a parity lien with the then Outstanding Bonds Similarly Secured, issued pursuant to the PID Act and/or Chapter 1207 of the Texas Government Code or any other applicable law of the State of Texas (each, as amended) to refund all or any portion of the then Outstanding Bonds Similarly Secured.

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

"Reimbursement Fund" means that fund of such name established pursuant to Section 6.1.

"Reimbursement Payment Request" means a certificate substantially in the form of Exhibit A attached to the Improvement Area #1 Reimbursement Agreement or otherwise approved by the Developer and the City Representative executed by a Person approved by the City Representative, delivered to the City Representative and the Trustee requesting reimbursement for the Actual Costs of the Improvement Area #1 Projects from money on deposit in the Reimbursement Fund as further described in Section 6.13 herein.

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

"Reserve Account Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is $755,253.88, which is 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds. The Reserve Account Requirement shall be adjusted in accordance with Section 13.2, in the event an additional series of Bonds Similarly Secured is hereafter issued.

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

"Service and Assessment Plan" means the "Limestone Creek Public Improvement District Service and Assessment Plan" dated June 20, 2023, including the Improvement Area #1 Assessment Roll, as hereinafter amended, updated, and/or restated by an Annual Service Plan Update or otherwise, a version of which is attached as Exhibit A to the Assessment Ordinance.

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

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

"Substantial Amount Redemption" means a redemption, pursuant to Section 4.4 of this Indenture, of a principal amount of a series of Bonds Similarly Secured that is greater than or equal to ten percent (10%) of the Outstanding principal amount of such series of Bonds Similarly Secured.

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

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

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

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

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

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

Section 1.4. Interpretation.

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

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

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

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

ARTICLE II

THE BONDS SIMILARLY SECURED

Section 2.1. Security for the Bonds Similarly Secured.

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

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

Section 2.2. Limited Obligations.

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

Section 2.3. Authorization for Indenture.

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

Section 2.4. Contract with Owners and Trustee.

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

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS SIMILARLY SECURED

Section 3.1. Authorization of the Bonds Similarly Secured.

(a) The Bonds. The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $7,884,000 for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves, and (iii) paying the Bond Issuance Costs.

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

(a) The Bonds.

(i) The Bonds shall be dated July 20, 2023 and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond for the Bonds, which shall be numbered T-1.

(ii) Interest shall accrue and be paid on each Bond from the later of the Closing Date of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2023 computed on the basis of a 360-day year of twelve 30-day months.

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

Years	Principal Amount ($)	Interest Rate (%)
2033	353,000	4.750
***	***	***
2043	2,036,000	5.500
***	***	***
2053	5,495,000	5.750

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

Section 3.3. Conditions Precedent to Delivery of Bonds.

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

(i) a certified copy of the Assessment Ordinance;

(ii) a certified copy of the Bond Ordinance;

(iii) a copy of the executed Financing Agreement;

(iv) a copy of the executed Improvement Area #1 Reimbursement Agreement;

(v) a copy of this Indenture executed by the Trustee and the City;

(vi) a copy of the executed Continuing Disclosure Agreement of Issuer;

(vii) a copy of the executed Continuing Disclosure Agreement of Developer;

(viii) a copy of the executed opinion of Bond Counsel;

(ix) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate; and

(x) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

Section 3.4. Medium, Method and Place of Payment.

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

(b) Interest on the Bonds Similarly Secured shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from or on behalf of the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of

each Owner of a Bond Similarly Secured appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

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

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

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

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds Similarly Secured to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State of Texas, any such payments remaining unclaimed by the Owners entitled thereto for two (2) years after the applicable payment or redemption date shall be applied to the next payment or payments on such Bonds Similarly Secured thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds Similarly Secured, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any Owners of such Bonds Similarly Secured for any further payment of such unclaimed moneys or on account of any such Bonds Similarly Secured, subject to any applicable escheat law or similar law of the State of Texas.

Section 3.5. Execution and Registration of Bonds Similarly Secured.

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

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds Similarly Secured ceases to hold such office before the authentication of such Bonds Similarly Secured or before the delivery thereof, such manual or facsimile signature

nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

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

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

Section 3.6. Ownership.

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

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

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond Similarly Secured remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds Similarly Secured in accordance with this

Indenture. The Paying Agent/Registrar represents and warrants that it will file and maintain a copy of the Register with the City, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

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

(c) The Bonds Similarly Secured shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond Similarly Secured or Bonds Similarly Secured of the same series, and of the same maturity and bearing the same interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond Similarly Secured presented for exchange.

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

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

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

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

Section 3.8. Cancellation.

All Bonds Similarly Secured paid or redeemed before scheduled maturity in accordance with this Indenture, and all Bonds Similarly Secured in lieu of which exchange Bonds Similarly Secured or replacement Bonds Similarly Secured are authenticated and delivered in accordance with this Indenture, shall be cancelled, and proper records shall be made regarding such payment,

redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of cancelled Bonds Similarly Secured in accordance with the records retention requirements of the Trustee.

Section 3.9. Temporary Bonds Similarly Secured.

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

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

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

Section 3.10. Replacement Bonds Similarly Secured.

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

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

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

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

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

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

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

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

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

Section 3.11. Book-Entry Only System.

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

With respect to Bonds Similarly Secured registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds Similarly Secured. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds Similarly Secured, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds Similarly Secured, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds Similarly Secured. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond

Similarly Secured is registered in the Register as the absolute owner of such Bond Similarly Secured for the purpose of payment of principal of, premium, if any, and interest on such Bond Similarly Secured, for the purpose of giving notices of redemption and other matters with respect to such Bond Similarly Secured, for the purpose of registering transfer with respect to such Bond Similarly Secured, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds Similarly Secured only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds Similarly Secured to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

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

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

Section 3.13. Payments to Cede & Co.

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

ARTICLE IV

REDEMPTION OF BONDS SIMILARLY SECURED BEFORE MATURITY

Section 4.1. Limitation on Redemption.

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

Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds.

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

Term Bonds Maturing September 1, 2033

Redemption Date	Sinking Fund Installment ($)
September 1, 2026	4,000
September 1, 2027	14,000
September 1, 2028	25,000
September 1, 2029	36,000
September 1, 2030	48,000
September 1, 2031	61,000
September 1, 2032	75,000
September 1, 2033*	90,000

* maturity

Term Bonds Maturing September 1, 2043

Redemption Date	Sinking Fund Installment ($)
September 1, 2034	106,000
September 1, 2035	124,000
September 1, 2036	143,000
September 1, 2037	163,000
September 1, 2038	185,000
September 1, 2039	209,000
September 1, 2040	234,000
September 1, 2041	261,000
September 1, 2042	290,000
September 1, 2043*	321,000

* maturity

Term Bonds Maturing September 1, 2053

Redemption Date	Sinking Fund Installment ($)
September 1, 2044	353,000
September 1, 2045	389,000
September 1, 2046	428,000
September 1, 2047	469,000
September 1, 2048	513,000
September 1, 2049	561,000
September 1, 2050	611,000
September 1, 2051	665,000
September 1, 2052	722,000
September 1, 2053*	784,000

* maturity

(ii) At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (iii) and (iv) of this Section 4.2(a), the Trustee shall select a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(iii) The principal amount of Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (i) of this Section 4.2(a) shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

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

Section 4.3. Optional Redemption.

(a) The Bonds.

(i) The City reserves the right and option to redeem Bonds maturing on or after September 1, 2034, before their respective scheduled maturity dates, in whole or in

part, on any date on or after September 1, 2033, such redemption date or dates to be fixed by the City, at the Redemption Price.

Section 4.4. Extraordinary Optional Redemption.

Notwithstanding any provision in this Indenture to the contrary, the City reserves the right and option to redeem Bonds Similarly Secured before their respective scheduled maturity dates, in whole or in part and in an amount and on a date specified in a City Certificate, at the Redemption Price of such Bonds Similarly Secured, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Fund made pursuant to the terms of this Indenture, any other transfers to the Redemption Fund under the terms of this Indenture, or as a result of unexpended amounts transferred from the Project Fund pursuant to the terms of this Indenture). The City will provide the Trustee a City Certificate directing the Bonds to be redeemed pursuant to this Section 4.4 in accordance with the provisions of Section 4.5 hereof.

Section 4.5. Partial Redemption.

(a) If less than all of a series of Bonds Similarly Secured are to be redeemed pursuant to Sections 4.2, 4.3, or 4.4, Bonds Similarly Secured shall be redeemed in minimum principal amounts of $1,000 or any integral multiple thereof. Each Bond Similarly Secured shall be treated as representing the number of bonds that is obtained by dividing the principal amount of such series of Bonds Similarly Secured by $1,000. No redemption shall result in a Bond Similarly Secured in a denomination of less than the Authorized Denomination in effect at that time; provided, however, if the amount of the Outstanding Bond Similarly Secured is less than an Authorized Denomination after giving effect to such partial redemption, a Bond Similarly Secured in the principal amount equal to the unredeemed portion, but not less than $1,000, may be issued.

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

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

(d) If less than all of a series of Bonds Similarly Secured are called for extraordinary optional redemption pursuant to Section 4.4 hereof, the Bonds Similarly Secured or portion of a Bond Similarly Secured, as applicable, of such series to be redeemed shall be selected in the following manner:

(i) with respect to a Substantial Amount Redemption, the principal amount called for redemption shall be allocated on a pro rata basis among all Outstanding Bonds Similarly Secured of such series; and

(ii) with respect to a Minor Amount Redemption, the Outstanding Bonds Similarly Secured of such series shall be redeemed in inverse order of maturity.

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

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds Similarly Secured by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond Similarly Secured or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds Similarly Secured are in book-entry-only form and held by DTC as security depository, references to Owner in this Indenture means Cede & Co., as nominee for DTC.

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

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

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

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

Section 4.7. Payment Upon Redemption.

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

(b) Upon presentation and surrender of any Bond Similarly Secured called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond Similarly Secured to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.6 of this Indenture, the Bonds Similarly Secured or portions thereof called for redemption shall become due and payable

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

ARTICLE V

FORM OF THE BONDS SIMILARLY SECURED

Section 5.1. Form Generally.

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

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

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

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

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, New York, New York, and may authorize the printing of such numbers on the face of the Bonds Similarly Secured. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds Similarly Secured shall be of no significance or effect as regards the legality thereof; and none of the City, the Trustee, nor the attorneys approving said Bonds Similarly Secured as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds Similarly Secured.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond Similarly Secured over the certification of the City Secretary or Assistant City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

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

(i) Pledged Revenue Fund;

(ii) Bond Fund;

(iii) Project Fund;

(iv) Reserve Fund;

(v) Redemption Fund;

(vi) Rebate Fund;

(vii) Administrative Fund;

(viii) Project Collection Fund; and

(ix) Reimbursement Fund.

(b) Creation of Accounts.

(i) The following Accounts are hereby created and established under the Pledged Revenue Fund:

(A) Bond Pledged Revenue Account; and

(B) Developer Reimbursement Pledged Revenue Account.

(ii) The following Accounts are hereby created and established under the Bond Fund:

(A) Capitalized Interest Account; and

(B) Principal and Interest Account.

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

(A) Improvement Area #1 Improvements Account; and

(B) Costs of Issuance Account.

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

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds Similarly Secured.

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

(e) The Trustee may, from time to time, upon written direction from the City pursuant to a City Certificate, create additional Funds or Accounts hereunder as may be necessary for the receipt and application of the Assessment Revenues to account properly for the payment of the Actual Costs of the Improvement Area #1 Authorized Improvements or to facilitate the payment or redemption for the Bonds Similarly Secured.

Section 6.2. Initial Deposits to Funds and Accounts.

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

(i) to the Capitalized Interest Account of the Bond Fund: $495,357.53;

(ii) to the Improvement Area #1 Improvements Account of the Project Fund: $5,875,624.59;

(iii) to the Costs of Issuance Account of the Project Fund: $441,244.00;

(iv) to the Reserve Account of the Reserve Fund: $755,253.88; and

(v) to the Administrative Fund: $80,000.00.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 15 of each year while the Bonds Similarly Secured are Outstanding and beginning February 15, 2025, the City shall deposit or cause to be deposited the Pledged Revenues, other than the Pledged revenues on deposit in the Project Collection Fund which revenues shall be transferred in accordance with Section 6.10 hereof, into the Pledged Revenue Fund. As soon as practicable following deposit into the Pledged Revenue Fund pursuant to this Section 6.3(a) or Section 6.10, the Trustee shall apply the Pledged Revenues in the following order of priority: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds Similarly Secured next coming due in such calendar year, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, in accordance with Section 6.7(a) hereof, (iii) third, to the Additional Interest Reserve Account of the Reserve Fund in an amount equal to the Additional Interest collected, if any, in accordance with Section 6.7(b) hereof, (iv) fourth, to the Developer

Reimbursement Pledged Revenue Account of the Pledged Revenue Fund to pay the Developer for costs of Improvement Area #1 Projects that have been paid by the Developer (including any accrued interest) pursuant to the terms of the Improvement Area #1 Reimbursement Agreement, (v) fifth, to pay Actual Costs of the Improvement Area #1 Projects, and (vi) sixth, to pay other costs permitted by the PID Act. Moneys transferred to the Developer Reimbursement Pledged Revenue Account shall not be a part of the Trust Estate and are not security for the Bonds Similarly Secured.

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

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account first, to the payment of interest and, second, to the payment of principal (including any Sinking Fund Installments) on the Bonds Similarly Secured, as described in Section 11.4(a) hereof.

(d) Subject to the provisions of the Improvement Area #1 Reimbursement Agreement, from time to time as needed to pay the obligations relating to Actual Costs of the Improvement Area #1 Projects that are paid by the Developer, and once all amounts deposited into the Improvement Area #1 Improvements Account of the Project Fund have been disbursed, the Trustee shall, pursuant to a completed Reimbursement Payment Request, withdraw from the Developer Reimbursement Pledged Revenue Account and transfer to the Reimbursement Fund such amount needed to pay the Developer for funds it paid to fund Actual Costs of the Improvement Area #1 Projects, including any accrued interest. When all amounts due to the Developer to pay it for the funds it used to pay for Actual Costs of the Improvement Area #1 Projects have been paid to the Developer, whether through Assessments received and applied in accordance with this Indenture and the Service and Assessment Plan or an Annual Service Plan Update, or through the proceeds of Additional Bonds, no further deposits shall be made to the Developer Reimbursement Pledged Revenue Account and the Developer Reimbursement Pledged Revenue Account shall be closed.

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

(f) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first, to the Reserve Account to restore any transfers from the Reserve Account made with respect to the Assessed Property(s) to which the Foreclosure

Proceeds relate, second, to the Additional Interest Reserve Account to restore any transfers from the Additional Interest Reserve Account made with respect to the Assessed Property(s) to which the Foreclosure Proceeds relate, and third, to the Redemption Fund.

(g) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds Similarly Secured and to fund any deficiency that may exist in an account of the Reserve Fund, the City may direct the Trustee by City Certificate to apply Assessments for any lawful purposes permitted by the PID Act for which Assessments may be paid, including the funding of any obligations due to the Developer with funds deposited to the Developer Reimbursement Pledged Revenue Account.

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

Section 6.4. Bond Fund.

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

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

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

Date	**Amount ($)**
September 1, 2023	50,647.53
March 1, 2024	222,355.00
September 1, 2024	222,355.00

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Improvements Account of the Project Fund, as directed by the City pursuant to a City Certificate, or if the Improvement Area #1 Improvements Account has been closed as provided in Section 6.5(f) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds Similarly Secured and the Capitalized Interest Account shall be closed.

Section 6.5. Project Fund.

(a) Money on deposit in the Project Fund shall be used for the purposes specified in Section 3.1 hereof. Money on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall only be used to pay Actual Costs of Improvement Area #1 Projects.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay Bond Issuance Costs of the Bonds Similarly Secured pursuant to one or more City Certificates. Disbursements from the other Accounts of the Project Fund to pay Actual Costs of the Improvement Area #1 Projects shall be made by the Trustee upon receipt by the Trustee of either properly executed and completed Certificate for Payment or written direction from the City or its designee approving the disbursement to the Developer or the Developer's designee. The disbursement of funds from the Improvement Area #1 Improvements Account pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement. Such provisions and procedures related to such disbursements contained in the Financing Agreement, are herein incorporated by reference and deemed set forth herein in full.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund are not expected to be expended for purposes of such Account due to the abandonment, or constructive abandonment of the Improvement Area #1 Projects, as applicable, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Improvements Account of the Project Fund will ever be expended for the purposes of such Account, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Area #1 Improvements Account of the Project Fund that are not expected to be used for purposes of such Account. If such City Certificate is so filed, the amounts on deposit in the Improvement Area #1 Improvements Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds Similarly Secured on the earliest practicable date after notice of redemption has been provided in accordance with the Indenture.

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

(e) Upon the filing of a City Certificate stating that all Improvement Area #1 Projects have been completed and that all Actual Costs of the Improvement Area #1 Projects have been paid, or that any such Actual Costs of the Improvement Area #1 Projects are not required to be paid from the Improvement Area #1 Improvements Account of the Project Fund pursuant to a Certificate for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Improvement Area #1 Improvements Account of the Project Fund to the Bond Fund and (ii) shall close the Improvement Area #1 Improvements Account. If the Improvement Area #1 Improvements Account has been closed as provided above and the Cost of Issuance Account of the Project Fund has been closed pursuant to the provisions of Section 6.5(f), the Project Fund shall be closed.

(f) Not later than six months following each respective Closing Date, or upon a determination by the City Representative that all Bond Issuance Costs of such series of Bonds Similarly Secured have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred, first, to another Account of the Project Fund and used to pay Actual Costs, and second, to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds Similarly Secured, as directed by the City in a City Certificate filed with the Trustee and the Costs of Issuance Account shall be closed.

Section 6.6. Redemption Fund.

(a) The Trustee shall cause to be deposited to the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds

Similarly Secured as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds Similarly Secured as provided in Article IV.

Section 6.7. Reserve Fund.

(a) The City agrees with the Owners of the Bonds Similarly Secured to accumulate from the deposits described in Section 6.3(a) hereof, and when accumulated, maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement except to the extent such deficiency is due to the application of Section 6.7(d) hereof. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture.

(b) The Trustee, if needed, will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account on March 1 and September 1 of each year, commencing March 1, 2025, an amount equal to the Additional Interest collected, if any, until the Additional Interest Reserve Requirement has been has accumulated in the Additional Interest Reserve Account. If the amount on deposit in the Additional Interest Reserve Account shall at any time be less than the Additional Interest Reserve Requirement, the Trustee shall notify the City, in writing, of the amount of such shortfall, and the City shall resume collecting the Additional Interest and shall file a City Certificate with the Trustee instructing the Trustee to resume depositing the Additional Interest from the Bond Pledged Revenue Account of the Pledged Revenue Fund into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that the City shall not be required to replenish the Additional Interest Reserve Account in the event funds are transferred from the Additional Interest Reserve Account to the Redemption Fund as a result of an extraordinary optional redemption of Bonds Similarly Secured from the proceeds of a Prepayment pursuant to Section 4.4 of this Indenture. In the event the amount on deposit in the Additional Interest Reserve Account is less than the Additional Interest Reserve Requirement then the deposits described in the immediately preceding sentence shall continue until the Additional Interest Reserve Account has been fully replenished. If, after such deposits, there is surplus Additional Interest remaining, the Trustee shall transfer such surplus Additional Interest to the Redemption Fund, and shall notify the City of such transfer in writing. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Improvement Area #1 Assessment Roll in the Service and Assessment Plan or an Annual Service Plan Update, unless and until it receives a City Certificate directing that a different amount be used.

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

(d) Whenever Bonds Similarly Secured are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, the Trustee shall transfer, on the Business Day prior to the redemption date (or on such other date as agreed to by the City and the Trustee), from the Reserve Account of the Reserve Fund to the Redemption Fund, an amount specified in a City Certificate to be applied to the redemption of the Bonds Similarly Secured. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to the principal amount

of Bonds Similarly Secured to be redeemed with Prepayments multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds Similarly Secured prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayments toward payment of accrued interest, there are insufficient funds in the Redemption Fund to pay the principal amount plus accrued and unpaid interest to the date fixed for redemption of the Bonds Similarly Secured to be redeemed, as identified in a City Certificate, as a result of such Prepayments and as a result of the transfer from the Reserve Account under this Section 6.7(d), the Trustee shall transfer an amount equal to the shortfall, and/or any additional amounts necessary to permit the Bonds Similarly Secured to be redeemed in minimum principal amounts of $1,000, from the Additional Interest Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds Similarly Secured.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of debt service on the Bonds Similarly Secured on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to a specified Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iii) for such other use specified in such City Certificate if the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such alternate use will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured.

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

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

(h) If, after a Reserve Account withdrawal pursuant to Section 6.7(f), the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

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

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of the City to be designated "City of Kyle, Texas, Rebate Fund" (the "Rebate Fund") to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts relating to the Bonds Similarly Secured due the United States Government in accordance with the Code.

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

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) and shall not be liable or responsible if it follows the instructions of the City and shall not be required to take any action under this Section and Section 7.5(h) in the absence of written instructions from the City.

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

Section 6.9. Administrative Fund.

(a) On or before February 20, 2025, and on or before each February 20 and August 20 of each year thereafter while the Bonds Similarly Secured are Outstanding, the City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs and Delinquent Collection Costs, other than the Annual Collection Costs and Delinquent Collection Costs deposited into the Project Collection Fund, which amounts shall be deposited in accordance with Section 6.10 hereof.

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

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

Section 6.10. Project Collection Fund.

While any Bonds Similarly Secured are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Assessment Revenue and deposit the same into the Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited (i) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of the Annual Collection Costs and Delinquent Collection Costs to the Administrative Fund and (ii) all of that portion of the Assessment Revenue deposited into the Project Collection Fund that consists of Pledged Revenues into the Pledged Revenue Fund for future allocations as set forth in Section 6.3(a) hereof. The City shall provide such City Certificate on or before February 20, 2025 and

every August 20 and February 20 thereafter while the Bonds are Outstanding. The Project Collection Fund is not a Pledged Fund.

Section 6.11. Investment of Funds.

(a) Money in any Fund or Account established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment. The money in any Fund or Account shall be invested in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times. Notwithstanding the preceding sentence, amounts in the Additional Interest Reserve Account may not be invested above the Yield (as defined in Section 7.5(a) hereof) on the Bonds Similarly Secured, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that such investment and/or the failure to comply with such yield restriction will not adversely affect the exemption from federal income tax of the interest on any Bond Similarly Secured. Investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds or Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default. To ensure that cash on hand is invested, in the absence of direction pursuant to a City Certificate, money in any Fund or Account established pursuant to this Indenture shall be invested in the Cavanal Hill Government Fund (APCXX), CUSIP No. 14956P836 until directed otherwise by the City Certificate.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions contained in any City Certificate and to insure that an investment it is directed to purchase is a permitted investment pursuant to the terms of this Indenture. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments.

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

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

Section 6.12. Security of Funds.

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

Section 6.13. Reimbursement Fund.

Money on deposit in the Reimbursement Fund shall be disbursed to the Developer, once all amounts deposited into the Improvement Area #1 Improvements Account of the Project Fund have been disbursed, to reimburse the Actual Costs of the Improvement Area #1 Projects previously paid by the Developer, as evidenced by a Certification of Payment. Disbursements shall be made pursuant to this section and the Improvement Area #1 Reimbursement Agreement, based upon approval of a Reimbursement Payment Request by the City Representative. The Reimbursement Payment Request in the form attached as Exhibit A to the Improvement Area #1 Reimbursement Agreement is hereby incorporated into this Indenture. When all amounts due to the Developer to pay it for the funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects have been paid to the Developer, whether through Assessments received and applied in accordance with this Indenture and the Service and Assessment Plan or an Annual Service Plan Update, or through the proceeds of Additional Bonds, no further deposits shall be made to the Reimbursement Fund and the Reimbursement Fund shall be closed. In the event that the Reimbursement Fund is closed pursuant to the terms of this Section, any remaining balance in the Reimbursement Fund and in any Account therein shall be transferred to the Pledged Revenue Fund and applied in accordance with the priorities set forth in Section 6.3(a) above.

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that the Assessments to be collected from the Assessed Property are as so reflected in the Service and Assessment Plan (as it may be updated from time to time) and, in accordance with the Assessment Ordinance, it has levied the Assessments against the respective Assessed Property from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.

(a) For so long as any Bonds Similarly Secured are Outstanding and/or amounts are due to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects in accordance with the Improvement Area #1 Reimbursement Agreement, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments.

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

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate, other than that specified in Section 9.7 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds Similarly Secured, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds Similarly Secured.

(b) So long as Bonds Similarly Secured are Outstanding hereunder, and except as set forth in Section 13.2 hereof, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds Similarly Secured and Refunding Bonds, if any, secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, except for other indebtedness incurred in compliance with Section 13.2 hereof.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds Similarly Secured or any interest thereon remain Outstanding and unpaid, and/or the obligation to the Developer to pay it for funds it has contributed to pay Actual Costs of the Improvement Area #1 Projects in accordance with the Improvement Area #1 Reimbursement Agreement and the Financing Agreement remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and Owners of any Bonds Similarly Secured or any duly authorized agent or agents of such holders shall have the right at all reasonable times to inspect all such records, accounts, and data relating thereto, upon written request to the City by the Trustee or duly authorized representative, as applicable. The

City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds Similarly Secured during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

> "*Closing Date*" means the date on which each series of Bonds Similarly Secured are first authenticated and delivered to the respective initial purchasers against payment therefor.
>
> *"Code"* means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.
>
> *"Computation Date"* has the meaning set forth in Section 1.148-1(b) of the Regulations.
>
> *"Gross Proceeds"* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.
>
> *"Investment"* has the meaning set forth in Section 1.148-1(b) of the Regulations.
>
> *"Nonpurpose Investment"* means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.
>
> *"Regulations"* means any proposed, temporary or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.
>
> *"Yield"* of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and (2) the Bonds Similarly Secured, as it pertains to a particular series of Bonds Similarly Secured, has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless

and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of each series of Bonds Similarly Secured:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds Similarly Secured of such series, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds Similarly Secured of such series or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of any Bonds Similarly Secured to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Assessments will meet the requirements of the "tax assessment loan exception" within the meaning of Section 1.141-5(d) of the Regulations on the date that each series of the Bonds Similarly Secured are delivered and will ensure that the Assessments continue to meet such requirements for so long as Bonds Similarly Secured are outstanding.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of any series of Bonds Similarly Secured directly or indirectly invest Gross

Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of such series of Bonds Similarly Secured.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds Similarly Secured to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe with respect to each series of Bonds Similarly Secured.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Bond Similarly Secured is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds Similarly Secured with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date for each series of Bonds Similarly Secured, the City shall calculate the Rebate Amount for the respective series of Bonds in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of each series of the Bonds Similarly Secured until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds Similarly Secured by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Certificate and direct the Trustee to pay to the United States from the Rebate Fund the amount that when added to the future value of previous rebate payments made for any series of Bonds Similarly Secured equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds Similarly Secured, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds Similarly Secured not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Director of Finance, City Secretary or Assistant City Secretary individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with each series of the Bonds Similarly Secured, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII

LIABILITY OF CITY

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

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds Similarly Secured, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds Similarly Secured (the "Bond Documents"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate and the Annual Collection Costs) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Trust Estate, the funds available for such payment in any of the Pledged Funds, if any, or the amounts collected to pay Annual Collection Costs on deposit in the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds Similarly Secured by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture, the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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

ARTICLE IX

THE TRUSTEE

Section 9.1. Trustee as Paying Agent/Registrar.

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds Similarly Secured. The Trustee hereby accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the express terms and conditions, and subject to the provisions of this Indenture to all of which the parties hereto and the Owners of the Bonds Similarly Secured agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct; *provided*, *however*, that absent an Event of Default, the Trustee shall not request or require indemnification as a condition to making any deposits, payments or transfers when required hereunder, or to delivering any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its sole and exclusive judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the Pledged Revenue Fund or the Administrative Fund to pay all costs, fees, and expenses, outlays, and counsel fees and other reasonable disbursements properly incurred in connection therewith and shall be entitled to a preference therefor over any Bonds Similarly Secured Outstanding hereunder.

Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds Similarly Secured shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds Similarly Secured or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds Similarly Secured for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) any loss suffered in connection with any investment of funds in accordance with this Indenture; or (vi) to undertake any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture.

The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing or use of the Improvement Area #1 Projects.

The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default occurred and continues, the Trustee shall exercise such rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

The Trustee shall not be responsible for any recital herein (except with respect to the authentication certificate of the Trustee endorsed on the Bonds Similarly Secured) or for the recording, filing, or refiling of this Indenture in connection therewith, or for the validity of the execution by the City of this Indenture or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency or security of the Bonds Similarly Secured.

The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds Similarly Secured. The Trustee shall not be accountable for the use or application of any Bonds Similarly Secured or the proceeds thereof or of any money paid to or upon the order of the City under any provision of this Indenture.

The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, unless it is established that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of at least a Quarter in Interest of the aggregate outstanding principal of the Bonds Similarly Secured relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default unless the Trustee is notified specifically of the default or Event of Default in a written instrument or document delivered to it by the City or by an Owner of the Bonds Similarly Secured. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no Event of Default, except as noted above, unless Trustee has actual knowledge of an Event of Default.

Before taking any action under this Indenture (other than making any deposits, payments or transfers prior to an Event of Default when required hereunder), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which it adjudicated to have resulted from its negligence or willful misconduct.

The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Bonds Similarly Secured.

The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents, attorneys, or receivers, and the Trustee shall be entitled to rely and act upon the opinion or advice of its own counsel, concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such agents, attorneys, and receivers as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance upon such opinion or advice of its own counsel.

Section 9.4. Trustee Joining in Supplemental Indentures; Supplemental Indentures Part of Indenture.

The Trustee is authorized to join with the City in the execution of any such Supplemental Indentures and to make the further agreements and stipulations which may be contained therein. Any Supplemental Indenture executed accordance with the provisions of this Section shall thereafter form a part of this Indenture, and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of any Bonds Similarly Secured issued thereafter, if deemed necessary or desirable by the Trustee or the City.

Upon execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the City and the Trustee and all Owners of Outstanding Bonds Similarly Secured shall thereafter be determined exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 9.5. Property Held in Trust.

All moneys and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 9.6. Trustee Protected in Relying on Certain Documents.

The Trustee may conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, the Financing Agreement, and the Development Agreement, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into and shall not be deemed to have knowledge of any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making

such request, or giving such authority or consent to the Owner of any Bond Similarly Secured, shall be conclusive and binding upon all future owners of the same Bond Similarly Secured and upon Bonds Similarly Secured issued in exchange therefor and upon transfer or in place thereof.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

The Trustee shall not be under any obligation to see to the recording or filing of this Indenture, or otherwise to the giving to any Person of notice of the provisions hereof except as expressly required in Sections 9.14 and 9.18 herein.

Section 9.7. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, upon written direction of the City, compensation for all services rendered by it hereunder, including its services as Registrar and Paying Agent, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, upon delivery of an invoice therefor to the City, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder (except the Rebate Fund) prior to any Bonds Similarly Secured Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City fails to make any payment required by this Section, the Trustee may make such payment from any moneys in the Administrative Fund and shall have a first lien with right of payment before payment on account of principal of or interest on any Bond Similarly Secured, upon all moneys in the Administrative Fund, and to the extent moneys in the Administrative Fund are insufficient, then from any moneys in its possession (except the Rebate Fund) under any provisions hereof for the foregoing reasonable advances, fees, costs, and expenses incurred. The right of the Trustee to fees, expenses, and indemnification shall survive the release, discharge, and satisfaction of the Indenture.

Section 9.8. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds Similarly Secured and may join in any action that any Owner of Bonds Similarly Secured may be entitled to take as fully and with the same rights as if it were not the Trustee. The Trustee may act as depository, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, the City or any committee formed to protect the rights of holders of Bonds Similarly Secured or to effect or

aid in any reorganization growing out of the enforcement of the Bonds Similarly Secured or this Indenture, whether or not such committee shall represent the holders of a majority in aggregate outstanding principal amount of the Bonds Similarly Secured. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

Section 9.9. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than 30 days' written notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond Similarly Secured. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.11 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after sixty (60) days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the City, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.10. Removal of Trustee.

The Trustee may be removed at any time by the Owners of a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Owners of a Quarter in Interest of the aggregate outstanding principal of the Bonds Similarly Secured.

Section 9.11. Successor Trustee.

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

If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed after any such vacancy occurs by the Owners of a Quarter in Interest of the Bonds Similarly Secured by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor Trustee shall have been appointed by the Owners of a Quarter in Interest of the Bonds Similarly Secured, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds Similarly Secured within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall

be superseded and revoked by an appointment subsequently made by the Owners of Bonds Similarly Secured.

If in a proper case no appointment of a successor Trustee is made within 45 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.9 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds Similarly Secured may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

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

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

Section 9.12. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.11 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, execute, acknowledge, and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the rights, immunities, powers, and trusts of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.13. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to

such Trustee hereunder, without any further act, deed or conveyance, *provided* that such corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.11, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

Section 9.14. Security Interest in the Trust Estate.

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds Similarly Secured and the pledge of the Trust Estate provided for herein, and such pledge is, under current law, valid, effective and perfected. The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds Similarly Secured) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement(s) in the same jurisdictions as the initial financing statement(s) previously provided to the Trustee. Unless the Trustee is otherwise notified in writing by the City, the Trustee may rely upon the initial financing statements in filing any continuation statements hereunder.

Section 9.15. Offering Documentation.

The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Bonds Similarly Secured and shall have no responsibility for compliance with any State or federal securities laws in connection with the Bonds Similarly Secured.

Section 9.16. Expenditure of Funds and Risk.

None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of its rights or powers if the Trustee shall have reasonable grounds for believing that the repayment of such funds or indemnity against such risk or liability is not assured.

Section 9.17. Environmental Hazards

The Trustee may inform any Holder of environmental hazards that the Trustee has reason to believe exist, and the Trustee has the right to take no further action and in such event, no fiduciary duty exists which imposes any obligation for further action with respect to the Trust Estate or any portion thereof if the Trustee, in its individual capacity, determines that any such action would materially and adversely subject the Trustee to environmental or other liability for which the Trustee has not been adequately indemnified.

The Trustee shall not be responsible or liable for the environmental condition related to the improvements to any real property or for diminution in value of the same, or for any claims by or on behalf of the owners thereof as the result of any contamination by a hazardous substance, hazardous material, pollutant, or contaminant. The Trustee assumes no duty or obligation to assess the environmental condition of any improvements or with respect to compliance thereof under State or federal laws pertaining to the transport, storage, treatment, or disposal of

hazardous substances, hazardous materials, pollutants, or contaminants or regulations, permits, or licenses issued under such laws.

Section 9.18. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 9.19. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds Similarly Secured.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

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

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

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

(ii) to make modifications not adversely affecting any Outstanding Bonds Similarly Secured in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds Similarly Secured;

(iv) to provide for the issuance of Additional Bonds or Refunding Bonds as set forth in Section 13.2 hereof; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds Similarly Secured.

(c) Any modification or amendment made pursuant to Section 10.1(b) shall not be subject to the notice procedures specified in Section 10.3 below.

(d) Notwithstanding the above, no Supplemental Indenture under subsections (a) or (b)(i), (b)(ii), (b)(iii), (b)(v) of this Section shall be effective unless the City first delivers to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the: (i) interest of the Owners in any material respect, or (ii) exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds Similarly Secured. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds Similarly Secured or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first-class mail, by the Trustee to each Owner of Bonds Similarly Secured from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided and the City or Bond Counsel, acting on the City's behalf, has delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment is permitted and will not adversely affect the exclusion of interest on any Bond from gross income for purposes of federal income taxation. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds Similarly Secured for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds Similarly Secured giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing

such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds Similarly Secured shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds Similarly Secured and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds Similarly Secured at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period; provided, however, that the Trustee during such sixty day period and any such further period during which any such action or proceeding may be pending shall be entitled in its sole discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture, as it may deem expedient; provided, further, that the Trustee shall have no obligation to take or refrain from taking any such action and the Trustee shall have no liability with respect to any action taken or any instance of inactions.

Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee and all Owners of Outstanding Bonds Similarly Secured shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Similarly Secured Issued After Amendments.

The City may determine that Bonds Similarly Secured issued and delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Similarly Secured Outstanding at such effective date and presentation of his Bond Similarly Secured for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond Similarly Secured. The City may determine that new Bonds Similarly Secured, so modified as in the opinion of the City is necessary to conform to such Owners' action, shall be prepared, executed, and delivered. In that case, upon demand of the Owner of any Bonds Similarly Secured then Outstanding, such new Bonds Similarly Secured shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds Similarly Secured then Outstanding, upon surrender of such Bonds Similarly Secured.

Section 10.6. Amendatory Endorsement of Bonds Similarly Secured.

The provisions of this Article X shall not prevent any Owner from accepting any amendment as to the particular Bonds Similarly Secured held by such Owner, provided that due notation thereof is made on such Bonds Similarly Secured.

Section 10.7. Waiver of Default

With the written consent of at least a majority in aggregate principal amount of the Bonds Similarly Secured then Outstanding, the Owners may waive non-compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

(a) Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Assessments, including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds Similarly Secured when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make the payments; and

(iv) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of at least 25% of the aggregate Outstanding principal of the Bonds Similarly Secured with a copy to the Trustee, specifying such default and requesting that the failure be remedied.

(b) Nothing in Section 11.1(a) will be an Event of Default if it is in violation of any applicable state law or court order.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of at least 25% of the Bonds Similarly Secured then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies of default.

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

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

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

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of not less than 25% of the aggregate principal amount of the Bonds Similarly Secured then

Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of at least a majority of the aggregate principal amount of the Bonds Similarly Secured then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds Similarly Secured shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds Similarly Secured then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.

(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond Similarly Secured at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond Similarly Secured issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds Similarly Secured.

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

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and other assets of the Trust Estate and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee, and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds Similarly Secured, as follows:

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

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

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds Similarly Secured that are Outstanding in proportion to the quantity of Bonds Similarly Secured that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 11.6. Evidence of Ownership of Bonds Similarly Secured.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds Similarly Secured may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds Similarly Secured shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds Similarly Secured or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds Similarly Secured and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds Similarly Secured shall bind all future Owners of the same Bonds Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first-class, postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds Similarly Secured.

Bonds Similarly Secured owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds Similarly Secured provided for in this Indenture, and the City shall not be entitled with respect to such Bonds Similarly Secured to give any consent or take any other action provided for in this Indenture.

Section 11.10. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity, by statute or by contract.

Section 11.11. Direction by Owners.

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE XII

GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Trust Estate.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds Similarly Secured, to execute and deliver this Indenture and to pledge the Trust Estate in the manner and to the extent provided in this Indenture, and that the Pledged Revenues and the Trust Estate are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

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

(c) The City will take all steps reasonably necessary and appropriate, and will direct the Trustee to take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Assessments and any other amounts pledged to the payment of the Bonds Similarly Secured to the fullest extent permitted by the PID Act and other Applicable Laws.

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

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds Similarly Secured then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better

conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens; Additional Bonds.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues. Additionally, the City has reserved the right to issue bonds or other obligations secured by and payable from Pledged Revenues so long as such pledge is subordinate to the pledge of Pledged Revenues securing payment of the Bonds Similarly Secured.

(b) Other than Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured or Additional Bonds issued in accordance with this Section, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omit to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired.

(c) The City reserves the right to issue Additional Bonds, but shall be under no obligation to issue Additional Bonds, to finance the Actual Costs of the Improvement Area #1 Projects or to pay amounts due to the Developer pursuant to the Improvement Area #1 Reimbursement Agreement, but only in accordance with the conditions set forth below:

(i) The Trustee shall receive a certificate from the City Representative certifying that (A) the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in this Indenture and (B) the Developer is not delinquent with respect to fees or any other funds or commitments to be paid to the City in accordance with the Development Agreement or the Improvement Area #1 Reimbursement Agreement;

(ii) The Trustee and the City shall receive a certificate from the Developer, through an authorized representative, certifying that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Improvement Area #1 Reimbursement Agreement, the Development Agreement or any continuing disclosure agreement entered into by the Developer relating to any Bonds Similarly Secured or Additional Obligations, unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by the Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City elects to proceed with the issuance of the Additional Bonds regardless of the existence of such default or defaults;

(iii) The Trustee and the City shall receive a certificate from the Administrator certifying that the Developer is not delinquent with respect to the payment of Assessments or any ad valorem taxes (other than any ad valorem taxes being contested in good faith);

(iv) The City and the Trustee shall receive a certificate from the Developer, through an authorized representative, certifying that no less than fifty (50) single-family lots located within Improvement Area #1 of the District: (A) contain completed single-family homes or (B) have been issued a construction permit by the City;

(v) The principal (including sinking fund installments) of the Additional Bonds must be scheduled to mature on September 1 of the years in which principal is scheduled to mature;

(vi) The interest on the Additional Bonds must be scheduled to be paid on March 1 and September 1 of the years in which interest is scheduled to be paid;

(vii) The Reserve Account Requirement shall be increased by an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service on the proposed Additional Bonds to be issued as of the Closing Date of such series of Additional Bonds; provided, however, that the Reserve Account Requirement will not be increased by more than 10% of the principal amount of the Additional Bonds (or if the Additional Bonds are issued with more than 2% net original issue discount or premium, 10% of the proceeds of the Additional Bonds); provided further, however, the Reserve Account Requirement shall not exceed the least of (i) Maximum Annual Debt Service on the Bonds Similarly Secured, (ii) 125% of average Annual Debt Service on the Bonds Similarly Secured, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds Similarly Secured or the combined original issue price of the Bonds Similarly Secured;

(viii) The issuance of such Additional Bonds shall not cause the amount of the Annual Installments to be collected in any year after the issuance of such Additional Bonds to exceed the amount of the Annual Installments reflected for that year in the Service and Assessment Plan; and

(ix) The maximum principal amount of Additional Bonds that may be issued, subject to the approval of the City, in total, is the lesser of (i) the then outstanding balance of the Improvement Area #1 Reimbursement Agreement and (ii) the then outstanding Assessments, less the Assessments required to pay the principal of the Bonds.

(d) Notwithstanding the provisions of Section 13.2(c) above, Refunding Bonds issued to refund all or a portion of the Bonds Similarly Secured shall not be required to meet the requirements set forth in Section 13.2(c)(iv) or Section 13.2(c)(vii).

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, the Trust Estate, and the Bonds Similarly Secured.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS SIMILARLY SECURED AND SATISFACTION OF THE INDENTURE

Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds Similarly Secured secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. Satisfaction of Indenture.

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds Similarly Secured, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds Similarly Secured have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds Similarly Secured, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that principal of and interest on all of the Bonds Similarly Secured has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the in Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. Bonds Similarly Secured Deemed Paid.

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

maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds Similarly Secured and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond Similarly Secured shall bind all future Owners of such Bond Similarly Secured in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds Similarly Secured; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate, shall be in writing and shall be telexed, cabled, delivered by hand, mailed by first-class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City:	City of Kyle, Texas 100 W. Center Street Kyle, Texas 78640 Attn: City Manager
With a copy to:	P3 Works, LLC Attn: Mary V. Petty, Managing Partner 9284 Huntington Square North Richland Hills, Texas 76182 Phone No.: 817.393.0353 Email: Admin@P3-Works.com
If to the Trustee or the Paying Agent/Registrar:	BOKF, NA Attn: Rachel Roy 1401 McKinney Street, Suite 1000 Houston, Texas 77010 Fax No.: 713-470-5467 Email: rachel.roy@bankoftexas.com

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond Similarly Secured notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Similarly Secured Outstanding.

(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the

City whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds Similarly Secured pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds Similarly Secured or the date fixed for redemption of any Bonds Similarly Secured or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. No Boycott of Israel.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 15.11. Iran, Sudan, and Foreign Terrorist Organizations.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 15.12. No Discrimination Against Fossil Fuel Companies.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1),

Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 15.13. No Discrimination Against Firearm Entities and Firearm Trade Associations.

(a) To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a

firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

(b) The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF KYLE, TEXAS

By: _____,
Mayor

Attest:

_____
City Secretary

[CITY SEAL]

BOKF, NA,
as Trustee

By: _____
Authorized Officer

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF KYLE, TEXAS

By: _____,
Mayor

Attest:

_____
City Secretary

[CITY SEAL]

BOKF, NA,
as Trustee

By: _____
Authorized Officer

Signature Page to Indenture of Trust
relating to
CITY OF KYLE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2023
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

EXHIBIT A

(c) Form of Bond.

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

REGISTERED REGISTERED
No. _____ $_____

United States of America
State of Texas

CITY OF KYLE, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2023
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 1, 20___	_____	_____

The City of Kyle, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

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

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing September 1, 2023, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office"), of BOKF, NA, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary

banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated July 20, 2023 and issued in the aggregate principal amount of $7,884,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of July 1, 2023 (the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying the Administrative Reserves, and (iii) paying the Bond Issuance Costs.

The Bonds are limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $100,000 and any multiple of $1,000 in excess thereof.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued

and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Redemption Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 2033

Redemption Date	Sinking Fund Installment ($)
September 1, 2026	4,000
September 1, 2027	14,000
September 1, 2028	25,000
September 1, 2029	36,000
September 1, 2030	48,000
September 1, 2031	61,000
September 1, 2032	75,000
September 1, 2033*	90,000

* maturity

Term Bonds Maturing September 1, 2043

Redemption Date	Sinking Fund Installment ($)
September 1, 2034	106,000
September 1, 2035	124,000
September 1, 2036	143,000
September 1, 2037	163,000
September 1, 2038	185,000
September 1, 2039	209,000
September 1, 2040	234,000
September 1, 2041	261,000
September 1, 2042	290,000
September 1, 2043*	321,000

* maturity

Term Bonds Maturing September 1, 2053

Redemption Date	Sinking Fund Installment ($)
September 1, 2044	353,000
September 1, 2045	389,000
September 1, 2046	428,000
September 1, 2047	469,000
September 1, 2048	513,000
September 1, 2049	561,000
September 1, 2050	611,000
September 1, 2051	665,000
September 1, 2052	722,000
September 1, 2053*	784,000

* maturity

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

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The City reserves the right and option to redeem Bonds maturing on or after September 1, 2034 before their scheduled maturity dates, in whole or in part, on any date on or after September 1, 2033, such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, and in an amount and on a date specified in a City Certificate, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders

of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Additional Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF KYLE, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

_____
Mayor, City of Kyle, Texas

_____
City Secretary, City of Kyle, Texas

[City Seal]

(d) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO._____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____

_____
Comptroller of Public Accounts
of the State of Texas

[SEAL]

(e) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

BOKF, NA
Houston, Texas, as Trustee

DATED: _____

By:_____
Authorized Signatory

(f) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

_____

_____

_____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____ _____

Signature Guaranteed By:

_____

_____
Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

(g) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years Principal Amount ($) Interest Rate (%)"

(Information to be inserted from Section 3.2(a)(iii) hereof); and

(iii) the Initial Bond shall be numbered T-1.

SUPPLEMENTAL INDENTURE OF TRUST

By and Between

CITY OF KYLE, TEXAS

and

BOKF, NA,
as Trustee

DATED AS OF MAY 1, 2024

SECURING

$_____
CITY OF KYLE, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1B PROJECT)

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EXHIBIT A A-1

SUPPLEMENTAL INDENTURE OF TRUST

THIS SUPPLEMENTAL INDENTURE OF TRUST, dated as of May 1, 2024 is by and between the CITY OF KYLE, TEXAS (the "City"), and BOKF, NA, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in the 2023 Indenture and/or in Article I.

WHEREAS, the City, in accordance with the requirements of the PID Act, including all those requirements of the PID Act pertaining to notice and public hearing, has heretofore approved the creation of the Limestone Creek Public Improvement District (the "District"), and on June 20, 2023, the City approved and adopted an ordinance levying the Assessments against the Assessed Property in Improvement Area #1 of the District for the purpose of paying the costs of the Improvement Area #1 Projects and which approved and adopted the Service and Assessment Plan for the District; and

WHEREAS, the City has previously issued its "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2023 (Limestone Creek Public Improvement District Improvement Area #1 Project)" (hereafter referred to as the "Bonds"), which Bonds were the initial series of Bonds Similarly Secured secured by that certain Indenture of Trust, dated July 1, 2023, executed and delivered by the City and the Trustee (the "2023 Indenture"), concurrent with the issuance of the Bonds, and which are payable primarily from the Assessments levied against the Assessed Property located within Improvement Area #1 of the District; and

WHEREAS, pursuant to Section 13.2(c) of the 2023 Indenture, the City is authorized to issue a series of Additional Bonds in accordance with the provisions of the 2023 Indenture provided the conditions set forth in Section 13.2(c) of the 2023 Indenture have been satisfied prior to the issuance of such Additional Bonds; and

WHEREAS, the City Council, in accordance with the authority granted to it by the PID Act and other applicable laws, is authorized to issue its revenue bonds payable from the Assessments for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying capitalized interest on the Series 2024 Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, and (iv) paying costs of issuance of the Series 2024 Bonds; and

WHEREAS, the City Council now desires to issue a second series of revenue bonds in accordance with the terms of the 2023 Indenture and this 2024 Supplemental Indenture and the PID Act, such bonds to be entitled "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)" (the "Series 2024 Bonds"), such Series 2024 Bonds being payable solely from the Pledged Revenues and other funds pledged under the 2023 Indenture and this 2024 Supplemental Indenture to the payment of the Bonds Similarly Secured and for the purposes set forth in the preamble of this 2024 Supplemental Indenture, and;

WHEREAS, the Series 2024 Bonds are being issued as Additional Bonds and are secured and payable from a lien on and pledge of the Trust Estate (as established pursuant to the 2023 Indenture and confirmed herein) which is on parity with the Bonds; and

WHEREAS, upon issuance of the Series 2024 Bonds and the deposit of the proceeds thereof into the Project Fund, the Improvement Area #1 Reimbursement Agreement shall be

legally defeased and no longer outstanding for any lawful purpose and any obligation due under the Improvement Area #1 Reimbursement Agreement shall be payable solely from amounts deposited into the Reimbursement Fund and, following the closure of the Reimbursement Fund in accordance with the provisions of the 2023 Indenture, all costs related to the Improvement Area #1 Projects shall be paid solely out of the applicable account of the Project Fund; and

WHEREAS, in accordance with the provisions of Section 10.1(d) of the 2023 Indenture, the City has delivered to the Trustee an opinion of Bond Counsel to the effect that this 2024 Supplemental Indenture (i) is permitted under Applicable Laws and the provisions of the 2023 Indenture in effect after taking into account this 2024 Supplemental Indenture, (ii) will not adversely affect the interests of the Owners of the Bonds in any material respect, and (iii) will not adversely affect the exclusion of interest on any Bond Similarly Secured from gross income for purposes of federal income taxation, and

WHEREAS, the City has received evidence satisfactory to it that all requirements of Section 13.2(c) of the 2023 Indenture concerning the issuance of Additional Bonds have been satisfied and that the Series 2024 Bonds may be issued as Additional Bonds secured by a pledge and lien on the Trust Estate on parity with the Bonds; and

WHEREAS, the execution and delivery of this 2024 Supplemental Indenture and the issuance of the Series 2024 Bonds have been in all respects duly and validly authorized by written ordinance of the City Council of the City of Kyle, Texas; and

WHEREAS, the Trustee has accepted the trusts created by the 2023 Indenture and confirmed pursuant to this 2024 Supplemental Indenture and in evidence thereof has joined in the execution and delivery hereof; and

WHEREAS, except as provided herein, all acts and conditions and things required by the laws of the State to happen, exist and be performed precedent to execution and delivery of this 2024 Supplemental Indenture have happened, exist and have been performed as so required in order to make the 2024 Supplemental Indenture a valid, binding, and legal instrument for the security of the Series 2024 Bonds and a valid and binding agreement in accordance with its terms; and

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts created under the 2023 Indenture and restated herein, the purchase and acceptance of the Series 2024 Bonds by the Owners thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the further purpose of fixing and declaring the terms and conditions upon which the Series 2024 Bonds are to be issued, authenticated, delivered and accepted by the holders thereof, as the Additional Bonds to be issued pursuant to the terms of the 2023 Indenture and this 2024 Supplemental Indenture, the City and the Trustee do hereby mutually covenant and agree, for the equal and proportionate benefit of the respective Owners, or providers, as applicable, from time to time, of the Bonds Similarly Secured, as follows:

ARTICLE I
SUPPLEMENTAL INDENTURE

Section 1.1 Effect of 2023 Indenture.

Except as modified by this 2024 Supplemental Indenture, the terms, conditions, and provisions of the 2023 Indenture remain in full force and effect.

Section 1.2 Supplemental Provisions.

(a) Section 1.1 of the 2023 Indenture is hereby supplemented to include the following definitions:

"2023 Indenture" means that certain Indenture of Trust, dated July 1, 2023, executed and delivered by the City and the Trustee.

"2024 Bond Ordinance" means Ordinance No.____ adopted by the City Council on May 7, 2024 authorizing the issuance of the Series 2024 Bonds pursuant to this 2024 Supplemental Indenture.

"2024 Supplemental Indenture" means this Supplemental Indenture of Trust, dated as of May 1, 2024, executed and delivered by the City and the Trustee.

"Series 2024 Bond" means any of the Series 2024 Bonds.

"Series 2024 Bonds" means the City's bonds authorized to be issued by this 2024 Supplemental Indenture and secured under the provisions of the 2023 Indenture, entitled "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)", which Series 2024 Bonds are a series of Additional Bonds pursuant to the terms of the 2023 Indenture.

(b) The following defined terms in Section 1.1 of the 2023 Indenture are hereby amended as follows:

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

"Closing Date" means the date of the initial delivery of and payment for each series of the Bonds Similarly Secured. With respect to the Bonds, the Closing Date is July 20, 2023. With respect to the Series 2024 Bonds, the Closing Date is [May 29], 2024.

"Financing Agreement" means the "Limestone Creek Public Improvement District Financing Agreement" by and between the City and the Developer dated as of June 20, 2023, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within the District (including the Improvement Area #1 Projects), the issuance of bonds, and other matters related thereto, as amended in connection with the issuance of the Series 2024 Bonds.

"Initial Bond" means, with respect to the Bonds, the Initial Bond as set forth in Exhibit A to ~~this~~ the 2023 Indenture and with respect to the Series 2024 Bonds, the Initial Bond set forth in Exhibit A to the 2024 Supplemental Indenture, with respect to any other series of Bonds Similarly Secured, the Initial Bond set forth in an exhibit to a Supplemental Indenture.

"Interest Payment Date" means the date or dates upon which interest on any series of Bonds Similarly Secured is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year and commencing, with respect to the Bonds, on September 1, 2023, and, with respect to the Series 2024 Bonds, [September 1, 2024].

"Reserve Account Requirement" means ~~the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date of the Bonds, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date of the Bonds, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date for the Bonds, the Reserve Account Requirement is $755,253.88, which is 125% of the average Annual Debt Service on the Bonds as of the Closing Date of the Bonds. The Reserve Account Requirement shall be adjusted in accordance with Section 13.2(c)(vii), in the event an additional series of Bonds Similarly Secured is hereafter issued.~~ , as of the Closing Date of the Series 2024 Bonds, $[ ], in accordance with Section 13.2(c)(vii) herein. The Reserve Account Requirement shall be adjusted, from time to time, as necessary to comply with the provisions of Sections 4.4 and 4.5 hereof.

(c) Section 3.1 of the 2023 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2024 Bonds. The Series 2024 Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Series 2024 Bonds shall be issued in the aggregate principal amount of $_____ for the purpose of: (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying capitalized interest on the Series 2024 Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, and (iv) paying costs of issuance of the Series 2024 Bonds.

(d) Section 3.2 of the 2023 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2024 Bonds.

(i) The Series 2024 Bonds shall be dated May 29, 2024 and shall be issued in Authorized Denominations. The Series 2024 Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond for the Series 2024 Bonds, which shall be numbered T-1.

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

(iii) The Series 2024 Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest as set forth below:

Years	Principal Amount ($)	Interest Rate (%)
[_____]	[_____]	[_.___]
[_____]	[_____]	[_.___]
[_____]	[_____]	[_.___]

(iv) The Series 2024 Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV of the 2023 Indenture, including this Series 2024 Supplemental Indenture, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in **Exhibit A** to the 2024 Supplemental Indenture.

(e) Section 3.3 of the 2023 Indenture is hereby supplemented to include the following as subsection (b):

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

(i) a certified copy of the Assessment Ordinance;

(ii) a certified copy of the 2024 Bond Ordinance;

(iii) a copy of the executed Financing Agreement;

(iv) a copy of the opinion of Bond Counsel required by the provisions of Section 10.8 of the 2023 Indenture;

(v) a copy of the 2023 Indenture executed by the Trustee and the City;

(vi) a copy of the 2024 Supplemental Indenture executed by the Trustee and the City;

(vii) a certificate from the City Representative certifying that (A) the City is not in default in the performance and observance of any of the terms, provisions and conditions applicable to the City contained in the 2023 Indenture and (B) the Developer is not delinquent with respect to fees or any other funds or commitments to be paid to the City in accordance with the Development Agreement or the Improvement Area #1 Reimbursement Agreement;

(viii) a certificate from the Developer, through an authorized representative, certifying that the Developer is not in default beyond any applicable notice and cure period in the performance and observance of any of the terms, provisions and conditions applicable to the Developer contained in the Improvement Area #1 Reimbursement Agreement, the Development Agreement or any continuing disclosure agreement entered into by the Developer relating to any Bonds Similarly Secured or Additional Obligations, unless any defaults under the foregoing agreements (except for defaults under any continuing disclosure agreements entered into by the Developer which defaults shall be cured) are disclosed in a certificate from the Developer to the City and the City elects to proceed with the issuance of the Series 2024 Bonds regardless of the existence of such default or defaults;

(ix) a certificate from the Administrator certifying that the Developer is not delinquent with respect to the payment of Assessments or any ad valorem taxes (other than any ad valorem taxes being contested in good faith);

(x) a certificate from the Developer, through an authorized representative, certifying that no less than fifty (50) single-family lots located within Improvement Area #1 of the District (A) contain completed single-family homes or (B) have been issued a construction permit by the City; and

(xi) a City Certificate directing the authentication and delivery of the Series 2024 Bonds, describing the Series 2024 Bonds to be authenticated and delivered, designating the purchasers to whom the Series 2024 Bonds are to be delivered, stating the purchase price of the Series 2024 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City.

(f) Section 4.2 of the 2023 Indenture is hereby supplemented to include the following as subsection (b):

(b) <u>The Series 2024 Bonds</u>.

(i) The Series 2024 Bonds are subject to mandatory sinking fund redemption prior to their Stated Maturity and will be redeemed by the City in part at the Redemption Price from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the 2023 Indenture, as supplemented by the 2024 Supplemental Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__*	_____

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__*	_____

* maturity

(ii) At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by subparagraphs (iii) and (iv) of this Section 4.2(b), the Trustee shall select a principal amount of Series 2024 Bonds (in accordance with Section 4.5 of the 2023 Indenture) of such maturity equal to the Sinking Fund Installment amount of such Series 2024 Bonds to be redeemed, shall call such Series 2024 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the 2023 Indenture.

(iii) The principal amount of Series 2024 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (i) of this Section 4.2(b) shall be reduced, at the option of the City, by the principal amount of any Series 2024 Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Series 2024 Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(iv) The principal amount of Series 2024 Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to subparagraph (i) of this Section 4.2(b) shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Series 2024 Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption

date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

(g) Section 4.3 of the 2023 Indenture is hereby supplemented to include the following as subsection (b):

(b) The Series 2024 Bonds.

(i) The City reserves the right and option to redeem Series 2024 Bonds maturing on or after [September 1, 20__], before their respective scheduled maturity dates, in whole or in part, on any date on or after [September 1, 20__], such redemption date or dates to be fixed by the City, at the Redemption Price.

(h) Section 6.1 of the 2023 Indenture is hereby supplemented to include the following as subsection (g):

(g) In the event the Costs of Issuance Account created by the terms of the 2023 Indenture has been closed, the Costs of Issuance Account shall be reopened in order to receive funds related to the issuance of the Series 2024 Bonds. The Costs of Issuance Account shall be administered pursuant to the provisions of Section 6.5 of the 2023 Indenture.

(i) Section 6.2 of the 2023 Indenture is hereby supplemented to include the following as subsection (b):

(b) The proceeds from the sale of the Series 2024 Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Capitalized Interest Account of the Bond Fund: $_____;

(ii) to the Improvement Area #1 Improvements Account of the Project Fund: $_____;

(iii) to the Costs of Issuance Account of the Project Fund: $_____; and

(iv) to the Reserve Account of the Reserve Fund: $_____.

(j) Section 6.4(c) of the 2023 Indenture is hereby amended as follows:

(c) Moneys in the Capitalized Interest Account shall be used for the payment of interest on the Bonds Similarly Secured in the following dates and in the following amounts:

Date	**Amount ($)**
~~September 1, 2023~~	~~50,647.53~~
~~March 1, 2024~~	~~222,355.00~~
September 1, 2024	[354,084.09]

Any amounts on deposit in the Capitalized Interest Account after the payment of interest on the dates and in the amounts listed above shall be transferred to the Improvement Area #1 Improvements Account of the Project Fund, as directed by the City pursuant to a City Certificate, or if the Improvement Area #1 Improvements Account has been closed as provided in Section 6.5(f) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds Similarly Secured and the Capitalized Interest Account shall be closed.

(k) Section 11.11 of the 2023 Indenture is hereby amended as follows:

Anything herein to the contrary notwithstanding, the Owners of at least 25% of the aggregate outstanding principal of the Bonds Similarly Secured shall have the right by an instrument in writing executed and delivered to the Trustee, to direct the choice of remedies and the time, method, and place of conducting a proceeding for any remedy available to the Trustee hereunder, under each Supplemental Indenture, or otherwise, or exercising any trust or power conferred upon the Trustee, including the power to direct or withhold directions with respect to any remedy available to the Trustee or the Owners, provided, (i) such direction shall not be otherwise than in accordance with Applicable Laws and the provisions hereof, (ii) that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and (iii) that the Trustee shall have the right to decline to follow any such direction which, in the opinion of the Trustee, would be unjustly prejudicial to Owners not parties to such direction.

ARTICLE II
ADDITIONAL PROVISIONS

Section 2.1 Execution of 2024 Supplemental Indenture.

(a) This 2024 Supplemental Indenture may be simultaneously executed in several counterparts, including by facsimile or electronic (PDF) transmission, each of which, when so executed, shall be deemed to be an original and such counterparts shall together constitute one and the same instrument. The Trustee hereby verifies that the requirements set forth in Article X of the 2023 Indenture related to the effectiveness of this 2024 Supplemental Indenture have either been received and/or filed with the Trustee and therefore, this 2024 Supplemental Indenture is effective upon the Closing Date of the Series 2024 Bonds.

Section 2.2 Beneficiaries.

(a) This 2024 Supplemental Indenture shall inure to the benefit of and shall be binding upon the City and the Trustee and their respective successors and assigns.

Section 2.3 Recitals.

(a) The recitals contained herein shall be taken as the statements of the City, and the Trustee assumes no responsibility for nor makes any representations as to their correctness or the validity or sufficiency of this 2024 Supplemental Indenture or the consequences of any amendment provided herein.

Section 2.4 Indemnity.

(a) The indemnification provisions of the Trustee as set forth in the 2023 Indenture remain valid, effective, and binding provisions related to the Trustee, to the extent permitted by

Applicable Law, and have not been modified since the City's authorization and execution of the Trust Agreement (and are not modified herein).

Section 2.5 Construction.

(a) This 2024 Supplemental Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this 2024 Supplemental Indenture.

Section 2.6 Verifications of Statutory Representations and Covenants.

The Trustee makes the following representations and covenants pursuant to Chapter 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this 2024 Supplemental Indenture. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under the common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. Section 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this 2024 Supplemental Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this 2024 Supplemental Indenture, notwithstanding anything in this 2024 Supplemental Indenture to the contrary.

(a) Not a Sanctioned Company. The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this 2024 Supplemental Indenture. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this 2024 Supplemental Indenture. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this 2024 Supplemental Indenture. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[*remainder of page left blank intentionally*]

IN WITNESS WHEREOF, the City and the Trustee have caused this Supplemental Indenture of Trust to be executed all as of the date hereof.

CITY OF KYLE, TEXAS

By: _____
Mayor

Attest:

_____
City Secretary

[CITY SEAL]

BOKF, NA
as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

(a) Form of Series 2024 Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS SERIES 2024 BOND.

REGISTERED REGISTERED

No. _____ $_____

United States of America
State of Texas

CITY OF KYLE, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1B PROJECT)

INTEREST RATE	MATURITY DATE	DATE OF DELIVERY	CUSIP NUMBER
_____%	September 1, 20__	_____, 20_	_____

The City of Kyle, Texas (the "City"), for value received, hereby promises to pay, solely from the Trust Estate, to

_____

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

_____DOLLARS

unless this Series 2024 Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing [September 1, 2024], until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture, as supplemented by the 2024 Supplemental Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Series 2024 Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this

Series 2024 Bond at the corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office"), of BOKF, NA, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Series 2024 Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Series 2024 Bond, the registered owner shall be the Person in whose name this Series 2024 Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first-class, postage prepaid, to the address of each Owner of a Series 2024 Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Series 2024 Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Series 2024 Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Series 2024 Bonds"), dated May 29, 2024 and issued in the aggregate principal amount of $_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of July 1, 2023, as supplemented by the 2024 Supplemental Indenture, (together, the "Indenture"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Series 2024 Bonds, the Trustee, and the City, and the terms upon which the Series 2024 Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Series 2024 Bond hereby consents. All Series 2024 Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Series 2024 Bonds are being issued for the purpose of (i) paying a portion of the Actual Costs of the Improvement Area #1 Projects, (ii) paying capitalized interest on the Series 2024 Bonds, (iii) funding a reserve fund for payment of principal and interest on the Bonds Similarly Secured, and (iv) paying costs of issuance of the Series 2024 Bonds.

The Series 2024 Bonds are limited obligations of the City payable solely from the Trust Estate, as defined in the Indenture, and are secured on a parity with the Bonds Similarly Secured. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Series 2024 Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Series 2024 Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Series 2024 Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in denominations of $100,000 and any multiple of $1,000 in excess thereof.

The Series 2024 Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__*	_____

* maturity

Term Bonds Maturing September 1, 20__

Redemption Date	Sinking Fund Installment ($)
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__	_____
September 1, 20__*	_____

* maturity

At least forty-five (45) days prior to each mandatory sinking fund redemption date, and subject to any prior reduction authorized by the Indenture, the Trustee shall select for redemption, pursuant to the provisions of the Indenture, a principal amount of Series 2024 Bonds of such

maturity equal to the Sinking Fund Installments of such Series 2024 Bonds to be redeemed, shall call such Series 2024 Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in the Indenture.

The principal amount of Series 2024 Bonds of a Stated Maturity required to be redeemed on any mandatory sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Series 2024 Bonds of such maturity which, at least forty-five (45) days prior to the mandatory sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Series 2024 Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Series 2024 Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Series 2024 Bonds which, at least forty-five (45) days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Series 2024 Bonds maturing on or after [September 1, 20__], before their scheduled maturity dates, in whole or in part, on any date on or after [September 1, 20__], such redemption date or dates to be fixed by the City, at the redemption price of par plus accrued interest to the date of redemption.

The Series 2024 Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, and in an amount and on a date specified in a City Certificate, at a redemption price equal to the principal amount of the Series 2024 Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption, pursuant to the provisions of the Indenture, from amounts on deposit in the Redemption Fund as a result of Prepayments, other transfers to the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture.

The Trustee shall give notice of any redemption of Series 2024 Bonds by sending notice by United States mail, first-class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Series 2024 Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the Redemption Price, the place at which the Series 2024 Bonds are to be surrendered for payment, and, if less than all the Series 2024 Bonds Outstanding are to be redeemed, an identification of the Series 2024 Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

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

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Series 2024 Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds Similarly Secured at the time Outstanding, on behalf of the holders of all the Bonds Similarly Secured, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Series 2024 Bond or any predecessor Series 2024 Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Series 2024 Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Series 2024 Bond.

As provided in the Indenture, this Series 2024 Bond is transferable upon surrender of this Series 2024 Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Series 2024 Bond. Upon satisfaction of such requirements, one or more new fully registered Series 2024 Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Series 2024 Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Series 2024 Bond redeemed in part.

The City, the Trustee, and any other Person may treat the Person in whose name this Series 2024 Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Series 2024 Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue Additional Bonds on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF KYLE, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE SERIES 2024 BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Series 2024 Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Series 2024 Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Series 2024 Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Series 2024 Bond to be executed under the official seal of the City.

Mayor, City of Kyle, Texas

City Secretary, City of Kyle, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Series 2024 Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO._____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Series 2024 Bond, and that this Series 2024 Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this_____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Series 2024 Bonds of the series of Series 2024 Bonds referred to in the within mentioned Indenture.

BOKF, NA,
Houston, Texas, as Trustee

DATED:_____

By:_____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

_____

_____

_____

(Social Security or other identifying number: _____) the within Series 2024 Bond and all rights hereunder and hereby irrevocably constitutes and appoints_____ attorney to transfer the within Series 2024 Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date:_____ _____

Signature Guaranteed By:

_____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Series 2024 Bond in every particular and must be guaranteed in a manner acceptable to the Trustee

_____

Authorized Signatory

(e) Initial Bond. The Initial Bond of the Series 2024 Bonds shall be in the form set forth in paragraphs (a), (b), and (d) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Series 2024 Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the

expression “As Shown Below,” and the reference to the “CUSIP NUMBER” shall be deleted;

(ii) in the first paragraph of the Series 2024 Bond, the words “on the Maturity Date as specified above, the sum of _____ DOLLARS” shall be deleted and the following will be inserted: “on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Amount ($)	Interest Rate (%)”

(Information to be inserted from Section 1.2(d) of the 2024 Supplemental Indenture); and

(iii) the Initial Series 2024 Bond shall be numbered T-1.

Limestone Creek Public Improvement District

AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN

APRIL 1, 2024

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INTRODUCTION

Capitalized terms used in this 2024 Amended and Restated Service and Assessment Plan shall have the meanings given to them in **Section I** unless otherwise defined in this 2024 Amended and Restated Service and Assessment Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section" or an "Exhibit" shall be a reference to a Section of this 2024 Amended and Restated Service and Assessment Plan or an Exhibit attached to and made a part of this 2024 Amended and Restated Service and Assessment Plan for all purposes.

On October 18, 2022, the City passed and approved Resolution No. 1327 authorizing the creation of the District in accordance with the PID Act, which authorization was effective upon adoption by the City, as provided in the PID Act.

On June 20, 2023, the City Council passed and approved Ordinance No. 1270 which approved the 2023 Service and Assessment Plan and levied Assessments to finance the Authorized Improvements to be constructed for the benefit of the Assessed Property within Improvement Area #1 and the Remainder Area of the District by approving the 2023 Assessment Ordinance. The 2023 Service and Assessment Plan identified the Authorized Improvements to be provided by the District, the costs of the Authorized Improvements, the indebtedness to be incurred for the Authorized Improvements, and the manner of assessing the property in the District for the costs of the Authorized Improvements. The City also adopted Assessment Rolls for Improvement Area #1 and the Remainder Area identifying the Assessment on each Lot within Improvement Area #1 and the Remainder Area of the District, based on the method of assessment identified in the 2023 Service and Assessment Plan.

The purpose of the District is to finance the Actual Costs of the Authorized Improvements for the benefit of property within the District. The District contains approximately 161.5 acres, which at the time of the initial assessment levy will be within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

This 2024 Amended and Restated Service and Assessment Plan serves to amend and restate the 2023 Service and Assessment Plan, in its entirety for the purposes of (1) issuing the Improvement Area #1 Additional Bonds, and (2) updating the Assessment Rolls.

The PID Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the Authorized Improvements. The Service Plan is contained in **Section IV**.

The PID Act requires that the Service Plan include an assessment plan that assesses the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements. The Assessment Plan is contained in **Section V**.

The PID Act requires an Assessment Roll that states the Assessment against each Parcel determined by the method chosen by the City. The Assessment against each Assessed Property must be sufficient to pay the share of the Actual Costs apportioned to the Assessed Property and cannot exceed the special benefit conferred on the Assessed Property by the Authorized Improvements. The Improvement Area #1 Assessment Roll is contained in **Exhibit F** and the Remainder Area Assessment Roll is contained in **Exhibit H**.

SECTION I: DEFINITIONS

"2023 Assessment Ordinance" means Ordinance No. 1270 which was passed and adopted by the City Council on June 20, 2023, and levied the Improvement Area #1 Assessments and the Remainder Area Assessments.

"2023 Service and Assessment Plan" means the Service and Assessment Plan approved by the City Council on June 20, 2023, by the 2023 Assessment Ordinance.

"2024 Amended and Restated Service and Assessment Plan" means this Amended and Restated Service and Assessment Plan, as it may be modified and updated from time to time.

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

"Additional Interest" means the amount collected by application of the Additional Interest Rate. The Additional Interest Rate is not charged on the Remainder Area Reimbursement Obligation.

"Additional Interest Rate" means the 0.50% additional interest charged on the Assessments that secure PID Bonds pursuant to Section 372.018 of the PID Act. The Additional Interest Rate is not charged on Assessments securing the Remainder Area Reimbursement Obligation.

"**Administrative Reserves**" means the estimated Annual Collection Costs associated with the first year of the District.

"Administrator" means an employee of the City or the person or independent firm designated by the City who shall have the responsibility provided in this 2024 Amended and Restated Service

and Assessment Plan, the Indenture, or any other agreement or document approved by the City related to the duties and responsibility of the administration of the District.

"Annual Collection Costs" means the actual or budgeted costs and expenses for: (1) the Administrator and City staff; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments, including the costs of foreclosure; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this 2024 Amended and Restated Service and Assessment Plan and the PID Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; and (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

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

"Annual Service Plan Update" means an update to the 2024 Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.

"Assessed Property" means any Parcel within the District that benefits from the Authorized Improvements and on which an Assessment is levied as shown on the Assessment Roll and which includes any and all Parcels within the District other than Non-Benefited Property.

"Assessment" means an assessment levied against a Parcel and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Assessment Ordinance" means an ordinance adopted by the City Council in accordance with the PID Act that levies an Assessment.

"Assessment Plan" means the methodology employed to assess the Actual Costs of the Authorized Improvements against Assessed Property within the District based on the special benefits conferred on such property by the Authorized Improvements, more specifically described in **Section V.**

"Assessment Roll" means the assessment roll for the Assessed Property within the District and included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit F** for Improvement Area #1 and as **Exhibit H** for the Remainder Area, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the levy of an Assessment, the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Major Improvements, Administrative Reserves and Bond Issuance Costs as more specifically described in **Section III**.

"Bond Issuance Costs" mean the costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, capitalized interest, reserve fund requirements, underwriter discount, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

"City" means the City of Kyle, Texas.

"City Council" means the governing body of the City.

"County" means Hays County, Texas.

"Delinquent Collection Costs" means, for a Parcel, interest, penalties, and other costs and expenses authorized by the PID Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this 2024 Amended and Restated Service and Assessment Plan, including costs and expenses to foreclose liens.

"Development Agreement" means that certain Amended and Restated Limestone Creek Development Agreement between the Owner and the City dated June 21, 2022, which was amended by that certain First Amendment to the Amended and Restated Limestone Creek Development Agreement on October 18, 2022, with a further Second Amendment to the Amended and Restated Limestone Creek Development Agreement on March 7, 2023.

"District" means the Limestone Creek Public Improvement District containing approximately 161.5 acres, which at the time of the initial assessment levy was within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**.

"Estimated Buildout Value" means the estimated value of an Assessed Property after completion of the vertical improvements (e.g. house, office building, etc.), and shall be determined by the Administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, or any other information that may impact value.

"Improvement Area" means specifically defined and designated areas within the District that are developed in phases, including Improvement Area #1 and each area within the Remainder Area that may be specifically defined and designated as a phase of development.

"Improvement Area #1" means approximately 55.95 acres located within the District, as shown on **Exhibit B-2** and more specifically described in **Exhibit A-2**.

"Improvement Area #1 Additional Bonds" means those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)", that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Annual Installment" means the annual installment payment of the Improvement Area #1 Assessment as calculated by the Administrator and approved by the City Council that includes: (1) principal, (2) interest, (3) Annual Collection Costs, and (4) Additional Interest.

"Improvement Area #1 Assessed Property" means any Parcel within Improvement Area #1 against which an Improvement Area #1 Assessment is levied.

"Improvement Area #1 Assessment" means an Assessment levied against a Parcel within Improvement Area #1 and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Improvement Area #1 Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Improvement Area #1 Assessment Roll" means the assessment roll for the Improvement Area #1 Assessed Property within the District and included in this 2024 Amended and Restated Service and Assessment Plan as **Exhibit F,** as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"Improvement Area #1 Authorized Improvements" means the Improvement Area #1 Projects, Administrative Reserves, and Bond Issuance Costs relating to the Improvement Area #1 Initial Bonds and Improvement Area #1 Additional Bonds.

"Improvement Area #1 Improvements" mean those certain Authorized Improvements that only benefit Improvement Area #1, as depicted on **Exhibit J**.

"Improvement Area #1 Initial Bonds" means those certain "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2023 (Limestone Creek Public Improvement District Improvement Area #1 Project)", that are secured by Improvement Area #1 Assessments.

"Improvement Area #1 Projects" means the Improvement Area #1 Improvements and Improvement Area #1's allocable share of the Major Improvements.

"Improvement Area #1 Reimbursement Agreement" means that certain "Limestone Creek Public Improvement District Improvement Area #1 Reimbursement Agreement" effective June 20, 2023 entered into by and between the City and the Owner, whereby all or a portion of the Actual Costs will be paid to the Owners from Improvement Area #1 Assessments to reimburse the Owners for Actual Costs paid by the Owner, that are eligible to be paid with Improvement Area #1 Assessments plus interest.

"Indenture" means the indenture entered into in connection with the issuance of PID Bonds, as amended, supplemented, or modified from time to time, between the City and the Trustee setting forth terms and conditions related to the PID Bonds.

"Lot" means (1) for any portion of the District for which a final subdivision plat has been recorded in the official public records of the County, a tract of land described by "lot" in such final and recorded subdivision plat, and (2) for any portion of the District for which a horizontal condominium regime has been created, a tract of land described by "unit" in the final declaration of condominium regime.

"Lot Type" means a classification of final building Lots with similar characteristics (e.g. lot size, product type, buildout value, etc.), as determined by the Administrator and confirmed and approved by the City Council. In the case of single-family residential Lots, the Lot Type shall be further defined by classifying the residential Lots by size of the Lot as determined by the Administrator and confirmed and approved by the City Council.

"Lot Type 1" means a residential Lot within Improvement Area #1 marketed to homebuilders as a 50' Lot, as shown on the map attached as **Exhibit L**.

"Lot Type 2" means a residential Lot within Improvement Area #1 marketed to homebuilders as a townhome unit, as shown on the map attached as **Exhibit L**.

"Major Improvements" mean those certain Authorized Improvements that benefit the entire District, as depicted on **Exhibit K**.

"Maximum Assessment" means for each Lot Type in Improvement Area #1, the amount shown on **Exhibit Q**. The Maximum Assessment for each Lot Type in the Remainder Area will be determined in future Annual Service Plan Updates.

"Non-Benefited Property" means Parcels within the boundaries of the District that accrue no special benefit from the Authorized Improvements. Property within the District is identified as Non-Benefited Property at the time the Assessments (1) are levied or (2) are reallocated pursuant to a subdivision of a Parcel that receives no benefit.

"Notice of PID Assessment Termination" means a recorded document evidencing the termination of an Assessment, a form of which is attached as **Exhibit N**.

"Owner" means Meritage Homes of Texas, LLC, and its successors or assigns.

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

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

"PID Bonds" means bonds issued by the City to finance the Authorized Improvements and secured in whole or in part by Assessments, including Annual Installments thereof. Such term includes the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds.

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

"Prepayment Costs" means principal and interest, including Additional Interest, and Annual Collection Costs incurred up to the date of Prepayment.

"Remainder Area" means approximately 105.55 acres located within the District, as shown on **Exhibit B-3** and more specifically described in **Exhibit A-3**.

"**Remainder Area Annual Installment"** means the annual installment payment of the Remainder Area Assessment as calculated by the Administrator and approved by the City Council that includes principal only.

"Remainder Area Assessed Property" means any Parcel within the Remainder Area against which an Assessment is levied.

"Remainder Area Assessment" means an Assessment levied against the Remainder Area Assessed Property and imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on the Remainder Area Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the PID Act.

"Remainder Area Assessment Roll" means the Assessment Roll for the Remainder Area attached as **Exhibit H**, as updated, modified, or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update.

"Remainder Area Authorized Improvements" means the Remainder Area's allocable share of the Major Improvements.

"Remainder Area Initial Parcel" means all of the area within the Remainder Area, other than Non-Benefited Property. Until a plat has been recorded within the Remainder Area, the Remainder Area Annual Installment will be allocated to each property ID within the Remainder Area Initial Parcel based on the Hays Central Appraisal District acreage for billing purposes only.

"Remainder Area Reimbursement Agreement" means that certain "Limestone Creek Public Improvement District Remainder Area Reimbursement Agreement" effective June 20, 2023, entered into by and between the City and the Owner, whereby all or a portion of the Actual Costs of the Remainder Area Authorized Improvements will be paid to the Owner from the Remainder Area Assessments to reimburse the Owner for Actual Costs paid by the Owner, without interest, that are eligible to be paid with the Remainder Area Assessments.

"Remainder Area Reimbursement Obligation" means an amount not to exceed $3,484,926 to be paid to the Owner, pursuant to the Remainder Area Reimbursement Agreement.

"Service Plan" covers a period of at least five years and defines the annual indebtedness and projected costs of the Authorized Improvements, more specifically described in **Section IV**.

"Tax Year" means a 12-month period beginning January 1 of a given year, when assessed values are determined and taxes are levied on property, with the taxes becoming delinquent if not paid by the January 31st of the following year (e.g. Tax Year 2024 taxes are delinquent if not paid by January 31st, 2025).

"TIRZ" means Reinvestment Zone Number Four, City of Kyle, Texas.

"TIRZ Administrative Costs" means those reasonable costs paid or incurred by or on behalf of the City to create and/or administer the TIRZ.

"TIRZ Agreement" an agreement by and between the Owner, the City, and the Board of Directors of the TIRZ, entitled "TIRZ No. 4 Reimbursement Agreement For Residential Property," relating to the implementation of the TIRZ Plan.

"TIRZ Annual Credit Amount" will be calculated pursuant to **Section V.F.** of this 2024 Amended and Restated Service and Assessment Plan and applied as described in **Section V.F.** and the TIRZ Agreement, which amount shall not exceed the TIRZ Maximum Annual Credit Amount.

"TIRZ Creation Ordinance" means an ordinance number 1258 adopted by the City Council on March 7, 2023 designating the TIRZ under the Tax Increment Financing Act, Texas Tax Code, Chapter 311, as amended, relating to certain public improvements as provided for in the TIRZ Plan (including amendments or supplements thereto).

"TIRZ Fund" means the tax increment fund created pursuant to the TIRZ Creation Ordinance.

"TIRZ Increment Receipts" mean, for each Tax Year, the amount deposited in the TIRZ Fund pursuant to the TIRZ Plan Ordinance, as described in the TIRZ Plan, and the TIRZ Agreement.

"TIRZ Maximum Annual Credit Amount" means for each Lot Type, the amount shown on **Exhibit P.**

"TIRZ Plan" means Reinvestment Zone Number Four, City of Kyle, Texas Final Project and Financing Plan, prepared and adopted by the Board of Directors of the TIRZ and approved on June 20, 2023 by the City (including any amendments or supplements thereto).

"TIRZ Plan Ordinance" means an ordinance number 1269 adopted by the City Council on June 20, 2023 approving the TIRZ Plan and authorizing the use of TIRZ Increment Receipts for project costs related to certain public improvements under the Chapter 311, Texas Tax Code as amended, as provided for in the TIRZ Plan, as amended.

"Trustee" means the trustee (or successor trustee) under an Indenture.

SECTION II: THE DISTRICT

The District includes approximately 161.5 acres, which at the time of the initial assessment levy will be within the corporate limits of the City, as described legally by metes and bounds on **Exhibit A-1** and as depicted by the map on **Exhibit B-1**. Development of the District is anticipated to include 679 single-family homes and/or townhomes.

Improvement Area #1 includes approximately 55.95 acres as more particularly described on **Exhibit A-2** and depicted on **Exhibit B-2.** Development of Improvement Area #1 is anticipated to contain 273 single-family homes and/or townhomes.

The Remainder Area includes approximately 105.55 acres as more particularly described on **Exhibit A-3** and depicted on **Exhibit B-3.** Development of Remainder Area is anticipated to contain 406 single-family homes and/or townhomes.

SECTION III: AUTHORIZED IMPROVEMENTS

The City, based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, determined that the Authorized Improvements confer a special benefit on the Assessed Property. The budget for the Authorized Improvements, as well as the allocation of the Actual Costs of the Authorized Improvements, is shown on **Exhibit C**.

A. Major Improvements

- *Waterstone Boulevard*
  Improvements include erosion control measures, earthwork, subgrade stabilization, concrete and asphalt pavement with curb and gutter, concrete sidewalk on both sides of the ROW with ADA ramps, signage, lighting and construction testing to construct Waterstone Blvd. from I-35 to the eastern side of the project, a four-lane City of Kyle arterial street. Includes installation of 16" water main within Waterstone Blvd right of way. The 16" water main will be extended from eastern border of the District to the existing City of Kyle 12" water line at E. Post Road. Includes construction of 8" and 12" and 15" City of Kyle wastewater mains within Waterstone Blvd right of way all the way to existing City of Kyle manhole at I-35. Includes installation of drainage pipes, box culverts and curb inlets within Waterstone Blvd right of way, and detention ponds.

- *Landscaping*
  Costs include landscaping, planting beds and sod, and fencing along Waterstone Blvd. These improvements include erosion control measures, earthwork, site improvements, planting, and vegetation.

- *Contingency*
  Estimated to be 5% of construction costs.

- *Soft Costs*
  Improvements include land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, and other PID costs incurred and paid by the Owner.

B. Improvement Area #1 Improvements

- *Roadway*
  Improvements include construction of Improvement Area #1 local streets. Improvements to include erosion control measures, earthwork, subgrade stabilization, concrete and asphalt pavement with curb and gutter, concrete sidewalk with ADA ramps, signage, lighting and construction testing.

- *Water*
  Improvements include erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, valves, fire hydrant assemblies, service connections, testing and all necessary appurtenances constructed to the City of Kyle standards required to provide water service to Improvement Area #1.

- *Wastewater*
  Improvements include erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, manholes, service connections, testing and all necessary appurtenances constructed to the City of Kyle standards required to provide wastewater service to Improvement Area #1.

- *Drainage*
  Improvements include erosion control measures, earthwork, trench excavation and embedment, trench safety, pipe installation, box culverts, manholes and junction boxes, curb inlets, headwalls, testing and all necessary appurtenances constructed to the City of Kyle standards required to provide drainage service to Improvement Area #1. Also included are channels, clearing, excavation, piping for inbound and outbound drainage lines and outlet structures.

- *Contingency*
  Estimated potential cost fluctuations for Improvement Area #1 construction costs.
- *Soft Costs*
  Improvements include land planning and design, City fees, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, district formation costs, and other PID costs incurred and paid by the Owner.

C. PID Bond Issuance Costs

- *Debt Service Reserve Requirement*
  Equals the amount required to fund a reserve under an applicable Indenture in connection with the issuance of PID Bonds.
- *Capitalized Interest*
  Equals the amount of capitalized interest available for payment of interest on PID Bonds as reflected in an applicable Indenture.
- *Underwriter's Discount*
  Equals a percentage of the par amount of a particular series of PID Bonds and includes a fee for underwriter's counsel.
- *Costs of Issuance*
  Costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, consultant fees, appraisal fees, printing costs, publication costs, City costs, fees charged by the Texas Attorney General, and any other cost or expense directly associated with the issuance of PID Bonds.

D. Administrative Reserves

Estimated cost of the first year Annual Collection Costs.

SECTION IV: SERVICE PLAN

The PID Act requires the Service Plan to cover a period of at least five years. The Service Plan is required to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five-year period. The Service Plan shall be updated in each Annual Service Plan Update. **Exhibit D** summarizes the Service Plan for the District.

Exhibit E summarizes the sources and uses of funds required to construct the Improvement Area #1 Authorized Improvements. The sources and uses of funds shown on **Exhibit E** shall be updated in each Annual Service Plan Update to reflect any budget revisions and Actual Costs.

SECTION V: ASSESSMENT PLAN

The PID Act allows the City to apportion the costs of the Authorized Improvements to the Assessed Property based on the special benefit received from the Authorized Improvements. The PID Act provides that such costs may be apportioned: (1) equally per front foot or square foot; (2) according to the value of property as determined by the City, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City that results in imposing equal shares of such costs on property similarly benefited. The PID Act further provides that the governing body may establish by ordinance or order reasonable classifications and formulas for the apportionment of the cost between the municipality and the area to be assessed and the methods of assessing the special benefits for various classes of improvements.

This section of this 2024 Amended and Restated Service and Assessment Plan describes the special benefit received by each Parcel within the District as a result of the Authorized Improvements and provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Assessed Property for such Authorized Improvements.

The determination by the City of the assessment methodologies set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Owner and all future owners and developers of the Assessed Property.

A. Assessment Methodology

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has determined that the Authorized Improvements shall be allocated as follows:

- Major Improvements shall be allocated pro rata between the Improvement Area #1 Assessed Property and the Remainder Area Assessed Property pro rata based on Estimated Buildout Value at the time the Improvement Area #1 Initial Bonds were issued, as shown on **Exhibit O**.
- The Improvement Area #1 Improvements are allocated entirely to the Improvement Area #1 Assessed Property.
- The Remainder Area Authorized Improvements are allocated entirely to the Remainder Area Assessed Property.
- Bond Issuance Costs and Administrative Reserves shall be allocated entirely to the Assessed Property securing the applicable PID Bond.

B. Assessments

Improvement Area #1 Assessments were levied on the Improvement Area #1 Assessed Property pursuant to the 2023 Assessment Ordinance and according to the Improvement Area #1 Assessment Roll, attached hereto as **Exhibit F**. The projected Improvement Area #1 Annual Installments are shown on **Exhibit G,** subject to revisions made during any Annual Service Plan Update.

Remainder Area Assessments were levied on the Remainder Area Initial Parcel pursuant to the 2023 Assessment Ordinance and according to the Remainder Area Assessment Roll, attached hereto as **Exhibit H**. The projected Remainder Area Annual Installments are shown on **Exhibit I,** subject to revisions made during any Annual Service Plan Update.

C. Findings of Special Benefit

The City Council, acting in its legislative capacity based on information provided by the Owner and its engineer and reviewed by the City staff and by third-party consultants retained by the City, has found and determined:

- *Improvement Area #1*
  1. The costs of the Improvement Area #1 Authorized Improvements equal $15,294,943 as shown on **Exhibit C**; and
  2. The Improvement Area #1 Assessed Property receives special benefit from the Improvement Area #1 Authorized Improvements equal to or greater than the Actual Costs of the Improvement Area #1 Authorized Improvements; and
  3. The Improvement Area #1 Assessed Property was allocated 100% of the Improvement Area #1 Assessments levied for the Improvement Area #1 Authorized Improvements, which equal $15,294,943. At the time Improvement Area #1 Additional Bonds were priced, the outstanding balance of Improvement Area #1 Assessments was reduced to $14,555,000 as shown on the Improvement Area #1 Assessment Roll, attached as **Exhibit F**; and
  4. The special benefit (≥ $15,294,943) received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Authorized Improvements is greater than or equal to the amount of Improvement Area #1 Assessments ($14,555,000) levied on the Improvement Area #1 Assessed Property.
  5. At the time the City Council approved the 2023 Assessment Ordinance levying the Improvement Area #1 Assessments, the Owner owned 100% of the Improvement Area #1 Assessed Property. In a landowner consent certificate executed by the Owner and filed with the County Clerk of the County, the Owner acknowledged that the

Improvement Area #1 Authorized Improvements confer a special benefit on the Improvement Area #1 Assessed Property and consented to the imposition of the Improvement Area #1 Assessments to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the 2023 Assessment Ordinance, (2) the 2023 Service and Assessment Plan and the 2023 Assessment Ordinance, and (3) the levying of the Improvement Area #1 Assessments on the Improvement Area #1 Assessed Property.

- *Remainder Area*
  1. The costs of the Remainder Area Authorized Improvements equal $3,484,926 as shown on **Exhibit C**; and
  2. The Remainder Area Assessed Property receives special benefit from the Remainder Area Authorized Improvements equal to or greater than the Actual Costs of the Remainder Area Authorized Improvements; and
  3. The Remainder Area Initial Parcel will be allocated 100% of the Remainder Area Assessments levied for the Remainder Area Authorized Improvements, which equal $3,484,926 as shown on the Remainder Area Assessment Roll, attached as **Exhibit H**; and
  4. The special benefit (≥ $3,484,926) received by the Remainder Area Initial Parcel from the Remainder Area Authorized Improvements is greater than or equal to the amount of Remainder Area Assessments ($3,484,926) levied on the Remainder Area Initial Parcel.
  5. At the time the City Council approved the 2023 Assessment Ordinance levying the Remainder Area Assessments, the Owner owned 100% of the Remainder Area Initial Parcel. In a landowner consent certificate executed by the Owner and filed with the County Clerk of the County, the Owner acknowledged that the Remainder Area Authorized Improvements confer a special benefit on the Remainder Area Initial Parcel and consented to the imposition of the Remainder Area Assessments to pay for the Actual Costs associated therewith. The Owner ratified, confirmed, accepted, agreed to, and approved (1) the determinations and findings by the City Council as to the special benefits described herein and in the 2023 Assessment Ordinance, (2) the 2023 Service and Assessment Plan and the 2023 Assessment Ordinance, and (3) the levying of the Remainder Area Assessments on the Remainder Area Assessed Property.

D. Annual Collection Costs

The Annual Collection Costs shall be paid for on a pro rata basis by each Assessed Property based on the amount of outstanding Assessment remaining on the Assessed Property. The Annual Collection Costs shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

E. Interest

The interest rate on Assessments securing PID Bonds may exceed the interest rate on the PID Bonds by the Additional Interest Rate. Interest at the rate of the PID Bonds and the Additional Interest shall be collected as part of each Annual Installment and shall be deposited pursuant to the applicable Indenture. Additional Interest is not charged on the Remainder Area Reimbursement Obligation.

F. TIRZ Annual Credit Amount

In accordance with the Development Agreement and the TIRZ Agreement, the City Council has agreed to use a portion of TIRZ Increment Receipts generated from each Assessed Property, less TIRZ Administrative Costs, to offset a portion such property's Assessment by the TIRZ Annual Credit Amount. The TIRZ Maximum Annual Credit Amount for each Lot Type in Improvement Area #1 is shown on **Exhibit P**. The TIRZ Maximum Annual Credit Amount for Lots within the Remainder Area will be determined at the time of levy of the Assessments for such Improvement Area.

- The TIRZ Annual Credit Amount for each Assessed Property is calculated as follows:

  1. *For Assessed Property that have not been assigned a Lot Type*

     Each Assessed Property that has not been assigned a Lot Type in this 2024 Amended and Restated Service and Assessment Plan or an Annual Service Plan Update shall receive a TIRZ Annual Credit Amount equal to the TIRZ Increment Receipts generated by such Parcel for the previous Tax Year, less such Parcel's allocable share of TIRZ Administrative Costs (i.e. TIRZ Increment Receipts collected from the Parcel for Tax Year 2023, less such Parcel's allocable share of TIRZ Administrative Costs, shall be applied as the TIRZ Annual Credit Amount applicable to the Parcel's Annual Installment to be collected in Tax Year 2024).

  2. *For Assessed Property that have been assigned a Lot Type*

     Each Assessed Property that has been assigned a Lot Type in this 2024 Amended and Restated Service and Assessment Plan or an Annual Service Plan Update shall receive an TIRZ Annual Credit Amount equal to the lesser of:

a. The TIRZ Increment Receipts generated by the Lot for the previous Tax Year, less such Parcel's allocable share of TIRZ Administrative Costs, (i.e. TIRZ Increment Receipts collected from the Lot for Tax Year 2023, less such Parcel's allocable share of TIRZ Administrative Costs, shall be applied as the TIRZ Annual Credit Amount applicable to the Lot's Annual Installment to be collected in Tax Year 2024), or
b. The TIRZ Maximum Annual Credit Amount, as shown on **Exhibit P**.

SECTION VI: TERMS OF THE ASSESSMENTS

A. Reallocation of Assessments

1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

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

Where the terms have the following meanings:

A = the Assessment for the newly divided Assessed Property
B = the Assessment for the Assessed Property prior to division
C = the Estimated Buildout Value of the newly divided Assessed Property
D = the sum of the Estimated Buildout Value for all the newly divided Assessed Properties

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in the next Annual Service Plan Update to this 2024 Amended and Restated Service and Assessment Plan and approved by the City Council.

2. Upon Subdivision by a Recorded Subdivision Plat

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

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

Where the terms have the following meanings:

A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the Estimated Buildout Value of all newly subdivided Lots with same Lot Type
D = the sum of the Estimated Buildout Value for all the newly subdivided Lots excluding Non-Benefited Property
E= the number of Lots with same Lot Type

Prior to the recording of a subdivision plat, the Parcel owner shall provide the City an Estimated Buildout Value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat. The calculation of the Estimated Buildout Value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Parcel owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

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

3. Upon Consolidation

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

The Assessment for any resulting Lot will not exceed the Maximum Assessment, shown on **Exhibit Q** for the applicable Lot Type, and compliance may require a mandatory prepayment of Assessments pursuant to **Section VI.C**.

B. True-up of Assessments if Maximum Assessment Exceeded

Prior to the approval of a final subdivision plat, the Administrator shall certify that the final plat will not cause the Assessment for any Lot Type to exceed the Maximum Assessment. If the subdivision of any Assessed Property by a final subdivision plat causes the Assessment per Lot for any Lot Type to exceed the applicable Maximum Assessment for such Lot Type, the landowner shall partially prepay the Assessment for each Assessed Property that exceeds the applicable

Maximum Assessment for such Lot Type in an amount sufficient to reduce the Assessment to the applicable Maximum Assessment for such Lot Type. The City's approval of a final subdivision plat without payment of such amounts does not eliminate the obligation of the person or entity filing the plat to pay such Assessments.

C. Mandatory Prepayment of Assessments

If Assessed Property is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Property shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the transfer. If the owner of the Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner causing the change in status shall pay the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status. Provided that, however, such mandatory prepayment of the Assessment shall not be required for portions of a Parcel that are dedicated or conveyed to the City, any other governmental entity or utility provider, or an owners association for use as internal roads, utilities, parks, drainage and detention facilities, and other similar improvements, in which case the Assessment that was allocated to the Parcel will be reallocated to the remainder of the Parcel. If a reallocation to the remainder of the Parcel as provided in the foregoing sentence causes the Assessment for such remainder of the Parcel to exceed the Maximum Assessment, the owner of the remainder of the Parcel must partially prepay the Assessment to the extent it exceeds the Maximum Assessment in an amount sufficient to reduce the Assessment to the Maximum Assessment.

D. Reduction of Assessments

If as a result of cost savings or an Authorized Improvement not being constructed, the Actual Costs of completed Authorized Improvements are less than the Assessments, the City Council shall reduce each Assessment on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Properties equals the reduced Actual Costs. Excess PID Bond proceeds shall be applied to redeem outstanding PID Bonds. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Roll and corresponding Annual Installments to reflect the reduced Assessments.

E. Prepayment of Assessments

The owner of the Assessed Property may pay, at any time, all or any part of an Assessment in accordance with the PID Act. Interest costs from the date of Prepayment to the date of redemption of the applicable PID Bonds, if any, may be paid from a reserve established under

the applicable Indenture. If an Annual Installment has been billed prior to the Prepayment, the Annual Installment shall be due and payable and shall be credited against the Prepayment.

If an Assessment is paid in full, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual Installments shall terminate; (4) the Assessed Property is no longer eligible to receive the TIRZ Annual Credit Amount; and (5) the City shall provide the owner with a recordable "Notice of PID Assessment Termination," a form of which is attached hereto as **Exhibit N**.

If an Assessment is paid in part, with Prepayment Costs: (1) the Administrator shall cause the Assessment to be reduced and the Assessment Roll revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; and (3) the obligation to pay the Assessment and corresponding Annual Installments shall be reduced to the extent of the Prepayment made.

F. Prepayment as a Result of Eminent Domain Proceeding or Taking

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

For the Assessed Property that is subject to the Taking as described in the preceding paragraph, the Assessment that was levied against the Assessed Property (when it was included in the Taken Property) prior to the Taking shall remain in force against the remaining Assessed Property (the Assessed Property less the Taken Property), (the "**Remaining Property**") following the reclassification of the Taken Property as Non-Benefited Property, subject to an adjustment of the Assessment applicable to the Remaining Property after any required Prepayment as set forth below. The owner will remain liable to pay in Annual Installments, or payable as otherwise provided by this 2024 Amended and Restated Service and Assessment Plan, as updated, or the PID Act, the Assessment that remains due on the Remaining Property, subject to an adjustment in the Annual Installments applicable to the Remaining Property after any required Prepayment as set forth below. Notwithstanding the foregoing, if the Assessment that remains due on the Remaining Property exceeds the Maximum Assessment, the owner will be required to make a Prepayment in an amount necessary to ensure that the Assessment against the Remaining Property does not exceed the Maximum Assessment, in which case the Assessment and Annual Installments applicable to the Remaining Property will be reduced by the amount of the partial

Prepayment. If the City receives all or a portion of the eminent domain proceeds (or payment made in an agreed sale in lieu of condemnation), such amount shall be credited against the amount of the Prepayment, with any remainder credited against the assessment on the Remaining Property.

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

By way of illustration, if an owner owns 100 acres of Assessed Property subject to a $100 Assessment and 10 acres is taken through a Taking, the 10 acres of Taken Property shall be reclassified as Non-Benefited Property and the remaining 90 acres of Remaining Property shall be subject to the $100 Assessment, (provided that this $100 Assessment does not exceed the Maximum Assessment on the Remaining Property). If the Administrator determines that the $100 Assessment reallocated to the Remaining Property would exceed the Maximum Assessment on the Remaining Property by $10, then the owner shall be required to pay $10 as a Prepayment of the Assessment against the Remaining Property and the Assessment on the Remaining Property shall be adjusted to be $90 and the Annual Installments adjusted accordingly.

Notwithstanding the previous paragraphs in this subsection (F), if the owner notifies the City and the Administrator that the Taking prevents the Remaining Property from being developed for any use which could support the Estimated Buildout Value requirement, the owner shall, upon receipt of the compensation for the Taken Property, be required to prepay the amount of the Assessment required to buy down the outstanding Assessment to the Maximum Assessment on the Remaining Property to support the Estimated Buildout Value requirement. The owner will remain liable to pay the Annual Installments on both the Taken Property and the Remaining Property until such time that such Assessment has been prepaid in full.

Notwithstanding the previous paragraphs in this subsection (F), the Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

G. Payment of Assessment in Annual Installments

Except for the Remainder Area Assessment, Assessments that are not paid in full shall be due and payable in Annual Installments. **Exhibit G** shows the projected Annual Installments for Improvement Area #1 and **Exhibit I** shows the projected Annual Installments for the Remainder Area. Annual Installments are subject to adjustment in each Annual Service Plan Update.

The Administrator shall prepare and submit to the City Council for its review and approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include updated Assessment Rolls and updated calculations of Annual Installments. Annual Collection Costs shall be allocated equally among Parcels for which the Assessments remain unpaid. Annual Installments shall be reduced by any applicable TIRZ

Annual Credit Amount and any credits applied under an applicable Indenture, such as capitalized interest, interest earnings on account balances, and any other funds available to the Trustee for such purposes. Annual Installments shall be collected by the City in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act and in the same manner as ad valorem taxes for the City. The City Council may provide for other means of collecting Annual Installments. Assessments shall have the lien priority specified in the PID Act.

Sales of the Assessed Property for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Annual Installments against the Assessed Property, and the Assessed Property may again be sold at a judicial foreclosure sale if the purchaser fails to timely pay the Annual Installments as they become due and payable.

The City reserves the right to refund PID Bonds in accordance with the PID Act. In the event of a refunding, the Administrator shall recalculate the Annual Installments so that total Annual Installments will be sufficient to pay the refunding bonds, and the refunding bonds shall constitute "PID Bonds."

Each Annual Installment of an Assessment, including interest on the unpaid principal of the Assessment, shall be updated annually. Each Annual Installment shall be due when billed and shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of Improvement Area #1 Assessments shall be due when billed and shall be delinquent if not paid prior to February 1, 2025.

SECTION VII: ASSESSMENT ROLL

The Improvement Area #1 Assessment Roll is attached as **Exhibit F**. The Remainder Area Assessment Roll is attached as **Exhibit H**. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Assessment Rolls and Annual Installments for each Parcel within the District as part of each Annual Service Plan Update.

SECTION VIII: ADDITIONAL PROVISIONS

A. Calculation Errors

If the owner of a Parcel claims that an error has been made in any calculation required by this 2024 Amended and Restated Service and Assessment Plan, including, but not limited to, any calculation made as part of any Annual Service Plan Update, the owner's sole and exclusive remedy shall be to submit a written notice of error to the Administrator by December 1st of each year following City Council approval of the calculation; otherwise, the owner shall be deemed to have unconditionally approved and accepted the calculation. Upon receipt of a written notice of error from an owner the Administrator shall provide a written response to the City Council and

the owner within 30 days of such referral. The City Council shall consider the owner's notice of error and the Administrator's response at a City Council meeting, and within 30 days after closing such meeting, the City Council shall make a final determination as to whether or not an error has been made. If the City Council determines that an error has been made, the City Council shall take such corrective action as is authorized by the PID Act, this 2024 Amended and Restated Service and Assessment Plan, the Bond Ordinance, or the applicable Indenture, or is otherwise authorized by the discretionary power of the City Council. The determination by the City Council as to whether an error has been made, and any corrective action taken by the City Council, shall be final and binding on the owner and the Administrator.

B. Amendments

Amendments to this 2024 Amended and Restated Service and Assessment Plan must be made by the City Council in accordance with the PID Act. To the extent permitted by the PID Act, this 2024 Amended and Restated Service and Assessment Plan may be amended without notice to owners of the Assessed Property: (1) to correct mistakes and clerical errors; (2) to clarify ambiguities; and (3) to provide procedures to collect Assessments, Annual Installments, and other charges imposed by this 2024 Amended and Restated Service and Assessment Plan.

C. Administration and Interpretation

The Administrator shall: (1) perform the obligations of the Administrator as set forth in this 2024 Amended and Restated Service and Assessment Plan; (2) administer the District for and on behalf of and at the direction of the City Council; and (3) interpret the provisions of this 2024 Amended and Restated Service and Assessment Plan. Interpretations of this 2024 Amended and Restated Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided at a meeting of the City Council at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

D. Severability

If any provision of this 2024 Amended and Restated Service and Assessment Plan is determined by a governmental agency or court to be unenforceable, the unenforceable provision shall be deleted and, to the maximum extent possible, shall be rewritten to be enforceable. Every effort shall be made to enforce the remaining provisions.

E. Form of Buyer Disclosure

Per Section 5.014 of the Texas Property Code, as amended, this 2024 Amended and Restated Service and Assessment Plan, and any future Annual Service Plan Updates, shall include a form of the buyer disclosures for the District. The buyer disclosures are attached hereto as **Exhibit R**.

Within seven days of approval by the City Council, the City shall file and record in the real property records of the County the executed ordinance of this 2024 Amended and Restated Service and Assessment Plan, or any future Annual Service Plan Updates. The executed ordinance, including any attachments, approving this 2024 Amended and Restated Service and Assessment Plan or any future Annual Service Plan Updates shall be filed and recorded in their entirety.

LIST OF EXHIBITS

Exhibit A-1 District Legal Description

Exhibit A-2 Improvement Area #1 Legal Description

Exhibit A-3 Remainder Area Legal Description

Exhibit B-1 District Boundary Map

Exhibit B-2 Improvement Area #1 Boundary Map

Exhibit B-3 Remainder Area Boundary Map

Exhibit C Authorized Improvements

Exhibit D Service Plan

Exhibit E Sources and Uses

Exhibit F Improvement Area #1 Assessment Roll

Exhibit G Improvement Area #1 Annual Installments

Exhibit H Remainder Area Assessment Roll

Exhibit I Remainder Area Annual Installments

Exhibit J Maps of Improvement Area #1 Improvements

Exhibit K Maps of Major Improvements

Exhibit L Lot Type Classification Map

Exhibit M-1 Improvement Area #1 Final Plat

Exhibit M-2 Condominium Plat and Plans from Declaration of Condominium Regime

Exhibit N Notice of PID Assessment Termination

Exhibit O Estimated Buildout Value of Improvement Area #1 and Remainder Area

Exhibit P TIRZ Maximum Annual Credit Amount

Exhibit Q Maximum Assessment

Exhibit R Buyer Disclosures

EXHIBIT A-1 – DISTRICT LEGAL DESCRIPTION

DOUCET
Limestone Creek
Hays County, Texas

"Exhibit "------"

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D&A Job No. 1691-009
April 19, 2022

METES AND BOUNDS DESCRIPTION
161.5 ACRE TRACT

BEING A 161.5 ACRE TRACT OUT OF THE JAMES WILLIAMS SURVEY, ABSTRACT NUMBER 473, HAYS COUNTY, TEXAS, BEING ALL OF A CALLED 179.278 ACRE TRACT OF LAND, DESCRIBED IN A DEED TO MERITAGE HOMES OF TEXAS LLC, RECORDED IN DOCUMENT NUMBER 21036270, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS [O.P.R.H.C.T.], SAVE AND EXCEPT A 5.895 ACRE TRACT AND A 11.946 ACRE TRACT IN SAID DEED, AND BEING ALL OF A CALLED 7.87 ACRE TRACT, DESCRIBED TO LASALLE MUNICIPAL UTILITY DISTRICT NO 1, RECORDED IN DOCUMENT NUMBER 21016927, [O.P.R.H.C.T.], SAID 161.5 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found for the northwest corner of said 179.278 acre tract, also on the east right-of-way line of County Road (CR) 145 (Volume 5, Page 205, Plat Records of Hays County, Texas [P.R.H.C.T.]), same being the southwest corner of a called 85.1806 acre tract, described in a deed to Allauddin N. Maredia, and recorded in Document Number 17039745 [O.P.R.H.C.T];

THENCE, S46°44'17"E, departing the east right-of-way of said C.R. 145 and continuing with the common line of said 179.278 acre and said 85.1806 acre tract, a distance of 4,013.29 feet to a 1/2-inch iron rod found for the northeast corner of said 179.278 acre tract, and the southeast corner of said 85.1806 acre tract, same being on the northwest line of a called 236.1 acre tract, described in a deed to Tack Development, Ltd., recorded in C.F. Number 18007777 [O.P.R.H.C.T.];

THENCE S43°23'05"W, departing the south line of said 85.1806 acre tract and continuing with the common line of said 179.278 acre tract and said 236.1 acre tract, a distance of 1,947.18 feet to a to a 1/2-inch iron rod found for the southeast corner of said 179.278 acre tract, same being the northwest corner of Quail Ridge Subdivision, a subdivision of record in Volume 2, Page 337, [P.R.H.C.T.];

THENCE N46°44'14"W, departing the west line of said 236.1 acre tract acre tract and continuing with the common line of said 179.278 acre tract and said Quail Ridge Subdivision, a distance of 2,842.59 feet to a to a 1/2-inch iron rod found at the southeast corner of the said 5.895 acre save and except tract;

THENCE departing north line of said Quail Ridge Subdivision, and continuing over and across said 179.278 acre tract with the east and north lines of the said 5.895 acre save and except tract and the south line of the said 7.87 acre tract, the following eight (8) courses and distances:

1) N43°15'48"E, a distance of 195.23 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the right,

2) with said curve to the right, defined by an arc length of 141.87 feet, a radius of 330.03 feet, a delta angle of 24°37'51", a chord bearing of N09°38'34"W, a chord distance of 140.78 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

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3) N02°44'09"E, a distance of 243.78 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the left,

4) with said curve to the left, defined by an arc length of 31.23 feet, a radius of 20.00 feet, a delta angle of 89°28'43", a chord bearing of N42°12'11"W, a chord distance of 28.16 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

5) N86°49'32"W, a distance of 280.56 feet to a to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the right,

6) with said curve to the right, defined by an arc length of 573.03 feet, a radius of 1,040.13 feet, a delta angle of 31°33'55", a chord bearing of N71°23'01"W, a chord distance of 565.81 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

7) N55°32'03"W, a distance of 126.49 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and

8) S86°40'31", a distance of 20.47 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the west line of said 179.278 acre tract and on the south right-of-way line of said C.R. 145;

THENCE N43°16'02"E, with the east right-of-way line of said C.R. 145, a distance of 106.18 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the west line of said 179.278 acre tract, at the southwest corner of the said 11.946 acre save and except tract;

THENCE, departing the east right-of-way of said C.R. 145 and continuing over and across said 179.278 acre tract with the south and east lines of the said 11.946 acre save and except tract, and the north line of the said 7.87 acre tract, the following eight (8) courses and distances:

1) S10°17'05"E, a distance of 17.42 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

2) S55°36'03"E, a distance of 114.06 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the left,

3) with said curve to the left, defined by an arc length of 529.19 feet, a radius of 960.25 feet, a delta angle of 31°34'31", a chord bearing of S71°23'26"E, a chord distance of 522.51 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

4) S86°49'32"E, a distance of 279.97 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the left,

5) with said curve to the left, defined by an arc length of 31.59 feet, a radius of 20.00 feet, a delta angle of 90°29'25", a chord bearing of N47°49'44"W, a distance of 28.41 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

6) N02°43'44"E, a distance of 419.07 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and the beginning of a curve to the right. and

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7) with said curve to the right, defined by an arc length of 136.59 feet, a radius of 330.03 feet, a delta angle of 23°42'48", a chord bearing of N14°32'37"E, a chord distance of 135.62 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and

8) N47°21'17"W, a distance of 480.50 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the west line of said 179.278 acre tract and on the said east right-of-way of C.R. 145;

THENCE N43°16'09"W, with the west line of said 179.278 acre tract and on the said east right-of-way of C.R. 145, a distance of 958.21 feet to the POINT OF BEGINNING and containing approximately 161.5 acres.

Basis of bearings is the Texas Coordinate System, South Central Zone [4204], NAD83 (2011), Epoch 2010, observed using the Leica Smartnet Network. All distances shown are adjusted to surface values using a combined scale factor of 1.000081, units: US survey feet.

I, John Barnard, Registered Professional Land Surveyor, hereby certify that this description and accompanying exhibit of even date represent an actual survey performed on the ground.

04/19/2022

John Barnard Date
Registered Professional Land Surveyor
Texas Registration No. 5749
Doucet & Associates
jbarnard@doucetengineers.com
TBPLS Firm No. 10105800



EXHIBIT A-2 – IMPROVEMENT AREA #1 LEGAL DESCRIPTION

DOUCET
Limestone Creek
Hays County, Texas

"Exhibit "------"

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D&A Job No. 1691-009
January 16, 2023

METES AND BOUNDS DESCRIPTION
55.95 ACRE TRACT

BEING A 55.95 ACRE TRACT OUT OF THE JAMES W. WILLIAMS SURVEY NUMBER 11, ABSTRACT NUMBER 473, HAYS COUNTY, TEXAS, AND BEING PART OF A CALLED 179.278 ACRE TRACT OF LAND, DESCRIBED IN A DEED TO MERITAGE HOMES OF TEXAS LLC, RECORDED IN DOCUMENT NUMBER 21036270, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS [O.P.R.H.C.T.], SAID 55.95 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the north line of a called 7.87 acre tract, conveyed in a deed to LaSalle Municipal Utility District Number 1, recorded in Document Number 21016927 [O.P.R.H.C.T.], same being the most southerly southeast corner of a called 11.946 acre save and except, recorded in said Document Number 21036270 [O.P.R.H.C.T.], and at the beginning of a curve to the left for the **POINT OF BEGINNING** of the tract described herein;

THENCE with the common line of said 179.278 acre tract and said 11.946 acre tract, the following four (4) bearings and distances:

1. with said curve to the left, defined by an arc length of 31.59 feet, a radius of 20.00 feet, a delta angle of 90°29'25", a chord bearing of N47°49'44"E, a distance of 28.41 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,
2. N02°43'44"E, a distance of 419.07 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and the beginning of a curve to the right. and
3. with said curve to the right, defined by an arc length of 136.59 feet, a radius of 330.03 feet, a delta angle of 23°42'48", a chord bearing of N14°32'37"E, a chord distance of 135.62 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and
4. N47°21'17"W, a distance of 480.50 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the northwest line of said 179.278 acre tract and on south right-of-way line of County Road (CR) 140 (Volume 5, Page 205, Plat Records of Hays County, Texas [P.R.H.C.T.])

THENCE N43°16'09"E, with the northwest line of said 179.278 acre tract and the south right-of-way line of said C.R. 140, a distance of 958.21 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the northwest corner of said 179.278 acre tract, same being the southwest corner of a called 85.1806 acre tract, described to Allauddin N. Maredia, and recorded in Document Number 17039745 [O.P.R.H.C.T];

THENCE S46°44'17"E, departing the south right-of-way of said C.R. 145 and continuing with the common line of said 179.278 acre and said 85.1806 acre tract, a distance of 2,242.20 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set;

THENCE continuing over and across said 179.278 acre tract the following two (2) course and distances:

1. S29°04'59"W, a distance of 502.10 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set, and
2. S28°58'10"W, a distance of 439.49 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set on the northeast line of said 7.87 acre tract;

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DOUCET

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THENCE with the north line of said 7.87 acre tract, the following three (3) bearings and distances:

1. N47°10'05"W, a distance of 691.94 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set at the beginning of a curve to the left,
2. With said curve to the left, defined by an arc length of 719.49 feet, a radius of 1,040.74 feet, a delta angle of 39°36'37", and a chord which bears N67°01'18"W, a distance of 705.25 feet to a 1/2-inch iron rod with cap stamped "DOUCET" set, and
3. N86°49'32"W, a distance of 398.20 feet to the **POINT OF BEGINNING** of the tract described herein and containing approximately 55.95 acres;

Basis of bearings is the Texas Coordinate System, South Central Zone [4204], NAD83 (2011), Epoch 2010, observed using the Leica Smartnet Network. All distances shown are adjusted to surface values using a combined scale factor of 1.000081, units: US survey feet.

I, John Barnard, Registered Professional Land Surveyor, hereby certify that this description and accompanying exhibit of even date represent an actual survey performed on the ground.

01/17/2023

John Barnard Date
Registered Professional Land Surveyor
Texas Registration No. 5749
Doucet & Associates
jbarnard@doucetengineers.com
TBPLS Firm No. 10105800

STATE OF TEXAS
REGISTERED
JOHN D. BARNARD
5749
PROFESSIONAL
LAND SURVEYOR

EXHIBIT A-3 – REMAINDER AREA LEGAL DESCRIPTION

105.55 acres of land in the District consisting of all area in the District save and except the area within Improvement Area #1.

EXHIBIT B-1 – DISTRICT BOUNDARY MAP

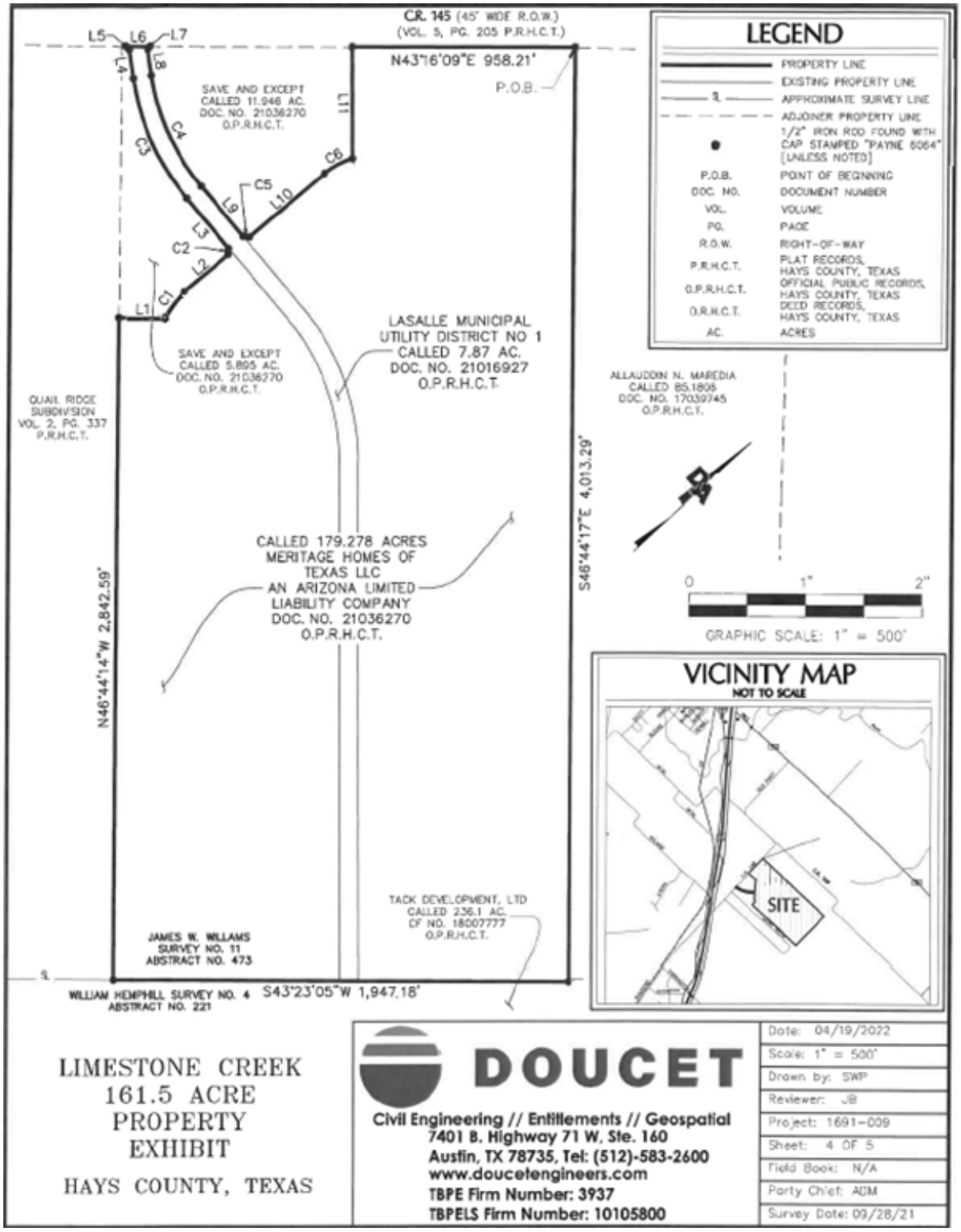


EXHIBIT B-2 – IMPROVEMENT AREA #1 BOUNDARY MAP

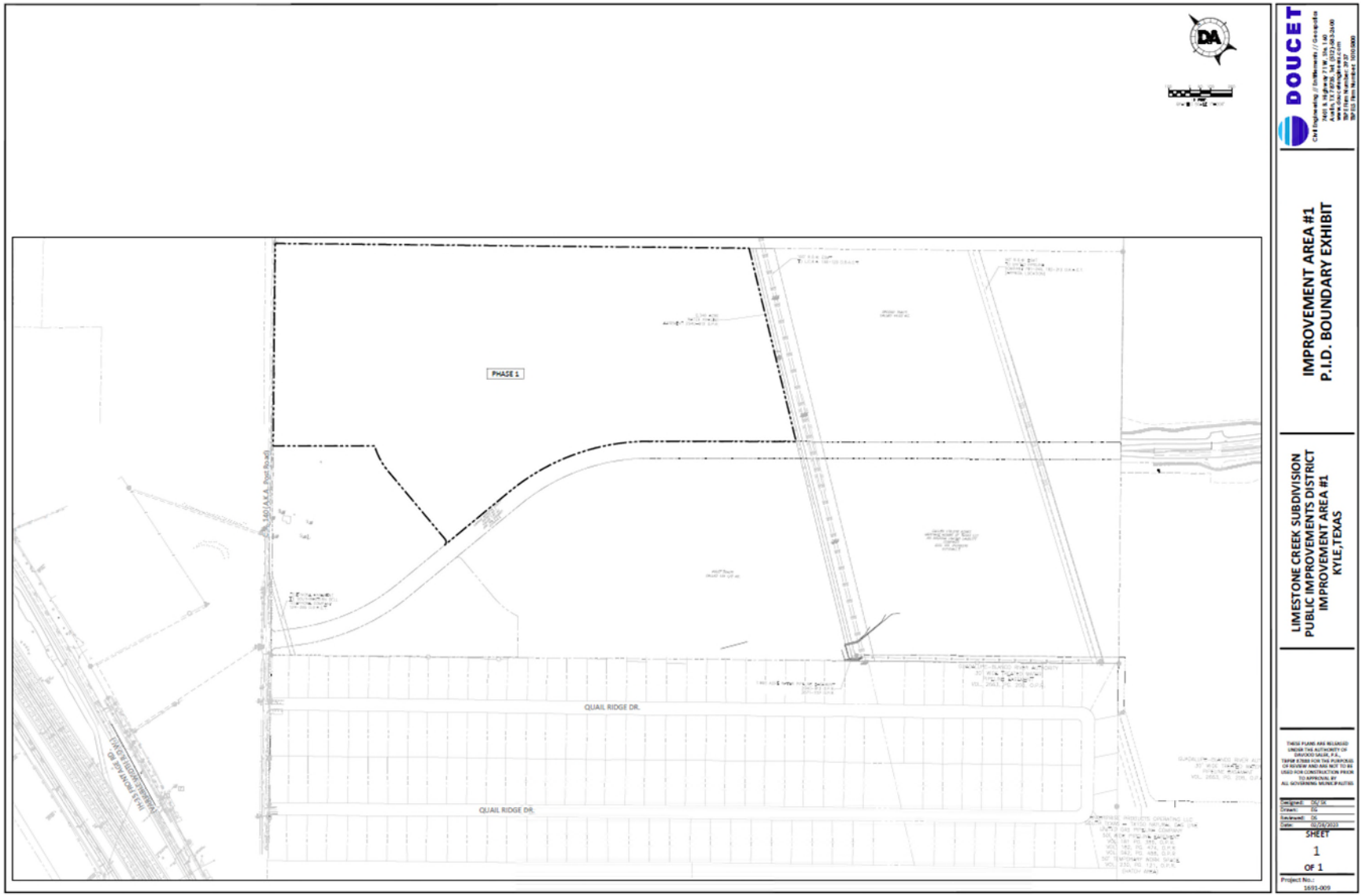


EXHIBIT B-3 – REMAINDER AREA BOUNDARY MAP



EXHIBIT C – AUTHORIZED IMPROVEMENTS

Authorized Improvements	Total Costs [a]	Improvement Area #1 % [b]	Improvement Area #1 Cost	Remainder Area % [b]	Remainder Area Cost
Major Improvements					
Waterstone Boulevard [c]	$ 3,669,462	39.79%	$ 1,460,184	60.21%	$ 2,209,278
Landscaping	1,550,000	39.79%	616,790	60.21%	933,210
Contingency [d]	183,473	39.79%	73,009	60.21%	110,464
Soft Costs [e]	385,294	39.79%	153,319	60.21%	231,974
	$ 5,788,229		$ 2,303,302		$ 3,484,926
Improvement Area #1 Improvements					
Roadway	$ 3,128,395	100.00%	$ 3,128,395	0.00%	$ -
Water	1,407,014	100.00%	1,407,014	0.00%	-
Wastewater	1,203,155	100.00%	1,203,155	0.00%	-
Drainage	2,378,734	100.00%	2,378,734	0.00%	-
Contingency	377,874	100.00%	377,874	0.00%	-
Soft Costs [e]	1,568,047	100.00%	1,568,047	0.00%	-
	$ 10,063,218		$ 10,063,218		$ -
Improvement Area #1 Initial Bond Issuance Costs					
Debt Service Reserve Fund	$ 755,254		$ 755,254		$ -
Capitalized Interest	495,358		495,358		-
Underwriter's Discount	236,520		236,520		-
Cost of Issuance	441,244		441,244		-
	$ 1,928,375		$ 1,928,375		$ -
Improvement Area #1 Additional Bond Issuance Costs					
Debt Service Reserve Fund	$ 187,928		$ 187,928		$ -
Capitalized Interest	131,729		131,729		
Underwriter's Discount	200,130		200,130		-
Cost of Issuance	400,260		400,260		-
	$ 920,047		$ 920,047		$ -
Administrative Reserves					
First Year Annual Collections Costs	$ 80,000		$ 80,000		$ -
	$ 80,000		$ 80,000		$ -
Total	**$ 18,779,869**		**$ 15,294,943**		**$ 3,484,926**

[a] Per the Engineer's Report prepared by Doucet dated May 2023.
[b] Costs of the Major Improvements are allocated pro rata between Improvement Area #1 Assessed Property and Remainder Area Assessed Property based on Estimated Buildout Value at the time the Improvement Area #1 Initial Bonds were issued as shown on **Exhibit O.**
[c] Includes roadway, water, sanitary sewer, storm drainage and detention pond costs related to such improvement.
[d] Estimated to be 5% of Waterstone Boulevard construction costs.
[e] Includes fees associated with the formation of the District, legal fees and consultant fees incurred by the Owner.

EXHIBIT D – SERVICE PLAN

Improvement Area #1						
Annual Installments Due		**1/31/2025**	**1/31/2026**	**1/31/2027**	**1/31/2028**	**1/31/2029**
Improvement Area #1 Initial Bonds						
Principal		$ -	$ 4,000.00	$ 14,000.00	$ 25,000.00	$ 36,000.00
Interest		444,710.00	444,710.00	444,520.00	443,855.00	442,667.50
Additional Interest		39,420.00	39,420.00	39,400.00	39,330.00	39,205.00
	(1)	$ 484,130.00	$ 488,130.00	$ 497,920.00	$ 508,185.00	$ 517,872.50
Improvement Area #1 Additional Bonds						
Principal		$ 22,000.00	$ -	$ -	$ 2,000.00	$ 12,000.00
Interest		391,921.00	390,628.75	390,628.75	390,628.75	390,511.25
Capitalized Interest		-	-	-	-	-
Additional Interest		-	33,245.00	33,245.00	33,245.00	33,235.00
	(2)	$ 413,921.00	$ 423,873.75	$ 423,873.75	$ 425,873.75	$ 435,746.25
Annual Collection Costs		41,616.00	$ 42,448.32	$ 43,297.29	$ 44,163.23	$ 45,046.50
	(3)	$ 41,616.00	$ 42,448.32	$ 43,297.29	$ 44,163.23	$ 45,046.50
Total Annual Installment	**(4) = (1)+(2)+(3)**	**$ 939,667.00**	**$ 954,452.07**	**$ 965,091.04**	**$ 978,221.98**	**$ 998,665.25**

Remainder Area						
Annual Installments Due		**1/31/2025**	**1/31/2026**	**1/31/2027**	**1/31/2028**	**1/31/2029**
Remainder Area Reimbursement Obligation						
Principal		$ -	$ -	$ -	$ -	$ -
Interest		-	-	-	-	-
	(1)	$ -	$ -	$ -	$ -	$ -
Annual Collection Costs		-	-	-	-	-
	(2)	$ -	$ -	$ -	$ -	$ -
Total Annual Installment	**(3) = (1)+(2)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

EXHIBIT E – SOURCES AND USES

		Improvement Area #1
Sources of Funds		
Improvement Area #1 Initial Bond Par	$	7,884,000
Improvement Area #1 Additional Bond Par [a]		6,671,000
Owner Contribution [b]		739,943
Total Sources	**$**	**15,294,943**
Uses of Funds		
Authorized Improvements		
Major Improvements	$	2,303,302
Improvement Area #1 Improvements		10,063,218
	$	**12,366,521**
Improvement Area #1 Initial Bond Issuance Costs		
Debt Service Reserve Fund	$	755,254
Capitalized Interest		495,358
Underwriter's Discount		236,520
Cost of Issuance		441,244
	$	**1,928,375**
Improvement Area #1 Additional Bond Issuance Costs		
Debt Service Reserve Fund	$	187,928
Capitalized Interest		131,729
Underwriter's Discount		200,130
Cost of Issuance		400,260
	$	**920,047**
First Year Annual Collection Costs		
First Year Annual Collection Costs	$	80,000
	$	**80,000**
Total Uses	**$**	**15,294,943**

Notes:

[a] As of February 1, 2024, the total outstanding Improvement Area #1 Assessment was $15,694.000, of which $7,884,000 was attributable to the Improvement Area #1 Initial Bonds and $7,810,000 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

[b] Not reimbursable to Owner.

EXHIBIT F – IMPROVEMENT AREA #1 ASSESSMENT ROLL

		Improvement Area #1	
Property ID	Lot Type	Outstanding Assessment [a]	Annual Installment due 1/31/25 [b]
R193873	1	$ 58,015.24	$ 3,745.45
R193874	1	$ 58,015.24	$ 3,745.45
R193875	1	$ 58,015.24	$ 3,745.45
R193876	1	$ 58,015.24	$ 3,745.45
R193877	1	$ 58,015.24	$ 3,745.45
R193878	1	$ 58,015.24	$ 3,745.45
R193879	1	$ 58,015.24	$ 3,745.45
R193880	1	$ 58,015.24	$ 3,745.45
R193881	1	$ 58,015.24	$ 3,745.45
R193882	1	$ 58,015.24	$ 3,745.45
R193883	1	$ 58,015.24	$ 3,745.45
R193884	1	$ 58,015.24	$ 3,745.45
R193885	1	$ 58,015.24	$ 3,745.45
R193886	1	$ 58,015.24	$ 3,745.45
R193887	1	$ 58,015.24	$ 3,745.45
R193888	1	$ 58,015.24	$ 3,745.45
R193889	1	$ 58,015.24	$ 3,745.45
R193890	1	$ 58,015.24	$ 3,745.45
R193891	1	$ 58,015.24	$ 3,745.45
R193892	1	$ 58,015.24	$ 3,745.45
R193893	Non-Benefited	$ -	$ -
R193894	1	$ 58,015.24	$ 3,745.45
R193895	1	$ 58,015.24	$ 3,745.45
R193896	1	$ 58,015.24	$ 3,745.45
R193897	1	$ 58,015.24	$ 3,745.45
R193898	1	$ 58,015.24	$ 3,745.45
R193899	1	$ 58,015.24	$ 3,745.45
R193900	1	$ 58,015.24	$ 3,745.45
R193901	1	$ 58,015.24	$ 3,745.45
R193902	1	$ 58,015.24	$ 3,745.45
R193903	1	$ 58,015.24	$ 3,745.45
R193904	1	$ 58,015.24	$ 3,745.45
R193905	1	$ 58,015.24	$ 3,745.45
R193906	1	$ 58,015.24	$ 3,745.45
R193907	1	$ 58,015.24	$ 3,745.45
R193908	1	$ 58,015.24	$ 3,745.45
R193909	1	$ 58,015.24	$ 3,745.45
R193910	1	$ 58,015.24	$ 3,745.45
R193911	1	$ 58,015.24	$ 3,745.45
R193912	1	$ 58,015.24	$ 3,745.45

		Improvement Area #1	
Property ID	Lot Type	Outstanding Assessment [a]	Annual Installment due 1/31/25 [b]
R193913	1	$ 58,015.24	$ 3,745.45
R193914	1	$ 58,015.24	$ 3,745.45
R193915	1	$ 58,015.24	$ 3,745.45
R193916	1	$ 58,015.24	$ 3,745.45
R193917	1	$ 58,015.24	$ 3,745.45
R193918	1	$ 58,015.24	$ 3,745.45
R193919	1	$ 58,015.24	$ 3,745.45
R193920	1	$ 58,015.24	$ 3,745.45
R193921	1	$ 58,015.24	$ 3,745.45
R193922	1	$ 58,015.24	$ 3,745.45
R193923	1	$ 58,015.24	$ 3,745.45
R193924	1	$ 58,015.24	$ 3,745.45
R193925	1	$ 58,015.24	$ 3,745.45
R193926	1	$ 58,015.24	$ 3,745.45
R193927	1	$ 58,015.24	$ 3,745.45
R193928	1	$ 58,015.24	$ 3,745.45
R193929	1	$ 58,015.24	$ 3,745.45
R193930	1	$ 58,015.24	$ 3,745.45
R193931	1	$ 58,015.24	$ 3,745.45
R193933	1	$ 58,015.24	$ 3,745.45
R193934	1	$ 58,015.24	$ 3,745.45
R193935	1	$ 58,015.24	$ 3,745.45
R193936	1	$ 58,015.24	$ 3,745.45
R193937	1	$ 58,015.24	$ 3,745.45
R193938	1	$ 58,015.24	$ 3,745.45
R193939	1	$ 58,015.24	$ 3,745.45
R193940	Non-Benefited	$ -	$ -
R193941	1	$ 58,015.24	$ 3,745.45
R193942	1	$ 58,015.24	$ 3,745.45
R193943	1	$ 58,015.24	$ 3,745.45
R193944	1	$ 58,015.24	$ 3,745.45
R193945	1	$ 58,015.24	$ 3,745.45
R193946	1	$ 58,015.24	$ 3,745.45
R193947	1	$ 58,015.24	$ 3,745.45
R193948	1	$ 58,015.24	$ 3,745.45
R193949	1	$ 58,015.24	$ 3,745.45
R193950	1	$ 58,015.24	$ 3,745.45
R193951	1	$ 58,015.24	$ 3,745.45
R193952	1	$ 58,015.24	$ 3,745.45
R193953	1	$ 58,015.24	$ 3,745.45

		Improvement Area #1	
Property ID	Lot Type	Outstanding Assessment [a]	Annual Installment due 1/31/25 [b]
R193954	1	$ 58,015.24	$ 3,745.45
R193955	1	$ 58,015.24	$ 3,745.45
R193956	1	$ 58,015.24	$ 3,745.45
R193957	1	$ 58,015.24	$ 3,745.45
R193958	1	$ 58,015.24	$ 3,745.45
R193959	1	$ 58,015.24	$ 3,745.45
R193960	1	$ 58,015.24	$ 3,745.45
R193961	1	$ 58,015.24	$ 3,745.45
R193962	1	$ 58,015.24	$ 3,745.45
R193963	1	$ 58,015.24	$ 3,745.45
R193964	1	$ 58,015.24	$ 3,745.45
R193965	Non-Benefited	$ -	$ -
R193966	1	$ 58,015.24	$ 3,745.45
R193967	1	$ 58,015.24	$ 3,745.45
R193968	1	$ 58,015.24	$ 3,745.45
R193969	1	$ 58,015.24	$ 3,745.45
R193970	1	$ 58,015.24	$ 3,745.45
R193971	1	$ 58,015.24	$ 3,745.45
R193972	1	$ 58,015.24	$ 3,745.45
R193973	1	$ 58,015.24	$ 3,745.45
R193974	1	$ 58,015.24	$ 3,745.45
R193975	1	$ 58,015.24	$ 3,745.45
R193976	Non-Benefited	$ -	$ -
R193977	1	$ 58,015.24	$ 3,745.45
R193978	1	$ 58,015.24	$ 3,745.45
R193979	1	$ 58,015.24	$ 3,745.45
R193980	1	$ 58,015.24	$ 3,745.45
R193981	1	$ 58,015.24	$ 3,745.45
R193982	1	$ 58,015.24	$ 3,745.45
R193983	1	$ 58,015.24	$ 3,745.45
R193984	1	$ 58,015.24	$ 3,745.45
R193985	1	$ 58,015.24	$ 3,745.45
R193986	1	$ 58,015.24	$ 3,745.45
R193987	1	$ 58,015.24	$ 3,745.45
R193988	1	$ 58,015.24	$ 3,745.45
R193989	1	$ 58,015.24	$ 3,745.45
R193990	1	$ 58,015.24	$ 3,745.45
R193991	1	$ 58,015.24	$ 3,745.45
R193992	1	$ 58,015.24	$ 3,745.45
R193993	1	$ 58,015.24	$ 3,745.45

		Improvement Area #1	
Property ID	Lot Type	Outstanding Assessment [a]	Annual Installment due 1/31/25 [b]
R193994	1	$ 58,015.24	$ 3,745.45
R193995	1	$ 58,015.24	$ 3,745.45
R193996	1	$ 58,015.24	$ 3,745.45
R193997	1	$ 58,015.24	$ 3,745.45
R193998	1	$ 58,015.24	$ 3,745.45
R193999	1	$ 58,015.24	$ 3,745.45
R194000	1	$ 58,015.24	$ 3,745.45
R194001	1	$ 58,015.24	$ 3,745.45
R194002	1	$ 58,015.24	$ 3,745.45
R194003	1	$ 58,015.24	$ 3,745.45
R194004	1	$ 58,015.24	$ 3,745.45
R194005	1	$ 58,015.24	$ 3,745.45
R194006	1	$ 58,015.24	$ 3,745.45
R194007	1	$ 58,015.24	$ 3,745.45
R194008	1	$ 58,015.24	$ 3,745.45
R194009	1	$ 58,015.24	$ 3,745.45
R194010	1	$ 58,015.24	$ 3,745.45
R194011	1	$ 58,015.24	$ 3,745.45
R194012	1	$ 58,015.24	$ 3,745.45
R194013	1	$ 58,015.24	$ 3,745.45
R194014	1	$ 58,015.24	$ 3,745.45
R194015	1	$ 58,015.24	$ 3,745.45
R194016	1	$ 58,015.24	$ 3,745.45
R194017	1	$ 58,015.24	$ 3,745.45
R194018	1	$ 58,015.24	$ 3,745.45
R194019	1	$ 58,015.24	$ 3,745.45
R194020	1	$ 58,015.24	$ 3,745.45
R194021	1	$ 58,015.24	$ 3,745.45
R194022	1	$ 58,015.24	$ 3,745.45
R194023	1	$ 58,015.24	$ 3,745.45
R194024	1	$ 58,015.24	$ 3,745.45
R194025	1	$ 58,015.24	$ 3,745.45
R194026	1	$ 58,015.24	$ 3,745.45
R194027	1	$ 58,015.24	$ 3,745.45
R194028	1	$ 58,015.24	$ 3,745.45
R194029	1	$ 58,015.24	$ 3,745.45
R194030	1	$ 58,015.24	$ 3,745.45
R194031	1	$ 58,015.24	$ 3,745.45
R194032	1	$ 58,015.24	$ 3,745.45
R194033	1	$ 58,015.24	$ 3,745.45

		Improvement Area #1	
Property ID	Lot Type	Outstanding Assessment [a]	Annual Installment due 1/31/25 [b]
R194034	1	$ 58,015.24	$ 3,745.45
R194035	1	$ 58,015.24	$ 3,745.45
R194036	1	$ 58,015.24	$ 3,745.45
R194037	1	$ 58,015.24	$ 3,745.45
R194038	1	$ 58,015.24	$ 3,745.45
R194039	1	$ 58,015.24	$ 3,745.45
R194040	1	$ 58,015.24	$ 3,745.45
R194041	1	$ 58,015.24	$ 3,745.45
R194042	1	$ 58,015.24	$ 3,745.45
R194043	1	$ 58,015.24	$ 3,745.45
R194044	1	$ 58,015.24	$ 3,745.45
R194045	1	$ 58,015.24	$ 3,745.45
R194046	1	$ 58,015.24	$ 3,745.45
R194047	1	$ 58,015.24	$ 3,745.45
R194048	1	$ 58,015.24	$ 3,745.45
R194049	1	$ 58,015.24	$ 3,745.45
R194050	Non-Benefited	$ -	$ -
R194051	1	$ 58,015.24	$ 3,745.45
R194052	1	$ 58,015.24	$ 3,745.45
R194053	1	$ 58,015.24	$ 3,745.45
R194054	1	$ 58,015.24	$ 3,745.45
R194055	1	$ 58,015.24	$ 3,745.45
R194056	1	$ 58,015.24	$ 3,745.45
R194057	1	$ 58,015.24	$ 3,745.45
R194058	Non-Benefited	$ -	$ -
R201200	2	$ 44,364.60	$ 2,864.17
R201201	2	$ 44,364.60	$ 2,864.17
R201202	2	$ 44,364.60	$ 2,864.17
R201203	2	$ 44,364.60	$ 2,864.17
R201204	2	$ 44,364.60	$ 2,864.17
R201205	2	$ 44,364.60	$ 2,864.17
R201206	2	$ 44,364.60	$ 2,864.17
R201207	2	$ 44,364.60	$ 2,864.17
R201208	2	$ 44,364.60	$ 2,864.17
R201209	2	$ 44,364.60	$ 2,864.17
R201210	2	$ 44,364.60	$ 2,864.17
R201211	2	$ 44,364.60	$ 2,864.17
R201212	2	$ 44,364.60	$ 2,864.17
R201213	2	$ 44,364.60	$ 2,864.17
R201214	2	$ 44,364.60	$ 2,864.17

		Improvement Area #1	
Property ID	Lot Type	Outstanding Assessment [a]	Annual Installment due 1/31/25 [b]
R201215	2	$ 44,364.60	$ 2,864.17
R201216	2	$ 44,364.60	$ 2,864.17
R201217	2	$ 44,364.60	$ 2,864.17
R201218	2	$ 44,364.60	$ 2,864.17
R201219	2	$ 44,364.60	$ 2,864.17
R201220	2	$ 44,364.60	$ 2,864.17
R201221	2	$ 44,364.60	$ 2,864.17
R201222	2	$ 44,364.60	$ 2,864.17
R201223	2	$ 44,364.60	$ 2,864.17
R201224	2	$ 44,364.60	$ 2,864.17
R201225	2	$ 44,364.60	$ 2,864.17
R201226	2	$ 44,364.60	$ 2,864.17
R201227	2	$ 44,364.60	$ 2,864.17
R201228	2	$ 44,364.60	$ 2,864.17
R201229	2	$ 44,364.60	$ 2,864.17
R201230	2	$ 44,364.60	$ 2,864.17
R201231	2	$ 44,364.60	$ 2,864.17
R201232	2	$ 44,364.60	$ 2,864.17
R201233	2	$ 44,364.60	$ 2,864.17
R201234	2	$ 44,364.60	$ 2,864.17
R201235	2	$ 44,364.60	$ 2,864.17
R201236	2	$ 44,364.60	$ 2,864.17
R201237	2	$ 44,364.60	$ 2,864.17
R201238	2	$ 44,364.60	$ 2,864.17
R201239	2	$ 44,364.60	$ 2,864.17
R201240	2	$ 44,364.60	$ 2,864.17
R201241	2	$ 44,364.60	$ 2,864.17
R201242	2	$ 44,364.60	$ 2,864.17
R201243	2	$ 44,364.60	$ 2,864.17
R201244	2	$ 44,364.60	$ 2,864.17
R201245	2	$ 44,364.60	$ 2,864.17
R201246	2	$ 44,364.60	$ 2,864.17
R201247	2	$ 44,364.60	$ 2,864.17
R201248	2	$ 44,364.60	$ 2,864.17
R201249	2	$ 44,364.60	$ 2,864.17
R201250	2	$ 44,364.60	$ 2,864.17
R201251	2	$ 44,364.60	$ 2,864.17
R201252	2	$ 44,364.60	$ 2,864.17
R201253	2	$ 44,364.60	$ 2,864.17
R201254	2	$ 44,364.60	$ 2,864.17

		Improvement Area #1	
Property ID	Lot Type	Outstanding Assessment [a]	Annual Installment due 1/31/25 [b]
R201255	2	$ 44,364.60	$ 2,864.17
R201256	2	$ 44,364.60	$ 2,864.17
R201257	2	$ 44,364.60	$ 2,864.17
R201258	2	$ 44,364.60	$ 2,864.17
R201259	2	$ 44,364.60	$ 2,864.17
R201260	2	$ 44,364.60	$ 2,864.17
R201261	2	$ 44,364.60	$ 2,864.17
R201262	2	$ 44,364.60	$ 2,864.17
R201263	2	$ 44,364.60	$ 2,864.17
R201264	2	$ 44,364.60	$ 2,864.17
R201265	2	$ 44,364.60	$ 2,864.17
R201266	2	$ 44,364.60	$ 2,864.17
R201267	2	$ 44,364.60	$ 2,864.17
R201268	2	$ 44,364.60	$ 2,864.17
R201269	2	$ 44,364.60	$ 2,864.17
R201270	2	$ 44,364.60	$ 2,864.17
R201271	2	$ 44,364.60	$ 2,864.17
R201272	2	$ 44,364.60	$ 2,864.17
R201273	2	$ 44,364.60	$ 2,864.17
R201274	2	$ 44,364.60	$ 2,864.17
R201275	2	$ 44,364.60	$ 2,864.17
R201276	2	$ 44,364.60	$ 2,864.17
R201277	2	$ 44,364.60	$ 2,864.17
R201278	2	$ 44,364.60	$ 2,864.17
R201279	2	$ 44,364.60	$ 2,864.17
R201280	2	$ 44,364.60	$ 2,864.17
R201281	2	$ 44,364.60	$ 2,864.17
R201282	2	$ 44,364.60	$ 2,864.17
R201283	2	$ 44,364.60	$ 2,864.17
R201284	2	$ 44,364.60	$ 2,864.17
R201285	2	$ 44,364.60	$ 2,864.17
R201286	2	$ 44,364.60	$ 2,864.17
R201287	2	$ 44,364.60	$ 2,864.17
R201288	2	$ 44,364.60	$ 2,864.17
R201289	2	$ 44,364.60	$ 2,864.17
R201290	2	$ 44,364.60	$ 2,864.17
R201291	2	$ 44,364.60	$ 2,864.17
R201292	2	$ 44,364.60	$ 2,864.17
R201293	2	$ 44,364.60	$ 2,864.17
Total		**$ 14,555,000.36**	**$ 939,667.53**

[a] As of February 1, 2024, the total outstanding Improvement Area #1 Assessment was $15,694.000, of which $7,884,000 was attributable to the Improvement Area #1 Initial Bonds and $7,810,000 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

[b] *Totals may not sum due to rounding.*

EXHIBIT G – IMPROVEMENT AREA #1 ANNUAL INSTALLMENTS

	Improvement Area #1 Initial Bonds				Improvement Area #1 Additional Bonds						
Annual Installments Due	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]	Principal [c]	Interest [d]	Capitalized Interest	Additional Interest [b]	Annual Collection Costs	TIRZ Annual Credit [e]	Total Annual Installment
1/31/2024	$ -	$ 444,710.00	$ (444,710.00)	$ -	$ -	$ 131,729.00	$ (131,729.00)	$ -	$ -	$ -	$ -
1/31/2025	-	444,710.00	-	39,420.00	22,000.00	391,921.00	-	-	41,616.00	-	939,667.00
1/31/2026	4,000.00	444,710.00	-	39,420.00	-	390,628.75	-	33,245.00	42,448.32	-	954,452.07
1/31/2027	14,000.00	444,520.00	-	39,400.00	-	390,628.75	-	33,245.00	43,297.29	-	965,091.04
1/31/2028	25,000.00	443,855.00	-	39,330.00	2,000.00	390,628.75	-	33,245.00	44,163.23	-	978,221.98
1/31/2029	36,000.00	442,667.50	-	39,205.00	12,000.00	390,511.25	-	33,235.00	45,046.50	-	998,665.25
1/31/2030	48,000.00	440,957.50	-	39,025.00	22,000.00	389,806.25	-	33,175.00	45,947.43	-	1,018,911.18
1/31/2031	61,000.00	438,677.50	-	38,785.00	34,000.00	388,513.75	-	33,065.00	46,866.38	-	1,040,907.63
1/31/2032	75,000.00	435,780.00	-	38,480.00	46,000.00	386,516.25	-	32,895.00	47,803.70	-	1,062,474.95
1/31/2033	90,000.00	432,217.50	-	38,105.00	59,000.00	383,813.75	-	32,665.00	48,759.78	-	1,084,561.03
1/31/2034	106,000.00	427,942.50	-	37,655.00	73,000.00	380,347.50	-	32,370.00	49,734.97	-	1,107,049.97
1/31/2035	124,000.00	422,112.50	-	37,125.00	89,000.00	376,058.75	-	32,005.00	50,729.67	-	1,131,030.92
1/31/2036	143,000.00	415,292.50	-	36,505.00	106,000.00	370,830.00	-	31,560.00	51,744.27	-	1,154,931.77
1/31/2037	163,000.00	407,427.50	-	35,790.00	124,000.00	364,602.50	-	31,030.00	52,779.15	-	1,178,629.15
1/31/2038	185,000.00	398,462.50	-	34,975.00	144,000.00	357,317.50	-	30,410.00	53,834.73	-	1,203,999.73
1/31/2039	209,000.00	388,287.50	-	34,050.00	166,000.00	348,857.50	-	29,690.00	54,911.43	-	1,230,796.43
1/31/2040	234,000.00	376,792.50	-	33,005.00	188,000.00	339,105.00	-	28,860.00	56,009.66	-	1,255,772.16
1/31/2041	261,000.00	363,922.50	-	31,835.00	213,000.00	328,060.00	-	27,920.00	57,129.85	-	1,282,867.35
1/31/2042	290,000.00	349,567.50	-	30,530.00	240,000.00	315,546.25	-	26,855.00	58,272.45	-	1,310,771.20
1/31/2043	321,000.00	333,617.50	-	29,080.00	269,000.00	301,446.25	-	25,655.00	59,437.90	-	1,339,236.65
1/31/2044	353,000.00	315,962.50	-	27,475.00	300,000.00	285,642.50	-	24,310.00	60,626.65	-	1,367,016.65
1/31/2045	389,000.00	295,665.00	-	25,710.00	334,000.00	268,017.50	-	22,810.00	61,839.19	-	1,397,041.69
1/31/2046	428,000.00	273,297.50	-	23,765.00	371,000.00	248,395.00	-	21,140.00	63,075.97	-	1,428,673.47
1/31/2047	469,000.00	248,687.50	-	21,625.00	409,000.00	226,598.75	-	19,285.00	64,337.49	-	1,458,533.74
1/31/2048	513,000.00	221,720.00	-	19,280.00	451,000.00	202,570.00	-	17,240.00	65,624.24	-	1,490,434.24
1/31/2049	561,000.00	192,222.50	-	16,715.00	495,000.00	176,073.75	-	14,985.00	66,936.72	-	1,522,932.97
1/31/2050	611,000.00	159,965.00	-	13,910.00	544,000.00	146,992.50	-	12,510.00	68,275.46	-	1,556,652.96
1/31/2051	665,000.00	124,832.50	-	10,855.00	596,000.00	115,032.50	-	9,790.00	69,640.97	-	1,591,150.97
1/31/2052	722,000.00	86,595.00	-	7,530.00	652,000.00	80,017.50	-	6,810.00	71,033.79	-	1,625,986.29
1/31/2053	784,000.00	45,080.00	-	3,920.00	710,000.00	41,712.50	-	3,550.00	72,454.46	-	1,660,716.96
Total	**$ 7,884,000.00**	**$ 10,260,257.50**	**$ (444,710.00)**	**$ 862,505.00**	**$ 6,671,000.00**	**$ 8,907,921.25**	**$ (131,729.00)**	**$ 713,555.00**	**$ 1,614,377.63**	**$ -**	**$ 36,337,177.40**

[a] Interest is calculated at the actual rate of the PID Bonds.

[b] Additional Interest is calculated at the Additional Interest Rate.

[c] As of February 1, 2024, the total outstanding Improvement Area #1 Assessment was $15,694.000, of which $7,884,000 was attributable to the Improvement Area #1 Initial Bonds and $7,810,000 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

[d] Interest is calculated at a 5.875% rate for illustrative purposes.

[e] TIRZ Credit will be calculated annually as described in **Section V.F.**

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT H – REMAINDER AREA ASSESSMENT ROLL

		Remainder Area	
Property ID [a]	Lot Type	Remainder Area Outstanding Assessment	Annual Installment due 1/31/2025
R18884	Remainder Area Initial Parcel	$ 3,112,837.77	$ -
R18885	Remainder Area Initial Parcel	$ 372,088.48	$ -
R177209	Non-Benefited	$ -	$ -
Remainder Area Total		**$ 3,484,926.25**	**$ -**

[a] For billing purposes, the Annual Installment for the Remainder Area Initial Parcel due 1/31/2025 will be billed to each Property ID within the Remainder Area based on acreage. Totals may not sum due to rounding.

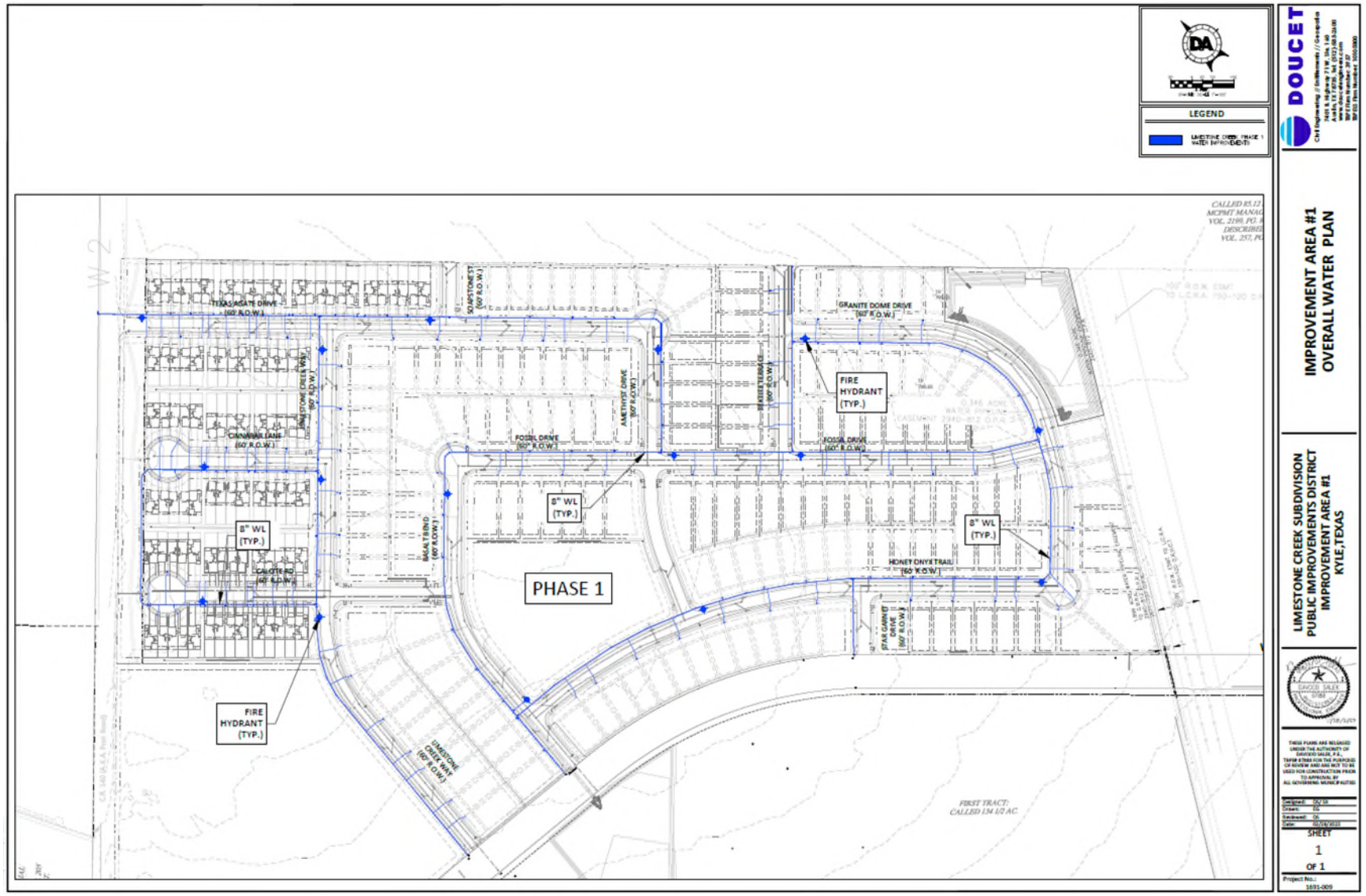
EXHIBIT I – REMAINDER AREA ANNUAL INSTALLMENTS

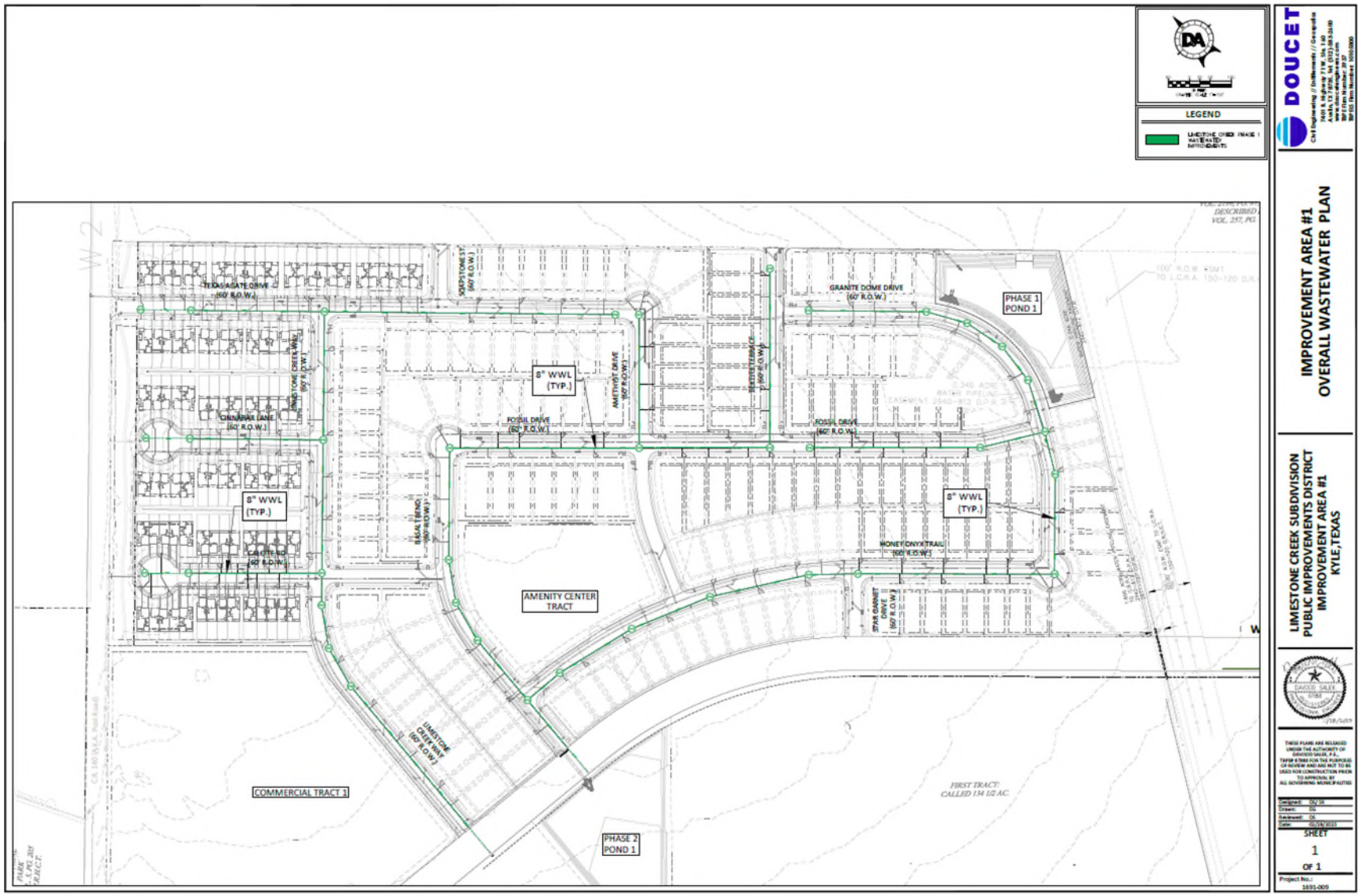
	Remainder Area Reimbursement Obligation			
Annual Installment Due	Principal	Interest	Annual Collection Costs	Total Annual Installment
1/31/2024	$ -	$ -	$ -	$ -
1/31/2025	-	-	-	-
1/31/2026	-	-	-	-
1/31/2027	-	-	-	-
1/31/2028	-	-	-	-
1/31/2029	-	-	-	-
1/31/2030	-	-	-	-
1/31/2031	-	-	-	-
1/31/2032	-	-	-	-
1/31/2033	-	-	-	-
1/31/2034	-	-	-	-
1/31/2035	-	-	-	-
1/31/2036	-	-	-	-
1/31/2037	-	-	-	-
1/31/2038	-	-	-	-
1/31/2039	-	-	-	-
1/31/2040	-	-	-	-
1/31/2041	-	-	-	-
1/31/2042	-	-	-	-
1/31/2043	-	-	-	-
1/31/2044	-	-	-	-
1/31/2045	-	-	-	-
1/31/2046	-	-	-	-
1/31/2047	-	-	-	-
1/31/2048	-	-	-	-
1/31/2049	-	-	-	-
1/31/2050	-	-	-	-
1/31/2051	-	-	-	-
1/31/2052	-	-	-	-
1/31/2053	3,484,926.25	-	-	3,484,926.25
Total	**$ 3,484,926.25**	**$ -**	**$ -**	**$ 3,484,926.25**

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

EXHIBIT J – MAPS OF IMPROVEMENT AREA #1 IMPROVEMENTS




LEGEND
LIMESTONE CREEK PHASE 1 WATER IMPROVEMENTS
DOUCET
IMPROVEMENT AREA #1
OVERALL WATER PLAN
LIMESTONE CREEK SUBDIVISION
PUBLIC IMPROVEMENTS DISTRICT
IMPROVEMENT AREA #1
KYLE, TEXAS
PHASE 1
TEXAS AGATE DRIVE (60' R.O.W.)
SUNSTONE CT (60' R.O.W.)
GRANITE DOME DRIVE (60' R.O.W.)
LIMESTONE CREEK WAY (60' R.O.W.)
CANARIAN LANE (60' R.O.W.)
FOSSIL DRIVE (60' R.O.W.)
AMETHYST DRIVE (60' R.O.W.)
MEDITERRANEAN TERRACE (60' R.O.W.)
FIRE HYDRANT (TYP.)
8" WL (TYP.)
CALCITE RD (60' R.O.W.)
AGATE TERR (60' R.O.W.)
HONEY ONYX TRAIL (60' R.O.W.)
STAR GARNET DRIVE (60' R.O.W.)
SHEET
1
OF 1


LEGEND
DOUCET
IMPROVEMENT AREA #1
OVERALL WASTEWATER PLAN
LIMESTONE CREEK SUBDIVISION
PUBLIC IMPROVEMENTS DISTRICT
IMPROVEMENT AREA #1
KYLE, TEXAS
SHEET
1
OF 1
PHASE 1
POND 1
PHASE 2
POND 1
AMENITY CENTER
TRACT
COMMERCIAL TRACT 1
8" WWL
(TYP.)
TEXAS AGATE DRIVE
(60' R.O.W.)
SOAPSTONE ST
(60' R.O.W.)
GRANITE DOME DRIVE
(60' R.O.W.)
CINNABAR LANE
(60' R.O.W.)
FOSSIL DRIVE
(60' R.O.W.)
AMETHYST DRIVE
(60' R.O.W.)
BASALTBEND
(60' R.O.W.)
CALCITE RD
(60' R.O.W.)
MONEY ONYX TRAIL
(60' R.O.W.)
STAR GARNET
(60' R.O.W.)
LIMESTONE
CREEK WAY
(60' R.O.W.)
FIRST TRACT:
CALLED 134.02 AC.

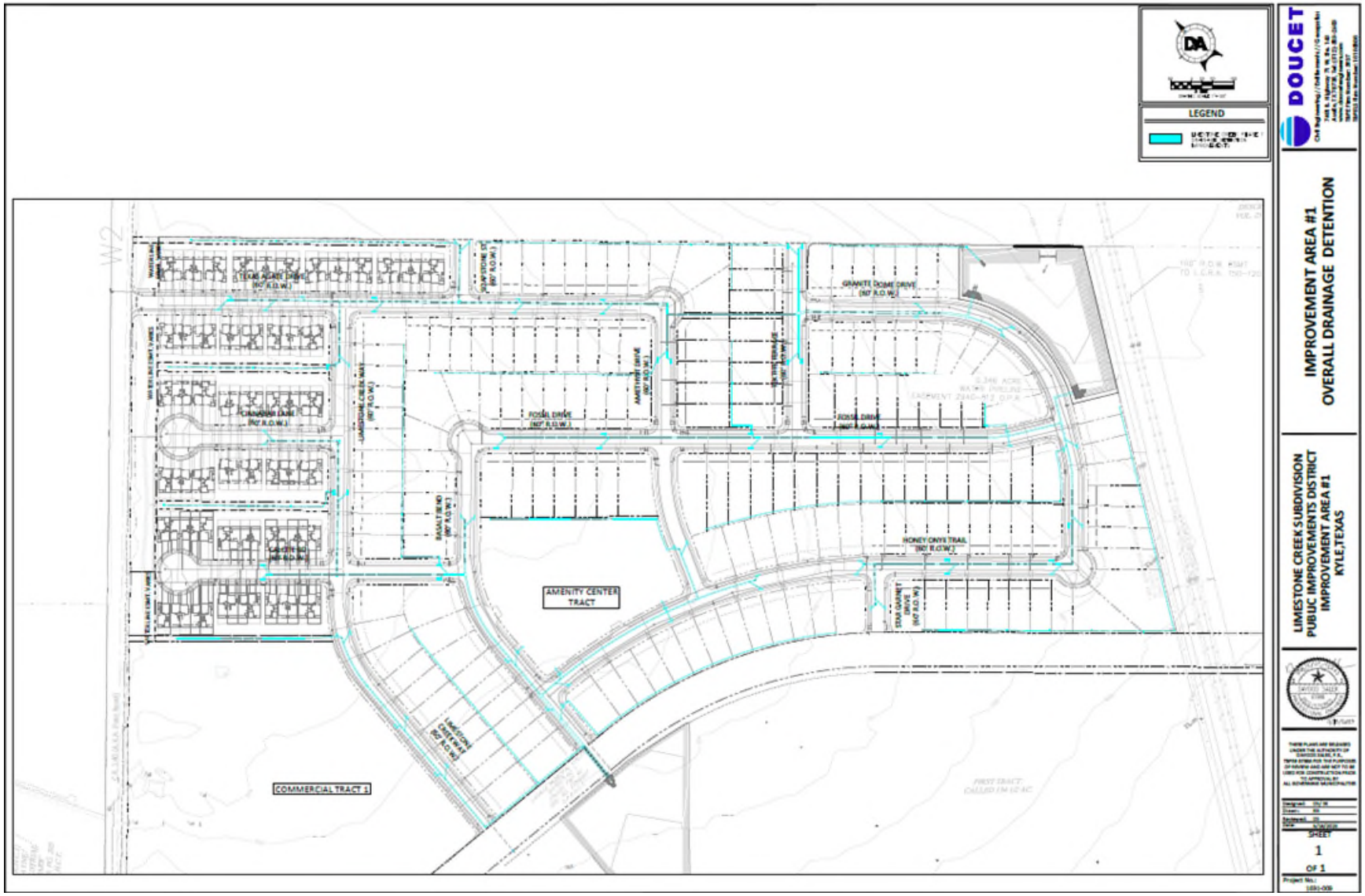
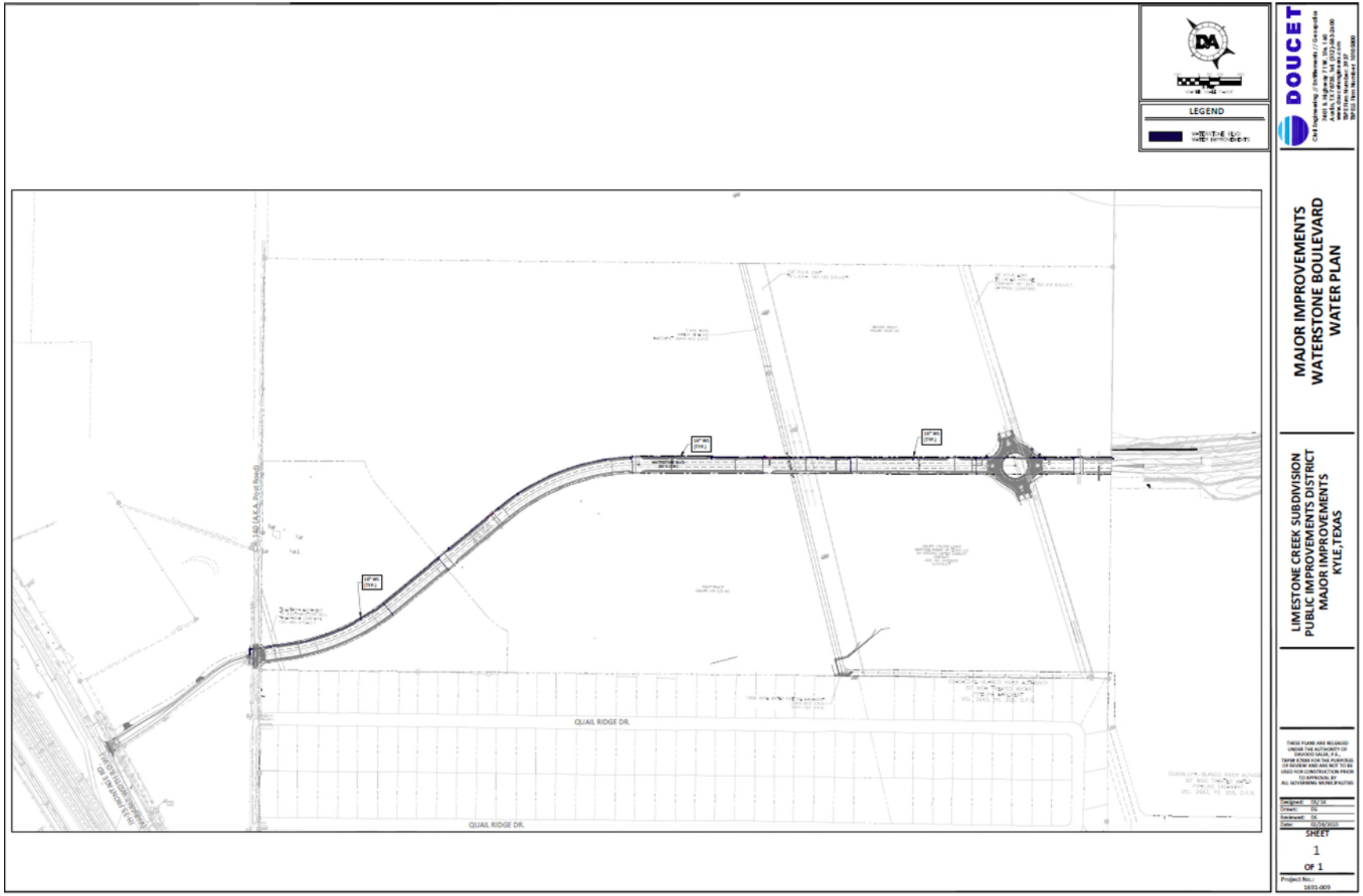
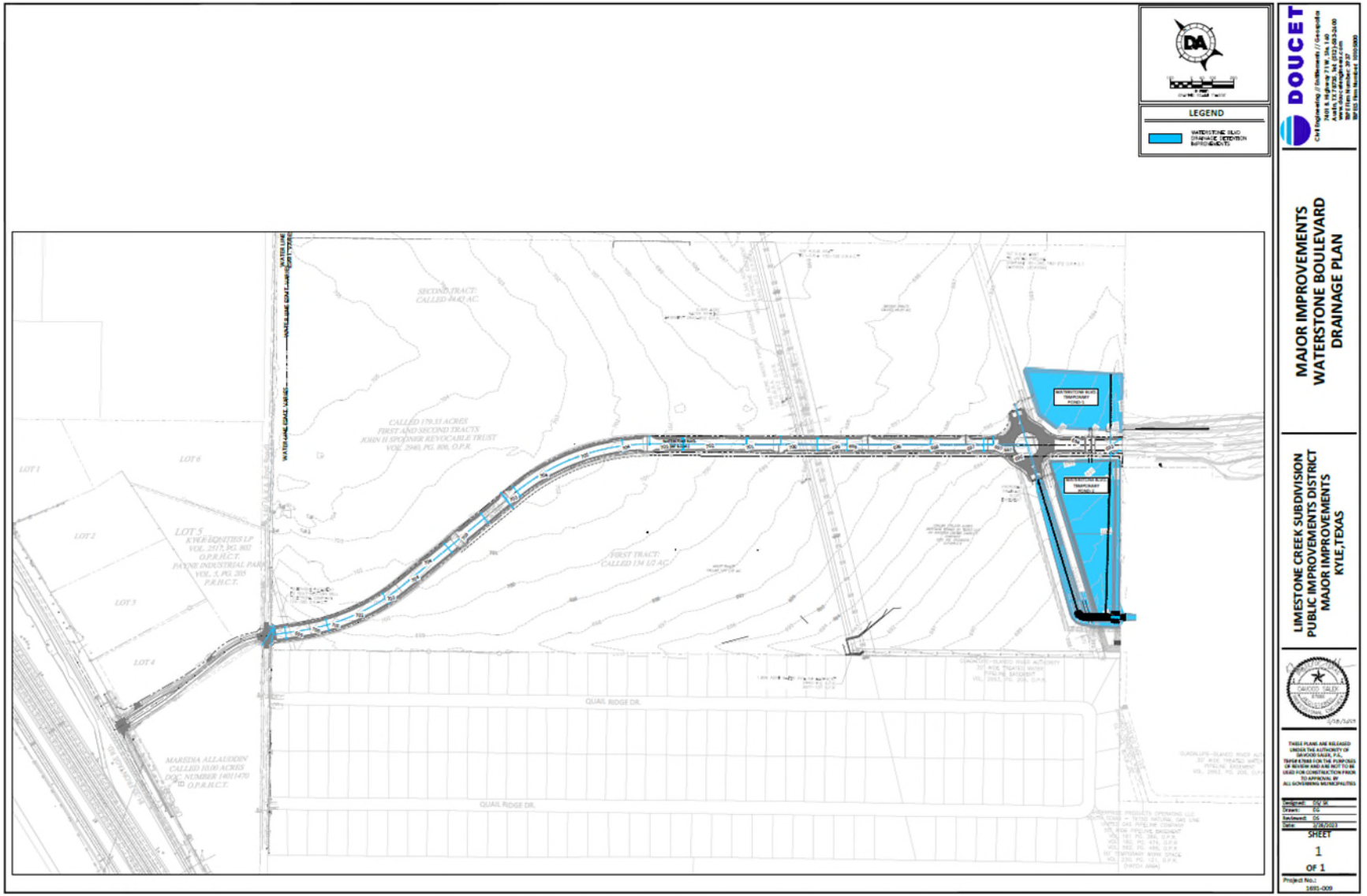

LEGEND
DOUCET
IMPROVEMENT AREA #1
OVERALL DRAINAGE DETENTION
LIMESTONE CREEK SUBDIVISION
PUBLIC IMPROVEMENTS DISTRICT
IMPROVEMENT AREA #1
KYLE, TEXAS
SHEET
1
OF 1
AMENITY CENTER TRACT
COMMERCIAL TRACT 1
FOSSIL DRIVE
GRANITE DOME DRIVE
HONEY ONYX TRAIL

EXHIBIT K – MAPS OF MAJOR IMPROVEMENTS




LEGEND
DOUCET
MAJOR IMPROVEMENTS
WATERSTONE BOULEVARD
WATER PLAN
LIMESTONE CREEK SUBDIVISION
PUBLIC IMPROVEMENTS DISTRICT
MAJOR IMPROVEMENTS
KYLE,TEXAS
SHEET
1
OF 1
QUAIL RIDGE DR.
QUAIL RIDGE DR.


LEGEND
DOUCET
MAJOR IMPROVEMENTS
WATERSTONE BOULEVARD
WASTEWATER PLAN
LIMESTONE CREEK SUBDIVISION
PUBLIC IMPROVEMENTS DISTRICT
MAJOR IMPROVEMENTS
KYLE,TEXAS
SHEET
1
OF 1
QUAIL RIDGE DR.
QUAIL RIDGE DR.


LEGEND
DOUCET
MAJOR IMPROVEMENTS
WATERSTONE BOULEVARD
DRAINAGE PLAN
LIMESTONE CREEK SUBDIVISION
PUBLIC IMPROVEMENTS DISTRICT
MAJOR IMPROVEMENTS
KYLE, TEXAS
SHEET
1
OF 1
QUAIL RIDGE DR.


DOUCET
MAJOR IMPROVEMENTS
WATERSTONE BOULEVARD
LANDSCAPING PLAN
LIMESTONE CREEK SUBDIVISION
PUBLIC IMPROVEMENTS DISTRICT
MAJOR IMPROVEMENTS
KYLE, TEXAS
SHEET
1
OF 1
160 (AKA Post Road)
QUAIL RIDGE DR.
QUAIL RIDGE DR.

EXHIBIT L – LOT TYPE CLASSIFICATION MAP



Land Use Summary

	UNITS	
50' x 120' Residential	463 units	
Townhome Residential	216 units	
Residential Sub-Total:	679 units	
Approximate Gross Site Area:	179.2	acres
Approximate Gross Density:	3.8	du./ac.
Commercial	16.4	acres
Major Right-of-Way	7.9	acres
Detention/Drainage Channels	6.7	acres
Easements	11.7	acres
Approximate Net Site Area:	136.2	acres
Approximate Net Density:	5.0	du./ac.

Phasing Summary

	PHASE 1	PHASE 2	PHASE 3	PHASE 4
50' x 120' Residential	179 units	70 units	100 units	114 units
Townhome Residential	94 units	122 units		
Total	273 units	192 units	100 units	114 units

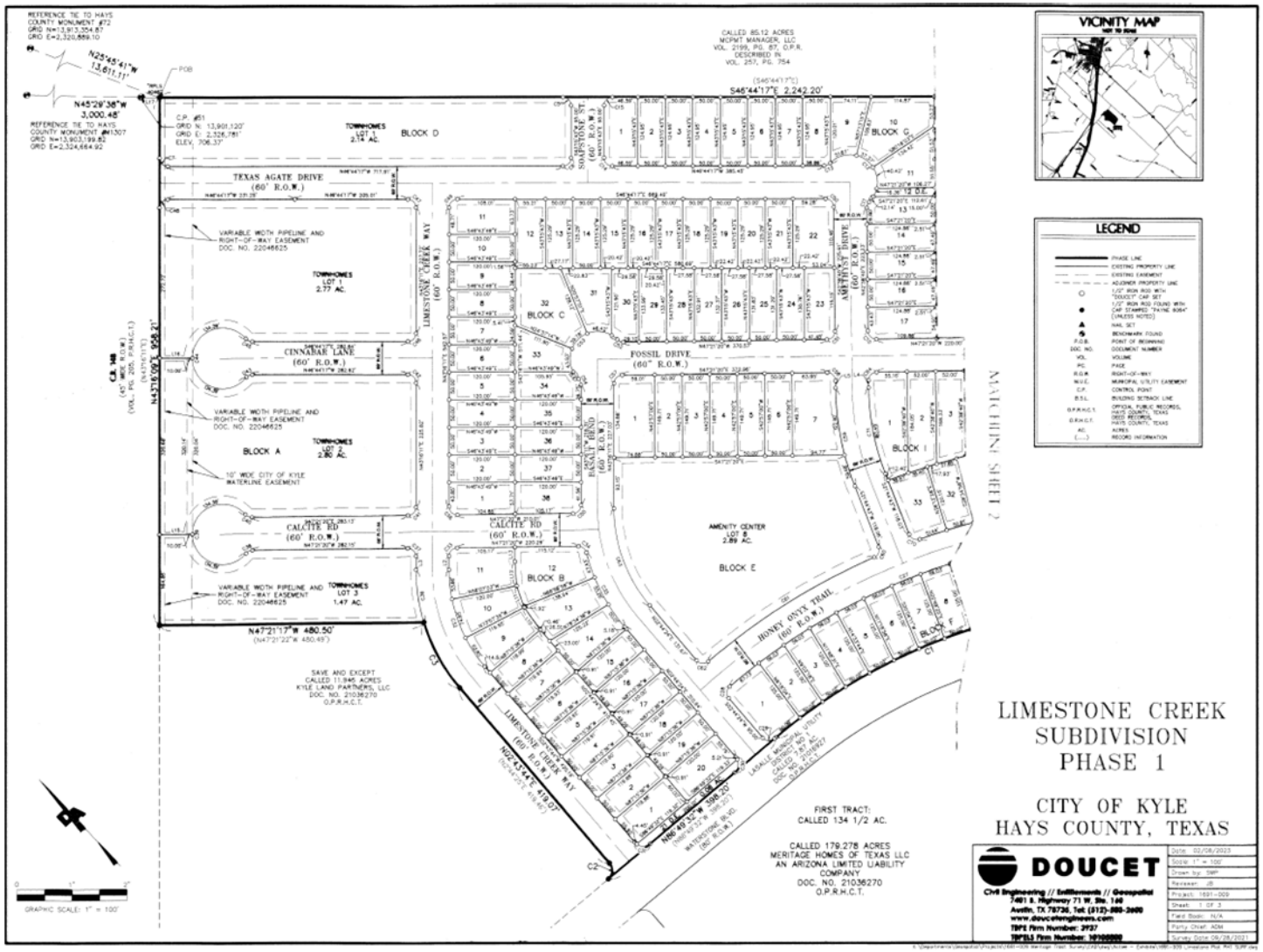
SEC Planning, LLC
Land Planning + Landscape Architecture + Community Branding
AUSTIN, TEXAS

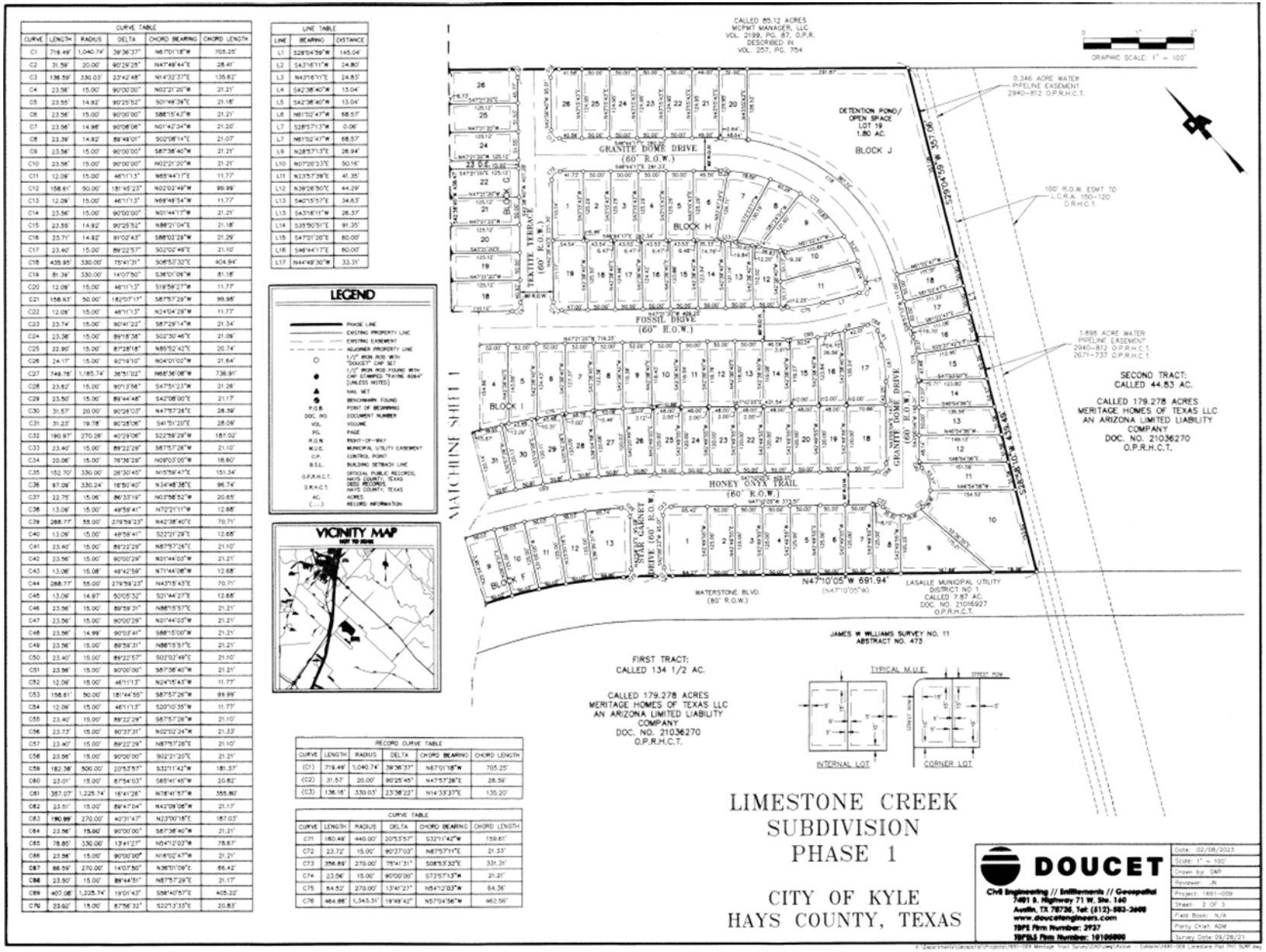
LOTTING J
WATERSTONE CROSSING
KYLE, TEXAS

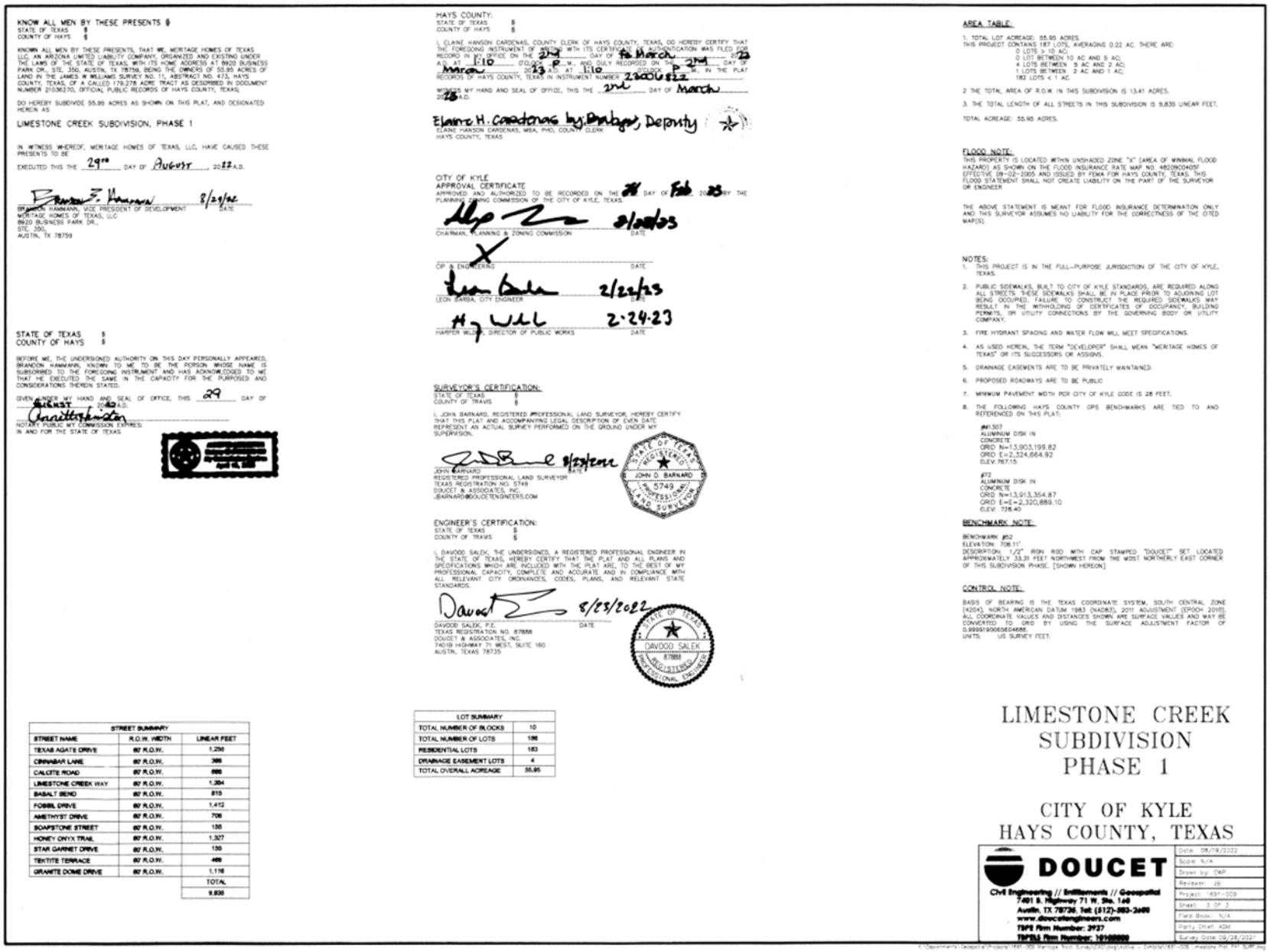
North
Scale: 1" = 300'
Date: March 14, 2024

Base mapping compiled from best available information. All map data should be considered as preliminary, in need of verification, and subject to change. This land plan is conceptual in nature and does not represent any regulatory approval. Plan is subject to change.

EXHIBIT M-1 - IMPROVEMENT AREA #1 PHASE 1 FINAL PLAT




LIMESTONE CREEK SUBDIVISION PHASE 1
CITY OF KYLE HAYS COUNTY, TEXAS
DOUCET
LEGEND
VICINITY MAP
GRANITE DOME DRIVE (60' R.O.W.)
FOSSIL DRIVE (60' R.O.W.)
HONEY ONYX TRAIL (60' R.O.W.)
TEXTITE TERRACE (60' R.O.W.)
BLOCK H
BLOCK J
BLOCK I
BLOCK F
DETENTION POND/ OPEN SPACE LOT 19 1.80 AC.
SECOND TRACT: CALLED 44.83 AC.
CALLED 179.278 ACRES MERITAGE HOMES OF TEXAS LLC AN ARIZONA LIMITED LIABILITY COMPANY DOC. NO. 21036270 O.P.R.H.C.T.
FIRST TRACT: CALLED 134 1/2 AC.
JAMES W. WILLIAMS SURVEY NO. 11 ABSTRACT NO. 473
WATERSTONE BLVD. (80' R.O.W.)
LASALLE MUNICIPAL UTILITY DISTRICT NO. 1 CALLED 7.87 AC. DOC. NO. 21016927 O.P.R.H.C.T.
N47°10'05"W 691.94'
S42°49'55"E 357.06'
0.346 ACRE WATER PIPELINE EASEMENT 2940-812 O.P.R.H.C.T.
1.896 ACRE WATER PIPELINE EASEMENT 2940-812 O.P.R.H.C.T. 2671-737 O.P.R.H.C.T.
100' R.O.W. ESMT TO L.C.R.A. 150-120 O.R.H.C.T.
TYPICAL M.U.E.
INTERNAL LOT
CORNER LOT
MATCHLINE SHEET 1
CALLED 65.12 ACRES MCPMT MANAGER, LLC VOL. 2199, PG. 87, O.P.R. DESCRIBED IN VOL. 257, PG. 754



KNOW ALL MEN BY THESE PRESENTS §
STATE OF TEXAS §
COUNTY OF HAYS §

KNOWN ALL MEN BY THESE PRESENTS, THAT WE, HERITAGE HOMES OF TEXAS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF TEXAS, WITH ITS HOME ADDRESS AT 8920 BUSINESS PARK DR., STE. 350, AUSTIN, TX 78759, BEING THE OWNERS OF 55.95 ACRES OF LAND IN THE JAMES W WILLIAMS SURVEY NO. 11, ABSTRACT NO. 473, HAYS COUNTY, TEXAS, OF A CALLED 179.278 ACRE TRACT AS DESCRIBED IN DOCUMENT NUMBER 21036270, OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS;

DO HEREBY SUBDIVIDE 55.95 ACRES AS SHOWN ON THIS PLAT, AND DESIGNATED HEREIN AS

LIMESTONE CREEK SUBDIVISION, PHASE 1

IN WITNESS WHEREOF, HERITAGE HOMES OF TEXAS, LLC, HAVE CAUSED THESE PRESENTS TO BE

EXECUTED THIS THE 29th DAY OF August, 2022 A.D.

BRANDON HAMMANN, VICE PRESIDENT OF DEVELOPMENT — DATE 8/29/22
HERITAGE HOMES OF TEXAS, LLC
8920 BUSINESS PARK DR.,
STE. 350,
AUSTIN, TX 78759

STATE OF TEXAS §
COUNTY OF HAYS §

BEFORE ME, THE UNDERSIGNED AUTHORITY ON THIS DAY PERSONALLY APPEARED, BRANDON HAMMANN, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT AND HAS ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN THE CAPACITY FOR THE PURPOSED AND CONSIDERATIONS THEREIN STATED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS 29 DAY OF AUGUST 2022 A.D.

NOTARY PUBLIC MY COMMISSION EXPIRES:
IN AND FOR THE STATE OF TEXAS

HAYS COUNTY:
STATE OF TEXAS §
COUNTY OF HAYS §

I, ELAINE HANSON CARDENAS, COUNTY CLERK OF HAYS COUNTY, TEXAS, DO HEREBY CERTIFY THAT THE FOREGOING INSTRUMENT OF WRITING WITH ITS CERTIFICATION WAS FILED FOR RECORD IN MY OFFICE ON THE 2nd DAY OF March 2023 A.D. AT 1:10 O'CLOCK P M., AND DULY RECORDED ON THE 2nd DAY OF March 2023 A.D. AT 1:10 O'CLOCK P M., IN THE PLAT RECORDS OF HAYS COUNTY, TEXAS IN INSTRUMENT NUMBER 23006822

WITNESS MY HAND AND SEAL OF OFFICE, THIS THE 2nd DAY OF March 2023 A.D.

Elaine H. Cardenas by Brittany, Deputy

ELAINE HANSON CARDENAS, MBA, PHD, COUNTY CLERK
HAYS COUNTY, TEXAS

CITY OF KYLE
APPROVAL CERTIFICATE
APPROVED AND AUTHORIZED TO BE RECORDED ON THE 28 DAY OF Feb 2023 BY THE PLANNING ZONING COMMISSION OF THE CITY OF KYLE, TEXAS.

CHAIRMAN, PLANNING & ZONING COMMISSION — DATE 2/28/23

DP & ENGINEERING — DATE

LEON BARBA, CITY ENGINEER — DATE 2/24/23

HARPER WILDER, DIRECTOR OF PUBLIC WORKS — DATE 2.24.23

SURVEYOR'S CERTIFICATION:
STATE OF TEXAS §
COUNTY OF TRAVIS §

I, JOHN BARNARD, REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT THIS PLAT AND ACCOMPANYING LEGAL DESCRIPTION OF EVEN DATE REPRESENT AN ACTUAL SURVEY PERFORMED ON THE GROUND UNDER MY SUPERVISION.

JOHN BARNARD — DATE 8/25/2022
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5749
DOUCET & ASSOCIATES, INC.
JBARNARD@DOUCETENGINEERS.COM

STATE OF TEXAS · JOHN D. BARNARD · 5749 · REGISTERED · PROFESSIONAL · LAND SURVEYOR

ENGINEER'S CERTIFICATION:
STATE OF TEXAS §
COUNTY OF TRAVIS §

I, DAVOOD SALEK, THE UNDERSIGNED, A REGISTERED PROFESSIONAL ENGINEER IN THE STATE OF TEXAS, HEREBY CERTIFY THAT THE PLAT AND ALL PLANS AND SPECIFICATIONS WHICH ARE INCLUDED WITH THE PLAT ARE, TO THE BEST OF MY PROFESSIONAL CAPACITY, COMPLETE AND ACCURATE AND IN COMPLIANCE WITH ALL RELEVANT CITY ORDINANCES, CODES, PLANS, AND RELEVANT STATE STANDARDS.

DAVOOD SALEK, P.E. — DATE 8/25/2022
TEXAS REGISTRATION NO. 87888
DOUCET & ASSOCIATES, INC.
7401B HIGHWAY 71 WEST, SUITE 160
AUSTIN, TEXAS 78735

STATE OF TEXAS · DAVOOD SALEK · 87888 · REGISTERED · PROFESSIONAL · ENGINEER

AREA TABLE:

1. TOTAL LOT ACREAGE: 55.95 ACRES.
THIS PROJECT CONTAINS 187 LOTS, AVERAGING 0.22 AC. THERE ARE:
0 LOTS > 10 AC;
0 LOT BETWEEN 10 AC AND 5 AC;
4 LOTS BETWEEN 5 AC AND 2 AC;
1 LOTS BETWEEN 2 AC AND 1 AC;
182 LOTS < 1 AC.

2. THE TOTAL AREA OF R.O.W. IN THIS SUBDIVISION IS 13.41 ACRES.

3. THE TOTAL LENGTH OF ALL STREETS IN THIS SUBDIVISION IS 9,835 LINEAR FEET.

TOTAL ACREAGE: 55.95 ACRES.

FLOOD NOTE:
THIS PROPERTY IS LOCATED WITHIN UNSHADED ZONE "X" (AREA OF MINIMAL FLOOD HAZARD) AS SHOWN ON THE FLOOD INSURANCE RATE MAP NO. 48209C0405F (EFFECTIVE 09-02-2005 AND ISSUED BY FEMA FOR HAYS COUNTY, TEXAS). THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF THE SURVEYOR OR ENGINEER.

THE ABOVE STATEMENT IS MEANT FOR FLOOD INSURANCE DETERMINATION ONLY AND THIS SURVEYOR ASSUMES NO LIABILITY FOR THE CORRECTNESS OF THE OTED MAP(S).

NOTES:
1. THIS PROJECT IS IN THE FULL-PURPOSE JURISDICTION OF THE CITY OF KYLE, TEXAS.
2. PUBLIC SIDEWALKS, BUILT TO CITY OF KYLE STANDARDS, ARE REQUIRED ALONG ALL STREETS. THESE SIDEWALKS SHALL BE IN PLACE PRIOR TO ADJOINING LOT BEING OCCUPIED. FAILURE TO CONSTRUCT THE REQUIRED SIDEWALKS MAY RESULT IN THE WITHHOLDING OF CERTIFICATES OF OCCUPANCY, BUILDING PERMITS, OR UTILITY CONNECTIONS BY THE GOVERNING BODY OR UTILITY COMPANY.
3. FIRE HYDRANT SPACING AND WATER FLOW WILL MEET SPECIFICATIONS.
4. AS USED HEREIN, THE TERM "DEVELOPER" SHALL MEAN "HERITAGE HOMES OF TEXAS" OR ITS SUCCESSORS OR ASSIGNS.
5. DRAINAGE EASEMENTS ARE TO BE PRIVATELY MAINTAINED.
6. PROPOSED ROADWAYS ARE TO BE PUBLIC
7. MINIMUM PAVEMENT WIDTH PER CITY OF KYLE CODE IS 28 FEET.
8. THE FOLLOWING HAYS COUNTY GPS BENCHMARKS ARE TIED TO AND REFERENCED ON THIS PLAT:

#1307
ALUMINUM DISK IN CONCRETE
GRID N=13,903,199.82
GRID E=2,324,664.92
ELEV 787.15

#72
ALUMINUM DISK IN CONCRETE
GRID N=13,913,354.87
GRID E=E=2,320,889.10
ELEV. 728.40

BENCHMARK NOTE:

BENCHMARK #52
ELEVATION: 706.11'
DESCRIPTION: 1/2" IRON ROD WITH CAP STAMPED "DOUCET" SET, LOCATED APPROXIMATELY 33.31 FEET NORTHWEST FROM THE MOST NORTHERLY EAST CORNER OF THIS SUBDIVISION PHASE. [SHOWN HEREON]

CONTROL NOTE:

BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NORTH AMERICAN DATUM 1983 (NAD83), 2011 ADJUSTMENT (EPOCH 2010). ALL COORDINATE VALUES AND DISTANCES SHOWN ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY USING THE SURFACE ADJUSTMENT FACTOR OF 0.99991900650046B6.
UNITS: US SURVEY FEET.

STREET SUMMARY		
STREET NAME	R.O.W. WIDTH	LINEAR FEET
TEXAS AGATE DRIVE	60' R.O.W.	1,256
CINNABAR LANE	60' R.O.W.	366
CALCITE ROAD	60' R.O.W.	666
LIMESTONE CREEK WAY	60' R.O.W.	1,304
BASALT BEND	60' R.O.W.	815
FOSSIL DRIVE	60' R.O.W.	1,412
AMETHYST DRIVE	60' R.O.W.	706
SOAPSTONE STREET	60' R.O.W.	155
HONEY ONYX TRAIL	60' R.O.W.	1,327
STAR GARNET DRIVE	60' R.O.W.	150
TEKTITE TERRACE	60' R.O.W.	466
GRANITE DOME DRIVE	60' R.O.W.	1,116
	TOTAL	9,835

LOT SUMMARY	
TOTAL NUMBER OF BLOCKS	10
TOTAL NUMBER OF LOTS	186
RESIDENTIAL LOTS	183
DRAINAGE EASEMENT LOTS	4
TOTAL OVERALL ACREAGE	55.95

LIMESTONE CREEK SUBDIVISION PHASE 1

CITY OF KYLE
HAYS COUNTY, TEXAS

DOUCET
Civil Engineering // Surveying // Geospatial
7401 B. Highway 71 W. Ste. 160
Austin, TX 78735 Tel: (512)-583-2600
www.doucetengineers.com
TBPE Firm Number: 3937
TBPLS Firm Number: 10105800

Date:	08/19/2022
Scale:	N/A
Drawn by:	DMP
Reviewer:	JB
Project:	1491-009
Sheet:	3 OF 3
Field Book:	N/A
Party Chief:	ADM
Survey Date:	08/25/2022

EXHIBIT M-2 - CONDOMINIUM PLAT AND PLANS FROM DECLARATION OF CONDOMINIUM REGIME

ATTACHMENT 1

CONDOMINIUM PLAT AND PLANS

The plat and plans, attached hereto as Attachment 1 contains the information required by the Texas Uniform Condominium Act.

Printed Name: John Barnard
RPLS or License No. 5749

BOUNDARIES OF UNITS

The legal boundaries of each Unit are established by the Declarant and the plat and plans attached hereto. However, each Owner acknowledges that the Unit may be measured and depicted in a manner which differs from the legal boundaries of a Unit. For example, the Unit may be measured or depicted differently for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air-conditioned space, or the area within the Unit's legal boundaries. The Unit's partition wall cavities and/or its perimeter wall cavities may or may not be included. The Unit's garage area, attic area, and/or patio space may or may not be included.

SEE NEXT PAGE FOR ORIGINAL CERTIFICATION

WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
CITY OF KYLE, HAYS COUNTY, TEXAS

NOTES:

1. BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD 83 (2011), EPOCH 2010. ALL DISTANCES SHOWN ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID USING THE SURFACE ADJUSTMENT FACTOR OF 0.99991900560.
2. UNITS: US SURVEY FEET.
3. TERMS USED, BUT NOT DEFINED HEREIN SHALL HAVE THE MEANING SUBSCRIBED TO SUCH TERMS IN THAT CERTAIN DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME FOR WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM (THE "DECLARATION").
4. ALL IMPROVEMENTS AND LAND REFLECTED ON THE PLAT ARE DESIGNATED AS GENERAL COMMON ELEMENTS, SAVE AND EXCEPT PORTIONS OF THE REGIME DESIGNATED AS LIMITED COMMON ELEMENTS OR UNITS: (I) IN THE DECLARATION; OR (II) ON THE PLAT AND PLANS.
5. UNITS ARE SUBJECT TO THE RIGHTS AND RESTRICTIONS CONTAINED IN THE DECLARATION.
6. EACH UNIT, BUILDING, LIMITED COMMON ELEMENT AND GENERAL COMMON ELEMENT ARE SUBJECT TO DEVELOPMENT RIGHTS AND OTHER RIGHTS RESERVED BY THE DECLARANT IN THE DECLARATION, PURSUANT TO SUCH PROVISIONS, AMONG OTHER THINGS, DECLARANT HAS RESERVED THE RIGHT TO (I) COMPLETE OR MAKE IMPROVEMENTS INDICATED ON THE PLAT AND PLANS; (II) EXERCISE ANY DEVELOPMENT RIGHT PERMITTED BY THE ACT AND THE DECLARATION, INCLUDING THE RIGHT(S) TO: (A) ADD REAL PROPERTY TO THE REGIME AND DECLARATION; (B) CREATE UNITS, GENERAL COMMON ELEMENTS, AND LIMITED COMMON ELEMENTS; (C) SUBDIVIDE UNITS OR CONVERT UNITS INTO GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS; AND (D) TO WITHDRAW PROPERTY FROM THE DECLARATION; (III) MAKE THE PROPERTY PART OF A LARGER CONDOMINIUM OR PLANNED COMMUNITY; (IV) USE UNITS OWNED OR LEASED BY DECLARANT AS MODELS, STORAGE AREAS, AND OFFICES FOR THE MARKETING, MANAGEMENT, MAINTENANCE, CUSTOMER SERVICE, CONSTRUCTION, AND THE SALE AND LEASING OF UNITS; (V) USE EASEMENTS THROUGH THE COMMON ELEMENTS FOR THE PURPOSE OF MAKING IMPROVEMENTS WITHIN THE REGIME; AND (VI) APPOINT OR REMOVE ANY DECLARANT-APPOINTED OFFICER OR DIRECTOR OF THE ASSOCIATION DURING THE DECLARANT CONTROL PERIOD (AS DEFINED IN THE DECLARATION). FOR PURPOSES OF PROMOTING, IDENTIFYING, AND MARKETING THE PROPERTY, DECLARANT HAS RESERVED AN EASEMENT AND RIGHT TO PLACE OR INSTALL SIGNS, BANNERS, FLAGS, DISPLAY LIGHTING, POTTED PLANTS, EXTERIOR DECORATIVE ITEMS, SEASONAL DECORATIONS, TEMPORARY WINDOW TREATMENTS, AND SEASONAL LANDSCAPING ON THE PROPERTY, INCLUDING ITEMS AND LOCATIONS THAT ARE PROHIBITED TO OTHER OWNERS. DECLARANT HAS ALSO RESERVED AN EASEMENT AND RIGHT TO MAINTAIN, RELOCATE, REPLACE, OR REMOVE THE ITEMS LISTED IN THE FOREGOING SENTENCE FROM TIME TO TIME. DECLARANT HAS RESERVED AN EASEMENT AND RIGHT OF INGRESS AND EGRESS IN AND THROUGH THE COMMON ELEMENTS (AS DEFINED IN THE DECLARATION) AND UNITS OWNED OR LEASED BY DECLARANT FOR PURPOSES OF CONSTRUCTING, MAINTAINING, MANAGING, AND MARKETING THE PROPERTY, AND FOR DISCHARGING DECLARANT'S OBLIGATIONS UNDER THE ACT AND THE DECLARATION.
7. THE UPPER AND LOWER BOUNDARIES OF EACH UNIT ARE AS DESCRIBED IN THE DECLARATION.

LEGAL DESCRIPTION:
BEING LOTS 1-3, BLOCK A AND LOT 1, BLOCK B, AMENDED PLAT OF LIMESTONE CREEK PHASE 1 SUBDIVISION, A SUBDIVISION IN HAYS COUNTY ACCORDING TO MAP OR PLAT THEREOF RECORDED IN DOCUMENT NUMBER 23027292 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS

VICINITY MAP
NOT TO SCALE



LEGEND

	SUBDIVISION PHASE LINE
	SUBDIVISION LOT LINE
	CONDOMINIUM UNIT LINE
	EXISTING EASEMENT
	ADJOINER PROPERTY LINE
○	1/2" IRON ROD WITH "DOUCET" CAP SET
●	1/2" IRON ROD FOUND WITH CAP STAMPED "PAYNE 6084" [UNLESS NOTED]
△	NAIL SET
	BENCHMARK FOUND
P.O.B.	POINT OF BEGINNING
G.C.E.	GENERAL COMMON ELEMENT
DOC. NO.	DOCUMENT NUMBER
VOL.	VOLUME
PG.	PAGE
R.O.W.	RIGHT-OF-WAY
M.U.E.	MUNICIPAL UTILITY EASEMENT
C.P.	CONTROL POINT
B.S.L.	BUILDING SETBACK LINE
O.P.R.H.C.T.	OFFICIAL PUBLIC RECORDS, HAYS COUNTY, TEXAS
D.R.H.C.T.	DEED RECORDS, HAYS COUNTY, TEXAS
AC.	ACRES
(.....)	RECORD INFORMATION

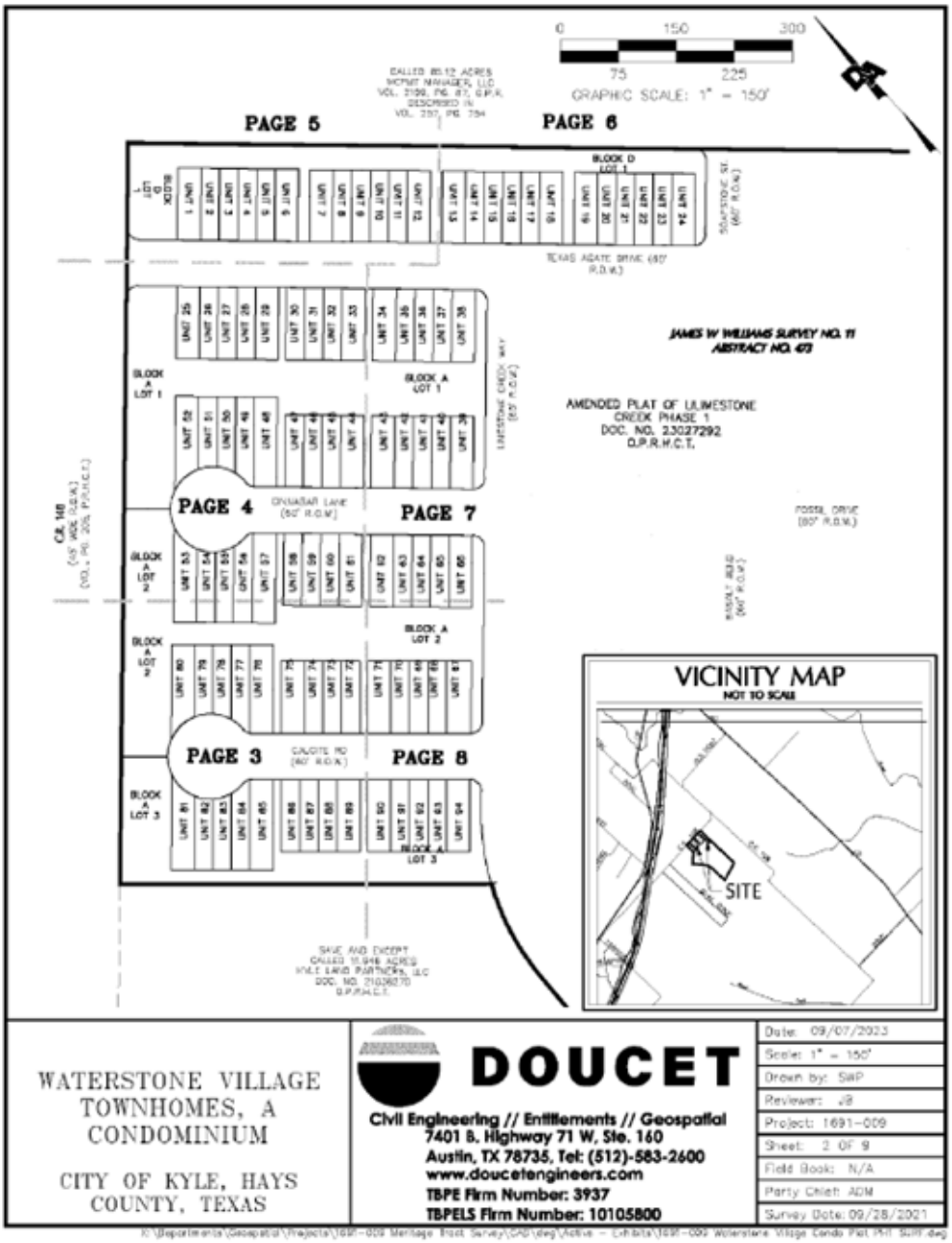
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Civil Engineering // Entitlements // Geospatial
7401 B. Highway 71 W, Ste. 160
Austin, TX 78735, Tel: (512)-583-2600
www.doucetengineers.com
TBPE Firm Number: 3937
TBPELS Firm Number: 10105800

Date:	09/07/2023
Scale:	N/A
Drawn by:	SWP
Reviewer:	JB
Project:	1691-009
Sheet:	1 OF 9
Field Book:	N/A
Party Chief:	ADM
Survey Date:	09/28/2021

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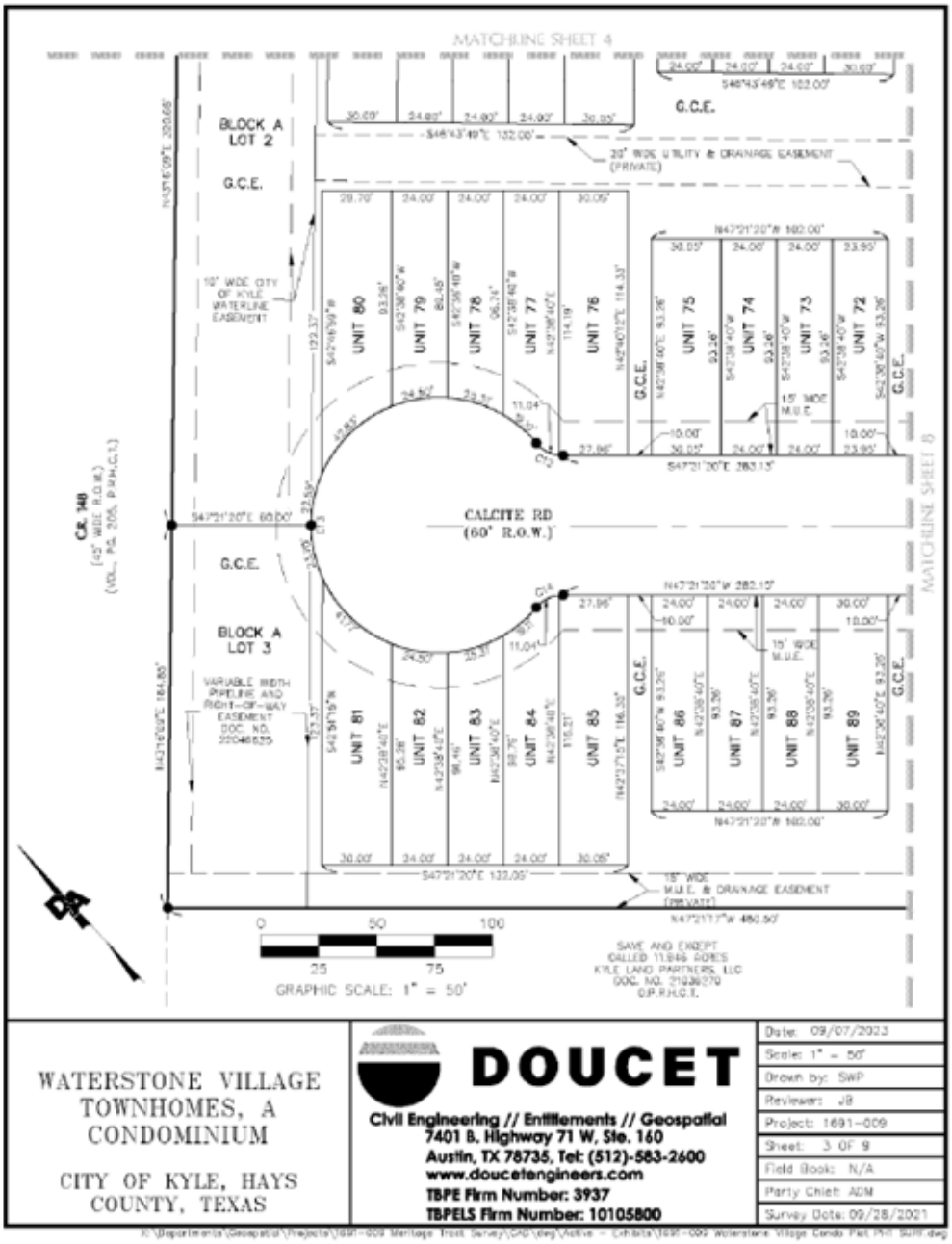
Attachment 1, Page 2 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87



Attachment 1, Page 3 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87



WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM

CITY OF KYLE, HAYS COUNTY, TEXAS

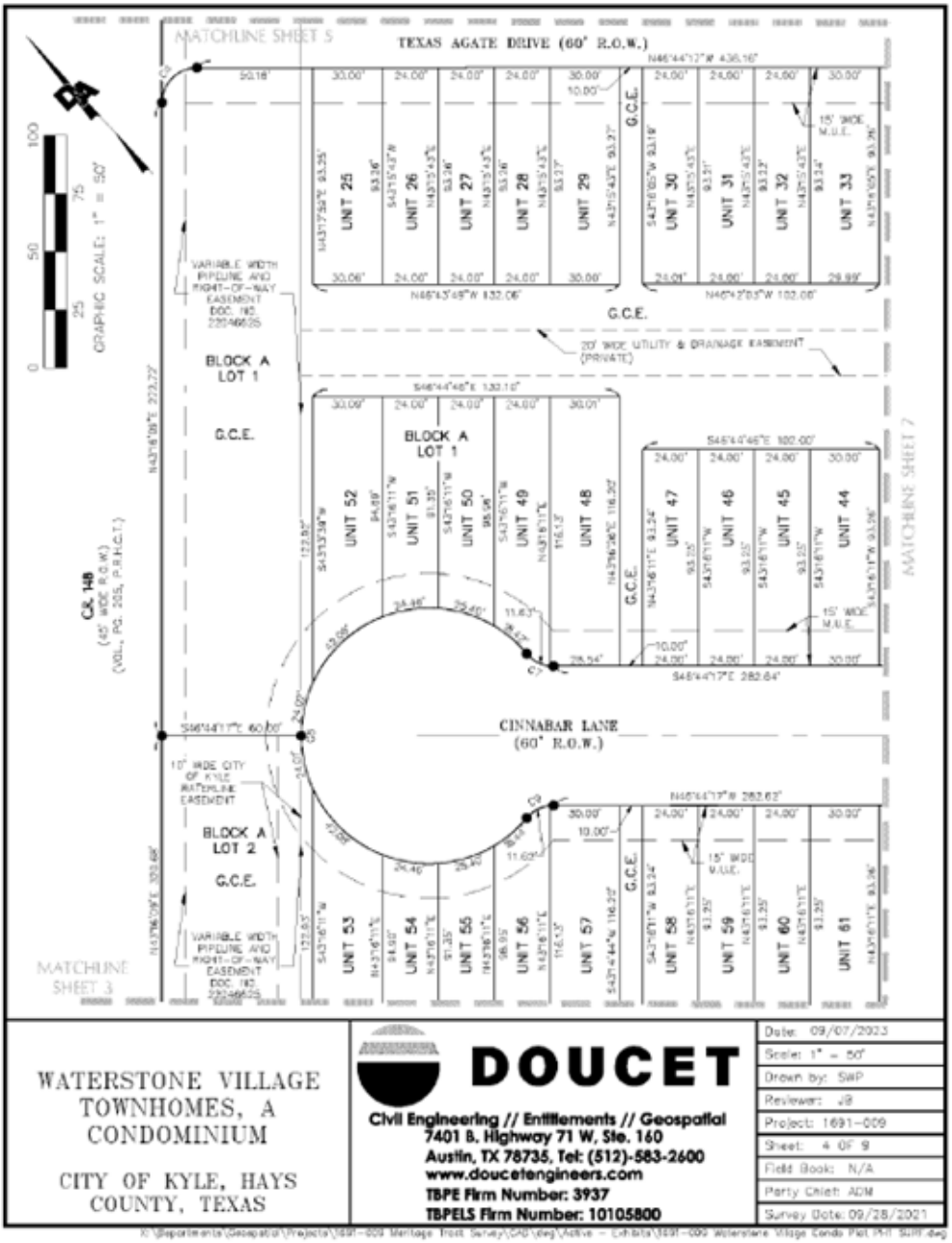
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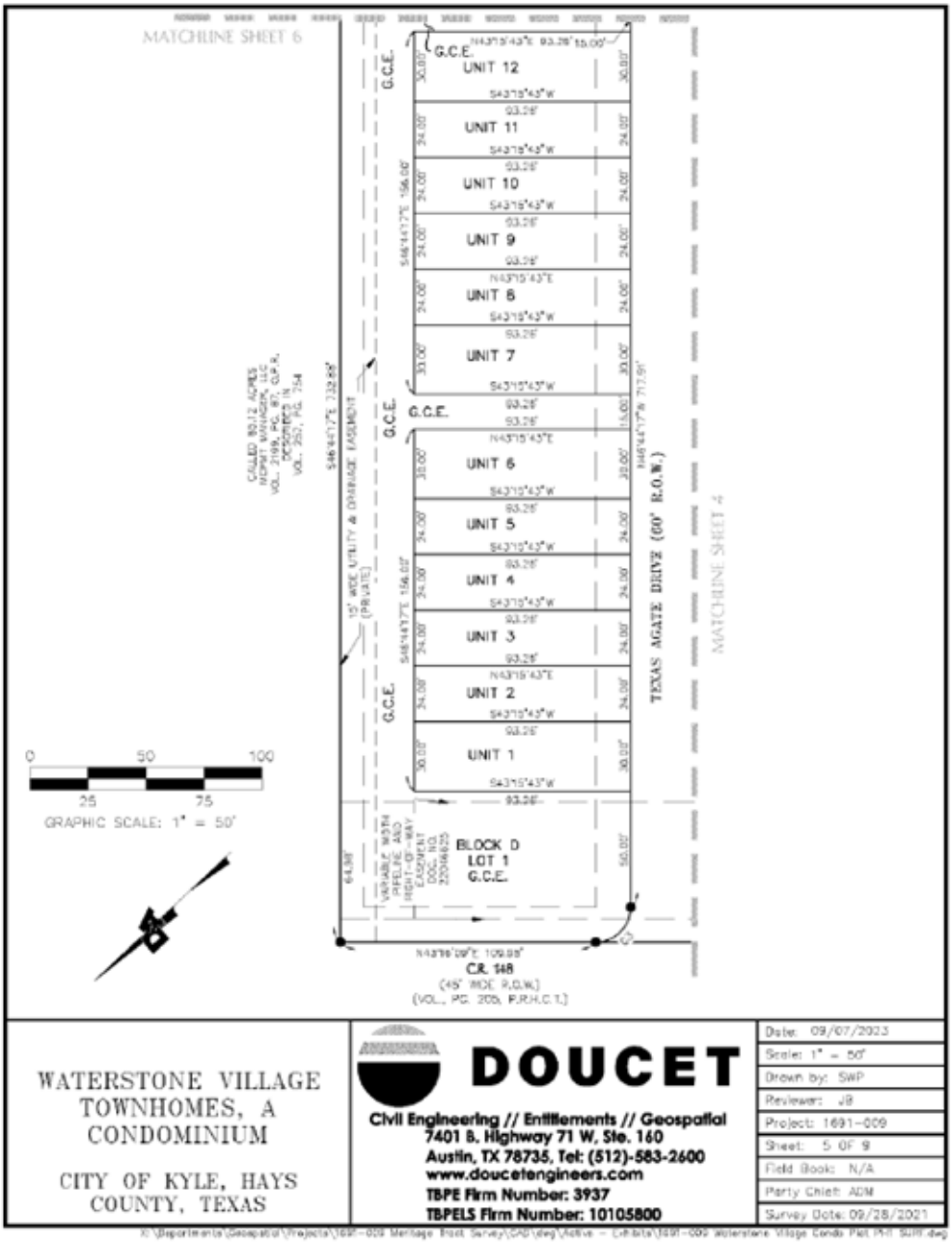
Attachment 1, Page 4 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
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4865-5599-1377v.11 51928-87



Attachment 1, Page 5 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87



WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM

CITY OF KYLE, HAYS COUNTY, TEXAS

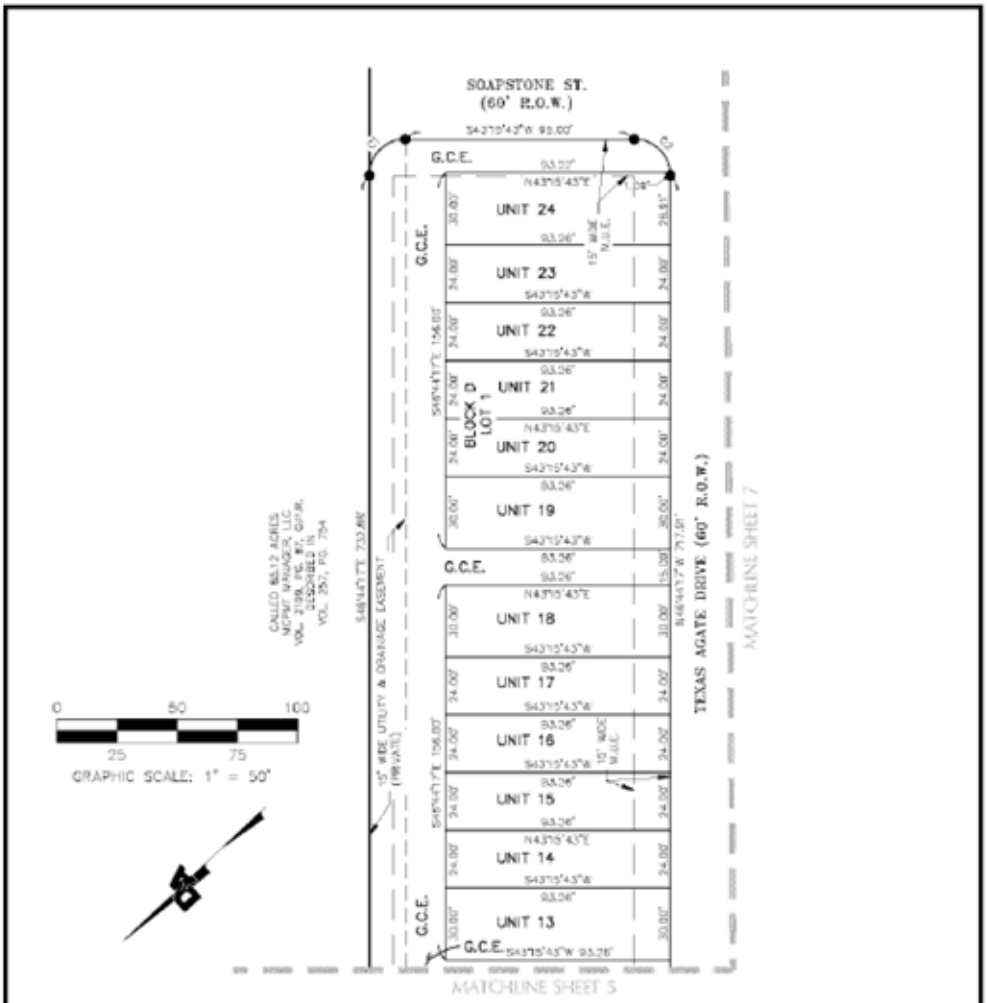
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Attachment 1, Page 6 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87



WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM

CITY OF KYLE, HAYS COUNTY, TEXAS

DOUCET

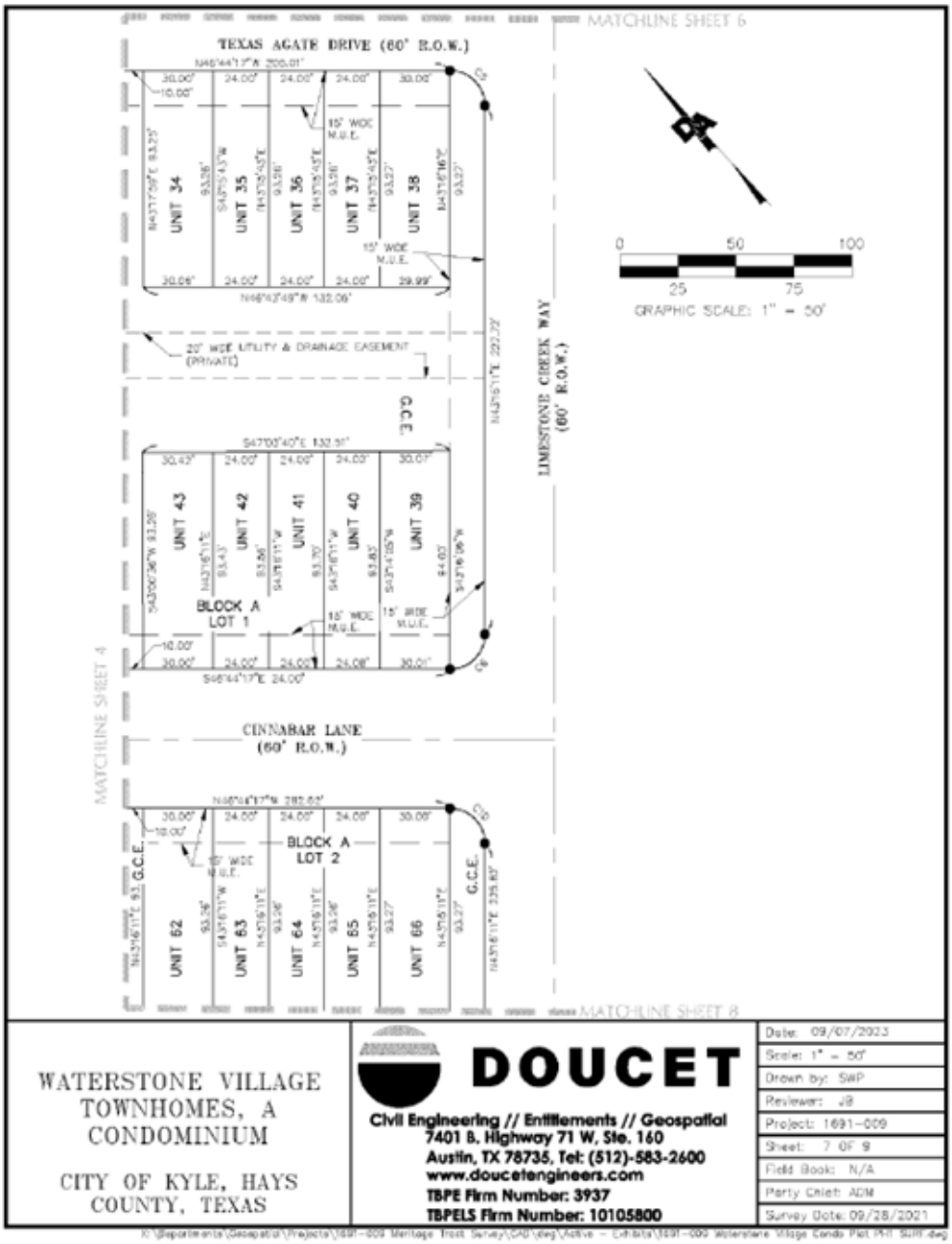
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Field Book:	N/A
Party Chief:	ADM
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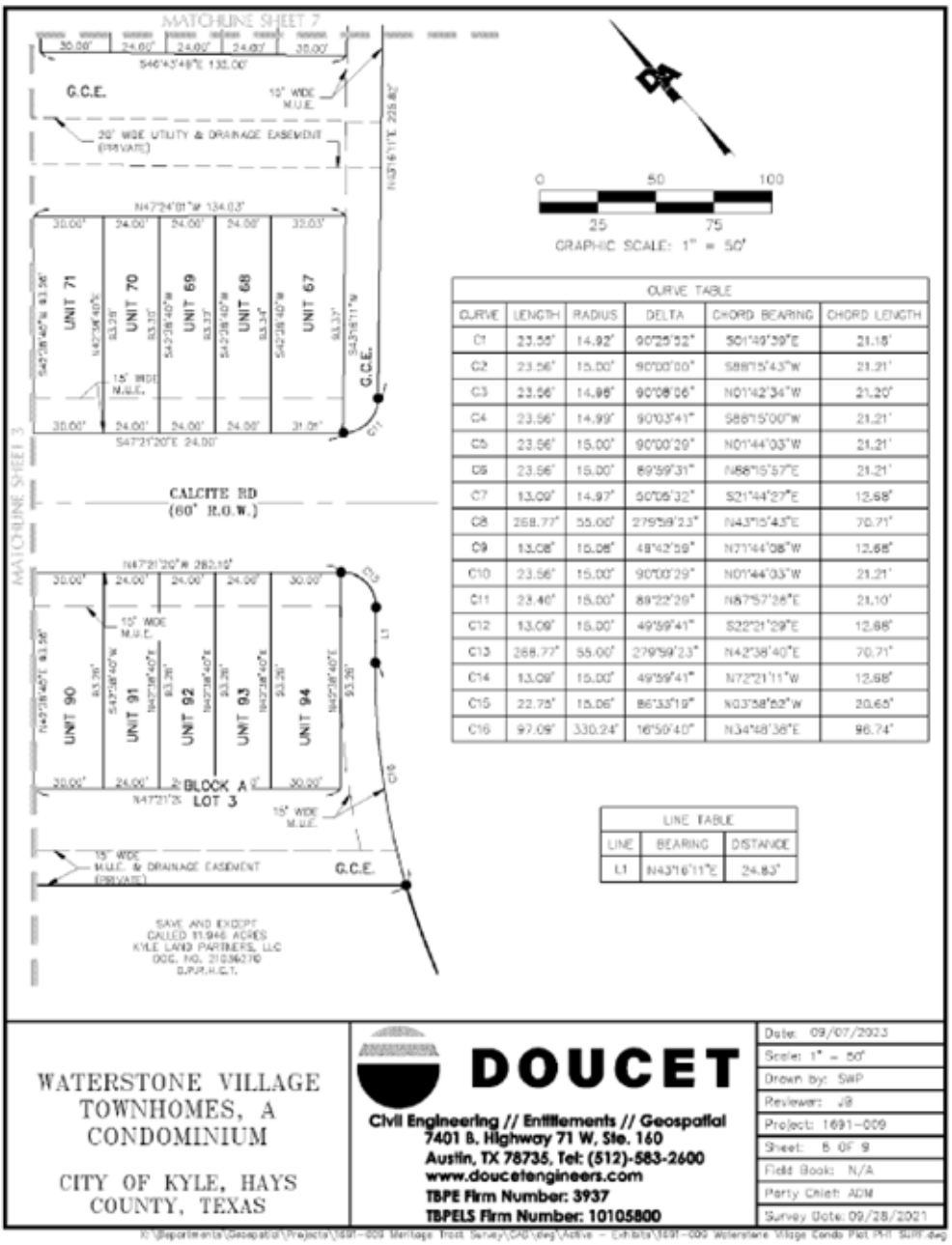
Attachment 1, Page 7 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87



Attachment 1, Page 8 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87



CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD LENGTH
C1	23.55'	14.92'	90°25'22"	S01°49'39"E	21.18'
C2	23.56'	15.00'	90°00'00"	S88°15'43"W	21.21'
C3	23.56'	14.98'	90°08'06"	N01°42'34"W	21.20'
C4	23.56'	14.99'	90°03'41"	S88°15'00"W	21.21'
C5	23.56'	15.00'	90°00'29"	N01°44'03"W	21.21'
C6	23.56'	15.00'	89°59'31"	N88°15'57"E	21.21'
C7	13.09'	14.97'	50°06'32"	S21°44'27"E	12.68'
C8	268.77'	55.00'	279°59'23"	N43°15'43"E	70.71'
C9	13.08'	15.08'	49°42'59"	N71°44'08"W	12.68'
C10	23.56'	15.00'	90°00'29"	N01°44'03"W	21.21'
C11	23.46'	15.00'	89°22'29"	N87°57'28"E	21.10'
C12	13.09'	15.00'	49°59'41"	S22°21'29"E	12.68'
C13	268.77'	55.00'	279°59'23"	N42°38'40"E	70.71'
C14	13.09'	15.00'	49°59'41"	N72°21'11"W	12.68'
C15	22.75'	15.06'	86°33'19"	N03°58'53"W	20.65'
C16	97.09'	330.24'	16°50'40"	N34°48'38"E	96.74'

LINE TABLE

LINE	BEARING	DISTANCE
L1	N43°16'11"E	24.83'

WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM

CITY OF KYLE, HAYS COUNTY, TEXAS

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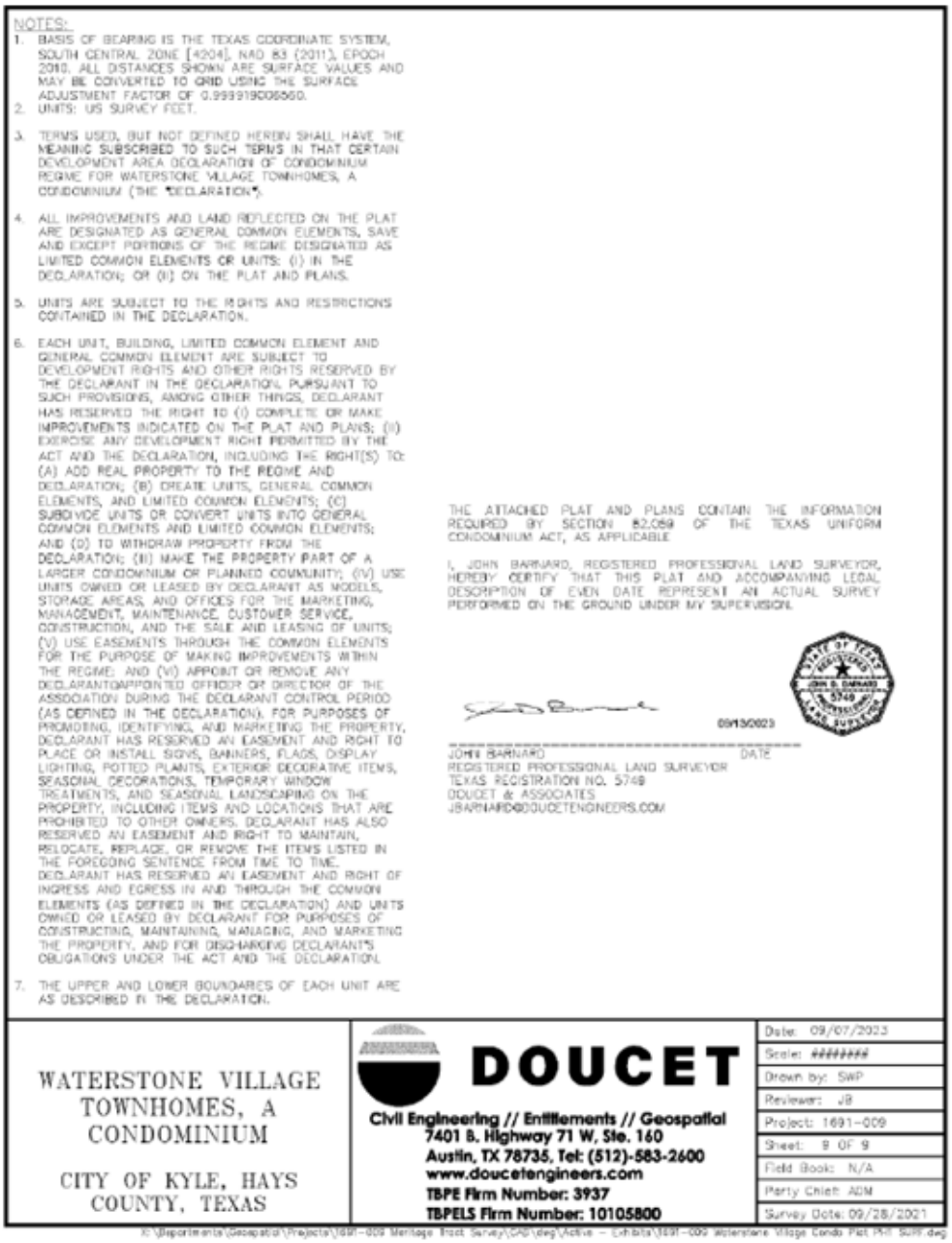
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Attachment 1, Page 9 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87



NOTES:

1. BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD 83 (2011), EPOCH 2010. ALL DISTANCES SHOWN ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID USING THE SURFACE ADJUSTMENT FACTOR OF 0.99991900560.
2. UNITS: US SURVEY FEET.
3. TERMS USED, BUT NOT DEFINED HEREIN SHALL HAVE THE MEANING SUBSCRIBED TO SUCH TERMS IN THAT CERTAIN DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME FOR WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM (THE "DECLARATION").
4. ALL IMPROVEMENTS AND LAND REFLECTED ON THE PLAT ARE DESIGNATED AS GENERAL COMMON ELEMENTS, SAVE AND EXCEPT PORTIONS OF THE REGIME DESIGNATED AS LIMITED COMMON ELEMENTS OR UNITS: (I) IN THE DECLARATION; OR (II) ON THE PLAT AND PLANS.
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6. EACH UNIT, BUILDING, LIMITED COMMON ELEMENT AND GENERAL COMMON ELEMENT ARE SUBJECT TO DEVELOPMENT RIGHTS AND OTHER RIGHTS RESERVED BY THE DECLARANT IN THE DECLARATION. PURSUANT TO SUCH PROVISIONS, AMONG OTHER THINGS, DECLARANT HAS RESERVED THE RIGHT TO (I) COMPLETE OR MAKE IMPROVEMENTS INDICATED ON THE PLAT AND PLANS; (II) EXERCISE ANY DEVELOPMENT RIGHT PERMITTED BY THE ACT AND THE DECLARATION, INCLUDING THE RIGHT(S) TO: (A) ADD REAL PROPERTY TO THE REGIME AND DECLARATION; (B) CREATE UNITS, GENERAL COMMON ELEMENTS, AND LIMITED COMMON ELEMENTS; (C) SUBDIVIDE UNITS OR CONVERT UNITS INTO GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS; AND (D) TO WITHDRAW PROPERTY FROM THE DECLARATION; (III) MAKE THE PROPERTY PART OF A LARGER CONDOMINIUM OR PLANNED COMMUNITY; (IV) USE UNITS OWNED OR LEASED BY DECLARANT AS MODELS, STORAGE AREAS, AND OFFICES FOR THE MARKETING, MANAGEMENT, MAINTENANCE, CUSTOMER SERVICE, CONSTRUCTION, AND THE SALE AND LEASING OF UNITS; (V) USE EASEMENTS THROUGH THE COMMON ELEMENTS FOR THE PURPOSE OF MAKING IMPROVEMENTS WITHIN THE REGIME; AND (VI) APPOINT OR REMOVE ANY DECLARANT-APPOINTED OFFICER OR DIRECTOR OF THE ASSOCIATION DURING THE DECLARANT CONTROL PERIOD (AS DEFINED IN THE DECLARATION). FOR PURPOSES OF PROMOTING, IDENTIFYING, AND MARKETING THE PROPERTY, DECLARANT HAS RESERVED AN EASEMENT AND RIGHT TO PLACE OR INSTALL SIGNS, BANNERS, FLAGS, DISPLAY LIGHTING, POTTED PLANTS, EXTERIOR DECORATIVE ITEMS, SEASONAL DECORATIONS, TEMPORARY WINDOW TREATMENTS, AND SEASONAL LANDSCAPING ON THE PROPERTY, INCLUDING ITEMS AND LOCATIONS THAT ARE PROHIBITED TO OTHER OWNERS. DECLARANT HAS ALSO RESERVED AN EASEMENT AND RIGHT TO MAINTAIN, RELOCATE, REPLACE, OR REMOVE THE ITEMS LISTED IN THE FOREGOING SENTENCE FROM TIME TO TIME. DECLARANT HAS RESERVED AN EASEMENT AND RIGHT OF INGRESS AND EGRESS IN AND THROUGH THE COMMON ELEMENTS (AS DEFINED IN THE DECLARATION) AND UNITS OWNED OR LEASED BY DECLARANT FOR PURPOSES OF CONSTRUCTING, MAINTAINING, MANAGING, AND MARKETING THE PROPERTY, AND FOR DISCHARGING DECLARANT'S OBLIGATIONS UNDER THE ACT AND THE DECLARATION.
7. THE UPPER AND LOWER BOUNDARIES OF EACH UNIT ARE AS DESCRIBED IN THE DECLARATION.

THE ATTACHED PLAT AND PLANS CONTAIN THE INFORMATION REQUIRED BY SECTION 82.059 OF THE TEXAS UNIFORM CONDOMINIUM ACT, AS APPLICABLE.

I, JOHN BARNARD, REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT THIS PLAT AND ACCOMPANYING LEGAL DESCRIPTION OF EVEN DATE REPRESENT AN ACTUAL SURVEY PERFORMED ON THE GROUND UNDER MY SUPERVISION.

09/13/2023

JOHN BARNARD — DATE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5749
DOUCET & ASSOCIATES
JBARNARD@DOUCETENGINEERS.COM

WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM

CITY OF KYLE, HAYS COUNTY, TEXAS

DOUCET

Civil Engineering // Entitlements // Geospatial
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Attachment 1, Page 10 – Condominium Plat and Plans
WATERSTONE VILLAGE TOWNHOMES, A CONDOMINIUM
DEVELOPMENT AREA DECLARATION OF CONDOMINIUM REGIME

4865-5599-1377v.11 51928-87

EXHIBIT N – NOTICE OF PID ASSESSMENT TERMINATION

P3Works, LLC
9284 Huntington Square, Suite 100
North Richland Hills, TX 76182

[Date]
Hays County Clerk's Office
Honorable [County Clerk Name]
712 S Stagecoach Trail #2008
San Marcos, Texas 78666

Re: **City of Kyle Lien Release documents for filing**

Dear Ms./Mr. [County Clerk Name],

Enclosed is a lien release that the City of Kyle is requesting to be filed in your office. Lien release for [insert legal description]. Recording Numbers: [Insert Plat]. Please forward copies of the filed documents below:

City of Kyle
Attn: [City Secretary]
100 W Center St
Kyle, Texas 78640

Please contact me if you have any questions or need additional information.

Sincerely,
[Signature]

Jon Snyder
P: (817)393-0353
admin@p3-works.com

AFTER RECORDING RETURN TO:

[City Secretary Name]
100 W Center St
Kyle, Texas 78640

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN

STATE OF TEXAS	§	
	§	**KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF HAYS	§	

THIS FULL RELEASE OF PUBLIC IMPROVEMENT DISTRICT LIEN (this "Full Release") is executed and delivered as of the Effective Date by the City of Kyle, Texas.

RECITALS

WHEREAS, the governing body (hereinafter referred to as the "City Council") of the City of Kyle, Texas (hereinafter referred to as the "City "), is authorized by Chapter 372, Texas Local Government Code, as amended (hereinafter referred to as the "Act"), to create public improvement districts within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on or about October 18, 2022, the City Council for the City, approved Resolution No. 1327, creating the Limestone Creek Public Improvement District; and

WHEREAS, the Limestone Creek Public Improvement District consists of approximately 161.5 contiguous acres located within the City; and

WHEREAS, on or about _____, ____, the City Council, approved Ordinance No. ____, (hereinafter referred to as the "Assessment Ordinance") approving a service and assessment plan and assessment roll for the Property within the Limestone Creek Public Improvement District; and

WHEREAS, the Assessment Ordinance imposed an assessment in the amount of $_____ (hereinafter referred to as the "Lien Amount") for the following property:

[Insert legal description], a subdivision in Hays County, Texas, according to the map or plat of record in Document/Instrument No. _____ of the Plat Records of Hays County, Texas (hereinafter referred to as the "Property"); and

WHEREAS, the property owners of the Property have paid unto the City the Lien Amount.

RELEASE

NOW THEREFORE, the City, the owner and holder of the Lien, Instrument No. _____, in the Real Property Records of Hays County, Texas, in the amount of the Lien Amount against the Property releases and discharges, and by these presents does hereby release and discharge, the above-described Property from said lien held by the undersigned securing said indebtedness.

EXECUTED to be **EFFECTIVE** this the _____ day of _____, 20__.

CITY OF KYLE, TEXAS,

By: _____
[Name], City Official

ATTEST:

_____
[Secretary Name], City Secretary

STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on the ____ day of _____, ____, by [Manager Name], City Manager for the City of Kyle, Texas, on behalf of said municipality.

_____
Notary Public, State of Texas

EXHIBIT O – ESTIMATED BUILDOUT VALUE OF IMPROVEMENT AREA #1 AND REMAINDER AREA

Lot Size	Units	Estimated Buildout Value Per Unit	Estimated Buildout Value	% of District
Improvement Area #1				
50'	179	$ 425,000	$ 76,075,000	
Townhome	94	$ 325,000	$ 30,550,000	
Total			**$ 106,625,000**	**39.79%**
Remainder Area at Time of Improvement Area #1 Initial Bonds				
50'	284	$ 425,000	$ 120,700,000	
Townhome	125	$ 325,000	$ 40,625,000	
Total			**$ 161,325,000**	**60.21%**
Remainder Area at Time of Improvement Area #1 Additional Bonds				
50'	284	$ 425,000	$ 120,700,000	
Townhome	122	$ 325,000	$ 39,650,000	
Total			**$ 160,350,000**	

EXHIBIT P - TIRZ MAXIMUM ANNUAL CREDIT AMOUNT

Lot Type	Units	Total Assessment by Lot Type [a]	Estimated Buildout Value	TIRZ Maximum Annual Credit
Improvement Area #1				
1	179	$ 10,384,728	$ 76,075,000	$ 863.94 Per Lot
2	94	$ 4,170,272	$ 30,550,000	$ 660.66 Per Lot
Total		**$ 14,555,000**	**$ 106,625,000**	

[a] As of February 1, 2024, the total outstanding Improvement Area #1 Assessment was $15,694.000, of which $7,884,000 was attributable to the Improvement Area #1 Initial Bonds and $7,810,000 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

EXHIBIT Q - MAXIMUM ASSESSMENT

Improvement Area #1																			
Lot Type	Units	Finished Lot Value Per Unit	Total Finished Lot Value	Estimated Buildout Value per Unit	Total Estimated Buildout Value	Total Assessment [a]	Maximum Assessment Per Unit	Finished Lot Value to Lien	Installment Per Unit			Tax Rate Equivalent (No Growth Scenario - 0% Home Price Appreciation)			Tax Rate Equivalent (Growth Scenario - 2% Home Price Appreciation)		
									2025	2039	2053	2025	2039	2053	2025	2039	2053
1	179	$ 92,750	$16,602,250	$ 425,000	$ 76,075,000	$ 10,384,728	$58,015.24	1.60	$3,745.45	$4,905.87	$6,619.50	$ 0.8813	$ 1.1543	$ 1.5575	$0.8640	$0.8577	$0.8771
2	94	$ 75,000	$ 7,050,000	$ 325,000	$ 30,550,000	$ 4,170,272	$44,364.60	1.69	$2,864.17	$3,751.55	$5,061.97	$ 0.8813	$ 1.1543	$ 1.5575	$0.8640	$0.8577	$0.8771
Total/Weighted Average	**273**	**$ 86,638**	**$23,652,250**	**$ 390,568**	**$ 106,625,000**	**$ 14,555,000**	**$53,315.02**	**1.63**	**$3,442.00**	**$4,508.41**	**$6,083.21**	**$ 0.8813**	**$ 1.1543**	**$ 1.5575**	**$0.8640**	**$0.8577**	**$0.8771**

[a] As of February 1, 2024, the total outstanding Improvement Area #1 Assessment was $15,694.000, of which $7,884,000 was attributable to the Improvement Area #1 Initial Bonds and $7,810,000 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

EXHIBIT R – BUYER DISCLOSURES

The following buyer disclosures are found in this Exhibit:

- Lot Type 1
- Lot Type 2

LOT TYPE 1 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____

_____

_____

_____

_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO KYLE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____

PROPERTY ADDRESS

LOT TYPE 1 PRINCIPAL ASSESSMENT: $58,015.24

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Limestone Creek Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF HAYS §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF HAYS §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 1

	Improvement Area #1 Initial Bonds				Improvement Area #1 Additional Bonds						
Annual Installments Due	Principal	Interest [a]	Capitalized Interest	Additional Interest [b]	Principal [c]	Interest [d]	Capitalized Interest	Additional Interest [b]	Annual Collection Costs	TIRZ Annual Credit [e]	Total Annual Installment
1/31/2024	$ -	$ 1,772.58	$ (1,772.58)	$ -	$ -	$ 525.06	$ (525.06)	$ -	$ -	$ -	$ -
1/31/2025	-	1,772.58	-	157.13	87.69	1,562.17	-	-	165.88	-	3,745.45
1/31/2026	15.94	1,772.58	-	157.13	-	1,557.02	-	132.51	169.20	-	3,804.38
1/31/2027	55.80	1,771.83	-	157.05	-	1,557.02	-	132.51	172.58	-	3,846.79
1/31/2028	99.65	1,769.18	-	156.77	7.97	1,557.02	-	132.51	176.03	-	3,899.13
1/31/2029	143.49	1,764.44	-	156.27	47.83	1,556.55	-	132.47	179.55	-	3,980.61
1/31/2030	191.32	1,757.63	-	155.55	87.69	1,553.74	-	132.23	183.14	-	4,061.31
1/31/2031	243.14	1,748.54	-	154.59	135.52	1,548.59	-	131.79	186.81	-	4,148.99
1/31/2032	298.94	1,736.99	-	153.38	183.35	1,540.63	-	131.12	190.54	-	4,234.95
1/31/2033	358.73	1,722.79	-	151.88	235.17	1,529.86	-	130.20	194.35	-	4,322.99
1/31/2034	422.51	1,705.75	-	150.09	290.97	1,516.04	-	129.02	198.24	-	4,412.63
1/31/2035	494.26	1,682.51	-	147.98	354.75	1,498.94	-	127.57	202.21	-	4,508.21
1/31/2036	569.99	1,655.33	-	145.51	422.51	1,478.10	-	125.80	206.25	-	4,603.48
1/31/2037	649.71	1,623.98	-	142.66	494.26	1,453.28	-	123.68	210.37	-	4,697.94
1/31/2038	737.40	1,588.24	-	139.41	573.97	1,424.24	-	121.21	214.58	-	4,799.06
1/31/2039	833.06	1,547.69	-	135.72	661.66	1,390.52	-	118.34	218.87	-	4,905.87
1/31/2040	932.71	1,501.87	-	131.56	749.36	1,351.65	-	115.03	223.25	-	5,005.42
1/31/2041	1,040.33	1,450.57	-	126.89	849.00	1,307.62	-	111.29	227.72	-	5,113.42
1/31/2042	1,155.92	1,393.35	-	121.69	956.62	1,257.75	-	107.04	232.27	-	5,224.64
1/31/2043	1,279.48	1,329.78	-	115.91	1,072.22	1,201.54	-	102.26	236.92	-	5,338.11
1/31/2044	1,407.03	1,259.41	-	109.51	1,195.78	1,138.55	-	96.90	241.65	-	5,448.84
1/31/2045	1,550.53	1,178.50	-	102.48	1,331.30	1,068.30	-	90.92	246.49	-	5,568.51
1/31/2046	1,705.98	1,089.35	-	94.73	1,478.78	990.09	-	84.26	251.42	-	5,694.60
1/31/2047	1,869.40	991.25	-	86.20	1,630.25	903.21	-	76.87	256.44	-	5,813.62
1/31/2048	2,044.78	883.76	-	76.85	1,797.66	807.43	-	68.72	261.57	-	5,940.77
1/31/2049	2,236.11	766.19	-	66.62	1,973.04	701.82	-	59.73	266.81	-	6,070.31
1/31/2050	2,435.40	637.61	-	55.44	2,168.35	585.90	-	49.86	272.14	-	6,204.71
1/31/2051	2,650.64	497.57	-	43.27	2,375.62	458.51	-	39.02	277.58	-	6,342.22
1/31/2052	2,877.84	345.16	-	30.01	2,598.83	318.94	-	27.14	283.14	-	6,481.07
1/31/2053	3,124.97	179.69	-	15.62	2,830.01	166.26	-	14.15	288.80	-	6,619.50
Total	**$ 31,425.09**	**$ 40,896.69**	**$ (1,772.58)**	**$ 3,437.89**	**$ 26,590.15**	**$ 35,506.37**	**$ (525.06)**	**$ 2,844.18**	**$ 6,434.80**	**$ -**	**$ 144,837.52**

[a] Interest is calculated at the actual rate of the PID Bonds.
[b] Additional Interest is calculated at the Additional Interest Rate.

[c] As of February 1, 2024, the total outstanding Improvement Area #1 Assessment for a Lot Type 1 Lot was $62,555.22, of which $31,425.09 was attributable to the Improvement Area #1 Initial Bonds and $31,130.13 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.
[d] Interest is calculated at a 5.875% rate for illustrative purposes.
[e] TIRZ Credit will be calculated annually as described in **Section V.F**.
Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

Annual Installment Schedule to Notice
of Obligation to Pay Improvement District Assessment

LOT TYPE 2 BUYER DISCLOSURE

NOTICE OF OBLIGATIONS RELATED TO PUBLIC IMPROVEMENT DISTRICT

A person who proposes to sell or otherwise convey real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code (except for public improvement districts described under Section 372.0035), or Chapter 382, Local Government Code, shall first give to the purchaser of the property this written notice, signed by the seller.

For the purposes of this notice, a contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring the notice set forth below.

This notice requirement does not apply to a transfer:

1) under a court order or foreclosure sale;
2) by a trustee in bankruptcy;
3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6) from one co-owner to another co-owner of an undivided interest in the real property;
7) to a spouse or a person in the lineal line of consanguinity of the seller;
8) to or from a governmental entity; or
9) of only a mineral interest, leasehold interest, or security interest

The following notice shall be given to a prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract. In the event a contract of purchase and sale is entered into without the seller having provided the required notice, the purchaser, subject to certain exceptions, is entitled to terminate the contract.

A separate copy of this notice shall be executed by the seller and the purchaser and must be filed in the real property records of the county in which the property is located at the closing of the purchase and sale of the property.

AFTER RECORDING[1] RETURN TO:

_____

_____

_____

_____

_____

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO KYLE, TEXAS
CONCERNING THE FOLLOWING PROPERTY

_____

PROPERTY ADDRESS

LOT TYPE 2 PRINCIPAL ASSESSMENT: $44,364.60

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Kyle, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within ***Limestone Creek Public Improvement District*** (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City of Kyle. The exact amount of each annual installment will be approved each year by the Kyle City Council in the annual service plan update for the district. More information about the assessments, including the amounts and due dates, may be obtained from the City of Kyle.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

[1] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County when updating for the Current Information of Obligation to Pay Improvement District Assessment.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER][2]

[2] To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE: DATE:

SIGNATURE OF PURCHASER SIGNATURE OF PURCHASER

STATE OF TEXAS §
§
COUNTY OF HAYS §

The foregoing instrument was acknowledged before me by_____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas][3]

[3] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

[The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE: DATE:

SIGNATURE OF SELLER SIGNATURE OF SELLER

STATE OF TEXAS §

§

COUNTY OF HAYS §

The foregoing instrument was acknowledged before me by _____and _____ , known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this_____ , 20__.

Notary Public, State of Texas][4]

[4] To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Hays County.

ANNUAL INSTALLMENTS - LOT TYPE 2

	Improvement Area #1 Initial Bonds			Improvement Area #1 Additional Bonds						
Annual Installments Due	Principal	Interest [a]	Additional Interest [b]	Principal [c]	Interest [d]	Capitalized Interest	Additional Interest [b]	Annual Collection Costs	TIRZ Annual Credit [e]	Total Annual Installment
1/31/2024	$ -	$ 1,355.51	$ -	$ -	$ 401.52	$ (401.52)	$ -	$ -	$ -	$ -
1/31/2025	-	1,355.51	$ 120.15	67.06	1,194.60	-	-	126.85	-	2,864.17
1/31/2026	12.19	1,355.51	120.15	-	1,190.66	-	101.33	129.39	-	2,909.23
1/31/2027	42.67	1,354.93	120.09	-	1,190.66	-	101.33	131.97	-	2,941.66
1/31/2028	76.20	1,352.90	119.88	6.10	1,190.66	-	101.33	134.61	-	2,981.68
1/31/2029	109.73	1,349.28	119.50	36.58	1,190.30	-	101.30	137.30	-	3,044.00
1/31/2030	146.31	1,344.07	118.95	67.06	1,188.16	-	101.12	140.05	-	3,105.71
1/31/2031	185.93	1,337.12	118.22	103.63	1,184.22	-	100.78	142.85	-	3,172.75
1/31/2032	228.60	1,328.29	117.29	140.21	1,178.13	-	100.27	145.71	-	3,238.49
1/31/2033	274.33	1,317.43	116.15	179.84	1,169.89	-	99.57	148.62	-	3,305.81
1/31/2034	323.09	1,304.40	114.77	222.51	1,159.32	-	98.67	151.60	-	3,374.36
1/31/2035	377.96	1,286.63	113.16	271.28	1,146.25	-	97.55	154.63	-	3,447.46
1/31/2036	435.87	1,265.84	111.27	323.09	1,130.31	-	96.20	157.72	-	3,520.31
1/31/2037	496.83	1,241.87	109.09	377.96	1,111.33	-	94.58	160.87	-	3,592.54
1/31/2038	563.89	1,214.54	106.61	438.92	1,089.13	-	92.69	164.09	-	3,669.87
1/31/2039	637.05	1,183.53	103.79	505.98	1,063.34	-	90.50	167.37	-	3,751.55
1/31/2040	713.25	1,148.49	100.60	573.04	1,033.61	-	87.97	170.72	-	3,827.68
1/31/2041	795.55	1,109.26	97.04	649.24	999.95	-	85.10	174.14	-	3,910.26
1/31/2042	883.94	1,065.50	93.06	731.54	961.81	-	81.86	177.62	-	3,995.32
1/31/2043	978.43	1,016.89	88.64	819.93	918.83	-	78.20	181.17	-	4,082.08
1/31/2044	1,075.97	963.07	83.75	914.42	870.66	-	74.10	184.79	-	4,166.76
1/31/2045	1,185.70	901.21	78.37	1,018.05	816.93	-	69.53	188.49	-	4,258.27
1/31/2046	1,304.57	833.03	72.44	1,130.83	757.12	-	64.44	192.26	-	4,354.69
1/31/2047	1,429.54	758.02	65.91	1,246.66	690.69	-	58.78	196.10	-	4,445.71
1/31/2048	1,563.66	675.82	58.77	1,374.68	617.45	-	52.55	200.03	-	4,542.94
1/31/2049	1,709.96	585.91	50.95	1,508.79	536.68	-	45.68	204.03	-	4,642.00
1/31/2050	1,862.37	487.58	42.40	1,658.15	448.04	-	38.13	208.11	-	4,744.78
1/31/2051	2,026.96	380.50	33.09	1,816.65	350.63	-	29.84	212.27	-	4,849.93
1/31/2052	2,200.70	263.95	22.95	1,987.34	243.90	-	20.76	216.52	-	4,956.11
1/31/2053	2,389.68	137.41	11.95	2,164.13	127.14	-	10.82	220.85	-	5,061.97
Total	**$ 24,030.95**	**$ 31,273.94**	**$ 2,628.97**	**$ 20,333.65**	**$ 27,151.93**	**$ (401.52)**	**$ 2,174.96**	**$ 4,920.73**	**$ -**	**$ 110,758.10**

[a] Interest is calculated at the actual rate of the PID Bonds.

[b] Additional Interest is calculated at the Additional Interest Rate.

[c] As of February 1, 2024, the total outstanding Improvement Area #1 Assessment for a Lot Type 2 Lot was $47,836.34, of which $24,030.95 was attributable to the Improvement Area #1 Initial Bonds and $23,805.39 was attributable to the Improvement Area #1 Reimbursement Agreement. At pricing of the Improvement Area #1 Additional Bonds, the outstanding Improvement Area #1 Assessments were reduced to the actual principal amount of the Improvement Area #1 Initial Bonds and the Improvement Area #1 Additional Bonds, as shown above, and the corresponding balance due to the Owner under the Improvement Area #1 Reimbursement Agreement was discharged and is no longer due and owing.

[d] Interest is calculated at a 5.875% rate for illustrative purposes.

[e] TIRZ Credit will be calculated annually as described in **Section V.F**.

Note: The figures shown above are estimates only and subject to change in Annual Service Plan Updates. Changes in Annual Collection Costs, reserve fund requirements, Interest earnings, or other available offsets could increase or decrease the amounts shown.

NORTON ROSE FULBRIGHT

May 29, 2024

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nortonrosefulbright.com

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IN REGARD to the authorization and issuance of the "City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)" (the "Bonds"), dated May 29, 2024, in the principal amount of $_,___,___, we have examined the legality and validity of the issuance thereof by the City of Kyle, Texas (the "City") solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the City, or the history or prospects of the collection of the Pledged Revenues, the disclosure of any financial or statistical information or data pertaining to the City and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds, and have not assumed any responsibility with respect thereto. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Indenture.

THE BONDS are issued in fully registered form only and mature, unless redeemed prior to maturity in accordance with the terms stated on the Bonds, on September 1 in each of the years specified in the Bonds, all in accordance with the Supplemental Indenture of Trust (the "Indenture"), dated as of May 1, 2024, between the City and BOKF, NA, as trustee (the "Trustee"), approved by the City Council of the City pursuant to an ordinance (the "Ordinance") adopted by the City Council of the City on May 7, 2024 authorizing the issuance of the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Indenture.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings had in connection with the issuance of the Bonds, including the Indenture, the Ordinance and an examination of the initial Bond executed and delivered by the City (which we found to be in due form and properly executed); (ii) certifications of officers of the City relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the City and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable law of the United States of America and the State of Texas in force and effect on the date hereof:

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright North Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

1. The Bonds have been authorized, issued and delivered in accordance with law; that the Bonds are valid, legally binding and enforceable limited obligations of the City in accordance with their terms payable solely from a first and prior lien on the Trust Estate, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted relating to creditors' rights generally.

2. Assuming continuing compliance after the date hereof by the City with the provisions of the Indenture and in reliance upon representations and certifications of the City made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Bonds, interest on the Bonds for federal income tax purposes (i) will be excludable from gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date hereof, of the owners thereof pursuant to Section 103 of such Code, existing regulations, published rulings, and court decisions thereunder, and (ii) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

We express no opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

CITY OF KYLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1B PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of May 1, 2024 (this "Disclosure Agreement") is executed and delivered by and among the City of Kyle, Texas (the "Issuer"), P3Works, LLC (as more fully defined herein, the "Administrator") and BOKF, NA, Houston, Texas, acting solely in its capacity as dissemination agent (as more particularly defined herein, the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)" (the "Series 2024 Bonds"). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined herein) and beneficial owners of the Series 2024 Bonds. Unless and until a different filing location is designated by the MSRB (defined herein) or the SEC (defined herein), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined herein).

SECTION 2. Definitions. In addition to the definitions set forth above and the Indenture (as defined below), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Additional Obligations" shall have the meaning assigned to such term in the Indenture.

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC as the current Administrator.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Collections Report" shall mean any Annual Collection Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Annual Collections Report Filing Date" shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

"Annual Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Annual Issuer Report Filing Date" shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer's Fiscal Year, which Filing Date is currently March 31.

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

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Collections Reporting Date" shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

"Delinquency Date" shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

"Developer" shall mean Meritage Homes of Texas, LLC, an Arizona limited liability company, and its respective successors and assigns.

"Disclosure Agreement of Developer" shall mean the City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project) Continuing Disclosure Agreement of the Developer dated as of May 1, 2024 executed and delivered by the Developer, the Administrator, and the Dissemination Agent.

"Disclosure Representative" shall mean the Director of Finance of the Issuer or the designee of such officer, or such other officer or employee as the Issuer may designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean BOKF, NA, Houston, Texas, a national banking association duly organized and existing under the laws of the United States, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Limestone Creek Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.

"Final Assessment Payment Date" shall mean the calendar day preceding the Delinquency Date.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the Issuer's fiscal year, currently the one-year period from October 1 through September 30.

"Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"Indenture" shall mean, collectively, the Indenture of Trust dated July 1, 2023 (the "2023 Indenture") entered into by and between the Issuer and the Trustee, and a Supplemental Indenture of Trust, dated as of May 1, 2024 (the "2024 Supplemental Indenture"). The 2024 Supplemental Indenture supplements the 2023 Indenture entered into by and between the City and the Trustee, at the time of issuance of the Series 2023 Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner(s)" shall mean the registered owner(s) of any Series 2024 Bonds, as shown in the register maintained by the Trustee.

"Participating Underwriter" shall mean FMSbonds, Inc. and its successors and assigns.

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

"Prepayment" shall have the meaning assigned to such term in the Indenture.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SAP Update" shall have the meaning assigned to such term in Section 4(a)(iii) of this Disclosure Agreement.

"SEC" shall mean the United States Securities and Exchange Commission.

"Series 2023 Bonds" shall mean the Issuer's "Special Assessment Revenue Bonds, Series 2023 (Limestone Creek Public Improvement District Improvement Area #1 Project)" dated July 20, 2023.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Tax Year" means the calendar year or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

"Trust Estate" shall have the meaning assigned to such term in the Indenture.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2024, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which complies with the requirements specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report, if audited financial statements are not available by that date; provided, however, if the audited financial statements are not complete within such period, then the Issuer shall provide unaudited financial statements within such period. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. The Issuer is providing the audited financial statement in connection with the requirements of this Disclosure Agreement and the Rule; notwithstanding such requirements, the Series 2024 Bonds are special obligations of the Issuer and do not give rise to a charge against the general credit or taxing power of the Issuer and are payable solely from the sources identified in the Indenture. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5th) day before the Annual Issuer Report Filing Date, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for

such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Annual Issuer Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Issuer Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Issuer Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Issuer Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Issuer Report Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Series 2024 Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) *Annual Financial Information*. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) for the Series 2024 Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount, the aggregate principal amount Outstanding and the total interest amount due on aggregate principal amount Outstanding;

(B) the amounts in the funds and accounts securing the Series 2024 Bonds and a description of the related investments; and

(C) the assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(ii) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year.

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (collectively, a "SAP Update").

(iv) Until certificates of occupancy ("COs") have been issued (or, if COs are not issued upon completion of construction of single-family dwellings, approval of the final inspection has been granted) for lots representing, in the aggregate, ninety-five percent (95%) of the total single-family residential lots within Improvement Area #1, the Annual Issuer Report (in the SAP Update or otherwise) shall include the following:

(A) the number of COs issued for new homes completed in Improvement Area #1 during such Fiscal Year; and

(B) the aggregate number of COs issued for new homes completed within Improvement Area #1 since filing the initial Annual Financial Information for Fiscal Year ended September 30, 2024.

(v) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) *Audited Financial Statements*. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant. If the audited financial statements of the Issuer are not available by the Annual Issuer Report Filing Date, the Issuer shall provide unaudited financial statements of the Issuer no later than the Annual Issuer Report Filing Date and audited financial statements as described in the preceding sentence when and if available.

(c) A form for submitting the information set forth in Section 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Financial Information under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to

the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date, the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection 5(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB, no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day prior to the Annual Collections Report Filing Date; or the Issuer will notify the Dissemination Agent in writing that the Issuer will provide or cause to be provided the Annual Collections Report to the MSRB through alternate means. If the Issuer so notifies the Dissemination Agent, the Issuer will provide the Dissemination Agent with a written report certifying that the Annual Collections Report has been provided to the MSRB pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB prior to the second (2nd) Business Day prior to the Annual Collections Report Filing Date. In the event the Issuer fails to provide the Dissemination Agent with such a report, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the applicable Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Series 2024 Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the Issuer shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections

Report. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6(a), each of the following is a Listed Event with respect to the Series 2024 Bonds:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds.

7. Modifications to rights of Owners, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution, or sale of property securing repayment of the Series 2024 Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Issuer.

13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The sale by the Developer of real property within Improvement Area #1 will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018. For the avoidance of doubt, the incurrence of Additional Obligations without the filing of a corresponding official statement with the MSRB will constitute the incurrence of a material Financial Obligation for which a notice of a Listed Event in accordance with this Section 6 must be filed with the MSRB.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; provided, however, the failure of the Issuer to provide timely written notice to the Dissemination Agent in accordance with this paragraph shall not constitute a failure of the Dissemination Agent to comply with the MSRB's ten (10) Business Day filing requirement.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information. In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Series 2024 Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the

occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, or any Owner or beneficial owner of any interests in the Series 2024 Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2024 Bonds, when the Issuer is no longer an obligated person with respect to the Series 2024 Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Series 2024 Bonds remain Outstanding, the Administrator and Dissemination Agent may assume that the Issuer is an obligated person with respect to the Series 2024 Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Series 2024 Bonds, and the Administrator and Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Series 2024 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Series 2024 Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be BOKF, NA, Houston, Texas. The Issuer will give prompt written notice to the Developer, or any other party responsible for providing quarterly information pursuant to the Disclosure Agreement of Developer, of any change in the identity of the Dissemination Agent under the Disclosure Agreement of Developer. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5 or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2024 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Series 2024 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Series 2024 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report, Annual Collections Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent or any Owner or beneficial owner of the Series

2024 Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Series 2024 Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Series 2024 Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Developer and a default under the Disclosure Agreement of Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Series 2024 Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with Section 3(a) or the Annual Collections Report in accordance with Section 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 6 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set

forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Annual Collection Costs collected from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Series 2024 Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Series 2024 Bonds or any other document related to the Series 2024 Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator or Dissemination Agent contained in this Disclosure Agreement shall be

deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The Dissemination Agent and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and the Administrator, each individually, make the following representation and verifications to enable the Issuer to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or the Administrator, as the case may be, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification prior to the expiration or earlier termination of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

(a) *Not a Sanctioned Company*. The Dissemination Agent and the Administrator, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies*. The Dissemination Agent and the Administrator, each individually, hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement. Submitted herewith is a completed Form 1295 in connection with the Administrator's participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas. Venue of any action to enforce the rights and privileges existing under this Disclosure Agreement shall be brought in the state district court of Hays County, Texas.

SECTION 22. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[*Signature pages follow*.]

CITY OF KYLE, TEXAS

By: _____
City Manager

BOKF, NA
(as Dissemination Agent)

By: _____
Authorized Officer

P3WORKS, LLC
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]

Name of Issuer:	City of Kyle, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)(the "Series 2024 Bonds")
CUSIP Nos.:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that the City of Kyle, Texas (the "Issuer"), has not provided [Annual Financial Information][[audited][unaudited] financial statements][the Annual Collections Report] for fiscal year ended _____ with respect to the Series 2024 Bonds as required by the Continuing Disclosure Agreement of the Issuer dated as of May 1, 2024, by and among the Issuer, P3Works, LLC, as the "Administrator," and BOKF, NA, as "Dissemination Agent." The Issuer anticipates that [the Annual Financial Information][audited][unaudited] financial statements][the Annual Collections Report] will be filed by _____.

Dated: _____

BOKF, NA
on behalf of the City of Kyle, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Kyle, Texas

EXHIBIT B

CITY OF KYLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1B PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP NOs.]

DISSEMINATION AGENT

Name: BOKF, NA
Address: _____
City: _____
Telephone: (___) ___-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

SERIES 2024 BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

* Excluding audited financial statements of the Issuer.

Section 4(a)(i)(C)

ASSETS AND LIABILITIES OF TRUST ESTATE

Cash Position of Trust Estate for statements dated September 30, 20[__]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Series 2024 Bonds and Assessments		A-B+C

September 30, 20[__] Trust Statements: □ Audited □ Unaudited

Accounting Type: □ Cash □ Accrual □ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Series 2024 Bonds

Year Ending (September 30)	Principal	Interest	Total

Top [Five] Assessment Payers in Improvement Area #1[(1)]

Property Owner	No. of Parcels/Lots	Percentage of Parcels/Lots	Outstanding Assessments	Percentage of Total Assessments

[(1)] Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of Improvement Area #1 of the District

The [YEAR] certified total assessed value for the land in Improvement Area #1 of the District is approximately $[AMOUNT] according to the Hays County Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Delinquent Assessment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Assessment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
	$		$		$
20__					
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Total Annual Installment Billed	Parcels Levied[(1)]	Delinquent Amount as of 3/1	Delinquent % as of 3/1	Delinquent Amount as of 9/1	Delinquent % as of 9/1	Total Assessments Collected[(2)]
	$		$	%	$	%	$
20__							
20__							
20__							
20__							
20__							

[(1)] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

[(2)] [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

Fiscal Year Ended (9/30)	Delinquent % as of 9/1	Parcel Numbers
	%	
20__		
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

Fiscal Year Ended (9/30)	Number of Prepayments	Amount of Prepayments	Bond Call Date	Amount of Series 2024 Bonds Redeemed
		$		$
20__				
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTIONS 4(a)(iii) – (v) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO CITY OF KYLE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1B PROJECT)

[Insert a line item for each applicable listing]

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EXHIBIT C

CITY OF KYLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP NOSs: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: BOKF, NA
Address: [_____]
City: [_____, Texas _____]
Telephone: (___) ___-____
Contact Person: Attn: _____

SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO COLLECTION OF THE ASSESSMENTS COVERING THE PERIOD BEGINNING WITH THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN COMPLIANCE WITH SECTION 5(A) OF THE CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER RELATING TO CITY OF KYLE, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1B PROJECT)

Foreclosure History Related To The Annual Installments(1)

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	Foreclosure Sales	Foreclosure Proceeds Received
20__	$		$		$

(i) Period covered includes October 1, 20__ through March 1, 20__.

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Collection and Delinquency Annual Installments[1]

Succeeding Fiscal Year 20__	Total Annual Installment Levied $	Parcels Levied[2]	Delinquent Amount as of 3/1 $	Delinquent % as of 3/1 %	Total Annual Installments Collected[3] $

[1] Period covered includes October 1, 20__ through March 1, 20__.

[2] Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

[3] [Does/does not] include interest and penalties.

Prepayment of Assessments[1]

Succeeding Fiscal Year	Number of Prepayments	Amount of Prepayments $	Bond Call Date	Amount of Series 2024 Bonds Redeemed $

[1] Period covered includes October 1, 20__ through March 1, 20__.

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EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES[1]

Date	Delinquency Clock (Days)	Activity
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
February 15	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. **If there is to be a shortfall of any Annual Installments due to be paid that Fiscal Year, the Dissemination Agent should be immediately notified in writing**. Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September. At this point, if there is adequate funding for March and September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. **For properties delinquent by more than one year or if the delinquency exceeds $10,000 the matter will be referred for commencement of**

[1] Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33 and 34, Texas Tax Code, as amended (the "Code"), and the Hays County Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

		foreclosure, in accordance with the Hays County Tax Assessor-Collector's procedures[2]. **If there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of the Bond Fund of such amounts as shall be required for the full March and September payments, the collection-foreclosure procedure will proceed against all delinquent properties, in accordance with the Hays County Tax Assessor-Collector procedures[2].**
March 15	43/44	Trustee pays Bond interest payments to Owners. Reserve Fund payment to Bond Fund may be required if Assessments are below approximately 50% collection rate. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund. **Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.**
July 1	**152/153**	Issuer, or the Administrator on behalf of the Issuer, determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments, in accordance with the Hays County Tax Assessor-Collector procedures[2]. **Preliminary Foreclosure activity commences, in accordance with the Hays County/Tax Assessor Collector procedures[2], and Issuer to notify Dissemination Agent in writing of the commencement of preliminary foreclosure activity.** If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

[2] If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

		If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Trustee requests that the Issuer commence foreclosure or provide plan for collection and deliver such plan to the Dissemination Agent.
August 15	197/198	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those Owners who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198). **Foreclosure action to be filed with the court, in accordance with the Hays County Tax Assessor-Collector procedures**[3]. **Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing. Dissemination Agent notifies Owners**. If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the City Manager, Assistant City Manager or the Director of Finance to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

[3] If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas or an amendment to the Code, such modifications shall control.

CITY OF KYLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1B PROJECT)

CONTINUING DISCLOSURE AGREEMENT OF THE DEVELOPER

This Continuing Disclosure Agreement of the Developer dated as of May 1, 2024 (this "Disclosure Agreement") is executed and delivered by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and BOKF, NA, Houston, Texas (in such capacity, and as more fully defined herein, the "Dissemination Agent") with respect to the "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)" (the "Series 2024 Bonds"). The Developer, the Administrator and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Developer, the Administrator and the Dissemination Agent for the benefit of the Owners (defined herein) and beneficial owners of the Series 2024 Bonds. Unless and until a different filing location is designated by the MSRB (defined herein) or the SEC (defined herein), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined herein).

SECTION 2. Definitions. In addition to the definitions set forth above and the Indenture (as defined below), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Administrator" shall have the meaning assigned to such term in the Indenture. The Issuer has selected P3Works, LLC as the current Administrator.

"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.

"Annual Installment" shall have the meaning assigned to such term in the Indenture.

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

"Assessed Property" shall have the meaning assigned to such term in the Indenture.

"Assessment Roll" shall have the meaning assigned to such term in the Indenture.

"Assessments" shall have the meaning assigned to such term in the Indenture.

"Authorized Improvements" means improvements authorized by Section 372.003 of the PID Act, including Improvement Area #1 Improvements, Major Improvements, Administrative Reserves, and Bond Issuance Costs as listed in the Service and Assessment Plan.

"Business Day" shall have the meaning assigned to such term in the Indenture.

"Certification Letter" shall mean a certification letter provided by a Reporting Party pursuant to Section 3, in substantially the form attached as Exhibit D.

"Developer" shall mean Meritage Homes of Texas, LLC, an Arizona limited liability company, including its respective affiliates, successors and assigns.

"Developer Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"Disclosure Agreement of the Issuer" shall mean the City of Kyle, Texas Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project) Continuing Disclosure Agreement of the Issuer dated as of May 1, 2024 executed and delivered by and among the Issuer, the Administrator and BOKF, NA, Houston, Texas, acting solely in its capacity as dissemination agent thereunder.

"Dissemination Agent" shall mean BOKF, NA, Houston, Texas, acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

"District" shall mean Limestone Creek Public Improvement District.

"EMMA" shall mean the Electronic Municipal Market Access System currently available on the internet at http://emma.msrb.org.

"HOA Amenities" shall mean the amenity center, including, but not limited to, a pool, cabana with restrooms, splash pad, playground, and parking area to be constructed by the Developer within the District and to be owned and/or operated by a homeowners' association.

"Homebuilder(s)" shall mean any merchant homebuilder who enters into a Lot Purchase Agreement with the Developer and/or another merchant homebuilder, and the affiliates and/or successors and assigns of such homebuilder under such Lot Purchase Agreement.

"Improvement Area #1" shall have the meaning assigned to such term in the Indenture.

"Improvement Area #1 Improvements" means the Authorized Improvements which only benefit property within Improvement Area #1 of the District, as described and depicted in the Service and Assessment Plan.

"Improvement Area #1 Projects" mean, collectively, the Improvement Area #1 Improvements and Improvement Area #1's allocable share of the Major Improvements.

"Indenture" shall mean, collectively, the Indenture of Trust dated July 1, 2023 (the "2023 Indenture") entered into by and between the Issuer and the Trustee, and a Supplemental Indenture of Trust, dated as of May 1, 2024 (the "2024 Supplemental Indenture"). The 2024 Supplemental Indenture supplements the 2023 Indenture entered into by and between the City and the Trustee, at the time of issuance of the Series 2023 Bonds.

"Issuer" shall mean the City of Kyle, Texas.

"Listed Events" shall mean, collectively, Developer Listed Events and Significant Homebuilder Listed Events.

"Lot Purchase Agreement" shall mean, with respect to lots or land within Improvement Area #1, any lot purchase and sale agreement between one or more Homebuilders and/or the Developer to purchase lots or to purchase land intended for single family residential development and use, including detached or attached single family homes or townhomes.

"Major Improvements" means the Authorized Improvements which benefit all of the property within the District subject to assessments.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

"Outstanding" shall have the meaning assigned to such term in the Indenture.

"Owner" shall mean the registered owner of any Series 2024 Bonds.

"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.

"Person" shall have the meaning assigned to such term in the Indenture.

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

"Quarterly Ending Date" shall mean each March 31, June 30, September 30 and December 31, beginning September 30, 2024.

"Quarterly Filing Date" shall mean for each Quarterly Ending Date, the fifteenth calendar day of the second month following such Quarterly Ending Date being May 15, August 15, November 15, and February 15.

"Quarterly Information" shall have the meaning assigned to such term in Section 3 of this Disclosure Agreement.

"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement and substantially similar to that attached as Exhibit A hereto.

"Reporting Party" shall mean, collectively, the Developer and any Significant Homebuilders who have acknowledged and assumed reporting obligations in accordance with Section 6 of this Disclosure Agreement.

"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Series 2023 Bonds" shall mean the Issuer's "Special Assessment Revenue Bonds, Series 2023 (Limestone Creek Public Improvement District Improvement Area #1 Project)" dated July 20, 2023.

"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.

"Significant Homebuilder" shall mean a Homebuilder, including any affiliates of such Homebuilder, that then owns ten (10) or more of the single family residential lots within Improvement Area #1.

"Significant Homebuilder Listed Events" shall mean any of the events listed in Section 4(b) of this Disclosure Agreement.

"Trustee" shall have the meaning assigned to such term in the Indenture.

SECTION 3. Quarterly Reports.

(a) The Developer, with respect to Improvement Area #1 and all real property in Improvement Area #1 (except as provided in the last sentence of this subsection (a)), and any other Reporting Party, with respect to its acquired real property, shall, at its cost and expense, provide, or cause to be provided, to the Administrator, not more than ten (10) days after each Quarterly Ending Date, beginning with September 30, 2024, the information in the Quarterly Report required to be provided by such Reporting Party pursuant to Section 3(d) (with respect to each Reporting Party, the "Quarterly Information"). The Reporting Party shall provide, or cause to be provided, such Quarterly Information until such party's obligations terminate pursuant to Section 6 of this Disclosure Agreement. For the avoidance of doubt, (i) if the Developer elects, the Developer may, but shall not be obligated to, provide any Quarterly Information on behalf of any Significant Homebuilder and (ii) the Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered in accordance with Section 6 of this Disclosure Agreement, at which time the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property so transferred.

(b) The Administrator shall (i) review each Quarterly Report containing the Quarterly Information provided by each Reporting Party pursuant to subsection (a) above and (ii) no later than twenty (20) days after each Quarterly Ending Date, either (1) advise the applicable Reporting Party as to any necessary changes to the applicable Quarterly Information or (2) provide to the Dissemination Agent the Quarterly Report in accordance with subsection (c) below. If the Administrator advises a Reporting Party as to any necessary changes to their respective Quarterly Information, such Reporting Party shall provide, or cause to be provided, to the Administrator, not more than thirty (30) days after each Quarterly Ending Date, the revised Quarterly Information. The Administrator shall review the revised Quarterly Information within the Quarterly Report and provide the Quarterly Report to the Dissemination Agent in accordance with subsection (c) below.

If Reporting Parties provide the Quarterly information in more than one report to the Administrator, the Administrator shall (i) prepare each Quarterly Report with the Quarterly Information provided by the Reporting Parties pursuant to subsection (a) above, and (ii) provide the Quarterly Report to the Reporting Parties for review no later than twenty (20) days after each Quarterly Ending Date. The Reporting Parties shall review and revise, as necessary, the Quarterly Report and, upon such review,

shall promptly, but no later than thirty (30) days after each Quarterly Ending Date, provide the Quarterly Report and Certification Letter(s) to the Administrator and authorize the Administrator to provide such Quarterly Report and Certification Letter(s) to the Issuer and the Dissemination Agent pursuant to subsection (c) below.

In all cases, each Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of the Quarterly Information provided by such Reporting Party contained in the Quarterly Report. The Developer agrees that each Lot Purchase Agreement that is executed with a Homebuilder after the date hereof will contain a provision obligating the applicable Homebuilder to provide the Developer the information required by Section 3(d) as and when required for the Developer to comply with its obligations hereunder.

(c) The Administrator shall provide to the Dissemination Agent, no later than thirty-five (35) days after each Quarterly Ending Date, the Quarterly Report containing the information described in Section 3(d), the Certification Letter(s), if applicable, and written direction to the Dissemination Agent to file such report with the MSRB. The Dissemination Agent shall file the Quarterly Report and the Certification Letter(s), if applicable, with the MSRB and provide a copy of such report to the Issuer and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection 3(c); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that any Reporting Party or the Administrator does not provide the information required by subsection (a) or (b) of this Section 3, as applicable, in a timely manner and, as a result, either an incomplete Quarterly Report is filed with the MSRB, or a Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written direction from the applicable Reporting Party file a notice of failure to provide Quarterly Information or failure to file a Quarterly Report with the MSRB in substantially the form attached as Exhibit B, as soon as practicable. If incomplete Quarterly Information or no Quarterly Information is provided by any Reporting Party, the Dissemination Agent and any other Reporting Party who provided complete Quarterly Information shall not be responsible for the failure to submit a complete Quarterly Report to the MSRB. If each Reporting Party timely provides the required Quarterly Information to the Administrator as described in this Section 3, the failure of the Administrator to provide the Quarterly Report to the Dissemination Agent, or the failure of the Dissemination Agent to provide such report to the Participating Underwriter in a timely manner, shall not be deemed a default by the Reporting Parties under this Disclosure Agreement.

(d) Each Quarterly Report shall consist of the Quarterly Information listed in Exhibit A attached hereof.

SECTION 4. Event Reporting Obligations.

(a) Pursuant to the provisions of this Section 4, each of the following occurrences is a Developer Listed Event with respect to the Series 2024 Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on an Assessed Property within Improvement Area #1 owned by the Developer; provided, however, that the exercise of any right of the Developer as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount

or validity of all or any part of any real property taxes shall not be considered a Developer Listed Event under this Section 4(a) nor a breach or default of this Disclosure Agreement;

(ii) Material damage to or destruction of any development or improvements within Improvement Area #1, including Improvement Area #1 Projects and HOA Amenities;

(iii) Material default by the Developer or any of the Developer's affiliates on any loan with respect to the, acquisition, development or permanent financing of Improvement Area #1 undertaken by the Developer or any of the Developer's affiliates;

(iv) Material default by the Developer or any of the Developer's affiliates on any loan secured by property within Improvement Area #1 owned by the Developer or any of the Developer's affiliates;

(v) The bankruptcy, insolvency or similar filing of the Developer or any of the Developer's affiliates or any determination that the Developer or any of the Developer's affiliates is unable to pay its debts as they become due;

(vi) The consummation of a merger, consolidation, or acquisition of the Developer, or the sale of all or substantially all of the assets of the Developer or any of the Developer's affiliates, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(vii) The filing of any lawsuit with a claim for damages, in excess of $1,000,000 against the Developer or any of the Developer's affiliates that may adversely affect the completion of the development of Improvement Area #1 or litigation that may materially adversely affect the financial condition of the Developer or any of the Developer's affiliates;

(viii) Any material change in the legal structure, chief executive officer or controlling ownership of the Developer;

(ix) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 5 or 6 herein; and

(x) Early termination of or material default by a Homebuilder under a Lot Purchase Agreement.

(b) Pursuant to the provisions of this Section 4, each of the following occurrences related to any Significant Homebuilder is a Significant Homebuilder Listed Event with respect to the Series 2024 Bonds:

(i) Failure to pay any real property taxes or Assessments levied within Improvement Area #1 on a lot or Assessed Property within Improvement Area #1 owned by such Significant Homebuilder; provided, however, that the exercise of any right of such Significant Homebuilder as a landowner within Improvement Area #1 to exercise legal and/or administrative procedures to dispute the amount or validity of all or any part of any real property taxes shall not be

considered a Significant Homebuilder Listed Event under this Section 4(b) nor a breach or default of this Disclosure Agreement;

(ii) The bankruptcy, insolvency or similar filing of such Significant Homebuilder or any determination that such Significant Homebuilder is unable to pay its debts as they become due;

(iii) The consummation of a merger, consolidation, or acquisition involving such Significant Homebuilder or the sale of all or substantially all of the assets of such Significant Homebuilder, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(iv) Any material change in the type of legal entity, chief executive officer or controlling ownership of such Significant Homebuilder;

(v) Early termination of or material default by such Significant Homebuilder under a Lot Purchase Agreement; and

(vi) Any assignment and assumption of disclosure obligations under this Disclosure Agreement pursuant to Section 6 herein.

(c) Whenever a Reporting Party obtains knowledge of the occurrence of a Listed Event applicable to such Reporting Party, such Reporting Party shall promptly, and not more than five (5) Business Days after such Reporting Party obtains such knowledge, notify the Issuer, the Administrator and the Dissemination Agent in writing and the Reporting Party shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB, in the manner hereinafter described, and provide a copy of such notice to the Issuer and the Participating Underwriter. Any such notice is required to be filed within ten (10) Business Days after the Reporting Party becomes aware of the occurrence of such Listed Event. If the Reporting Party timely notifies the Dissemination Agent of the occurrence of a Listed Event, as described in this Section 4, the failure of the Dissemination Agent to provide such notice to the Participating Underwriter in a timely manner shall not be deemed a default by such Reporting Party under this Disclosure Agreement.

The Developer and each other Reporting Party, if any, shall only be responsible for reporting the occurrence of a Listed Event applicable to such Reporting Party and shall not be responsible for reporting the occurrence of a Listed Event applicable to any other Reporting Party, regardless of if such Reporting Party is providing Quarterly Information on behalf of any other Significant Homebuilder.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the applicable Reporting Party desires to make, the written authorization of such Reporting Party for the Dissemination Agent to disseminate such information as provided herein, and the date the Reporting Party desires for the Dissemination Agent to disseminate the information.

In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the applicable Reporting Party shall have the sole responsibility to ensure that any notice required to be filed with the

MSRB under this Section 4 is actually filed within ten (10) Business Days after such Reporting Party becomes aware of the Listed Event applicable to such Reporting Party.

(d) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event, notify in writing the Administrator and the applicable Reporting Party of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the applicable Reporting Party to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Reporting Party and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the applicable Reporting Party as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Participating Underwriter, the Administrator, the Issuer, any Reporting Party or any Owner or beneficial owner of any interests in the Series 2024 Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(e) If the Dissemination Agent has been notified in writing by a Reporting Party to report the occurrence of a Listed Event in accordance with subsection (c) or (d) of this Section 4, the Dissemination Agent shall file a notice of such occurrence with the MSRB promptly after its receipt of such written instructions from such Reporting Party; provided that all such notices must be filed no later than the date specified in subsection (c) of this Section 4 for such Listed Event.

SECTION 5. Assumption of Reporting Obligations of Developer.

The Developer shall cause each Person, unless an affiliate of the Developer, who, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Projects or the HOA Amenities to assume and comply with the disclosure obligations of the Developer under this Disclosure Agreement. The Developer shall deliver to the Dissemination Agent, Administrator and the Issuer, a written acknowledgement and assumption from each Person, unless an affiliate of the Developer, who assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Projects or the HOA Amenities in substantially the form attached as Exhibit E (the "Developer Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of each Developer Acknowledgment with the MSRB, in accordance with Sections 4(c) and 4(e) above. Upon any such transfer to a Person, and such Person's delivery of written acknowledgement of assumption of Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the assigned construction of the Improvement Area #1 Projects or the HOA Amenities. Notwithstanding anything to the contrary elsewhere herein, after such assignment, the Developer shall not be liable for the acts or omissions of such Person arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall require that any Person comply with obligations of this Section 5 with respect to any subsequent transfers by such Person to any individual or entity having the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Projects or the HOA Amenities in the future.

SECTION 6. Assumption of Reporting Obligations by Significant Homebuilders.

(a) If a Homebuilder acquires ownership of real property in Improvement Area #1 resulting in such Homebuilder becoming a Significant Homebuilder, the Developer may (i) cause such Significant Homebuilder to comply with the Developer's disclosure obligations under Sections 3 and Section 4(b) hereof, with respect to such acquired real property until such party's disclosure obligations terminate pursuant to Section 6 of this Disclosure Agreement or (ii) elect to provide any or all Quarterly Information on behalf of such Significant Homebuilder; provided, however, that if the Developer initially elects to provide any or all Quarterly Information on behalf of such Significant Homebuilder, the Developer may elect in the future to cause such Significant Homebuilder to comply with the disclosure obligations, as described in (i) above.

(b) If the Developer elects to cause a Significant Homebuilder to comply with the Developer's disclosure obligations, as described in (a)(i) above, the Developer shall deliver to the Dissemination Agent, Administrator and the Issuer a written acknowledgement from each Significant Homebuilder, in substantially the form attached as Exhibit F (the "Significant Homebuilder Acknowledgment"), acknowledging and assuming its obligations under this Disclosure Agreement. Pursuant to Section 4(a)(ix) above, the Developer shall direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above. Upon any such transfer to a Significant Homebuilder, and such Significant Homebuilder's delivery of written acknowledgement of assumption of the Developer's obligations under this Disclosure Agreement as to the property transferred, the Developer shall have no further obligation or liability for disclosures or other responsibilities under this Disclosure Agreement as to the property transferred or the obligations assigned. The Developer shall remain obligated with respect to any real property acquired by a Significant Homebuilder until an acknowledgment of assignment with respect to such real property is delivered to the Dissemination Agent, Administrator, the Issuer and the MSRB, in accordance with this Section 6(b).

(c) Notwithstanding anything to the contrary elsewhere herein, after such transfer of ownership, the Developer shall not be liable for the acts or omissions of such Significant Homebuilder arising from or in connection with such disclosure obligations under this Disclosure Agreement. Additionally, for the avoidance of doubt, the Developer shall use commercially reasonable efforts to require that any Significant Homebuilder comply with obligations of this Section 6 with respect to any subsequent transfers by such Significant Homebuilder to any individual or entity meeting the definition of a "Significant Homebuilder" in the future, including the requirement, pursuant to Section 4(b)(vi) above, to direct the Dissemination Agent to file a copy of the Significant Homebuilder Acknowledgment with the MSRB, in accordance with Section 4(e) above.

SECTION 7. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Series 2024 Bonds remain Outstanding, (ii) when the Developer, including its respective affiliates and/or successors and assigns, no longer owns ten (10) or more of the single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Assessed Property within Improvement Area #1 owned by the Developer, including its respective affiliates and/or successors and assigns. Notwithstanding the

foregoing, if the Developer is reporting on behalf of a Significant Homebuilder, the Developer's reporting obligations, with respect to the property owned by the Significant Homebuilder, terminates in accordance with subsection (b) below.

(b) The reporting obligations of a Significant Homebuilder that is a Reporting Party, if any, under this Disclosure Agreement shall terminate upon the earlier of (i) the date when none of the Series 2024 Bonds remain Outstanding, (ii) when such Significant Homebuilder, including its respective affiliates and/or successors and assigns, no longer owns ten (10) or more of the single family residential lots within Improvement Area #1, as of each Quarterly Ending Date, or (iii) the issuance of the certificate of occupancy or third-party inspection, as applicable, for the last single family residential lot or Assessed Property within Improvement Area #1 owned by such Significant Homebuilder, including its respective affiliates and/or successors and assigns.

(c) Upon receipt of written notice from a Reporting Party or the Dissemination Agent that the reporting obligations of a Reporting Party have terminated in accordance with subsection (a) or (b), as applicable, of this Section 7, the Administrator shall provide written notice to the applicable Reporting Party, the Participating Underwriter, the Issuer, and the Dissemination Agent in substantially the form attached as Exhibit C, thereby terminating such Reporting Party's reporting obligations under this Disclosure Agreement (the "Termination Notice"). If such Termination Notice with respect to a Reporting Party occurs while any of the Series 2024 Bonds remain Outstanding, the Administrator shall immediately provide, or cause to be provided, the Termination Notice to the Dissemination Agent, and the Dissemination Agent shall provide such Termination Notice to the MSRB, the Issuer, the Trustee, the applicable Reporting Party and the Participating Underwriter on or before the next succeeding Quarterly Filing Date.

(d) The obligations of the Administrator and the Dissemination Agent under this Disclosure Agreement shall terminate upon, the earlier of (i) the date when none of the Series 2024 Bonds remain Outstanding, or (ii) termination of all Reporting Parties' reporting obligations in accordance with subsection (a) and (b) of this Section 7 and any Termination Notice required by subsection (c) of this Section 7 has been provided to the MSRB, the Issuer, the Trustee, the Dissemination Agent, the Reporting Parties, and the Participating Underwriter, as applicable.

SECTION 8. Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be BOKF, NA, Houston, Texas. The Issuer may, from time to time, appoint or engage a successor Dissemination Agent to assist the Reporting Parties in carrying out their obligations under this Disclosure Agreement and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. Pursuant to the Disclosure Agreement of the Issuer, the Issuer has agreed to provide written notice to each then-existing Reporting Party of any change in the identity of the Dissemination Agent. The Dissemination Agent may resign at any time with thirty (30) days' written notice to the Issuer.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer, the Administrator and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Developer or Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of any Reporting Party, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Owners of the Series 2024 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Series 2024 Bonds. No amendment which adversely affects the Dissemination Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Administrator shall describe such amendment in the next related Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 9 to the Issuer, the Administrator, the Dissemination Agent, and the Participating Underwriter.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent any Reporting Party from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If any Reporting Party chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, no Reporting Party shall have an obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 11. Content of Disclosures. In all cases, the applicable Reporting Party shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures, whether provided under Section 3, 4 or 9 of this Disclosure Agreement.

SECTION 12. Default. In the event of a failure of a Reporting Party, Dissemination Agent or Administrator to comply with any provision of this Disclosure Agreement, any Owner or beneficial owner of the Series 2024 Bonds may, and the Trustee (at the written request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Series 2024 Bonds and upon being indemnified to its satisfaction) shall, take such actions as may be necessary and appropriate to cause the Reporting Party, Dissemination Agent and/or Administrator to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Series 2024 Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer, Dissemination Agent or Administrator to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement shall not be deemed a default under the Disclosure Agreement of Issuer, and a default under the Disclosure Agreement of Issuer shall not be deemed a default under this Disclosure Agreement. Furthermore, a default under this Disclosure Agreement by any Reporting Party shall not be deemed a default under this

Disclosure Agreement by any other Reporting Party, and no Reporting Party shall have any obligation to take any action to mitigate or cure the default of any other Reporting Party.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made by a Reporting Party and/or the Administrator pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Series 2024 Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If any Reporting Party or the Administrator does not provide the information required by Section 3(d) hereof in a timely manner as required by Sections 3(a) or (b) hereof or incomplete Quarterly Information is provided by any Reporting Party, the Dissemination Agent shall not be responsible for the failure to submit a complete Quarterly Information or Quarterly Report to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. The Developer agrees to hold harmless the Administrator, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's breach, negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Administrator and payment in full of the Series 2024 Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

(c) The Dissemination Agent or the Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent and Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(d) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE DEVELOPER, OR ANY OTHER REPORTING PARTY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY ANY PARTY TO THIS DISCLOSURE AGREEMENT OR A REPORTING PARTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT AND THE ADMINISTRATOR ARE UNDER NO OBLIGATION NOR ARE THEY REQUIRED TO BRING SUCH AN ACTION.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of a Reporting Party, the Administrator or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Reporting Party, the Administrator or Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Reporting Parties, the Administrator, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual

Service Plan Update. The Issuer shall pay or reimburse the Dissemination Agent, but only with funds to be provided from the Annual Collection Costs component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for its services rendered in accordance with this Disclosure Agreement.

SECTION 18. Administrator Compensation. The fees and expenses incurred by the Administrator for its services rendered in accordance with this Disclosure Agreement constitute Annual Collection Costs and will be included in the Annual Installments as provided in the Annual Service Plan Update. The Administrator has entered into a separate agreement with the Issuer, which agreement governs the administration of Improvement Area #1, including the payment of the fees and expenses of the Administrator for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Notice. Any written notice required to be given or made hereunder among or between any of the Reporting Parties, the Administrator, the Dissemination Agent and/or Participating Underwriter, shall be given or made by e-mail, facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses listed below or at such other addresses as any be specified in writing by any party hereto to the other parties hereto. If the required notice is provided or delivered by e-mail, the sender must request a read or delivery receipt from the recipient confirming that the recipient received the e-mail or the e-mail was delivered with such notice. Failure of any party to this Disclosure Agreement or Significant Homebuilder to provide proof of an e-mail read receipt or delivery receipt does not constitute a breach or default by such party or Significant Homebuilder under this Disclosure Agreement.

If to Developer:	Meritage Homes of Texas, LLC, Attn: Justin Belmore, Vice President Land Acquisitions 8920 Business Park Drive, Ste. 350 Austin, Texas 78759 E-mail: justin.belmore@meritagehomes.com
If to the Dissemination Agent or Trustee:	BOKF, NA 1401 McKinney Street, Suite 1000 Houston, Texas 77010 E-mail: rachel.roy@bankoftexas.com
If to Administrator:	P3Works, LLC 9284 Huntington Square, Ste 100 North Richland Hills, Texas 76182 E-mail: admin@p3-works.com
If to the Issuer:	City of Kyle, Texas 100 W. Center Street Kyle, Texas 78640 E-mail: pmoheet@cityofkyle.com

If to Participating Underwriter: FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034
E-mail: tdavenport@fmsbonds.com

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[*Signature pages follow.*]

BOKF, NA
(solely in its capacity as Dissemination Agent)

By: _____
Authorized Officer

MERITAGE HOMES OF TEXAS, LLC,
an Arizona limited liability company
(as Developer)

By: _____
Name: Justin Belmore
Its: Vice President of Land Acquisition

P3WORKS, LLC,
a Texas limited liability company
(as Administrator)

By: _____
Name: _____
Title: _____

EXHIBIT A

CITY OF KYLE, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024
(LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1B PROJECT)

DEVELOPER QUARTERLY REPORT
[*INSERT QUARTERLY ENDING DATE*]

Delivery Date: _____, 20__

CUSIP Numbers: [Insert CUSIP Numbers]

DISSEMINATION AGENT

Name: BOKF, NA
Address:
City:
Telephone:
Contact Person: Attn:

I. Unit Mix in Improvement Area #1

Product Type	Number of Units
Lot Type 1 – Single Family 50'	179
Lot Type 2 – Townhome	94

II. Ownership of Lots/Units in Improvement Area #1

PLANNED LOTS IN IMPROVEMENT AREA #1: [_____]

Of the [_____] lots in Improvement Area #1:

1. Number of lots owned by the Developer: [_____]
    a. Number of lots under contract but not closed to Homebuilder(s) [_____]
2. Number of lots owned by all Homebuilder(s): [_____]
    a. Number of lots owned by [insert name of Homebuilder]: [_____]*
    b. Number of lots owned by [insert name of Homebuilder]: [_____]
    c. CHART**

* Include a line item for each individual Homebuilder.
** If Developer is using EMMA filing assistance software, a chart containing the Quarterly Information provided under this item will be generated. If Developer is not using EMMA filing assistance software, Developer shall prepare a chart containing such Quarterly Information.

3. Number of units owned by homeowners: [_____]

III. Lot Status in Improvement Area #1

Of the lots in Improvement Area #1, status:

1. Planned lots as of the date of issuance of the Series 2024 Bonds: [_____]
2. If different from (1), Planned lots as of the date of this Quarterly Report: [_____]
3. Number of Lots developed: [_____]
4. Expected completion date of all lots in Improvement Area #1 (if incomplete): [_____]

IV. Home Sales Information in Improvement Area #1

PLANNED HOMES IN IMPROVEMENT AREA #1: [_____]

Of the [_____] homes planned for Improvement Area #1:

2. How many total building permits were issued **during the current quarter**? [_____]
    a. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: [_____]*
    b. Number of building permits issued during the current quarter for [*insert name of Homebuilder*]: [_____]*
3. How many total homes have closed with homebuyers **during the current quarter**? [_____]
    a. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: [_____]*
    b. Number of homes closed with homebuyers during the current quarter for [*insert name of Homebuilder*]: [_____]*
4. How many total homes have closed with homebuyers **cumulatively**? [_____]
    a. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [_____]*
    b. Number of homes closed with homebuyers cumulatively for [*insert name of Homebuilder*]: [_____]*

* Include a line item for each individual Homebuilder.

V. Expenditures Paid from Accounts under Indenture

1. Total Budgeted Costs for Improvement Area #1 Projects:
    a. Improvement Area #1 Improvements Account $[_____]
2. Of the total budgeted costs, the total amount drawn from the Improvements Accounts:
    a. Improvement Area #1 Improvements Account $[_____]

VI. Status of Improvements in Improvement Area #1

1. Actual/Excepted date of completion of the Improvement Area #1 Improvements: [_____]
2. Actual/Expected date of completion of the Major Improvements: [_____ _____]
3. If applicable, explanation of any delay/change in projected completion date since last Quarterly Report was filed:

VII. HOA Amenities

TOTAL EXPECTED/ACTUAL COSTS OF HOA AMENITIES[***]: $[_____]

Of the $[_____] [expected/actual] costs of the HOA Amenities:

1. Amount spent as of Quarterly Ending Date: $[_____]
2. [Actual/Expected] completion date of HOA Amenities: [_____]

VIII. Material Changes

Describe any material changes, if applicable:

1. **Permits and Approvals** - Since the issuance of the Series 2024 Bonds, have there been any material changes to permits or development approvals (including any zoning) impacting the development of the land subject to the Assessments securing the Series 2024 Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

2. **Mortgage Loans** - Since the issuance of the Series 2024 Bonds, have there been any material changes to mortgage loans (whether changes to an existing loan or incurrence of a new mortgage loan), if applicable, for the land subject to the Assessments securing the Series 2024 Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

3. **Builder Contracts** - Since the issuance of the Series 2024 Bonds, have there been any material changes to builder contracts (including but not limited to changes to price, substantial completion dates, number of lots, or other terms) with respect to the land subject to the

[***] HOA Amenities expected to consist of, among other things, an amenity center, swimming pool, playground, pavilion, trails, ponds, and open space throughout the District.

Assessments securing the Series 2024 Bonds, which were not disclosed in a previously filed Quarterly Report? If so, describe the material changes.

4. **Ownership** - Since the issuance of the Series 2024 Bonds, other than a sale to a homebuilder pursuant to a Lot Purchase Agreement, has there been any sale, assignment or transfer of ownership of lands subject to the Assessments securing the Series 2024 Bonds by the Developer to any third-party developer/land bank, which was not disclosed in a previously filed Quarterly Report? If so, provide the name of the third-party and indicate whether this third-party developer/land bank has executed a Developer Acknowledgment pursuant to the Disclosure Agreement?

5. **Completion Agreement** – Is the Developer required to provide evidence of available funds, in addition to the amounts on deposit in the Project Fund, to complete the construction of the Improvement Area #1 Projects pursuant to the terms of a Completion Agreement? If so, identify the available sources of funding and provide the amount of funding needed to complete the Improvement Area #1 Projects. If the Developer has completed the Improvement Area #1 Projects, please attach the Completion Agreement Release (as defined in the related Completion Agreement).

6. **Amendments** – Since the issuance of the Series 2024 Bonds and except as otherwise disclosed in a previously filed Quarterly Report, (i) describe any amendments or waivers to any provision of the Disclosure Agreement, including a narrative explanation of the reason for the amendment or waiver and its impact on the type of financial information or operating data being presented by the Reporting Parties and (ii) include a copy of the amendment, as applicable.

7. **Other** – Provide any other material information that should be disclosed.

[Remainder of page intentionally left blank]

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO
[PROVIDE QUARTERLY INFORMATION][FILE QUARTERLY REPORT]

[DATE]

Name of Issuer:	City of Kyle, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project) (the "Series 2024 Bonds")
CUSIP Numbers:	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

NOTICE IS HEREBY GIVEN that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) has not provided the [Quarterly Information][Quarterly Report] for the period ending on [*Insert Quarterly Ending Date*] with respect to the Series 2024 Bonds as required by the Continuing Disclosure Agreement of the Developer dated as of May 1, 2024, by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer"), P3Works, LLC, as the "Administrator" and BOKF, NA, Houston, Texas as the "Dissemination Agent." The [Developer][Significant Homebuilder] anticipates that the [Quarterly Information][Quarterly Report] will be [provided][filed] by _____.

Dated: _____

BOKF, NA
on behalf of the Developer
(acting solely in its capacity as
Dissemination Agent)

By: _____

Title: _____

cc: City of Kyle, Texas

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT C

TERMINATION NOTICE

[DATE]

Name of Issuer:	City of Kyle, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project) (the "Series 2024 Bonds")
CUSIP Numbers.	[insert CUSIP Numbers]
Date of Delivery:	_____, 20__

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Meritage Homes of Texas, LLC
8920 Business Park Dr., Suite 350
Austin, TX 78759

City of Kyle, Texas
100 W. Center Street
Kyle, Texas 78640

BOKF, NA
[_____]
[___ __]

[Insert Significant Homebuilder Contact Information]

NOTICE IS HEREBY GIVEN that that _____, a _____ (the ["Developer[1]"] ["Significant Homebuilder"]) is no longer responsible for providing [any Quarterly Information][the Quarterly Report] with respect to the Series 2024 Bonds, thereby, terminating such party's reporting obligations under the Continuing Disclosure Agreement of the Developer dated as of May 1, 2024, by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer"), P3Works, LLC, as the "Administrator" and BOKF, NA, as the "Dissemination Agent."

Dated: _____

P3Works, LLC
on behalf of the [Developer] [Significant Homebuilder]
(solely in its capacity as Administrator)

By: _____

Title: _____

[1] If applicable, replace with applicable successor(s)/assign(s).

EXHIBIT D

CERTIFICATION LETTER

[DATE]

Name of Issuer:	City of Kyle, Texas
Name of Bond Issue:	Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)
CUSIP Numbers:	[insert CUSIP Numbers]
Quarterly Ending Date:	_____, 20__

Re: Quarterly Report for Limestone Creek Public Improvement District Improvement Area #1B Project

To whom it may concern:

Pursuant to the Continuing Disclosure Agreement of the Developer dated as of May 1, 2024 by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer"), P3Works, LLC, as the "Administrator", and BOKF, NA, as the "Dissemination Agent," this letter constitutes the certificate stating that the Quarterly Information, provided by [Developer][_____, as a "Significant Homebuilder"], contained in this Quarterly Report herein submitted by the Administrator, on behalf of the [Developer][Significant Homebuilder], constitutes the [portion of the] Quarterly Report required to be furnished by the [Developer][Significant Homebuilder]. Any and all Quarterly Information, provided by the [Developer][Significant Homebuilder], contained in this Quarterly Report for the three month period ending on [*Insert Quarterly Ending Date*], to the best of my knowledge, is true and correct, as of [insert date].

Please do not hesitate to contact our office if you have and questions or comments.

MERITAGE HOMES OF TEXAS, LLC,
an Arizona limited liability company
(as Developer)

By: _____
Name: _____
Its: _____

OR

[SIGNIFICANT HOMEBUILDER]
(as Significant Homebuilder)
By:_____
Title: _____]

EXHIBIT E

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF DEVELOPER REPORTING OBLIGATIONS

[DATE]

[INSERT ASSIGNEE CONTACT INFORMATION]

Re: Limestone Creek Public Improvement District Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

Per [*Insert name of applicable agreement*], as of _____, 20__, you have been assigned and have assumed the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Projects or HOA Amenities (each as defined in the Disclosure Agreement of the Developer) within the Limestone Creek Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer dated as of May 1, 2024 (the "Disclosure Agreement of the Developer") by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and BOKF, NA (the "Dissemination Agent") with respect to the "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)," any person that, through assignment, assumes the obligations, requirements or covenants to construct one or more of the Improvement Area #1 Projects or HOA Amenities is defined as a Developer.

As a Developer, pursuant to Section 5 of the Disclosure Agreement of the Developer, you acknowledge and assume the reporting obligations under Sections 3 and 4(a) of the Disclosure Agreement of the Developer for the construction of the Improvement Area #1 Projects or HOA Amenities as detailed in the Disclosure Agreement of the Developer, which is included herewith.

Sincerely,

MERITAGE HOMES OF TEXAS, LLC, an Arizona limited liability company

By: _____
Name: _____
Title:_____

Acknowledged by:
[INSERT ASSIGNEE NAME]

By:_____
Title:_____

EXHIBIT F

FORM OF ACKNOWLEDGEMENT OF ASSIGNMENT OF SIGNIFICANT HOMEBUILDER REPORTING OBLIGATIONS

[DATE]

[INSERT SIGNIFICANT HOMEBUILDER CONTACT INFORMATION]

Re: Limestone Creek Public Improvement District Improvement Area #1 – Continuing Disclosure Obligation

Dear _____,

As of _____, 20__, you own ____ lots within Improvement Area #1 of the Limestone Creek Public Improvement District (the "District").

Pursuant to Section 2 of the Continuing Disclosure Agreement of the Developer dated as of May 1, 2024 (the "Disclosure Agreement of the Developer") by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer"), P3Works, LLC (the "Administrator"), and BOKF, NA (the "Dissemination Agent") with respect to the "City of Kyle, Texas, Special Assessment Revenue Bonds, Series 2024 (Limestone Creek Public Improvement District Improvement Area #1B Project)," any entity that owns ten (10) or more of the single family residential lots within Improvement Area #1 of the District is defined as a Significant Homebuilder.

As a Significant Homebuilder, pursuant to Section 6 of the Disclosure Agreement, you acknowledge and assume the reporting obligations under Sections 3 and 4(b) of the Disclosure Agreement for the property which is owned as detailed in the Disclosure Agreement, which is included herewith.

Sincerely,

MERITAGE HOMES OF TEXAS, LLC,
an Arizona limited liability company
(as Developer)

By: _____
Name: _____
Its: _____

Acknowledged by:
[INSERT ASSIGNEE NAME]

By:_____
Title:_____

Limestone Creek Public Improvement District
Financing Agreement

This Limestone Creek Public Improvement District Financing Agreement (this "Agreement") is entered into by Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer") and the City of Kyle, Texas (the "City"), to be effective June 20 , 2023, (the "Effective Date"). The Developer and the City are individually referred to as a "Party" and collectively as the "Parties."

SECTION 1. RECITALS

1.1 WHEREAS**,** capitalized terms used in this Agreement shall have the meanings given to them in Section 2;

1.2 WHEREAS, unless otherwise defined: (1) all references to "sections" shall mean sections of this Agreement; (2) all references to "exhibits" shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to "ordinances" or "resolutions" shall mean ordinances or resolutions adopted by the City Council;

1.3 WHEREAS, the Developer is an Arizona limited liability company;

1.4 WHEREAS, the City of Kyle is a Texas home-rule municipality;

1.5 WHEREAS, the Developer and the City entered into an Amended and Restated Limestone Creek Development Agreement, effective June 21, 2022 (as may be amended, the "Development Agreement") pertaining to development matters with respect to the Property;

1.6 WHEREAS, it is intended that the Property will be developed as a residential development, in accordance with the Development Agreement;

1.7 WHEREAS, on October 18, 2022, the City Council passed and approved the PID Creation Resolution authorizing the creation of the PID pursuant to the Act, covering approximately 161.5 contiguous acres within the City's corporate limits, which land is described in the PID Creation Resolution;

1.8 WHEREAS, on June 20, 2023, the City Council passed and approved an Assessment Ordinance;

1.9 WHEREAS, the Assessment Ordinance approved the SAP;

1.10 WHEREAS, the SAP identifies Authorized Improvements to be designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.11 WHEREAS, the SAP sets forth the Actual Costs of the Authorized Improvements;

1.12 WHEREAS, the Assessed Property is being developed in phases or "Improvement Areas;"

1.13 WHEREAS, this Agreement shall apply to all phases and/or Improvement Areas and no additional financing agreement shall be required for future Improvement Areas;

1.14 WHEREAS, the SAP determines and apportions the Actual Costs of the Authorized Improvements to the Assessed Property, which Actual Costs represent the special benefit that the Authorized Improvements confer upon the Assessed Property as required by the Act;

1.15 WHEREAS, the Assessment Ordinance levied the Actual Costs of the Authorized Improvements as Assessments against the Assessed Property in the amounts set forth on the Assessment Roll(s);

1.16 WHEREAS, an Assessment Ordinance (as defined below) will be considered for future Improvement Areas to levy Assessments against the Assessed Property in the amounts set forth on the Assessment Roll(s) related to such Improvement Areas;

1.17 WHEREAS, Assessments, including the Annual Installments thereof, are due and payable as described in the SAP;

1.18 WHEREAS, Annual Installments shall be billed and collected by the City or its designee;

1.19 WHEREAS, Assessment Revenue from the collection of Assessments, including the Annual Installments thereof, shall be deposited (1) as provided in the applicable Indenture if PID Bonds secured by such Assessments are issued, or (2) into the City Project Fund if no such PID Bonds are issued or no PID Bonds remain outstanding;

1.20 WHEREAS, Bond Proceeds shall be deposited as provided in the applicable Indenture;

1.21 WHEREAS, the PID Project Funds shall only be used in the manner set forth in the applicable Indenture;

1.22 WHEREAS, the foregoing RECITALS: (1) are part of this Agreement for all purposes; (2) are true and correct; and (3) each Party has relied upon such Recitals in entering into this Agreement; and

1.23 WHEREAS, all resolutions and ordinances referenced in this Agreement (e.g., the PID Creation Resolution and each Assessment Ordinance), together with all other documents referenced in this Agreement (e.g., the SAP and each Indenture), are incorporated as part of this Agreement for all purposes as if such resolutions, ordinances, and other documents were set forth in their entirety in or as exhibits to this Agreement.

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

SECTION 2. DEFINITIONS

2.1 "Act" is defined as Chapter 372, Texas Local Government Code, as amended.

2.2 "Actual Costs" is defined in the SAP.

2.3 "Actual Increased Costs" is defined in Section 4.11.

2.4 "Actual Increased City Obligation Costs" is defined in Section 4.11.

2.5 "Additional Costs" is defined in Section 4.11.

2.6 "Administrator" is defined in the SAP.

2.7 "Agreement" is defined in the introductory paragraph.

2.8 "Annual Collection Costs" are defined in the SAP.

2.9 "Annual Installment" is defined in the SAP.

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

2.11 "Assessed Property" is defined in the SAP.

2.12 "Assessment" is defined in the SAP.

2.13 "Assessment Ordinance" is defined in the SAP.

2.14 "Assessment Revenue" means the revenues actually received by or on behalf of the City from the collection of Assessments, including Prepayments, Annual Installments and foreclosure proceeds.

2.15 "Assessment Roll" is defined in the SAP.

2.16 "Authorized Improvements" is defined in the SAP.

2.17 "Bond Proceeds" mean the proceeds derived from the issuance and sale of a series of PID Bonds that are deposited and made available to pay Actual Costs in accordance with the applicable Indenture.

2.18 "Certificate for Payment" means a certificate (substantially in the form of **Exhibit A** or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by a City Representative, delivered to a City Representative (and/or, if

applicable, to the trustee named in any applicable Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs of Authorized Improvements, and requesting payment of such amount from the Improvement Area #1 Improvements Account or Future Improvement Area Improvements Account of any PID Project Fund.

2.19 "Change Order" is defined in Section 3.12.

2.20 "City" is defined in the introductory paragraph.

2.21 "City Council" means the governing body of the City.

2.22 "City Obligations" is defined in the Section 4.11.

2.23 "City Project Fund" means the fund(s) established by the City pursuant to Section 3.1.1 herein (and segregated from all other funds of the City) into which the City deposits Assessment Revenue if not deposited into the PID Pledged Revenue Fund.

2.24 "City Representative" means any person authorized by the City Council to undertake the actions referenced herein.

2.25 "Closing Disbursement Request" means a request in the form of **Exhibit B** or as otherwise approved by the Parties.

2.26 "Cost Overrun" is defined in Section 3.2.

2.27 "Cost Underrun" is defined in Section 3.11.

2.28 "Default" is defined in Section 4.8.1.

2.29 "Delinquent Collection Costs" is defined in the SAP.

2.30 "Developer" is defined in the introductory paragraph.

2.31 "Developer Advances" means advances made by the Developer to pay Actual Costs, as described in Section 3.2 hereof.

2.32 "Developer Continuing Disclosure Agreement" means any *Continuing Disclosure Agreement of Developer* executed contemporaneously with the sale of PID Bonds.

2.33 "Development Agreement" is defined in Section 1.5.

2.34 "Effective Date" is defined in the introductory paragraph.

2.35 "Failure" is defined in Section 4.8.1.

2.36 "Future Improvement Area Improvements Account" means the account under the PID Project Fund established by an Indenture relating to any PID Bonds, in which Bond Proceeds are deposited to pay for the Actual Costs of the Authorized Improvements for future improvement areas as described in the applicable Indenture.

2.37 "Home Buyer Disclosure Program" is defined as the disclosure program, administered by the Builder (as defined in Exhibit C) as set forth in a document in substantially the same form as **Exhibit C** attached hereto, that establishes a mechanism to disclose to each Buyer (as defined in Exhibit C) the terms and conditions under which their lot is burdened by the PID.

2.38 "Improvement Area" is defined in the SAP.

2.39 "Improvement Area #1" is defined in the SAP.

2.40 "Improvement Area #1 Improvements Account" means the account under the PID Project Fund established by an Indenture relating to the Improvement Area #1 Initial Bonds and into which Bond Proceeds are deposited to pay for the Actual Costs of the Improvement Area #1 Improvements as described in the applicable Indenture.

2.41 "Improvement Area #1 Initial Bonds" is defined in the SAP.

2.42 "Indenture" means the applicable trust indenture pursuant to which PID Bonds are issued.

2.43 "Maturity Date" is the date one year after the last Annual Installment is collected.

2.44 "Non-Benefited Property" is defined in the SAP.

2.45 "Parcel" is defined in the SAP.

2.46 "Party" and "Parties" are defined in the introductory paragraph.

2.47 "Pledged Revenues" is defined in Section 3.1.1.

2.48 "PID" is defined as the Limestone Creek Public Improvement District, created by the PID Creation Resolution.

2.49 "PID Bonds" is defined in the SAP.

2.50 "PID Creation Resolution" is defined as Resolution No. 1327 passed and approved by the City Council on October 18, 2022.

2.51 "PID Pledged Revenue Fund" means the fund, including all accounts created within such fund, established by the City under an Indenture (and segregated from all other funds of the City) into which

the City deposits Assessment Revenue from the collection of Assessments, including Annual Installments thereof, securing PID Bonds issued and still outstanding under such Indenture.

2.52 "PID Project Fund" means the fund, including all accounts created within such fund, established by the City under an Indenture (and segregated from all other funds of the City) into which the City deposits a portion of the Bond Proceeds and any other funds authorized or required by such Indenture.

2.53 "Prepayment" is defined in the SAP.

2.54 "Property" is defined as that certain 161.5 acre tract within the City's corporate limits, which tract is described in the PID Creation Resolution.

2.55 "QTEO" is defined in the Section 4.11.

2.56 "Reimbursement Agreement" means any Limestone Creek Public Improvement District Reimbursement Agreement by and between the City and the Developer, applicable to any particular Improvement Area within the District.

2.57 "Reimbursement Fund" means the fund, including all accounts created within such fund, established by the City under an Indenture (and segregated from all other funds of the City) into which the City deposits a portion of the Annual Installment of Assessments collected and any other funds authorized or required by such Indenture.

2.58 "Reimbursement Payment Request" means a certificate (substantially in the form attached to the applicable Reimbursement Agreement or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by a City Representative, delivered to a City Representative (and/or, if applicable, to the trustee named in any applicable Indenture), specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs paid by the Developer, including accrued and unpaid interest thereon, to satisfy the applicable Reimbursement Obligation (as defined in the applicable Reimbursement Agreement) from funds disbursed from the Reimbursement Fund, as described in the Indenture, or the City Project Fund (as applicable) the Improvement Area #1 Improvements Account, or from a Future Improvement Area Improvements Account to be reimbursed to the Developer pursuant to the terms of the applicable Indenture for additional bonds issued to refund a Reimbursement Obligation.

"Reimbursement Obligation" is defined in the applicable Reimbursement Agreement.

2.59 "Service and Assessment Plan" or "SAP" is defined as the *Limestone Creek Public Improvement District Service and Assessment Plan* approved as part of the June 20, 2023, Assessment Ordinance, as the same may be updated or amended by City Council action in accordance with the Act.

2.60 "Tax Certificate" is defined in Section 4.7.2.

2.61 "Transfer" and "Transferee" are defined in Section 4.10.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits.

3.1.1 Prior to the issuance of a series of PID Bonds for a particular Improvement Area, the City shall cause the Assessments (including the Annual Installments thereof, Prepayments and amounts received from the foreclosure of liens but excluding Annual Collection Costs and Delinquent Collection Costs) (the "Pledged Revenues") collected for an Improvement Area to be deposited into a segregated account, created pursuant to the terms of this Agreement and separate and apart from all City funds (the "City Project Fund").

3.1.2 Until PID Bonds are issued for an Improvement Area, the City shall bill, collect, and deposit into the City Project Fund all Pledged Revenues collected in that Improvement Area. Once PID Bonds are issued, the City shall bill, collect, and deposit all Assessment Revenue for that Improvement Area in the manner set forth in the applicable Indenture.

3.1.3 Upon the issuance of PID Bonds for an Improvement Area, the City shall also deposit Bond Proceeds and any other funds authorized or required by the Indenture and the Developer shall deposit any funds required by the Indenture in the manner set forth in the applicable Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable Indenture. Funds in the City Project Fund shall only be used to pay Actual Costs of the Authorized Improvements of the applicable Improvement Area or all or any portion of the Reimbursement Obligation, including accrued and unpaid interest, in accordance with the applicable Reimbursement Agreement. Notwithstanding any other provision in this Agreement, the Actual Costs of Authorized Improvements allocable to each phase or "Improvement Area" shall be paid from the Bond Proceeds or Assessment Revenue collected solely from Assessments levied on the property within such phase or "Improvement Area" benefitting from such Authorized Improvements. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as any PID Bonds are outstanding or a Reimbursement Obligation, including accrued and unpaid interest, remains outstanding. The City shall determine or cause to be determined, no later than February 15 of each year whether any Annual Installment is delinquent and if such delinquencies exist, the City will order and cause to be commenced as soon as practicable, and subject to any necessary action required by the City Council, any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including without limitation diligently

prosecuting an action to foreclose the currently delinquent Annual Installment; provided, however, the City shall not be required under any circumstances to pay any delinquent Assessment or purchase or make payment for the purchase of the corresponding Assessed Property.

3.2 Payment of Actual Costs. If PID Bonds are not issued for an Improvement Area (or prior to such issuance) to pay Actual Costs of Authorized Improvements benefitting that Improvement Area, the Developer may elect to make Developer Advances to pay Actual Costs and submit Reimbursement Payment Requests to be reimbursed from the City Project Fund for such Developer Advances in the same manner provided in Section 3.4.3 below. If PID Bonds are issued, the Bond Proceeds shall be used in the manner provided in the applicable Indenture; and, except as may be required under an Indenture, the Developer shall have no obligation to make Developer Advances unless the Bond Proceeds, together with any other funds in the PID Project Fund or City Project Fund, are insufficient to pay the Actual Costs of Authorized Improvements described in the applicable Indenture, in which case the Developer may be required to make Developer Advances to pay the deficit in the form of (i) loan funds, (ii) funds available pursuant to a letter of credit, (iii) available cash, (iv) completion agreement, (v) any other form as agreed to by the Parties or (vi) any combination of (i) – (v) (collectively, a "Developer Advance"). If Developer Advances, in the form as agreed to by the Parties, are required in connection with the issuance of a series of PID Bonds, then such Developer Advances may be reduced by the amount of payments of Actual Costs of the Authorized Improvements (or portions thereof) to be financed by such PID Bonds that the Developer has previously paid if (i) the Developer submits to the City all information related to such costs that would be required by a Closing Disbursement Request, and (ii) the City approves such Actual Costs in writing at least five (5) days prior to the pricing of the PID Bonds. The Developer shall also make Developer Advances to pay for any amount by which the total cost of an Authorized Improvement (or segment or section thereof) exceeds the budgeted cost in the SAP for such Authorized Improvement (or segment or section thereof) ("Cost Overrun") after applying cost savings as provided for in Section 3.10. The Developer agrees to pay the Actual Costs of the Authorized Improvements set forth in the SAP that are not funded by Bond Proceeds or by funds in the City Project Fund (as provided in a Reimbursement Agreement), if any, and agrees to maintain sufficient funds for such purpose in the form of Developer Advances.

3.3 PID Bonds. The City, in its sole, legislative discretion, may issue PID Bonds, in one or more series, when and if the City Council determines it is financially feasible for the purposes of: (1) paying a Reimbursement Obligation, including accrued interest and unpaid interest, (as provided in the applicable Reimbursement Agreement); or (2) paying directly Actual Costs of Authorized Improvements described in the applicable Indenture. PID Bonds issued for such purpose will be secured by and paid solely as authorized by the applicable Indenture. The failure of the City to issue PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Upon the issuance of the PID Bonds, the Developer has a duty to construct or cause to be constructed those Authorized Improvements described in the applicable Indenture. The Developer shall not be relieved of its duty to construct or cause to be constructed such improvements even if there are insufficient funds in the PID Project Fund to pay the Actual Costs. This Agreement shall apply to all of the PID Bonds issued by the City whether in one or more series, and no additional financing agreement shall be required for future series of PID Bonds.

3.4 Disbursements and Transfers at and after Bond Closing.

3.4.1 The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the City or the Developer, as applicable, which costs may include payment for costs of issuance of PID Bonds and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items expended by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than five (5) days prior to the scheduled pricing date for the PID Bonds for payment in accordance with the provisions of the applicable Indenture.

3.4.2 In order to receive disbursements for Actual Costs of Authorized Improvements from the applicable fund after the closing of an applicable series of PID Bonds under this Agreement and an applicable Indenture, the Developer shall execute a Certificate for Payment, to be delivered to the City for payment in accordance with the provisions of the applicable Indenture and this Agreement no more frequently than on a monthly basis or as agreed to in the applicable Indenture, Reimbursement Agreement, or other applicable agreement between the parties related to the property in the PID. Upon receipt of a Certificate for Payment (along with all accompanying documentation required (as provided by the Certificate for Payment) from the Developer), the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement, the Reimbursement Agreement, and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such certificate. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Certificate for Payment.

3.4.3 Reimbursement Payment Request for Costs Previously Paid Under an Applicable Reimbursement Agreement. In order to receive disbursements under a Reimbursement Payment Request for Actual Costs for Authorized Improvement previously paid by the Developer, the Developer shall execute a Reimbursement Payment Request to be delivered to the City for payment in accordance with the provisions of the applicable Reimbursement Agreement, applicable Indenture, and this Agreement.

3.4.4 The Developer agrees to cooperate with the City in conducting each such review required to be made for the approval of a Certificate for Payment, Closing Disbursement Request,, and/or Reimbursement Payment Request, the Developer agrees to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Such additional information and documentation shall not be subject to the monthly submission limit outlined in Section 3.4.2 above.

3.4.5 The Developer further agrees that sales tax will not be approved for payment under a certificate for payment or Reimbursement Payment Request.

3.4.6 Within ten (10) business days following receipt of any Certificate for Payment or Reimbursement Payment Request, the City shall either: (1) approve such certificate or request and forward it to the trustee under the applicable Indenture for payment, or (2) provide the Developer with written notification of disapproval of all or part of such certificate, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.4.7 herein. The City shall, as applicable, (i) make payment under the approved or partially approved Reimbursement Payment Request from the City Project Fund, or (ii) deliver the approved or partially approved Certificate for Payment or Reimbursement Payment Request to the trustee under the applicable Indenture for payment from the applicable Account in the applicable PID Project Fund, and such trustee shall make the disbursements as quickly as practicable thereafter.

3.4.7 If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made; however, if the Parties are unable to resolve the disputed amount, the denial may be appealed to the City Council by the Developer in writing within thirty (30) days of being denied by the City Representative. Denial of the Certification for Payment by the City Council shall control.

3.4.8 PID creation expenses and City's Administrative Expenses relating to the creation of each PID, the levy of Assessments and issuance of PID Bonds may be distributed at closing of the PID Bonds pursuant to a Closing Disbursement Request, in the form attached hereto.

3.5 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the City Project Fund or the PID Project Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements; (2) the Reimbursement Obligation, including any accrued and unpaid interest, even if the Reimbursement Obligation, including any accrued and unpaid interest, is not paid in full on or before the Maturity Date; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.6 Obligation to Pay. Subject to the provisions of Section 3.4.8 and 3.5 of this Agreement and any Reimbursement Agreement, if applicable, if the Developer is (1) current on payment of all taxes, assessments and fees owed to the City, and (2) in then current compliance with its obligations under (a) this Agreement, and (b) all Developer Continuing Disclosure Agreements (if PID Bonds are issued and remain outstanding); then, following the inspection and approval by the City of any portion of Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment, Reimbursement Payment Request and/or Closing Disbursement Request the obligations of the City under this Agreement to pay disbursements (whether to the Developer or to any assignee of the Developer) identified in any approved Certificate for Payment, and/or Closing Disbursement Request and to pay debt service on PID Bonds are

unconditional AND NOT subject to any defenses or rights of offset except as may be provided in any Indenture.

3.7 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans and in accordance with this Agreement and any other agreement between the parties related to property in the PID. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work in accordance with City ordinances, City regulations, and generally accepted practices appropriate to the activities undertaken. The Developer has sole responsibility of ensuring that all Authorized Improvements are constructed in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work in accordance with City ordinances, City regulations, and generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements to be acquired and accepted by the City from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City shall grant to the Developer a license agreement in a form acceptable to the City to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.8 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company, which shall not be unreasonable, regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City or the City may decline to accept the Authorized Improvement until such mechanics or materialman's lien and/or judgment is satisfied, with the surety bond or letter of credit not to exceed one hundred twenty percent (120%) of the disputed amount.

3.9 Ownership and Transfer of Authorized Improvements. The Developer shall furnish to the City a preliminary title report for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The

report shall be made available for City review and approval at least fifteen (15) business days prior to the scheduled transfer of title. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any preliminary title report, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

3.10 Remaining Funds After Completion of an Authorized Improvement. Upon the entering into final construction contracts for an Authorized Improvement, if the Actual Cost of such Authorized Improvement is less than the budgeted cost as shown in Exhibit C to the SAP, as the same may be updated by the City, (a "Cost Underrun"), any remaining budgeted cost will be available to pay Cost Overruns on any other Authorized Improvement. Additionally, upon the final completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, any Cost Underrun will be available to pay Cost Overruns on any other Authorized Improvement. A City Representative shall promptly confirm to the Administrator (as defined in the SAP) that such remaining amounts are available to pay such Cost Overruns, and the Developer, the Administrator and the City Representative will agree how to use such moneys to secure the payment and performance of the work for other Authorized Improvements. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement and may be added to the amount approved for payment in any Certificate for Payment, as agreed to by the Developer, the Administrator and the City Representative.

3.11 Contracts and Change Orders. The Developer shall be responsible for entering into all contracts and any supplemental agreements (herein referred to as "Change Orders") required for the construction of an Authorized Improvement. The Developer or its contractors may approve and implement any Change Orders even if such Change Order would increase the Actual Cost of an Authorized Improvement, but the Developer shall be solely responsible for payment of any Cost Overruns resulting from such Change Orders except to the extent amounts are available pursuant to Section 3.10 above.

3.12 Landowner Consent and Recordation of Assessments.

3.12.1 Concurrently with the levy of the Assessments, the Developer shall execute (and shall cause any other owner of any of the Assessed Property to execute) a landowner consent certificate (the "Landowner Consent Certificate") in which the Developer and any other owners shall approve and accept the apportionment of Assessments in the Service and Assessment Plan and the levy of the Assessments by the City. The Landowner Consent Certificate further shall (a) evidence the Developer's intent that the Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Assessed Property to the Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and (b) provide that the liens created by the levy of the Assessments are a first and prior lien on the Assessed Property, subject only to liens for ad valorem taxes of the State, County, City, or school district. A form of the Landowner Consent Certificate is attached hereto as **Exhibit D**.

3.12.2 After the City Council approves a Service and Assessment Plan and any subsequent updates or amendments thereto, the City shall file a copy of the Service and Assessment Plan or the updates and amendments thereto with the County Clerk of Hays County, Texas (the "County Clerk") in accordance with the PID Act. The Service and Assessment Plan, including any annual update thereto, will include the notice form required by Section 5.014 of the Texas Property Code (the "Section 5.014 Notice"). Any fees or other costs associated with the filing of the original Service and Assessment Plan and any amendment or updated thereto in connection with the issuance of PID Bonds with the County Clerk shall be paid by Developer. Any fees or other costs associated with the filing of all other amendments or updates to the Service and Assessment Plan with the County Clerk will be paid as an Annual Collection Cost.

3.12.3 The Developer shall execute and provide to any potential purchaser of Assessed Property the Section 5.014 Notice in accordance with Subchapter A of Chapter 5 of the Texas Property Code and, upon closing of the purchase and sale of such Assessed Property execute a copy of the Section 5.014 Notice in recordable form and file or cause to be filed such notice in the deed records of the County in accordance with Subchapter A of Chapter 5 of the Texas Property Code.

3.12.4 If foregoing procedures set forth in this Section 3.12 are later amended by the Texas Legislature, the amended provisions of the PID Act or Subchapter A of Chapter 5 of the Texas Property Code shall be deemed to amend this Section 3.12 without any further actions by the City or the Developer.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the Maturity Date.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City staff prior to Developer selecting the contractor.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours and upon five (5) business days' prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements. For a period of two (2) years after completion of the Authorized Improvements or after the expenditure of all Bond Proceeds, whichever is later, the Developer shall maintain proper books of record and account for the construction of the Authorized Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles. The Developer shall have the right, during normal business hours, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall provide the Developer an opportunity to inspect

such books and records relating to the Assessments during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and accounts pertaining to the Assessments for so long as PID Bonds remain outstanding or Reimbursement Obligation, including accrued interest and unpaid interest, remains outstanding.

4.5 Developer's Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer's right to protest ad valorem taxes. The Developer's decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.6 PID Administration and Collection of Assessments. If the City designates an Administrator who shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID, the City shall provide the Developer upon request with a copy of the agreement between the City and the Administrator. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer with a copy of such agreement. During the term of this Agreement, the City shall notify the Developer of any change of Administrator or third-party collection of the Assessments.

4.7 Representations and Warranties.

4.7.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (3) any information provided by the Developer for inclusion in a disclosure document for an issue of PID Bonds will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (4) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (5) this Agreement is binding upon the Developer in accordance with its terms; and (6) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement does not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.7.2 If in connection with the issuance of PID Bonds the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the Internal Revenue Code, the Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. The Developer represents that such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the knowledge of the officers of the Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of any proceeds from the sale of PID Bonds (including, but not limited to, the use of the Authorized Improvements), the Developer further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds that would

cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

4.7.3 The City represents and warrants to the Developer that: (1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon the City in accordance with its terms; and (4) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.8 Default/Remedies

4.8.1 Default. If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) business days after receipt of written notice within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days after receipt of written notice within which to cure. Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured, but no more than one hundred and twenty (120) days, unless the non-defaulting Party provides an extension by written approval.

4.8.2 Remedies..

(a) If the Developer is in Default, the City shall have available all remedies at law or in equity; provided that, except as otherwise provided in this Agreement, no default by the Developer shall entitle the City to terminate this Agreement or to withhold payments to the Developer in accordance with this Agreement, any Reimbursement Agreement, and any Indenture, as applicable. Notwithstanding the foregoing, in the event the Developer attempts to transfer its interests in this Agreement in violation of Section 4.11 of this Agreement, the City, in its sole discretion shall have the right to terminate this Agreement.

(b) If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement.

(c) The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.

4.9 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or

any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The City shall not be deemed to waive any defenses or immunities, whether sovereign, governmental, legislative, qualified or otherwise, all such defenses and immunities being expressly retained. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.10 Indemnification. THE DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS CITY (AND THEIR ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, AND REPRESENTATIVES), INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY ANY THIRD PARTY AND RELATING TO DEVELOPER'S CONSTRUCTION OF THE PUBLIC IMPROVEMENTS INCLUDING BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY OR DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER OR DEVELOPER'S CONTRACTORS' NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES, INCLUDING ANY SUCH ACTS OR OMISSIONS OF DEVELOPER OR DEVELOPER'S CONTRACTORS, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONSULTANTS OF DEVELOPER OR DEVELOPER'S CONTRACTORS AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES, ALL WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY, UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL PROMPTLY ADVISE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST CITY, RELATED TO OR ARISING OUT OF DEVELOPER OR DEVELOPER'S CONTRACTORS ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE DEVELOPER'S COST TO THE EXTENT REQUIRED UNDER THE INDEMNITY IN THIS PARAGRAPH. CITY SHALL HAVE THE RIGHT, AT THEIR OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING DEVELOPER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY AND THE DEVELOPER SHALL SURVIVE THE TERMINATION AND/OR EXPIRATION OF THIS AGREEMENT AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE CITY AND/OR THEIR OFFICERS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW.

4.11 Assignment of Receivables, Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice

to) the City, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations), but only as it relates to each separate Improvement Area within the PID, including, but not limited to, any right, title, or interest of the Developer in and to payments from Bond Proceeds or the City Project Fund (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"); provided, however, that no such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance shall be made without prior written consent of the City Council if such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance would result in (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting or recordkeeping duties. Notwithstanding the foregoing, no Transfer shall be effective until notice of the Transfer is given to the City. The City may rely on notice of a Transfer received from the Developer without obligation to investigate or confirm the validity of the Transfer. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.12 Qualified Tax-Exempt Status. In any calendar year in which PID Bonds are issued, the Developer agrees to pay the City additional costs ("Additional Costs") the City may incur in the issuance of City obligations (the "City Obligations") as described in this Section 4.11 if the City Obligations are deemed not to qualify for the designation of "qualified tax-exempt obligations" ("QTEO") as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this Section 4.11 into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. Additionally, the City will provide the Developer on an annual basis no later than August 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process.

In the event the City issues PID Bonds prior to the issuance of City Obligations, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately thirty (30) days prior to the date of the pricing of the PID Bonds (the "Estimated Additional Costs"), and the City shall provide a written invoice to the Developer. Unless otherwise agreed to in writing by the City, the Developer shall pay such Estimated Additional Costs to the City on or before the earlier of (i) ten (10) business days after the date of the City's invoice and (ii) five (5) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any issue of PID Bonds until the Developer has paid to the City the Estimated Additional Costs related to the PID Bonds then being issued. The Estimated Additional Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased Costs. In the event the Actual Increased Costs are less than the Estimated Additional Costs, the City will refund to the Developer the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Actual Increased Costs are more than the Estimated Additional Costs, the Developer will pay to the City the difference between the Actual Increased Costs and the Estimated

Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs. If the Developer does not pay the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased Costs, the Developer shall not be reimbursed for any Developer Advances until such payment is made in full.

In the event the City issues City Obligations prior to the issuance of PID Bonds, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately twenty (20) days prior to the date of the pricing of the City Obligations (the "Estimated Additional City Obligation Costs"), and the City shall provide a written invoice to the Developer. The Developer shall pay such Estimated Additional City Obligation Costs to the City at least ten (10) days prior to pricing the City Obligations. If the Developer has not paid the Estimated Additional City Obligation Costs to the City by the required time, the City, at its option, may elect to designate such City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year. The Estimated Additional City Obligation Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased City Obligation Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased City Obligation Costs. In the event the Actual Increased City Obligation Costs are less than the Estimated Additional City Obligation Costs, the City will refund to the Developer the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Actual Increased City Obligation Costs are more than the Estimated Additional City Obligation Costs, the Developer will pay to the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs. If the Developer does not pay the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's notice to the Developer of the Actual Increased City Obligation Costs, the Developer shall not be reimbursed for any Developer Advances until such payment is made in full.

To the extent any developer(s) or owner(s) (including the Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or owner (including the Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or owner(s) (including the Developer, as applicable) as necessary so as to put all developers and owners so paying for the same calendar year in the proportion set forth in the next paragraph, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of such Additional Costs.

The City shall charge Additional Costs attributable to any other developer or owner on whose behalf the City has issued debt in the same manner as described in this Section 4.11, and the Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Developer's portion had already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to the Developer. The portion owed by the

Developer shall be determined by dividing the total Bond Proceeds from any debt issued on behalf of the Developer in such calendar year by the total Bond Proceeds from any debt issued by the City for the benefit of all owners or developers (including the Developer) in such calendar year.

If in any calendar year the City issues City Obligations or PID Bonds on its own account that exceed the amount that would otherwise qualify the City for the issuance of bank qualified debt, then no Additional Costs shall be due from the Developer in connection with such PID Bonds. The Additional Costs incurred with respect to such PID Bonds shall be allocated as described above, and if any Additional Costs had already been paid by the Developer to the City for such calendar year, then such excess of Additional Costs shall be reimbursed to the Developer within five (5) business days of the issuance of such City Obligations or PID Bonds, as applicable.

4.13 Estoppel Certificate. From time to time upon written request of the Developer, the City Manager will execute a written estoppel certificate (1) identifying any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; or (2) stating, to the extent true, that to the best knowledge and belief of the City, the Developer is in compliance with its duties and obligations under this Agreement.

4.14 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Hays County, Texas.

4.15 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:
City of Kyle
Attn: City Manager
100 W. Center Street
Kyle, TX 78640

With a copy to:
The Knight Law Firm, LLP
Attn: Paige H. Saenz
223 West Anderson Lane, Suite A-105
Austin, TX 78752

To the Developer:
Meritage Homes of Texas, LLC
Attn: Justin Belmore or Brandon Hammann
8920 Business Park Dr., Suite 350
Austin, TX 78759

justin.belmore@meritagehomes.com

brandon.hammann@meritagehomes.com

With a copy to: Cinclair Law, PLLC
Attn: Prabha Cinclair
E-mail: prabha@cinclairlaw.com
TEL: (214) 683-0859

Any Party may change its address by delivering notice of the change in accordance with this section.

4.16 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound: (1) first, the provisions and intent of any applicable Indenture shall control, (2) second, the provisions and intent of this Agreement shall control subject only to the terms of any applicable Indenture. If there is any conflict between this Agreement and the Development Agreement, the Development Agreement shall control. This Agreement may only be amended by written agreement of the Parties.

4.17 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.18 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.19 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.20 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.21 Iran, Sudan, and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries,

and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.22 No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal or State law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.23 Anti-Boycott Verification – Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, and to the extent such Section is not inconsistent with a governmental entity’s constitutional or statutory duties related to the issuance, incurrence, or management of debt obligations or the deposit, custody, management, borrowing, or investment of funds. As used in the foregoing verification, "boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by the preceding statement in (A).

4.24 Anti-Discrimination Verification – Firearm Entities and Firearm Trade Associations. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” means: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; but does not include (a) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; or (b) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing

an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association.

4.25 Employment of Undocumented Workers. During the term of this Agreement, and to the extent required under State law, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.8.C. Section 1324a (f), the Developer shall repay the taxes abated herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101 (c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

[*Execution pages follow.*]

CITY OF KYLE, TEXAS

By: _____
Travis Mitchell, Mayor

ATTEST:

By: _____
Jennifer Kirkland, City Secretary

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By: _____

Name: Justin Belmore

Title: VP of Land Acquisition

EXHIBIT A

FORM OF CERTIFICATE FOR PAYMENT

Request Submission Date: _____

The undersigned is an agent for Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer") and requests the City of Kyle, Texas (the "City") approve payment to the Developer (or to the person designated by the Developer) from the **Improvement Area # __ Improvements Account of the Project Fund** (as defined in that certain Indenture of Trust by and between the City and BOKF, NA as trustee, dated as of _____, 20__ (the "Indenture)) in the amount of _____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain [Improvement Area #__ Improvements] [and] [Major Improvements] related to the Limestone Creek Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Limestone Creek Public Improvement District Financing Agreement between the Developer and the City, effective as of June 20, 2023 (the "Financing Agreement") and the Indenture.

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the below referenced Authorized Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.

3. The amount(s) listed for the Authorized Improvement(s) below is a true and accurate representation of the Actual Costs associated with the [creation, acquisition, or construction of said Improvement Area #1_ Improvement(s)] [and] [Major Improvements], and such costs (i) are in compliance with the Financing Agreement and the Indenture, and (ii) are consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Financing Agreement, and the Service and Assessment Plan.

5. The Developer has timely paid all ad valorem taxes and annual installments of Assessments it owes or an entity the Developer controls owes, located in the Limestone Creek Public Improvement District and has no outstanding delinquencies for such assessments.

6. All conditions set forth in the applicable Indenture for the payment hereby requested have been satisfied.

7. The work with respect to the Authorized Improvement(s) referenced below (or its completed segment, section or portion thereof) has been completed, and the City may begin inspection of the Authorized Improvement(s).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

a. X amount to Person or Account Y for Z goods or services.

b. Payment / Wire Instructions

9. As required by the Bond Indenture, the [Actual Costs for the Improvement Area #__ Improvement(s)] [and] [the Major Improvements] shall be paid as follows:

Authorized Improvement:	Amount to be paid from the Improvement Area #__ Improvements Account of the Project Fund	Total Cost of Authorized Improvement

Attached hereto are receipts, purchase orders, Change Orders, and similar instruments which support and validate the above requested payments. Also attached hereto are "bills paid" affidavits and supporting documentation in the standard form for City construction projects.

Pursuant to the Development Agreement, after receiving this payment request, the City is authorized to inspect the Authorized Improvement(s) (or completed segment, section, or portion thereof) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and plans.

I hereby declare that the above representations and warranties are true and correct.

Meritage Homes of Texas, LLC,
an Arizona limited liability company

By:_____

Name:_____

Title:_____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment. After reviewing the Certificate for Payment, the Certificate for Payment is approved and the Trustee is directed to disburse the requested payments from the Improvement Area #_ Improvements Account of the Project Fund, in accordance with the Certificate for Payment. The City's approval of the Certificate for Payment shall not have the effect of estopping or preventing the undersigned from asserting claims under the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Authorized Improvement.

CITY OF KYLE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B
FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer") and requests the City of Kyle, Texas (the "City") approve payment to the Developer (or to the person designated by the Developer) from the applicable account of the Project Fund from BOKF, National Association (the "Trustee") in the amount of _____ ($_____) upon the delivery of the Bonds pursuant to that certain Indenture of Trust by and between the City and the Trustee, dated as of _____, 20__ (the "Indenture") for costs related to the Limestone Creek Public Improvement District (the "District"), incurred in [the establishment, administration, and operation of the District] [and] [the creation, acquisition, or construction of the [Improvement Area #__ Improvement(s)] [and] [the Major Improvements] [and] [costs associated with the issuance of the Bonds].

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Limestone Creek Public Improvement District Financing Agreement between the Developer and the City, effective as of June 20, 2023 (the "Financing Agreement") and the Indenture.

In connection with the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer, and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above-referenced establishment, administration, and operation of the District at the time of the delivery of the PID Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the below itemized costs is a true and accurate representation of the [costs incurred by the Developer for the establishment of the District] [costs incurred by the Developer in the issuance of the Bonds] [and] [the construction of the Improvement Area #__ Improvements] [the construction of the Major Improvements] at the time of the delivery of the PID Bonds, and such costs are in compliance and within the costs as set forth in the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Financing Agreement the applicable Indenture, and the Service and Assessment Plan.

5. All conditions set forth in the applicable Indenture and the Financing Agreement for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Payment instructions

As required by the Bond Indenture, the Actual Costs for the Authorized Improvement(s) shall be paid as follows:

Authorized Improvement:	Amount to be paid from the Improvement Area #__ Improvements Account of the Project Fund	Amount to be paid from the Costs of Issuance Account of the Project Fund	Total Cost of Authorized Improvement

I hereby declare that the above representations and warranties are true and correct.

Meritage Homes of Texas, LLC an Arizona limited liability company

By:_____

Name:_____

Title:_____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request. After reviewing the Closing Disbursement Request, the Closing Disbursement Request is approved and the Trustee is directed to disburse the requested payments from the Project Fund, in accordance with the Closing Disbursement Request. The City's approval of the Closing Disbursement Request shall not have the effect of estopping or preventing the undersigned from asserting claims under the Indenture, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Authorized Improvement.

CITY OF KYLE, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit C
HOME BUYER DISCLOSURE PROGRAM

1. A Builder[1] for an Assessed Property shall provide each residential homebuyer or purchaser (the "Buyer") with the "Notice of Obligation to Pay Public Improvement District Assessment to the City", in accordance with the PID Act and on the form attached to the Service and Assessment Plan.

2. A Builder for an Assessed Property shall provide evidence of compliance with 1 above, signed by such Buyer, to the City upon receipt of written request by the City or the Developer which sets forth the County's mailing address and other contact information.

3. A Builder for an Assessed Property shall prominently display signage provided by the Developer or the Administrator in the Builder's model homes, if any, located within the Property.

4. If prepared and provided by the City and approved by Developer (such approval not to be unreasonably withheld), a Builder for an Assessed Property shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.

5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership Actual Costs for prospective homebuyers for an Assessed Property.

6. The Developer must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

[1] Builder" means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit D
FORM OF LANDOWNER CONSENT CERTIFICATE

This Landowner Consent Certificate is issued by Meritage Homes of Texas, LLC, an Arizona limited liability company, ("Landowner"), as the landowner that holds record title to approximately 161.5 acres (the "Property"), as more particularly described by metes and bounds in Exhibit "A" attached to this Landowner Consent Certificate and incorporated herein for all purposes, within the Limestone Creek Public Improvement District (the "PID") created by the Kyle, Texas (the "City"). Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the City's ordinance levying assessments on property within the PID, anticipated to be adopted on June 20, 2023, including the Service and Assessment Plan and Assessment Roll attached thereto (the ordinance and Service and Assessment Plan, including Assessment Roll, as of the date actually adopted by the City Council is referred to collectively as the "Assessment Ordinance").

Landowner hereby declares and confirms that it holds record title to the Property located within the PID which is subject to the special assessments (the "Assessments") levied by the City under the Assessment Ordinance. Further, Landowner hereby ratifies, declares, consents to, affirms, agrees to and confirms each of the following:

- The Landowner is the sole owner of the Property as of the date of this Landowner Consent Certificate and will be the sole owner of the Property on the date of the Assessment Ordinance.
- The right, power and authority of the City Council of the City to adopt the Assessment Ordinance, including the attachments thereto, and to levy the Assessments against the Property.
- The Authorized Improvements specially benefit the Property in an amount in excess of the Assessments levied on the Property as shown on the Assessment Roll.
- The Assessment against the Property is final, conclusive and binding upon the Landowner.
- Landowner shall pay the Assessment levied on the Assessed Property owned by such Landowner when due and in the amount required by and stated in the Assessment Ordinance and the attachments thereto.
- Delinquent installments of the Assessments shall incur and accrue interest, penalties, and attorney's fees as provided in Service and Assessment Plan and in accordance with Chapter 372 of the Texas Local Government Code, as amended (the "PID Act").
- The "Annual Installments" (as defined in the Service and Assessment Plan) of the Assessment levied against the Property may be adjusted, decreased and extended in accordance with the Service and Assessment Plan and the PID Act.
- All notices required to be provided to it under the PID Act have been received and to the extent of any defect in such notice, Landowner hereby waives any notice requirements.
- Landowner consents to all actions taken by the City with respect to the creation of the PID and the levy of Assessments against the Property.

Landowner hereby waives any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the PID, defining the Assessed Property, adopting the Assessment Ordinance, Service and Assessment Plan and each Assessment Roll, levying of the Assessments, and determining the amount of the Annual Installments of the Assessments.

IN WITNESS WHEREOF, the undersigned has caused this Landowner Consent Certificate to be executed as of _____, 2023.

Meritage Homes of Texas, LLC an Arizona limited liability company

By: _____

Name: _____

Title: _____

AMENDED AND RESTATED

LIMESTONE CREEK DEVELOPMENT AGREEMENT

AMENDED AND RESTATED
LIMESTONE CREEK DEVELOPMENT AGREEMENT

This Amended and Restated Limestone Creek Development Agreement (this "Agreement") is made and entered into as of June 21, 2022 (the "Effective Date") by and among **The City of Kyle, Texas**, a home rule municipality situated in Hays County, Texas (the "City"), and **Meritage Homes of Texas, LLC,** an Arizona limited liability company, their successors and assigns (the "Developer"), and consented to by Kyle Land Partners, LLC, a Texas limited liability company (the "Consenting Party") . The City and Developer are sometimes each individually herein referred to as a "Party" and sometimes collectively herein referenced as the "Parties". Capitalized terms in the Recitals have the meaning given in Section 2 of this Agreement.

RECITALS

A. Developer owns approximately 161.5 acres of land, more or less, located within the City and described by metes and bounds on the attached Exhibit "A" (the "Property").

B. Developer and the City intend that the Property be developed as a high-quality, master-planned community (the "Project"), that will benefit and serve the present and future citizens of the City pursuant to development regulations contained in this Agreement, as described on the Concept Plan attached hereto as Exhibit "B".

C. The City is the provider of water and wastewater service to the Property and has requested the Developer construct additional infrastructure and/or participate in the costs of water and wastewater facilities both within the Property and off-site.

D. The City has approved that certain Limestone Creek Preliminary Plan on January 31, 2022.

E. Prior to the Effective Date the Property was subject to that certain Agreement Regarding Roadway and Drainage Improvements – Spooner Tract, entered into December 15, 2020 (the "Original Agreement") between the City and Sandera Land Development Company, LLC, as predecessor in interest to Developer (the "Previous Owner"), which provided for certain improvements to the Property for the benefit of the City.

F. Developer has acquired the Property from the Previous Owner, and the City and Developer wish to amend and restate the Original Agreement with this Agreement, in order to (i) construct Waterstone Boulevard in a more efficient manner than as required in the Original Agreement, (ii) provide for the construction of Goforth Boulevard, at the expense of previously approved lots within the Project, (iii) provide for the enhancement of drainage facilities as part of the construction of Goforth Boulevard, (iv) add additional community enhancements to the Project, (v) provide for the Developer's participation in additional water and wastewater infrastructure improvement for the benefit of the Project, and (vi) provide certain development incentives to the Developer in return for the enhancements described in items (i)-(v) above.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Agreement, and other good and valuable consideration, the City and Developer agree as follows:

ARTICLE I.
RECITALS

1.01 The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes.

ARTICLE II.
DEFINITIONS

2.01 Terms Defined in this Agreement. In this Agreement and the recitals above, each of the following terms shall have the meanings indicated:

"**Agreement**" has the meaning given in the preamble above.

"**Assessment(s)**" means special assessments levied pursuant to the PID Act.

"**Assessment Ordinance**" means an ordinance approved by the City Council levying Assessments on the Property, in accordance with the PID Act.

"**Authorized Improvement(s)**" means a public improvement authorized by the PID Act.

"**City**" means the City of Kyle, Texas.

"**City Code**" means the City's Code of Ordinances in effect as of the Effective Date.

"**City Council**" means the council of the City or any successor governing body.

"**City Manager**" means the person designated by the City as the city manager pursuant to the City Code.

"**City Engineer**" means the engineer for the City.

"**Concept Plan**" means the concept plan attached hereto as Exhibit "B".

"**Consenting Party**" has the meaning given in the preamble above.

"Designated Successor(s) and Assign(s)" means (i) any entity which is the successor by merger or otherwise to all or substantially all of Developer's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (ii) any entity which may have acquired all of the outstanding stock or ownership of assets of Developer's.

"**Developer**" has the meaning given in the preamble above.

"**Effective Date**" and similar references shall mean the date defined in Section 11.01.

"**Eminent Domain Fees**" means the reasonable and necessary legal proceeding/litigation costs, compensation awards by courts or negotiated amounts for the condemned property interest, attorneys' fees, appraiser and expert witness fees, interest, court costs, mediation fees, deposition costs, copy charges, courier fees, postage and taxable court costs.

"**Final Plat**" means a map of a subdivision, addition or development to be recorded in the applicable City plat records after approval by City.

"**Goforth Boulevard**" means the approximately 2,800 linear feet of roadway within the Property, generally depicted on the Concept Plan and on Exhibit "C" attached hereto.

"**Lennar Agreement**" means that certain Cost Sharing and Escrow Agreement by and amongst Lennar Homes of Texas Land & Construction, the Developer, and Prominent Title, LLC as escrow agent which provides for Lennar Homes of Texas Land & Construction and Developer sharing the costs of constructing Waterstone Boulevard and the sharing of costs thereto.

"**Notice**" has the meaning given in Section 11.06.

"**Off-Site Properties**" means those properties depicted on Exhibit "D" attached hereto which are not, as of the Effective Date, owned by the Developer.

"**Original Agreement**" has the meaning given in the recitals.

"**Original Developer**" has the meaning given in Section 8.01.

"**Party**" or "**Parties**" means the City and Developer, individually or collectively.

"**Public Improvement District**" or "**PID**" means a public improvement district, as described in the PID Act.

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

"PID Bonds" means bonds issued pursuant to the PID Act, secured by the Assessments on the Property.

"**PID Project Costs**" means the costs of the Authorized Improvements for the Project.

"**PID/TIRZ Cure Period**" has the meaning given in Section 7.04.

"**Preliminary Plat**" means a map showing the salient features of a proposed development, submitted for the purpose of preliminary consideration and communication prior to the submission of a Final Plat.

"**Previous Owner**" has the meaning given in the recitals.

"**Private Amenity Site**" means a private amenity for the benefit of residents within the Project that shall include, but not necessarily be limited to, a pool, cabana with restrooms, splash pad, playground, and parking area.

"**Project**" means the development of the Property as a master-planned community.

"**Property**" means the land described on Exhibit "A".

"**Service and Assessment Plan**" means a service and assessment plan as described in the PID Act.

"**Tax Increment Reinvestment Zone**" or "**TIRZ**" means a tax increment reinvestment zone as described in the TIRZ Act.

"**TCEQ**" means the Texas Commission on Environmental Quality.

"**TIRZ Act**" means Chapter 311 of the Texas Tax Code, as amended.

"**TIRZ Fund**" means a fund help by the City, separate and apart from all other City funds, for the deposit and management of revenues collected by the TIRZ.

"**TIRZ Project & Finance Plan**" means a project and finance plan, approved by the City Council, as described in the TIRZ Act.

"**Trail System**" has the meaning given in Section 4.01.

"**Transportation Master Plan**" means the City's adopted Transportation Master Plan Update 2021, approved by the City Council on September 7, 2021.

"**Water Storage Tank Contribution**" has the meaning given in Section 5.02.

"**Waterstone Boulevard**" means the approximately 4,280 linear foot roadway designed by the Developer and approved by the City pursuant to the Waterstone Permit, the specific measurements and terms shall control over this Agreement.

"**Waterstone Permit**" means permit # CP-21-0098, approved by the City for the construction of Waterstone Boulevard.

ARTICLE III.
JURISDICTIONAL AUTHORITY, VESTING RIGHTS AND DEVELOPMENT REGULATIONS

3.01 Chapter 245 Permit. The City acknowledges that the Developer shall be deemed vested from the Effective Date of this Agreement to develop the Project in accordance with this Agreement and the City's Code of Ordinances to the extent and for such matters as vesting is applicable pursuant to Chapter 245 of the Texas Local Government Code. The Developer's

vesting shall expire (1) on the fifth anniversary from the date a concept plan is filed with the City if no progress has been made towards completion of the Project; or (2) if this Agreement is terminated by reason of Developer's default beyond any applicable notice and cure periods (the "Vested Rights"). Progress toward completion of the Project shall be defined as set forth in Section 245.005(c), Texas Local Government Code. To the extent any such standards or other criteria specified in this Agreement are in direct conflict with any other current or future provisions of the City Code or any other City ordinances, policies or requirements, this Agreement shall govern. A vested right under this Agreement shall not apply to regulations mandated by state or federal law, or that are necessary to prevent imminent harm to human safety or property, which may be modified and made applicable to the Project after the Effective Date. The Parties acknowledge and agree that this paragraph shall not apply to fees imposed in conjunction with development permits.

3.02 Developer's Rights to Continue Development. In consideration of Developer's agreements set forth in this Agreement, the City agrees that it will not, during the term of this Agreement, impose or attempt to impose: (a) any moratorium on the building or development of the Project or (b) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting Preliminary Plats, Final Plats, construction plans or other necessary approvals, for the Project. This Agreement on the part of the City will not apply to temporary moratoriums uniformly imposed throughout the City due to an emergency constituting an imminent threat to the public health or safety, provided that the temporary moratorium continues only during the duration of the emergency.

3.03 Phased Development. Developer intends to develop the Project in phases. Subject to City consent, Developer may change the phase of development from time to time in response to market conditions or other factors. Phases may be developed concurrently. The City acknowledges and agrees that the portions of the Property not under active development may remain in use for agricultural or ranching purposes and/or wildlife management. Prior to the levy of any assessments, that portion of the Property being assessed shall be removed from agricultural use for ad valorem tax purposes.

3.04 Concept Plan. The Concept Plan complies with the City's goals and objectives in providing quality housing within the City and it is intended that the Project will be built with the number of lots shown on the Concept Plan. The Concept Plan shall be approved in accordance with the terms and conditions of this Agreement upon approval of the Council and execution of this Agreement following the approval process set out in the City's Code.

Any Preliminary Plat for the Project, or updates thereto, that comply with the Concept Plan, federal law, state law, and City Code, shall be approved by the City Council in accordance with applicable law when submitted for review and approval. Final Plats that comply in all material aspects with this Agreement, the Preliminary Plat, the Concept Plan, federal law, state law and City Code (including subdivision regulations) shall be approved by the City in accordance with applicable law when submitted for review and approval.

3.05 Permitting. The City shall cooperate with Developer to expeditiously process and review all development applications related to the development of the Project.

3.06 Home Construction. The Developer shall have the right to construct up to 50 single family residential units prior to the acceptance of public infrastructure for the first phase of development, provided that the roads within the first phase of development have been paved. The City shall not unreasonably withhold, delay, or condition the issuance of a building permit for any single-family residential unit so requested by the Developer pursuant to this Agreement.

ARTICLE IV.
TRAILS AND AMENITIES

4.01 Trail System. The Developer shall design, permit, and construct a minimum of 5,000 linear feet of trails throughout the Project (the "Trail System"), on a phase-by-phase basis as development progresses, as generally depicted on the Concept Plan.

4.02 Amenities. The Developer shall construct the Private Amenity Site as shown on the applicable Preliminary Plat. The Developer shall commence construction on the Private Amenity Site no later than the date of acceptance of the second phase of development of the Project.

4.03 Entry Monumentation. The Developer shall begin construction on entry monumentation with landscaping at the entrance of the Project on Waterstone Boulevard within ninety (90) days of acceptance of the first phase of development of the Project.

4.04 City Fees. The Developer shall pay all standard impact fees, adjacent land mile fees, parkland fees, and similar fees as required by the City Code.

ARTICLE V.
WASTEWATER, WATER, & DRAINAGE INFRASTRUCTURE

5.01 Wastewater Infrastructure.

(A) *Construction of Wastewater Infrastructure.* The Developer shall design, permit, and construct all wastewater infrastructure within the project in accordance with appliable TCEQ regulations and the City Code.

(B) *Pump and Haul.* In the event the Developer desires to receive wastewater service for any portion of the Property prior to completion of any wastewater infrastructure necessary for service to the Property or if flows within the Property are inadequate to sufficiently serve the Property, the Developer may request and the City shall provide pump and haul wastewater service to the Property at the Developer's sole cost and expense provided that the following conditions are met:

(i) The Developer and City reach a written agreement regarding the terms and rates of service, and that the agreed upon rates cover the City's cost of providing pump and haul service;

(ii) Developer has installed the infrastructure necessary for the City to provide pump and haul service; and

(iii) Developer may request pump and haul wastewater services for no more than fifty (50) residential lots.

5.02 Water Infrastructure Cost Participation. The Developer shall pay to the City a fee in the amount of $1,423.00 per LUE (the "Water Storage Tank Contribution") at the time of final plat] for the purpose of participating in the cost of an elevated water storage tank outside the Property, which shall benefit the end-users of water services within the Property. The Developer shall not pay the Water Storage Tank Contribution from any of the proceeds of the PID bonds or assessments.

5.03 Goforth Boulevard Infrastructure. The Developer shall build, in conjunction with the below defined Goforth Boulevard, water, wastewater, and drainage infrastructure as shown on Exhibit "C" attached hereto, both within the Property and through the herein after defined Off-Site Properties, subject to the provisions of Section 6.04 below.

ARTICLE VI.
TRANSPORTATION

6.01Dedication of Roadways. Developer shall dedicate all roadways within the Project to the City in compliance with the City Code. All roadways, including any related rights-of-way, shall be dedicated to the City on the applicable Final Plat. Once construction is complete, the roadways, subject to inspection and acceptance by the City, shall be accepted as complete to the plans and specifications by the City in accordance with the City Code. Following acceptance, the City shall be responsible for ongoing maintenance of roadways.

6.02 Waterstone Boulevard. As of the Effective Date, the Developer has designed Waterstone Boulevard and the City has issued a permit for construction of Waterstone Boulevard. The Developer shall construct or cause the construction of Waterstone Boulevard as a four-lane street as provided for in the Waterstone Permit, as generally depicted on the Concept Plan, and as provided for in the Lennar Agreement. Waterstone Boulevard shall be constructed prior to or concurrently with the development of the first phase of construction on the Project and shall include a roundabout intersection with Goforth Boulevard. With respect to sidewalks, the sidewalk on the south side of Waterstone Boulevard shall be a minimum of six (6) feet wide when adjacent to commercial properties and a minimum of four (4) feet wide when adjacent to residential properties, the north side of Waterstone Boulevard shall be abutted by a eight (8) foot wide mixed use path, though the exact location and placement shall be determined by the City and Developer generally in accordance with the Concept Plan and update to the Preliminary Plat.

6.03. Goforth Boulevard. The Developer shall design, permit, and construct Goforth Boulevard in consideration of the development incentives provided herein by the City. Construction of Goforth Boulevard shall commence no sooner than the commencement of construction on the third phase of development of the Project as depicted on the Concept Plan and shall include the infrastructure elements described in Section 5.03 above. With respect to sidewalks, the sidewalk on one side of Goforth Boulevard shall be a minimum of five (5) feet wide, and the sidewalk on the other side shall be abutted by a twelve (12) foot wide mixed-use path, though the exact location and placement shall be determined by the City and Developer generally in accordance with the Concept Plan and update to the Preliminary Plat.

6.04. **Off-Site Land Acquisition**. The Parties acknowledge that in order to facilitate the

construction of Goforth Boulevard and its inclusion of same into the City's Transportation Master Plan network the Off-Site Properties will need to be acquired, as generally shown in Exhibit "D" attached hereto. The Developer shall use commercially reasonable efforts to acquire the Off-Site Properties, but if, however, Developer is unable to obtain any of the Off-Site Properties within 120 days of commencing efforts to obtain the needed Off-Site Properties, then, as a condition to requiring the Developer to construct Goforth Boulevard outside the Property, the City shall use its best efforts and pursue all reasonable actions to secure the Off-Site Properties, including consideration of the use of the City's power of eminent domain. If the City takes such eminent domain action, the Developer shall fund all reasonable and necessary Eminent Domain Fees paid or incurred by the City in the exercise of its eminent domain powers and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City. If the escrow fund remains appropriately funded in accordance with this Agreement and in accordance with the City's discretionary governmental powers, the City will use all reasonable efforts to expedite such condemnation procedures so that Goforth Boulevard can be constructed as soon as reasonably practicable. If the Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. Any unused escrow funds will be refunded to Developer within thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain. To the extent Eminent Domain Fees are paid by the Developer, the Developer may seek reimbursement of any or all eligible Eminent Domain Fees from PID Bonds, or if PID Bonds are not issued, Assessments.

ARTICLE VII.
PUBLIC IMPROVEMENT DISTRICT & TAX INCREMENT REINVESTMENT ZONE

7.01 Public Improvement District.

(A) The Parties acknowledge and anticipate that the Developer will submit a petition for the formation of a Public Improvement District to the City. The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement, to consider the creation of the PID, to consider the levy the Assessments (as defined in a Service and Assessment Plan), and consider the issuance of PID Bonds. The City may approve the Service and Assessment Plan providing for the levy of the Assessments on the Property. The City and the Developer will jointly determine the PID Project Costs and prepare a Service and Assessment Plan for the PID. After the City approves the final PID Project Costs, prepares a proposed assessment roll based thereon, and files the Service and Assessment Plan and proposed assessment roll for public inspection, the City will levy special assessments against the Property. Promptly following preparation and approval of a Service and Assessment Plan acceptable the City and subject to the City Council making findings that the Authorized Improvements confer a special benefit on the Property, the City Council shall consider an Assessment Ordinance. Nothing contained in this Agreement, however, shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council's legislative discretion or functions.

(B) The City will reimburse eligible Project Costs as defined in the PID Act which are deemed substantially complete by the City for public improvement infrastructure, with funds received by the City from the initiation of a PID assessment. Such reimbursement shall be outlined in a future reimbursement agreement or financing agreement between the Parties to reflect specific reimbursement amounts. Any municipal bonds issued for the PID must comply with the City's PID Policy and are subject to all applicable laws. The City, other than as described in the applicable PID bond ordinance, is in no way responsible for repayment of debt on such bonds. If the City issues PID bonds, the City is only responsible for payments for costs of Authorized Improvements from PID bond proceeds and/or revenues to be generated by the levy and collection of assessments within the PID.

(C) The Developer acknowledges that the City may require at that time a professional services agreement that obligates the Developer to fund the costs of the City's professionals relating to any professional services rendered in relation to the creation of the PID, the levy of assessments, issuance of PID Bonds, or any other matters related to the financing or refinancing of the Authorized Improvements through either PID Bonds or a reimbursement agreement and/or financing agreement, which amount shall be agreed to by the Parties and considered a cost payable from such PID Bonds.

(D) Prior to the execution of a financing agreement between the City and the Developer, the general terms of the PID are set forth in Exhibit "E", attached hereto, and shall serve as a guiding document in the creation and approval of the financing agreement.

7.02 Tax Increment Reinvestment Zone.

(A) Prior to the issuance of the first series of PID Bonds, the City, subject to the consent and approval of the City Council, will consider creation of a TIRZ that includes the Property. The Developer has requested that the TIRZ provide tax increment revenue generated from the TIRZ as follows: subject to subsections (C) and (D) below, forty percent (40%) of the City's ad valorem tax increment generated by the TIRZ (i) for a period of up to thirty years (30) on an improvement area basis (the "City Participation") which will be collected by the City in accordance with the applicable TIRZ Project and Finance Plan. The general terms of the TIRZ are further set forth in Exhibit "F", attached hereto.

(B) In accordance with the TIRZ Project and Finance Plan, the City Participation and the County TIRZ Increment (defined below), if any, shall be placed into a TIRZ Fund. After the payment of administrative expenses related to the TIRZ, monies in the TIRZ Fund shall be distributed to offset the PID assessment levied upon the parcels within the Property on a parcel by parcel basis as to the residential portions of the TIRZ. Amounts in the TIRZ fund shall not be comingled with any other fund and shall be separate and apart from all other funds held by or on behalf of the City.

(C) The Parties acknowledge that the TIRZ may include property owned by the Consenting Party ("Offsite TIRZ Property"), and the tax increment generated by Offsite TIRZ Property will not be used to offset the PID assessment as described above, and Developer shall have no right to the funds generated by the Offsite TIRZ Property's collected tax increment. Funds generated by the Offsite TIRZ Property shall be used in accordance with a separate agreement between the City and the Consenting Party.

(D) The Developer will use best efforts to negotiate with Hays County (the "County") for the County to contribute $0.0833 per $100 of valuation of the County's collected ad valorem taxes on the captured appraised value during the term of the TIRZ, which is equal to twenty-two and ninety-six hundredths percent (22.96%) based on the County's 2021 tax rate of $0.3629 per $100 (the "County TIRZ Increment"). Upon successful negotiations between the Developer and the County, the City will use best efforts to enter into an interlocal agreement with the County for the County's TIRZ contribution. The County TIRZ Increment shall be used as a direct offset to the City Participation. If the County participates in the TIRZ, then the City Participation will be reduced so that the combined City and County contribution will be equal to the amount that would have been generated if only the City had participated at forty percent (40%).

7.03 Disclosure Information. The Developer agrees, represents and warrants that any information provided by the Developer for inclusion in a disclosure document for an issue of bonds will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

7.04 PID and TIRZ Community Benefit. The Parties acknowledge that this Agreement is entered into with the express understanding that the additional benefits described herein the Developer is providing to the City are in consideration for the City's consideration of the PID and the TIRZ.

(A) If the City fails to approve the formation of the PID within ninety (90) days of the Effective Date, the Developer shall have the right to, no less than ninety (90) days following written notice being delivered to the City (the "PID Cure Period"), terminate this Agreement. If, within the PID Cure Period, the City creates the PID, the Developer's right to terminate under this Section shall be waived.

(B) If the City fails to approve the formation of the TIRZ within one hundred fifty (150) of the Effective Date, the Developer shall have the right to, no less than ninety (90) following written notice being delivered to the City (the "TIRZ Cure Period"), terminate this Agreement. If, within the TIRZ Cure Period, the City creates the TIRZ the Developer's right to terminate under this Section shall be waived.

ARTICLE VIII.
PID TRUE UP

8.01 PID True Up.

(A) The following definitions shall be used in this Article VIII:

(1) "Maximum Special Assessment" means, for each lot classification identified in the Service and Assessment Plan ("SAP"), an Special Assessment equal to an amount that produces an average annual installment (inclusive of principal, interest, and

administrative expenses) resulting in the Maximum Equivalent Tax Rate. The Maximum Special Assessment shall only be calculated upon (i) for a parcel being created by a subdivision plat, at the time of the filing of a subdivision plat, and (ii) for parcels whose Special Assessments are securing a series of PID Bonds, at the time such PID Bonds are issued.

(2) "Maximum Equivalent Tax Rate" means, for each lot classification identified in the SAP, a maximum overlapping tax rate equivalent, including all taxing entities, of $3.30 per $100 of estimated buildout value, and $3.10 per $100 of estimated buildout value with the offset generated by the TIRZ, but in no case less than a PID Special Assessment tax rate equivalent of $0.78 per $100 of estimated buildout value, and $0.58 per $100 of estimated buildout value with the offset generated by the TIRZ. The estimated buildout value for a lot classification shall be determined by the PID administrator using information provided by the Owner and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, information provided by the Owner, or any other information that may help determine buildout value.

(B) Mandatory Reduction in Special Assessments if Maximum Special Assessment Exceeded.

(1) Maximum Special Assessment Exceeded at Plat. If the subdivision of any assessed property by a recorded subdivision plat causes the Special Assessment per lot to exceed the Maximum Special Assessment, then prior to the City approving the plat, the Owner must partially prepay the Special Assessment for each property that exceeds the Maximum Special Assessment in an amount sufficient to reduce the Special Assessment to the Maximum Special Assessment.

(2) Maximum Special Assessment Exceeded at PID Bond Issuance. At the time PID Bonds are issued, if the Special Assessment per Lot for any lot classification identified in the SAP exceeds the Maximum Special Assessment, then prior to the issuance of PID Bonds, the Special Assessment on the parcel shall be reduced until the Special Assessment equals the Maximum Special Assessment.

ARTICLE IX.
AMENDMENTS TO THE AGREEMENT

9.01 Amendments to Agreement. This Agreement may be amended only by a written agreement signed by the City and Developer, or all the then-current owners of all portions of the Property (other than the individual owners of occupied single-family, duplex, townhouse or attached single family residential lots); provided, however, a Developer or an Authorized Successor or Assign of a portion of the Property (other than an individual owner of an occupied single family, duplex, townhouse or attached single family residential lot) and the City may amend this Agreement as it relates solely to such Developer's or Authorized Successor or Assign's parcel without the joinder of any other landowner, provided that the owner of the Property listed on the signature page of this Agreement (the "Original Developer") must be Party to such amendment if the Original Developer then owns any portion of the Property. In addition, as long as the Original Developer

owns any portion of the Property, the Original Developer and the City may amend this Agreement without the joinder of any other landowner.

ARTICLE X.
REPRESENTATIONS AND WARRANTIES

10.01 Authority, No Conflict. This Agreement constitutes the legal, valid and binding obligation of Developer, enforceable against Developer in accordance with its terms. Developer has the authority and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.

10.02 Performance. Developer and the City will reasonably cooperate with one another to accomplish the intent and purposes of this Agreement and will perform each and all of its respective duties and responsibilities pursuant to this Agreement.

10.03 Organization and Good Standing.

(a) The City is a duly organized and validly existing political subdivision created under the laws of the State of Texas, with full power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement.

(b) The Developer is a duly organized and validly existing limited liability company created under the laws of Arizona, is duly authorized to conduct business in the State of Texas and has full power and authority to enter into this Agreement and perform all its obligations hereunder.

10.04 Authority; No Conflict. This Agreement constitutes the legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms. The City has the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and to perform its obligations under this Agreement.

10.05 Wastewater Infrastructure. The Parties acknowledge that the Developers internal wastewater infrastructure may be enhanced in efficiency by the City's capital wastewater improvements, and the Developer shall cooperate in good faith with the City if the City requests a modification to the Developer's designs in order to better provide wastewater service, provided that such modification does not negatively impact the Project.

ARTICLE XI.
DEFAULT AND REMEDIES FOR DEFAULT

11.01 Preventative Default Measures. The Parties presently enjoy a good working relationship and understand the meaning and intent of this Agreement; however, the Parties recognize that individual representatives of each of the Parties will likely change over the course of this Agreement. The City agrees that day-to-day oversight of the implementation of this Agreement shall at all times during the Term be assigned directly to the City Manager. In the event of a dispute involving an interpretation or any other aspect of this Agreement, upon Developer's request, the City Manager shall convene a meeting of the Parties as soon as reasonably practical and use all reasonable efforts to avoid processing delays and to resolve the dispute and carry out the spirit and purpose of this Agreement.

11.02 Default. It shall be a default under this Agreement if either Party shall fail to perform any of its obligations under this Agreement or such failure shall remain uncured following the expiration of thirty (30) days after written notice of such failure from the other Party. However, in the event the default is of a nature that cannot be reasonably cured within such thirty (30) day period, the defaulting Party shall have a longer period of time as may be reasonably necessary to cure the default in question.

11.03 Remedies Between the City and Developer. If a Party contends that the other Party is in default of this Agreement, the non-defaulting Party shall give written notice of such contention to the defaulting Party, specifying the nature of the alleged default, and allow the applicable time period for cure of the default set forth in Section 11.02 above. The defaulting Party shall either cure the alleged default timely, or if the non-defaulting Party and defaulting Party agree in writing for an extension of the time to cure, not later than the extended cure deadline, or, within the time for cure stated in the non-defaulting Party's initial notice of default, give written notice to the non-defaulting Party denying the existence of the alleged default and invoking the following dispute resolution mechanisms. First, if both Parties shall mutually agree to submit to mediation, they shall attempt to resolve the dispute amicably. If mediation is unsuccessful or if one or both of the Parties decline to engage in mediation, then either Party may institute legal proceedings in a state district court in Hays County, Texas, pursuing all available remedies at law or equity, including without limitation a suit for specific performance and/or a writ of mandamus in the event of a default by the City. All matters of fact and law shall be submitted to and determined by the court (subject to appeal). Each party shall pay its own costs and attorney fees.

11.04 No Liability For Actions of Others. Except as expressly set forth herein: (a) the liabilities, obligations and responsibilities of each owner of the Property or any portion thereof, their successors and assigns, under this Agreement are several, and not joint; and (b) no owner of the Property or any portion thereof, or successor or assign, will be in default under this Agreement or otherwise liable or responsible for any default which is not caused by such landowner or by any person acting by, through or under such owner or successor or assign.

11.05 No Third-Party Beneficiary. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a Party.

11.06 Reservation of Rights. To the extent not inconsistent with the terms of this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

12.01 Effective Date. The Parties agree that the "Effective Date" of this Agreement shall be the date first written above.

12.02 Term. The term of this Agreement shall be in full force and effect from the Effective Date hereof. Unless earlier terminated as provided in this Agreement, this Agreement shall terminate thirty-five (35) years after the Effective Date.

12.03 Agreement Binds Succession and Runs with the Land. This Agreement shall bind and inure to the benefit of the Parties, their successors and assigns. The terms of this Agreement shall constitute covenants running with the land comprising the Property and shall be binding on all future developers and Developers of land within the Property. Nothing in this Agreement is intended to impose obligations on individual owners of platted lots, except as expressly set forth in this Agreement.

12.04 Assignment.

a. Developer may, assign this Agreement with respect to all or a portion of the Property from time to time to a purchaser of all or a portion of the Property, with the prior written consent of the City, such consent shall not be unreasonably withheld and which shall be given if Developer provides information showing that the proposed assignee has the technical and financial capacity as well as the development experience to carry out all of the obligations under this Agreement. Developer may, in its sole and absolute discretion, assign this Agreement with respect to all or a portion of the Property from time to time to an affiliate without the prior consent of the City, so long as: (i) the assignment is in writing; (ii) the assignment provides that the assignee assumes such assigned rights and obligations without modification or amendment; (iii) the assignment is executed by Developer and the assignee; and (iv) Developer provides a copy of the fully executed assignment to the City within five (5) business days after the effective date of the assignment. Upon such assignment with respect to all or a portion of the Property, Developer shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement relating to the portion of the Property conveyed to the assignee to which this Agreement is so assigned. A default by any subsequent partial assignee shall not constitute a default by Developer under this Agreement.
b. Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.

12.05 Entire Agreement. This Agreement contains the entire agreement of the Parties. There are no other agreements or promises, oral or written, between the Parties regarding the subject matter of this Agreement. This Agreement can be amended only by written agreement signed by the Parties as provided for in this Agreement. This Agreement and the agreements between the Parties referenced in this Agreement, supersede all prior agreements between the Parties concerning the subject matter of this Agreement.

12.06 Notice. It is contemplated that the Parties will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications ("Notice") required to be given by one Party to another by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below for such Party, (i) by delivering same in person, (ii) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified, or (iii) by depositing the same with Federal Express or another nationally recognized courier service guaranteeing "next day delivery", addressed to the Party to be notified, or (iv) by sending same by facsimile with receipt of confirmation. Notice deposited in the United States

mail in the manner described above shall be deemed effective from and after the earlier of the date of actual receipt or three (3) days after the date of such deposit. Notice given in any other manner shall be effective on the date delivered, if sent by confirmed facsimile or personal delivery, or the day after deposit with a "next day delivery" service. For the purposes of notice, the addresses of the Parties shall, until changed as provided below, be as follows:

Developer:
Meritage Homes of Texas, LLC
Attn: Elliot Jones
8920 Business Park Dr., Suite 350
Austin, TX 78759

With a copy to:
Miklos Cinclair PLLC
Attn: Kevin Pierce
1755 Whittington Place Suite 305
Farmers Branch, TX 75234

City:
City of Kyle
Attn: City Manager
100 W. Center Street
Kyle, Texas 78640

With a copy to:
The Knight Law Firm, LLP
Attn: Paige Saenz
223 W. Anderson Lane, Suite A105
Austin, Texas 78752

The Parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by at least five (5) days written notice to the other Party.

12.07 No Joint Venture. It is acknowledged and agreed by the Parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. The City, its past, present and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with the development of the Project.

12.08 Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday or legal holiday.

12.09 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in

such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three (3) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" means events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care, including, without limitation, acts of God or the public enemy, war, terrorism, criminal activity, riot, civil commotion, insurrection, government or de facto governmental action or failure to act (unless caused by the intentionally wrongful acts or omissions of the Party), fires, explosions, floods, hurricanes, adverse weather, pandemics, materials or labor shortages, strikes, slowdowns, or work stoppages.

12.10 Severability. If any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the Parties that the remainder of this Agreement shall not be affected.

12.11 Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver of such provision or of any other provision of this Agreement, and such Party shall have the right at any time(s) thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Section 11.12 Attorney's Fees and Court Costs. In the event that any matter relating to this Agreement results in the institution of legal proceedings by any Party to this Agreement, the each party shall be responsible for their own legal fees incurred in connection with such legal proceeding.

12.12 Applicable Law and Venue. **THE CONSTRUCTION AND VALIDITY OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS.** Venue for any dispute arising from or related to this Agreement shall be in a Texas state district court for Hays County as applicable, and shall be in accordance with the Texas Civil Practice and Remedies Code.

12.13 Further Assurances. Both Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, execute and deliver such further documents and do such further acts and things as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

12.14 Incorporation of Exhibits and Other Documents by Reference. All Exhibits and other documents attached to or referred to in this Agreement are incorporated by reference for the purposes set forth in this Agreement.

12.15 Counterparts. This Agreement may be executed in multiple counterparts, which shall be construed together as a single original instrument as though all Parties had signed one instrument, and, when executed, each counterpart shall be binding upon and inure to the benefit of each of the Parties executing the instrument whether or not all other parties have executed same.

12.16 Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, however its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

12.17 1295 Form. The Parties agree and acknowledge that a 1295 form, as described by Section 2252.908 of the Texas Government Code, is not required of the Developer because the Developer is a publicly traded entity or is a subsidiary of a public traded entity.

12.18 Anti-Boycott Verifications

(A) To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

(B) The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

(C) To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the

Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit.

(D) To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

As used in this Section, the Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. § 230.133(f), and exists to make a profit

12.19 Amendment and Restatement. This Agreement amends and replaces, in its entirety, the Original Agreement, and the Original Agreement shall have no further effect on the Parties, the Property, or any other third party.

12.20 Exhibits.

Exhibit "A"	Description of the Property
Exhibit "B"	Concept Plan
Exhibit "C"	Goforth Boulevard
Exhibit "D"	Off-Site Properties
Exhibit "E"	PID Term Sheet
Exhibit "F"	TIRZ Term Sheet

[SIGNATURE PAGE FOLLOWS]

EXECUTED in multiple counterparts, each of which shall constitute an original, this 24 day of June, 2022.

CITY:

CITY OF KYLE, TEXAS
a Texas home-rule municipal corporation

Attest:

By: Jennifer Holm
Name: Jennifer Holm
Title: City Secretary

By:
Name: Travis Mitchell
Title: Mayor

THE STATE OF TEXAS §
COUNTY OF HAYS §

This instrument was acknowledged before me on this 24 day of June, 2022, by Travis Mitchell, Mayor of the City of Kyle, Texas, a Texas home-rule municipal corporation, on behalf of said corporation.

(SEAL)

GUSTAVO GUERRERO
Notary Public, State of Texas
Comm. Expires 07-12-2024
Notary ID 130734963

Gustavo Guerrero
Notary Public, State of Texas

DEVELOPER:

Meritage Homes of Texas, LLC
an Arizona limited liability company

By: _____
Name: Justin R. Belmore
Title: VP of Land Acquisition

THE STATE OF TEXAS §
COUNTY OF ~~HAYS~~ Travis §
CAS

This instrument was acknowledged before me on this 21 day of June, 2022, by Justin R. Belmore, as VP of Land Acquisition of Meritage Homes of Texas, LLC, an Arizona limited liability company, on behalf of said limited liability company.

(SEAL)

_____
Notary Public, State of Texas

SAVANNAH AMBER SUPPAN
Notary ID #132523553
My Commission Expires
June 16, 2024

The Consenting Party is executing this Agreement solely to acknowledge that it owns property in the proposed TIRZ, and that it consents to the terms of the TIRZ that are identified in this Agreement. Consenting Party does not assume any rights or obligations under this Agreement except as may explicitly be described therein.

CONSENTING PARTY:

Kyle Land Partners, LLC
a Texas limited liability company

By: _____
Name: Todd McCullough
Title: Manager

EXHIBIT “A”

THE PROPERTY

DOUCET
Limestone Creek
Hays County, Texas

7401B Highway 71 West, Suite 160, Austin, TX 78735
Office: 512.583.2600
Fax: 512.583.2601
Doucetengineers.com

"Exhibit "------"

D&A Job No. 1691-009
April 19, 2022

METES AND BOUNDS DESCRIPTION
161.5 ACRE TRACT

BEING A 161.5 ACRE TRACT OUT OF THE JAMES WILLIAMS SURVEY, ABSTRACT NUMBER 473, HAYS COUNTY, TEXAS, BEING ALL OF A CALLED 179.278 ACRE TRACT OF LAND, DESCRIBED IN A DEED TO MERITAGE HOMES OF TEXAS LLC, RECORDED IN DOCUMENT NUMBER 21036270, OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS [O.P.R.H.C.T.], SAVE AND EXCEPT A 5.895 ACRE TRACT AND A 11.946 ACRE TRACT IN SAID DEED, AND BEING ALL OF A CALLED 7.87 ACRE TRACT, DESCRIBED TO LASALLE MUNICIPAL UTILITY DISTRICT NO 1, RECORDED IN DOCUMENT NUMBER 21016927, [O.P.R.H.C.T.], SAID 161.5 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found for the northwest corner of said 179.278 acre tract, also on the east right-of-way line of County Road (CR) 145 (Volume 5, Page 205, Plat Records of Hays County, Texas [P.R.H.C.T.]), same being the southwest corner of a called 85.1806 acre tract, described in a deed to Allauddin N. Maredia, and recorded in Document Number 17039745 [O.P.R.H.C.T];

THENCE, S46°44'17"E, departing the east right-of-way of said C.R. 145 and continuing with the common line of said 179.278 acre and said 85.1806 acre tract, a distance of 4,013.29 feet to a 1/2-inch iron rod found for the northeast corner of said 179.278 acre tract, and the southeast corner of said 85.1806 acre tract, same being on the northwest line of a called 236.1 acre tract, described in a deed to Tack Development, Ltd., recorded in C.F. Number 18007777 [O.P.R.H.C.T.];

THENCE S43°23'05"W, departing the south line of said 85.1806 acre tract and continuing with the common line of said 179.278 acre tract and said 236.1 acre tract, a distance of 1,947.18 feet to a to a 1/2-inch iron rod found for the southeast corner of said 179.278 acre tract, same being the northwest corner of Quail Ridge Subdivision, a subdivision of record in Volume 2, Page 337, [P.R.H.C.T.];

THENCE N46°44'14"W, departing the west line of said 236.1 acre tract acre tract and continuing with the common line of said 179.278 acre tract and said Quail Ridge Subdivision, a distance of 2,842.59 feet to a to a 1/2-inch iron rod found at the southeast corner of the said 5.895 acre save and except tract;

THENCE departing north line of said Quail Ridge Subdivision, and continuing over and across said 179.278 acre tract with the east and north lines of the said 5.895 acre save and except tract and the south line of the said 7.87 acre tract, the following eight (8) courses and distances:

1) N43°15'48"E, a distance of 195.23 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the right,

2) with said curve to the right, defined by an arc length of 141.87 feet, a radius of 330.03 feet, a delta angle of 24°37'51", a chord bearing of N09°38'34"W, a chord distance of 140.78 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

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Fax: 512.583.2601
Doucetengineers.com

3) N02°44'09"E, a distance of 243.78 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the left,

4) with said curve to the left, defined by an arc length of 31.23 feet, a radius of 20.00 feet, a delta angle of 89°28'43", a chord bearing of N42°12'11"W, a chord distance of 28.16 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

5) N86°49'32"W, a distance of 280.56 feet to a to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the right,

6) with said curve to the right, defined by an arc length of 573.03 feet, a radius of 1,040.13 feet, a delta angle of 31°33'55", a chord bearing of N71°23'01"W, a chord distance of 565.81 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

7) N55°32'03"W, a distance of 126.49 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and

8) S86°40'31", a distance of 20.47 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the west line of said 179.278 acre tract and on the south right-of-way line of said C.R. 145;

THENCE N43°16'02"E, with the east right-of-way line of said C.R. 145, a distance of 106.18 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the west line of said 179.278 acre tract, at the southwest corner of the said 11.946 acre save and except tract;

THENCE, departing the east right-of-way of said C.R. 145 and continuing over and across said 179.278 acre tract with the south and east lines of the said 11.946 acre save and except tract, and the north line of the said 7.87 acre tract, the following eight (8) courses and distances:

1) S10°17'05"E, a distance of 17.42 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

2) S55°36'03"E, a distance of 114.06 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the left,

3) with said curve to the left, defined by an arc length of 529.19 feet, a radius of 960.25 feet, a delta angle of 31°34'31", a chord bearing of S71°23'26"E, a chord distance of 522.51 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

4) S86°49'32"E, a distance of 279.97 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found and the beginning of a curve to the left,

5) with said curve to the left, defined by an arc length of 31.59 feet, a radius of 20.00 feet, a delta angle of 90°29'25", a chord bearing of N47°49'44"W, a distance of 28.41 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found,

6) N02°43'44"E, a distance of 419.07 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and the beginning of a curve to the right. and

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Fax: 512.583.2601
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7) with said curve to the right, defined by an arc length of 136.59 feet, a radius of 330.03 feet, a delta angle of 23°42'48", a chord bearing of N14°32'37"E, a chord distance of 135.62 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found, and

8) N47°21'17"W, a distance of 480.50 feet to a 1/2-inch iron rod with cap stamped "PAYNE 6064" found on the west line of said 179.278 acre tract and on the said east right-of-way of C.R. 145;

THENCE N43°16'09"W, with the west line of said 179.278 acre tract and on the said east right-of-way of C.R. 145, a distance of 958.21 feet to the POINT OF BEGINNING and containing approximately 161.5 acres.

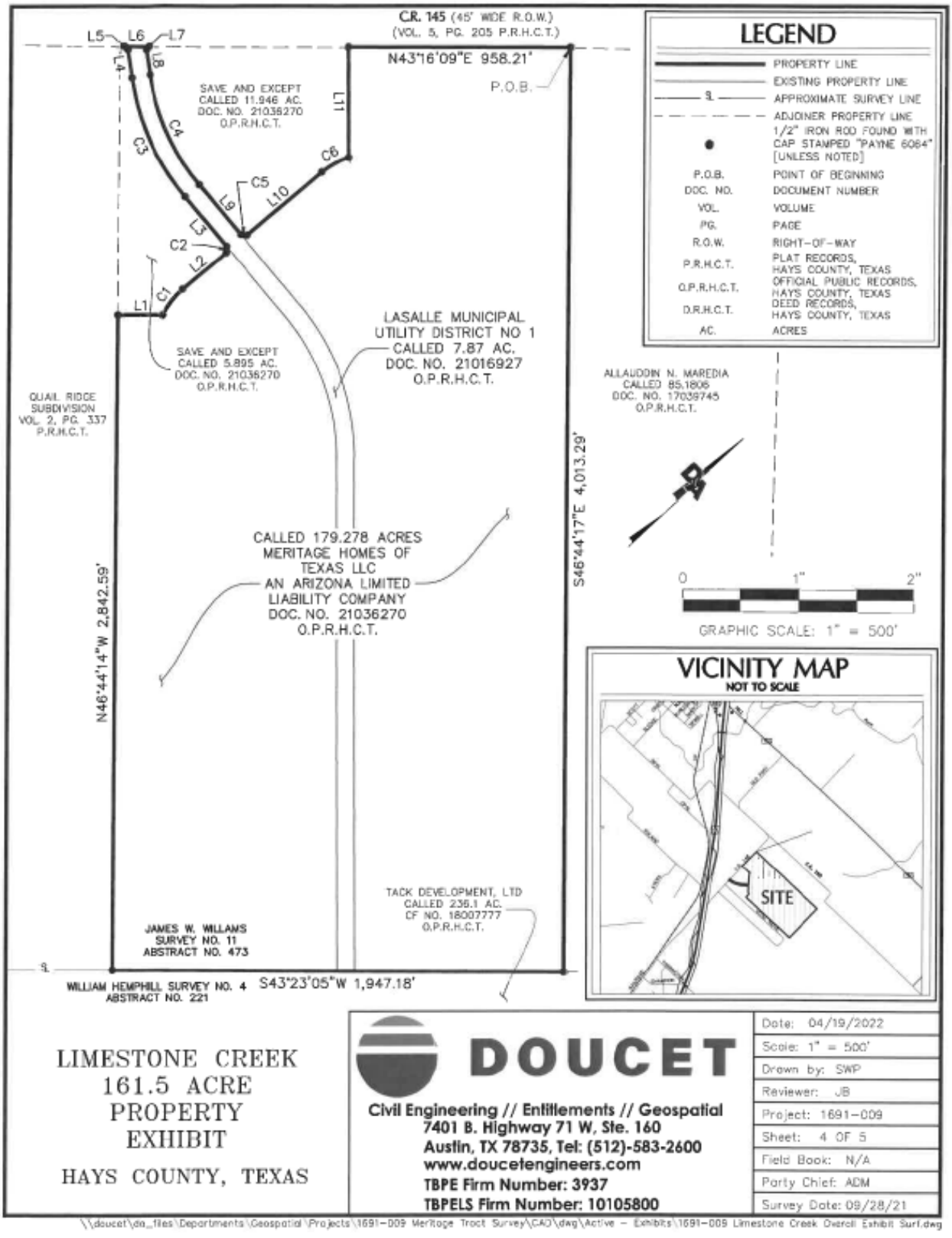
Basis of bearings is the Texas Coordinate System, South Central Zone [4204], NAD83 (2011), Epoch 2010, observed using the Leica Smartnet Network. All distances shown are adjusted to surface values using a combined scale factor of 1.000081, units: US survey feet.

I, John Barnard, Registered Professional Land Surveyor, hereby certify that this description and accompanying exhibit of even date represent an actual survey performed on the ground.

04/19/2022

John Barnard Date
Registered Professional Land Surveyor
Texas Registration No. 5749
Doucet & Associates
jbarnard@doucetengineers.com
TBPLS Firm No. 10105800





LIMESTONE CREEK 161.5 ACRE PROPERTY EXHIBIT

HAYS COUNTY, TEXAS

DOUCET

Civil Engineering // Entitlements // Geospatial
7401 B. Highway 71 W, Ste. 160
Austin, TX 78735, Tel: (512)-583-2600
www.doucetengineers.com
TBPE Firm Number: 3937
TBPELS Firm Number: 10105800

Date:	04/19/2022
Scale:	1" = 500'
Drawn by:	SWP
Reviewer:	JB
Project:	1691-009
Sheet:	4 OF 5
Field Book:	N/A
Party Chief:	ADM
Survey Date:	09/28/21

\\doucet\da_files\Departments\Geospatial\Projects\1691-009 Meritage Tract Survey\CAD\dwg\Active - Exhibits\1691-009 Limestone Creek Overall Exhibit Surf.dwg

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N43°15'48"E	195.23'
L2	N02°44'09"E	243.78'
L3	N86°49'32"W	280.56'
L4	N55°36'03"W	126.49'
L5	S86°40'31"W	20.47'
L6	N43°16'02"E	106.18'
L7	S10°17'05"E	17.42'
L8	S55°36'03"E	114.06'
L9	S86°49'32"E	279.97'
L10	N02°43'44"E	419.07'
L11	N47°21'17"W	480.50'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD LENGTH
C1	141.87'	330.03'	24°37'51"	N09°38'34"W	140.78'
C2	31.23'	20.00'	89°28'43"	N42°12'11"W	28.16'
C3	573.03'	1,040.13'	31°33'55"	N71°23'01"W	565.81'
C4	529.19'	980.25'	31°34'31"	S71°23'26"E	522.51'
C5	31.59'	20.00'	90°29'25"	N47°49'44"E	28.41'
C6	136.59'	330.03'	23°42'48"	N14°32'37"E	135.62'

CONTROL NOTE:
BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NORTH AMERICAN DATUM 1983 (NAD83), 2011 ADJUSTMENT (EPOCH 2010). ALL COORDINATE VALUES AND DISTANCES SHOWN ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY USING THE SURFACE ADJUSTMENT FACTOR OF 0.9999190065604686.
UNITS: US SURVEY FEET.

I, JOHN BARNARD, REGISTERED PROFESSIONAL LAND SURVEYOR, HEREBY CERTIFY THAT THIS PLAT AND ACCOMPANYING LEGAL DESCRIPTION OF EVEN DATE REPRESENT AN ACTUAL SURVEY PERFORMED ON THE GROUND UNDER MY SUPERVISION.

04/19/2022

JOHN BARNARD DATE
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5749
DOUCET & ASSOCIATES
JBARNARD@DOUCETENGINEERS.COM

STATE OF TEXAS
REGISTERED
JOHN D. BARNARD
5749
PROFESSIONAL
LAND SURVEYOR

LIMESTONE CREEK 161.5 ACRE PROPERTY EXHIBIT

HAYS COUNTY, TEXAS

DOUCET
Civil Engineering // Entitlements // Geospatial
7401 B. Highway 71 W, Ste. 160
Austin, TX 78735, Tel: (512)-583-2600
www.doucetengineers.com
TBPE Firm Number: 3937
TBPELS Firm Number: 10105800

Date:	04/19/2022
Scale:	1" = 500'
Drawn by:	SWP
Reviewer:	JB
Project:	1691-009
Sheet:	5 OF 5
Field Book:	N/A
Party Chief:	ADM
Survey Date:	09/28/21

\\doucet\do_files\Departments\Geospatial\Projects\1691-009 Meritage Tract Survey\CAD\dwg\Active - Exhibits\1691-009 Limestone Creek Overall Exhibit Surf.dwg

EXHIBIT “B”
CONCEPT PLAN



Land Use Summary

	UNITS
50' x 120' Residential	463 units
Townhome Residential	219 units
Residential Sub-Total:	682 units
Approximate Gross Site Area:	179.2 acres
Approximate Gross Density:	3.8 du/ac.
Commercial	16.4 acres
Major Right-of-Way	11.8 acres
Detention/Drainage Channels	7.0 acres
Easements	8.6 acres
Approximate Net Site Area:	134.4 acres
Approximate Net Density:	5.0 du/ac.

Phasing Summary

	Phase 1	Phase 2	Phase 3	Phase 4
50' x 120' Residential	181 units	72 units	98 units	112 units
Townhome Residential	94 units	125 units		
	275 units	197 units	98 units	112 units

SEC Planning, LLC

Land Planning • Landscape Architecture • Community Branding

AUSTIN, TEXAS

LOTTING 'E' - REVISED

LIMESTONE CREEK

KYLE, TEXAS

North

Scale: 1" = 300'

Date: May 20, 2022

Base mapping compiled from best available information. All map data should be considered as preliminary, in need of verification, and subject to change. This land plan is conceptual in nature and does not represent any regulatory approval. Plan is subject to change.

EXHIBIT “C”
GOFORTH BOULEVARD


E. POST RD
WATERSTONE BLVD.
GOFORTH ROAD
LIMESTONE CREEK SUBDIVISION
KYLE, TEXAS
DEVELOPMENT AGREEMENT
EXHIBIT C
DOUCET

Drawing: C:\pw_working\sean.crandon\dms68171\Development Agreement Exhibit C & D.dwg
User: SCRANDON
Last Modified: Jun. 16, 22 - 12:11
Plot Date/Time: Jun. 16, 22 - 12:12:40

Scale: 1" = 6'	LIMESTONE CREEK SUBDIVISION KYLE, TEXAS	DEVELOPMENT AGREEMENT EXHIBIT C	DOUCET Civil Engineering | Surveying | Geospatial 7401 B. Highway 71 W. Ste. 160 Austin, TX 78735, Tel: (512)-583-2600 www.doucetengineers.com TBPE Firm Number: 2937 TBPELS Firm Number: 10105800
Date: 03/10/22			
Project No.: 1601.039			

EXHIBIT “D”
OFF-SITE PROPERTIES


QUAIL RIDGE SUBDIVISION
VOL. 2 PG. 337
P.R.H.C.T.
GOFORTH ROAD
TAX ID R62964
TAX ID R38290
TAX ID R38292
TAX ID R38293
TAX ID R38294
TAX ID R38295
LIMESTONE CREEK SUBDIVISION
KYLE, TEXAS
DEVELOPMENT AGREEMENT
QUAIL RIDGE ACQUIRED LOTS
EXHIBIT D
DOUCET

EXHIBIT "E"
PID TERM SHEET

CITY OF KYLE, TEXAS
LIMESTONE CREEK PUBLIC IMPROVEMENT DISTRICT

It is requested that the following limitations and performance standards shall apply to the Limestone Creek Public Improvement District agreed to by Developer and the City connection with the development of the proposed Project.

FINANCING CRITERIA – PUBLIC IMPROVEMENT DISTRICT

1. Maximum Authorized Improvements for the PID: $50,000,000

2. Minimum appraised value to lien ratio for each PID bond issued: 3:1 (provided that the City, in its sole and absolute discretion, may consider a lower value to lien ratio at the time of bond issuance)

3. Maximum total equivalent tax rate including PID annual installment as of date of first assessment levy with and without the TIRZ offset:

Without offset: $3.30/$100 Assessed Value
With offset: $3.10/$100 Assessed Value

4. Maximum years of capitalized interest: 2

5. Maturity of bonds (to extent allowed by law): 30 years

6. Improvements to be funded by the PID are limited to those defined as Authorized Improvements under the PID Act.

7. Maximum annual permitted increased in annual assessment installment: 2%

MISCELLANEOUS

1. **The PID may seek PID bond issues in advance of construction of the Project subject to compliance with these standards. No PID bonds will be issued without the approval by the City of a Service and Assessment Plan for the District.**

2. **No General Obligation or Certificate of Obligation bonds will be utilized by the City to fund the PID.**

3. Special assessments on any given portion of the property may be adjusted in connection with subsequent bond issues as long as the maximum annual assessment rate is not exceeded, and the special assessments are determined in accordance with the Service and Assessment Plan. Special assessments on any portion of the property will bear a direct proportionate relationship to, and will not exceed, the special benefit of the public improvements to that improvement area.

4. The City shall not be obligated to provide funds for any improvements for the Project except from the proceeds of the bonds or special assessments.

5. The PID Bond Indenture will contain language precluding the City from making any debt service payments for the PID Bonds other than from available special assessment revenues or tax increment revenues, if available.

6. The PID will be responsible for payment of all of the City's reasonable and customary costs and expenses associated with the financing and administrative activities of the PID.

7. It is agreed that the PID will be exempt from any public bidding or other purchasing and procurement policies per Texas Local Government Code Section 252.022(a) (9) which states that a project is exempt from such policies if "paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements."

8. No additional security or surety will be provided by the Developer, or its assignees, for the construction of the Authorized Improvements beyond typical performance bond or other similar surety agreements.

9. The PID shall comply with the City's approved PID policy, except as modified by the Agreement and a future financing agreement, to be agreed upon by the City and Developer. The City acknowledges that the PID policy does not contain mandatory criteria, and serves to guide the City and its City Council in approving and facilitating PIDs, and that the City may choose at any time to apply or waive any of the terms of the PID Policy on a case by case basis.

EXHIBIT "F"
TIRZ TERM SHEET

CITY OF KYLE, TEXAS
LIMESTONE CREEK TAX INCREMENT REINVESTMENT ZONE

It is requested that the following terms shall apply to the Limestone Creek Tax Increment Reinvestment Zone agreed to by Developer and the City in connection with the development of the proposed Project.

Financing Criteria

1. Participating Entities: City of Kyle, Texas and Hays County, Texas

2. City Contribution Rate: 40%, subject to the County's participation as set forth in Section 7.02 of this Agreement

3. Base value of TIRZ: 2022 values

4. Term of TIRZ: Concurrent with PID bonds

Miscellaneous

1. The TIRZ revenues shall be used to pay administrative expenses of the TIRZ and to offset PID annual installments.

2. The city will agree to use TIRZ revenues generated from each parcel in the Project to offset a portion of such parcel's assessment and to the extent there are TIRZ revenues remaining after such offset, any such excess revenues will be returned to the City as ad valorem taxes.

3. TIRZ administrative costs shall be determined annually by the City in its sole discretion.

FIRST AMENDMENT TO
AMENDED AND RESTATED
LIMESTONE CREEK DEVELOPMENT AGREEMENT

This First Amendment to Amended and Restated Limestone Creek Development Agreement (this "Amendment") is made and entered into as of October 18, 2022 (the "Effective Date") by and among **The City of Kyle, Texas**, a home rule municipality situated in Hays County, Texas (the "City"), and **Meritage Homes of Texas, LLC,** an Arizona limited liability company, their successors and assigns (the "Developer"). The City and Developer are sometimes each individually herein referred to as a "Party" and sometimes collectively herein referenced as the "Parties". Capitalized terms in the Amendment not defined herein are defined in that certain Amended and Restated Limestone Creek Development Agreement, dated June 21, 2022 (the "Amended and Restated Agreement".)

RECITALS

A. Developer and City entered into the Amended and Restated Agreement in connection with the development of a master planned community, providing for, among other terms, certain development obligations of the Developer in return for consideration of special financing terms by the City.

B. Developer and City desire to modify and amend the Amended and Restated Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Amendment, and other good and valuable consideration, the City and Developer agree as follows:

1. **Section 6.03**. Section 6.03 of the Amended and Restated Agreement is hereby deleted and replaced with the following:

> "**Goforth Boulevard**. The Developer shall design, permit, and construct Goforth Boulevard in consideration of the development incentives provided herein by the City. Commencement of construction of Goforth Boulevard as depicted on the Concept Plan shall begin within three (3) years from the issuance of the first series of PID Bonds and shall include the infrastructure elements described in Section 5.03 above. With respect to

sidewalks, the sidewalk on one side of Goforth Boulevard shall be a minimum of five (5) feet wide, and the sidewalk on the other side shall be abutted by a twelve (12) foot wide mixed-use path, though the exact location and placement shall be determined by the City and Developer generally in accordance with the Concept Plan and update to the Preliminary Plat."

2. **Incorporation of Amended and Restated Development**. The Amended and Restated Agreement is incorporated herein by reference for all purposes.
3. **Ratification and Compliance**. Except as expressly amended or modified by this Amendment, the Amended and Restated Agreement shall continue in full force and effect. The City and Developer each hereby ratify, affirm, and agree that the Amended and Restated Agreement, as herein modified, represents the valid, binding, and enforceable obligations of Developer and the City respectively. Developer and the City each promise and agree to perform and comply with the terms, provision, and conditions of and the agreements in the Amended and Restated Agreement, as modified by this Amendment. In the event of any conflict or inconsistency between the provisions of the Amended and Restated Agreement and this Amendment, the provisions of this Amendment shall control and govern.
4. **Binding**. This Amendment shall be binding on and inure to the benefit of City, Developer, and their respective heirs, executors, administrators, legal representatives, successors and assigns.
5. **Governing Law**. This Amendment shall be construed and governed by the laws of the State of Texas in effect from time to time.
6. **Section Headings**. The section headings used herein are intended for reference purposes only and shall not be considered in the interpretation of the terms and conditions hereof.
7. **Construction**. Each party acknowledges that is and its counsel have had the opportunity to review this Amendment; that the normal rule of construction shall not be applicable and there shall be no presumption that any ambiguities will be resolved against the drafting party in interpretation of this Amendment.
8. **Counterparts**. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any parties to this Amendment may execute the Amendment by signing any of the counterparts.

9. **Boycotts and Foreign Business Engagements**.

A. The Developer hereby verifies that it and its parent company, wholly- or majority-

owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

B. The Developer represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

C. Firearm Entity Boycotts. To the extent this Agreement constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate

against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

D. Energy Company Boycotts. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

10. 1295 Compliance. Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the City. For further information please go to the Texas Ethics Commission website via the following link. https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. The City has no obligation under this Agreement until such form is accurately completed and properly submitted, and any City obligation is conditioned on such proper completion and submission.

EXECUTED in multiple counterparts, each of which shall constitute an original, this 25 day of October, 2022.

CITY:

CITY OF KYLE, TEXAS
a Texas home-rule municipal corporation

Attest:

By: _____
Name: Jennifer Holm
Title: City Secretary

By: _____
Name: Travis Mitchell
Title: Mayor

THE STATE OF TEXAS §
COUNTY OF HAYS §

This instrument was acknowledged before me on this 24 day of October, 2022, by Travis Mitchell, Mayor of the City of Kyle, Texas, a Texas home-rule municipal corporation, on behalf of said corporation.

(SEAL)

SUSAN HUGHES
Notary Public, State of Texas
Comm. Expires 07-21-2026
Notary ID 133870195

_____
Notary Public, State of Texas

DEVELOPER:

Meritage Homes of Texas, LLC
an Arizona limited liability company

By: _____
Name: ELLIOT JONES
Title: DIVISION VICE PRESIDENT

THE STATE OF TEXAS §
COUNTY OF HAYS §

This instrument was acknowledged before me on this 25 day of October, 2022, by Elliot Jones, as Division VP of Meritage Homes of Texas, LLC, an Arizona limited liability company, on behalf of said limited liability company.

(SEAL)

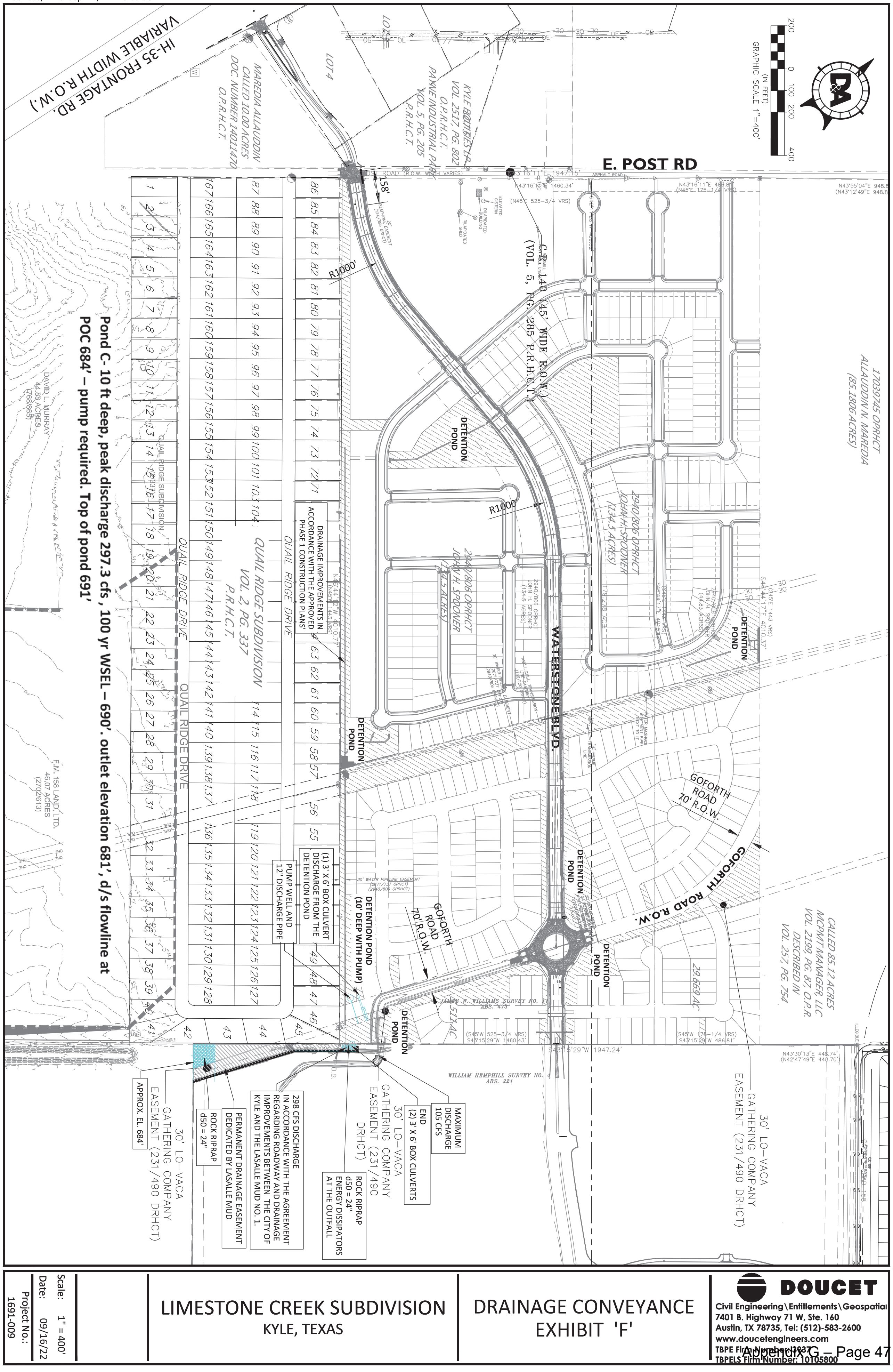
SAVANNAH AMBER SUPPAN
Notary ID #132523553
My Commission Expires
June 16, 2024

_____
Notary Public, State of Texas

CONSENTING PARTY:
Kyle Land Partners, LLC
a Texas limited liability company
By: _____
Name: Todd McCullough
Title: Manager

969

Drawing: C:\pw_working\sean.crandon\dms98171\Drainage Study Exhibit C.dwg
User: SCRANDON
Last Modified: Sep. 12, 22 - 13:39
Plot Date/Time: Sep. 12, 22 - 13:39:56



SECOND AMENDMENT TO
AMENDED AND RESTATED
LIMESTONE CREEK DEVELOPMENT AGREEMENT

This Second Amendment to Amended and Restated Limestone Creek Development Agreement (this "Second Amendment") is made and entered into as of March 7th, 2023 (the "Second Amendment Effective Date") by and among **The City of Kyle, Texas**, a home rule municipality situated in Hays County, Texas (the "City"), and **Meritage Homes of Texas, LLC,** an Arizona limited liability company, their successors and assigns (the "Developer"). The City and Developer are sometimes each individually herein referred to as a "Party" and sometimes collectively herein referenced as the "Parties".

RECITALS

A. Developer and City entered into that certain Amended and Restated Limestone Creek Development Agreement, dated June 21, 2022 (the "Amended and Restated Agreement"), which was amended by that certain First Amendment to Amended and Restated Limestone Creek Development Agreement, dated October 18, 2022 (the "First Amendment") in connection with the development of a master planned community, providing for, among other terms, certain development obligations of the Developer in return for consideration of special financing terms by the City.

B. Developer and City desire to modify and amend the Amended and Restated Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Second Amendment, and other good and valuable consideration, the City and Developer agree as follows:

1. The recitals set forth above are incorporated herein and made a part of this Second Amendment to the same extent as if set forth herein in full.

2. All capitalized terms in this Second Amendment shall have the same meanings as in the Amended and Restated Agreement unless expressly provided otherwise herein.

3. Section A of the Recitals of the Amended and Restated Agreement is hereby deleted and replaced with the following:

A.Developer owns approximately 161.5 acres of land, more or less, located within the City and described by metes and bounds on the attached Exhibit "A" (the "Property"). Kyle Land Partners, LLC, the Consenting Party, owns approximately 17.841 acres of land, more or less adjacent to the Property and described by metes and bounds on the attached Exhibit

"A-1" (the "Commercial Tracts") which the Parties intend to be included, along with the Property, in the proposed TIRZ.

4. Section E of the Recitals of the Amended and Restated Agreement is hereby deleted and replaced with the following:

E. Prior to the Effective Date, the Property was subject to that certain Agreement Regarding Roadway and Drainage Improvements — Spooner Tract, entered into December 15, 2020 (the "Original Agreement") between the City and Sandera Land Development Company, LLC, as predecessor in interest to Developer (the "Previous Owner"), which provided for certain improvements to the Property for the benefit of the City. Sandera assigned the Roadway and Drainage Agreement to Kyle Land Partners, LLC, effective June 1, 2021. Developer subsequently acquired approximately 161.5 acres from Kyle Land Partners, LLC and Kyle Land Partners retained approximately 17.841 acres.

5. The Definition of "Eminent Domain Fees" in the Amended and Restated Agreement is hereby deleted and replaced with the following:

"**Eminent Domain Fees**" means the reasonable and necessary legal proceeding/litigation costs, compensation awards by courts or negotiated amounts for the condemned property interest, attorneys' fees, appraiser and expert witness fees, right-of-way and/or relocation agent fees, reasonable moving costs, replacement housing payments, and/or purchase supplements for displaced residents, interest, court costs, mediation fees, deposition costs, copy charges, courier fees, postage and taxable court costs.

6. The Definition of "Goforth Boulevard" in the Amended and Restated Agreement is hereby deleted and replaced with the following:

"**S. Goforth Road**" means the roadway that will be constructed to City standards in addition to the requirements set forth in Sections 5.03 and 6.03 in this Agreement, and as generally depicted on the Concept Plan and on Exhibit "C" attached hereto. The use of "Goforth Boulevard" in the Agreement shall mean "S. Goforth Road."

7. The following definition is hereby added to Article II Definitions in the Amended and Restated Agreement:

"Negotiated Settlement Fees" means the reasonable and necessary negotiated amounts for the property interest subject to a cap equal to the fair market appraisal of such property, attorneys' fees, appraiser fees, right-of-way and/or relocation agent fees, reasonable moving costs, replacement housing payments, and/or purchase supplements for displaced residents, interest, costs, copy charges, courier fees, and postage.

8. **Section 6.04**. Section 6.04 of the Amended and Restated Agreement is hereby deleted and replaced with the following:

(a) Off-Site Properties Acquisition.

(1) The Parties acknowledge that in order to facilitate the construction of the off-site portion of S. Goforth Road and its inclusion of same into the City's Transportation Master Plan network, the Off-Site Properties, consisting of no more than six (6) lots and any partial additional property that may need to be acquired for the construction of the off-site portion of S. Goforth Road, as generally shown in Exhibit "D" attached hereto, will need to be acquired by the City. Once acquired by the City, the City will own and maintain the Off-Site Properties.

(2) Construction of the off-site portion of S. Goforth Road, Access to acquired Off-Site Properties and Platting. The City hereby agrees to grant the Developer access to the Off-Site Properties after the City acquires the Off-Site Properties for purposes related to the construction of the off-site portion of S. Goforth Road pursuant to the submission by the Developer of a re-plat, or other instrument agreed to by the Parties, that includes the City as owner of the Off-Site Properties and the Off-Site Properties dedicated as right-of-way. Developer agrees to construct the off-site portion of S. Goforth Road to City standards in addition to the requirements set forth in Sections 5.03 and 6.03. Developer further agrees that in its agreement with the contractor for the construction of the off-site portion of S. Goforth Road, cause the contractor to: (i) carry commercial general liability insurance, with a combined single limit of not less than one million and No/100 Dollars ($1,000,000.00), which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy and such insurance coverage shall specifically name the City as an additional insured; and (ii) indemnify, defend, and hold harmless the City and its officers, agents and employees against all claims, suits, demands, judgments, expenses, including attorney's fees, or other liability for personal injury, death, or damage to any person or property which arises from or is in any manner caused by the construction or installation of the off-site portion of S. Goforth Road or use of the Off-Site Properties by the contractor.

(3) As a condition to requiring the Developer to construct the off-site portion of S. Goforth Road outside the Property, the City shall use its best efforts and pursue all reasonable actions to secure the Off-Site Properties, including consideration of the use of the City's power of eminent domain or negotiated settlement. If the City takes such eminent domain action or negotiated settlement pursuant to an acquisition, the Developer shall fund all reasonable and necessary Negotiated Settlement Fees or Eminent Domain Fees paid or incurred by the City in the exercise of its eminent domain powers or general acquisition powers and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Negotiated Settlement Fees or Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding or negotiated acquisition and as funds are needed by the City. If the escrow fund remains appropriately funded in accordance with this Agreement and in accordance with the City's discretionary governmental powers, the City will use all reasonable efforts to expedite such condemnation procedures so that the off-site portion of S. Goforth Road can be constructed as soon as reasonably practicable. If the Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall

deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. Any unused escrow funds will be refunded to Developer within thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

(4) To the extent Eminent Domain Fees and/or Negotiated Settlement Fees are paid by the Developer, the Developer may seek reimbursement of any or all eligible Eminent Domain Fees and/or Negotiated Settlement Fees from PID Bonds, or if PID Bonds are not issued, Assessments. The Developer may seek reimbursement of Eminent Domain Fees and/or Negotiated Settlement Fees from TIRZ proceeds, if a determination is made that any Eminent Domain Fees and/or Negotiated Settlement Fees are not reimbursable from the PID but are eligible for reimbursement from the TIRZ.

(b) Relocation Plan.

(1) The Parties acknowledge that no more than six (6) residences, as shown on Exhibit D, will be displaced as a result of condemnation proceedings and/or negotiated settlement and may be eligible for relocation assistance through the implementation of a relocation plan (the "Relocation Plan" or "Plan"). Through the Relocation Plan, residents of each displaced residence will be given sufficient time to plan for an orderly, timely, and efficient move. Information regarding the Relocation Plan will be provided to the residents individually and may also be provided and discussed at City initiated public hearings, town hall meetings or both, as may be necessary. In addition to the acquisition costs for [real] property acquired, certain displaced persons may also be eligible for relocation benefits (including reasonable moving costs, replacement housing payments, and/or purchase supplements). Relocation services will be provided by a relocation expert retained by the City in order to ensure that displaced persons are relocated to decent, safe, and sanitary housing.

(2) As part of the Eminent Domain Fees and/or Negotiated Settlement Fees, Developer agrees to pay for all reasonable and necessary costs associated with the implementation of the Relocation Plan, including but not limited to, the City's cost in retaining a right-of-way and/or relocation agent(s).

(3) If there is a dispute by the Developer on the amount of additional funds requested by the City, the Developer shall give written notice to the City of the amount disputed and the specific basis for the dispute within five (5) days of receipt of the City's additional funds request. The Parties shall cooperate to resolve any dispute permitted under this paragraph promptly in order to avoid a default under this

Amended and Restated Agreement. The Developer agrees to deposit with the City the amount not in dispute or another amount in order to not delay the eminent domain proceedings and/or negotiated settlement while the dispute is being resolved.

9. **Section 12.21**. The following section is hereby added to the Amended and Restated Agreement:

> **12.21. Acceptance of Authorized Improvements**. The Parties acknowledge and confirm that any Authorized Improvements identified in a PID Service and Assessment Plan approved by the City for the Property, will only be acquired by the City through the City's formal process for accepting Authorized Improvements and with the proceeds of PID Assessments, PID bond proceeds, or TIRZ proceeds. For off-site Authorized Improvements, Developer shall request acceptance of the off-site Authorized Improvements in writing to the City Engineer and City Engineer shall provide Developer an acceptance letter once the City Engineer deems the off-site Authorized Improvements completed and ready for acceptance. For on-site Authorized Improvements, Developer shall request acceptance of the on-site Authorized Improvements in writing to the City Engineer and the City Engineer shall place the request on the City Council agenda for City Council acceptance approval once the City Engineer deems the on-site Authorized Improvements completed and ready for acceptance.

10. **Additional Exhibits**. Exhibit "A-1" Commercial Tracts is hereby added as an exhibit to the Amended and Restated Agreement.

11. **Replaced Exhibits**. Exhibits "C" S. Goforth Road, and "D" Off-Site Properties to the Amended and Restated Agreement are hereby deleted and replaced with the following:

Exhibit "C" S. Goforth Road and Drainage
Exhibit "D" Off-Site Properties (showing connection to S. Goforth Road). At the request of city staff, a vehicular connection shall be made between the southern, east/west alignment of Quail Ridge Drive to S. Goforth Road, as depicted in Exhibit D. Developer is not responsible for any other improvements to Quail Ridge Drive or nearby residential driveways.

12. **Incorporation of Amended and Restated Development Agreement**. The Amended and Restated Agreement is incorporated herein by reference for all purposes.

13. **Ratification and Compliance**. Except as expressly amended or modified by this Second Amendment, the Amended and Restated Agreement and First Amendment shall continue in full force and effect. The City and Developer each hereby ratify, affirm, and agree that the Amended and Restated Agreement and First Amendment, as herein modified, represent the valid, binding, and enforceable obligations of Developer and the City respectively. Developer and the City each promise and agree to perform and comply with the terms, provision, and conditions of and the agreements in the Amended and Restated Agreement, as modified by this Second Amendment. In the event of any conflict or inconsistency between the provisions of

the Amended and Restated Agreement, the First Amendment and this Second Amendment, the provisions of this Second Amendment shall control and govern.

14. Binding. This Second Amendment shall be binding on and inure to the benefit of City, Developer, and their respective heirs, executors, administrators, legal representatives, successors and assigns.

15. Governing Law. This Second Amendment shall be construed and governed by the laws of the State of Texas in effect from time to time.

16. No Waiver. Neither City's nor Developer's execution of this Second Amendment shall (a) constitute a waiver of any of its rights and remedies under the Amended and Restated Agreement and the First Amendment, or at law with respect to the other party's obligations under the Amended and Restated Agreement and First Amendment; or (b) be construed as a bar to any subsequent enforcement of any of its rights or remedies against the other party.

17. Section Headings. The section headings used herein are intended for reference purposes only and shall not be considered in the interpretation of the terms and conditions hereof.

18. Construction. Each party acknowledges that is and its counsel have had the opportunity to review this Amendment; that the normal rule of construction shall not be applicable and there shall be no presumption that any ambiguities will be resolved against the drafting party in interpretation of this Amendment.

19. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same agreement, and any parties to this Amendment may execute the Amendment by signing any of the counterparts.

20. Boycotts and Foreign Business Engagements.

A. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Second Amendment is a contract for goods or services, will not boycott Israel during the term of this Second Amendment. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable State or federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

B. The Developer represents that neither it nor any of its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such

officer's internet website: https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and its respective parent companies, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

C. Firearm Entity Boycotts. To the extent this Second Amendment constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Second Amendment against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code (as added by SB 19). The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

D. Energy Company Boycotts. To the extent this Second Amendment constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the Developer hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Second Amendment. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

21. 1295 Compliance. Section 2252.908 of the Texas Government Code requires that for certain types of contracts, you must fill out a conflict of interest form ("Disclosure of Interested Parties") at the time you submit your signed contract to the City. For further information please go to the Texas Ethics Commission website via the following link.

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. The City has no obligation under this Second Amendment until such form is accurately completed and properly submitted, and any City obligation is conditioned on such proper completion and submission.

[Signature pages follow]

EXECUTED in multiple counterparts, each of which shall constitute an original, as of the 7th day of March, 2023.

CITY:

CITY OF KYLE, TEXAS
a Texas home-rule municipal corporation

Attest:

By: Jennifer Kirkland
Name: Jennifer Kirkland
Title: City Secretary

By:
Name: Travis Mitchell
Title: Mayor

THE STATE OF TEXAS §
COUNTY OF HAYS §

This instrument was acknowledged before me on this 7th day of March, 2023, by Travis Mitchell, Mayor of the City of Kyle, Texas, a Texas home-rule municipal corporation, on behalf of said corporation.

(SEAL)

SUSAN HUGHES
Notary Public, State of Texas
Comm. Expires 07-21-2026
Notary ID 133870195

Notary Public, State of Texas

EXECUTED in multiple counterparts, each of which shall constitute an original, as of the 2 day of MARCH, 2023.

DEVELOPER:

Meritage Homes of Texas, LLC
an Arizona limited liability company

By: _____
Name: JUSTIN R. BELMORE
Title: VP OF LAND ACQUISITION

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 2 day of MARCH, 2023, by JUSTIN BELMORE, as VP LAND ACQUITION of Meritage Homes of Texas, LLC, an Arizona limited liability company, on behalf of said limited liability company.

(SEAL)

ANNETTE HERMISTON
Notary ID #133033420
My Commission Expires
April 13, 2025

_____
Notary Public, State of Texas

EXECUTED in multiple counterparts, each of which shall constitute an original, as of the 3RD day of MARCH, 2023

CONSENTING PARTY:

Kyle Land Partners, LLC
a Texas limited liability company
By: _____
Name: TODD McCULLOUGH
Title: MANAGER

EXHIBIT "A-1"
COMMERCIAL TRACTS

A DESCRIPTION OF 11.946 ACRES IN THE JAMES W. WILLIAMS SURVEY NO. 11, ABSTRACT 473, HAYS COUNTY, TEXAS, BEING OUT OF A CALLED 134 1/2 ACRE TRACT OF LAND CONVEYED TO JOHN H. SPOONER, IN VOLUME 2940, PAGE 806 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY TEXAS (OPRHCT); SAID 11.946 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a 1/2-inch iron rod found at the west corner of said 134 1/2 acre tract, same being the north corner of Lot 86, Quail Ridge Subdivision, recorded in Volume 2, Page 337 of the Plat Records of Hays County, Texas (OPRHCT), also being in the southeast right-of-way-line of E Post Road (right-of-way width varies);

THENCE, with the northwest line of said 134 1/2 acre tract, same being the southeast right-of-way line of E Post Road, **N43°16'11"E**, at a distance of **122.88** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set in the northwest line of said 134 1/2 acre tract, the same being in the southeast right-of-way line of said E Post Road and in the north right-of-way line of a 7.87 acre tract (80' wide road) conveyed to LaSalle Municipal Utility District No. 1 in Document No. 21016927 ORHCT, being the **POINT OF BEGINNING** hereof;

THENCE, leaving the 7.87 acre right-of-way tract, continuing with the northwest line of said 134 1/2 acre tract, same being the southeast right-of-way line of E Post Road, **N43°16'11"E**, at a distance of **865.89** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set in the northwest line of said 134 1/2 acre tract, the same being the southeast right-of-way line of said E Post Road from which a calculated point at the north corner of said 134 1/2 acre tract bears N43°16'11"E a distance of 471.57 feet;

THENCE, leaving E Post Road and across said 134 1/2 acre tract the following four (4) courses and distances:

1) **S47°21'20"E**, a distance of **480.45** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,

2) with a curve to the left, having a radius of 330.00 feet, a delta angle of 23°38'24", an arc length of 136.16 feet, and a chord which bears **S14°33'37"W**, a distance of **135.19** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,

3) **S02°44'25"W**, a distance of **419.43** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set, and,

4) with a curve to the right, having a radius of 20.00 feet, a delta angle of 90°26'03", an arc length of 31.57 feet, and a chord which bears **S47°57'26"W**, a distance of **28.39** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set in the north right-of-way line of the previously mentioned 7.87 acre roadway conveyed in Document Number 21016927, ORHCT ;

THENCE, across said 134 1/2 acre tract and with said north right-of-way of the 7.87 acre roadway tract the following four (4) courses and distances:

1) **N86°49'32"W**, a distance of **279.81** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,

2) with a curve to the right, having a radius of 960.25 feet, a delta angle of 31°34'30", an arc length of 529.18 feet, and a chord which bears **N71°23'26"W**, a distance of **522.51** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set,

3) **N55°36'03"W**, a distance of **114.06** feet to a 1/2-inch iron rod with "PAYNE 6064" cap set, and,

4) **N10°17'05"W**, a distance of **17.41** feet to the **POINT OF BEGINNING** hereof, and containing 11.946 acres, more or less.

Surveyed on the ground May 20, 2021. Bearing Basis: Grid North on The Texas Coordinate System of 1983 (NAD83), South Central Zone, based on GPS solutions. Attachments: drawing 1960-001-PLAT EXCEPTION-NORTH

6/5/21

Phillip C. Payne, RPLS
State of Texas #6064



NOTES:

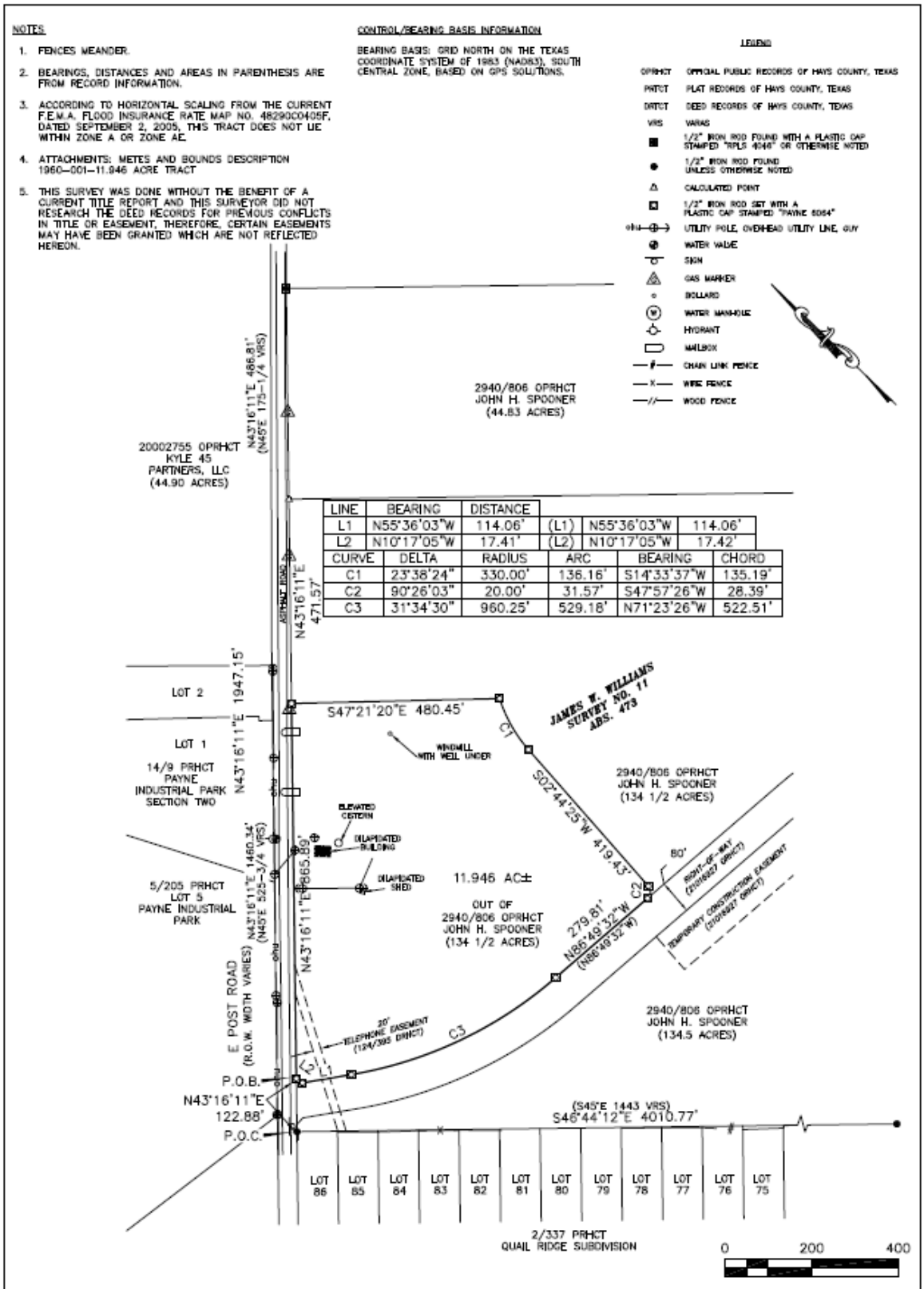
1. FENCES MEANDER.
2. BEARINGS, DISTANCES AND AREAS IN PARENTHESIS ARE FROM RECORD INFORMATION.
3. ACCORDING TO HORIZONTAL SCALING FROM THE CURRENT F.E.M.A. FLOOD INSURANCE RATE MAP NO. 48209C0405F, DATED SEPTEMBER 2, 2005, THIS TRACT DOES NOT LIE WITHIN ZONE A OR ZONE AE.
4. ATTACHMENTS: METES AND BOUNDS DESCRIPTION 1960-001-11.946 ACRE TRACT
5. THIS SURVEY WAS DONE WITHOUT THE BENEFIT OF A CURRENT TITLE REPORT AND THIS SURVEYOR DID NOT RESEARCH THE DEED RECORDS FOR PREVIOUS CONFLICTS IN TITLE OR EASEMENT, THEREFORE, CERTAIN EASEMENTS MAY HAVE BEEN GRANTED WHICH ARE NOT REFLECTED HEREON.

CONTROL/BEARING BASIS INFORMATION

BEARING BASIS: GRID NORTH ON THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), SOUTH CENTRAL ZONE, BASED ON GPS SOLUTIONS.

LEGEND

OPRHCT	OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS
PRHCT	PLAT RECORDS OF HAYS COUNTY, TEXAS
DRHCT	DEED RECORDS OF HAYS COUNTY, TEXAS
VRS	VARIAS
■	1/2" IRON ROD FOUND WITH A PLASTIC CAP STAMPED "RPLS 4046" OR OTHERWISE NOTED
●	1/2" IRON ROD FOUND UNLESS OTHERWISE NOTED
△	CALCULATED POINT
⊡	1/2" IRON ROD SET WITH A PLASTIC CAP STAMPED "PAYNE 6064"
ohu	UTILITY POLE, OVERHEAD UTILITY LINE, GUY
	WATER VALVE
	SIGN
	GAS MARKER
	BOLLARD
W	WATER MANHOLE
	HYDRANT
	MAILBOX
—#—	CHAIN LINK FENCE
—X—	WIRE FENCE
—//—	WOOD FENCE



LINE	BEARING	DISTANCE			
L1	N55°36'03"W	114.06'	(L1)	N55°36'03"W	114.06'
L2	N10°17'05"W	17.41'	(L2)	N10°17'05"W	17.42'

CURVE	DELTA	RADIUS	ARC	BEARING	CHORD
C1	23°38'24"	330.00'	136.16'	S14°33'37"W	135.19'
C2	90°26'03"	20.00'	31.57'	S47°57'26"W	28.39'
C3	31°34'30"	960.25'	529.18'	N71°23'26"W	522.51'

ADDRESS: 6605 E. POST ROAD KYLE, TX 78640

JOB NUMBER: 1960-001-PLAT EXCEPTION NORTH

CLIENT: SANDERA LAND CO.

DATE: 6/5/2021

FIELD CREW: DV/BJ/ZB/LB

OFFICE: RM/LB/ED/PP

FB/PG: 9/16 AND BV22/22

A BOUNDARY SURVEY WITH IMPROVEMENTS OF 11.946 ACRES, IN THE JAMES W. WILLIAMS SURVEY NO. 11, ABSTRACT 473, HAYS COUNTY, TEXAS, BEING PART OF A CALLED 134 1/2 ACRE TRACT OF LAND CONVEYED TO JOHN H. SPOONER, IN VOLUME 2940, PAGE 806 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS

STATE OF TEXAS REGISTERED PHILLIP C. PAYNE 6064 PROFESSIONAL LAND SURVEYOR

I HEREBY STATE TO THE BEST OF MY KNOWLEDGE: THAT THIS PLAT IS TRUE AND CORRECT ACCORDING TO AN ACTUAL SURVEY MADE ON THE GROUND ON MAY 20, 2021; THAT ALL CORNERS ARE MONUMENTED AS SHOWN HEREON; AND THAT THERE ARE NO VISIBLE ENCROACHMENTS OR OVERLAPPING OF IMPROVEMENTS, EXCEPT AS SHOWN OR NOTED HEREON.

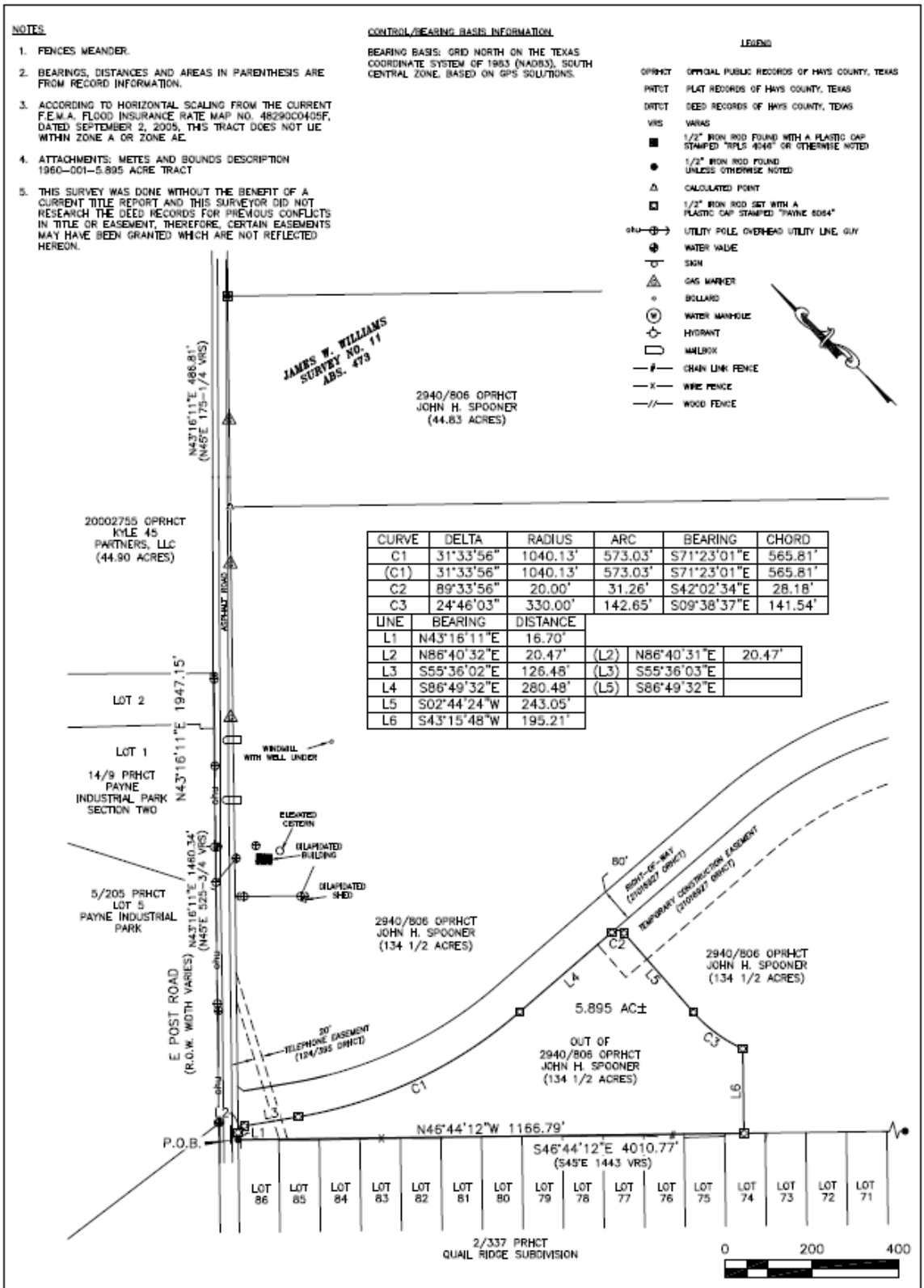
6/5/2021

PHILLIP C. PAYNE, R.P.L.S. NO. 6064
FIRM NO. 10194453

CITY OF KYLE,
HAYS COUNTY, TEXAS

PAYNE INDUSTRIES

302 W. Hopkins, Ste. 1A, San Marcos, TX 78666
(512) 663-0004 www.payne-tx.com



CURVE	DELTA	RADIUS	ARC	BEARING	CHORD
C1	31°33'56"	1040.13'	573.03'	S71°23'01"E	565.81'
(C1)	31°33'56"	1040.13'	573.03'	S71°23'01"E	565.81'
C2	89°33'56"	20.00'	31.26'	S42°02'34"E	28.18'
C3	24°46'03"	330.00'	142.65'	S09°38'37"E	141.54'

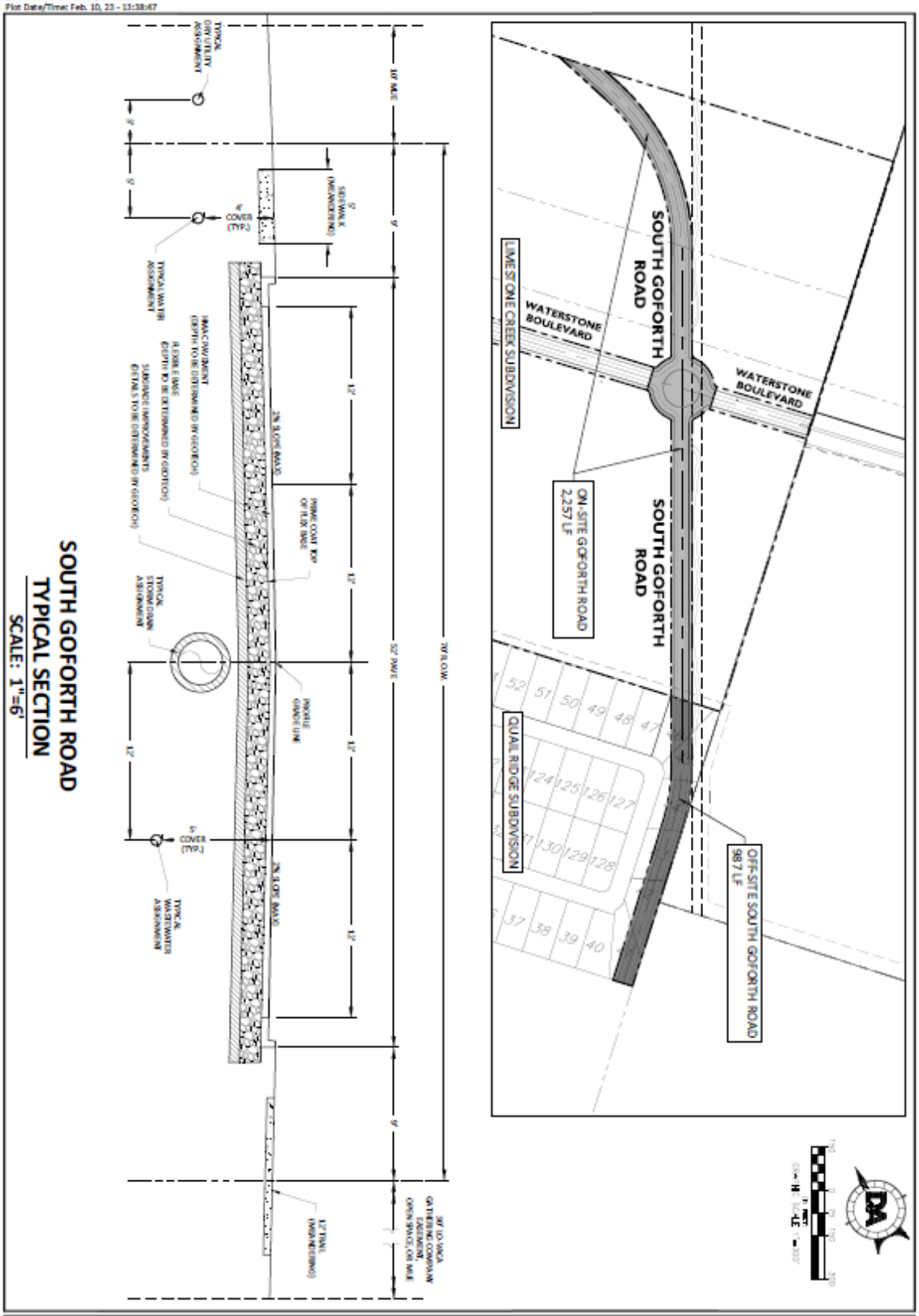
LINE	BEARING	DISTANCE
L1	N43°16'11"E	16.70'
L2	N86°40'32"E	20.47'
L3	S55°36'02"E	126.48'
L4	S86°49'32"E	280.48'
L5	S02°44'24"W	243.05'
L6	S43°15'48"W	195.21'

(L2)	N86°40'31"E	20.47'	
(L3)	S55°36'03"E		
(L5)	S86°49'32"E		

ADDRESS: 6605 E. POST ROAD KYLE, TX 78640	A BOUNDARY SURVEY WITH IMPROVEMENTS OF 5.895 ACRES, IN THE JAMES W. WILLIAMS SURVEY NO. 11, ABSTRACT 473, HAYS COUNTY, TEXAS, BEING PART OF A CALLED 134 1/2 ACRE TRACT OF LAND CONVEYED TO JOHN H. SPOONER, IN VOLUME 2940, PAGE 806 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS	STATE OF TEXAS REGISTERED PHILLIP C. PAYNE 6064 PROFESSIONAL LAND SURVEYOR	I HEREBY STATE TO THE BEST OF MY KNOWLEDGE: THAT THIS PLAT IS TRUE AND CORRECT ACCORDING TO AN ACTUAL SURVEY MADE ON THE GROUND ON MAY 20, 2021; THAT ALL CORNERS ARE MONUMENTED AS SHOWN HEREON; AND THAT THERE ARE NO VISIBLE ENCROACHMENTS OR OVERLAPPING OF IMPROVEMENTS, EXCEPT AS SHOWN OR NOTED HEREON. 6/10/2021 PHILLIP C. PAYNE, R.P.L.S. NO. 6064 FIRM NO. 10194453	CITY OF KYLE, HAYS COUNTY, TEXAS PAYNE INDUSTRIES 322 W. Hopkins, Ste. 1A, San Marcos, TX 78666 (512) 665-0004 www.payne-tx.com
JOB NUMBER: 1960-001-PLAT EXCEPTION NORTH			
CLIENT: SANDERA LAND CO.			
DATE: 6/10/2021			
FIELD CREW: DV/BU/ZB/LB			
OFFICE: RM/LB/ED/PP			
FB/PG: 9/16 AND BV22/22			

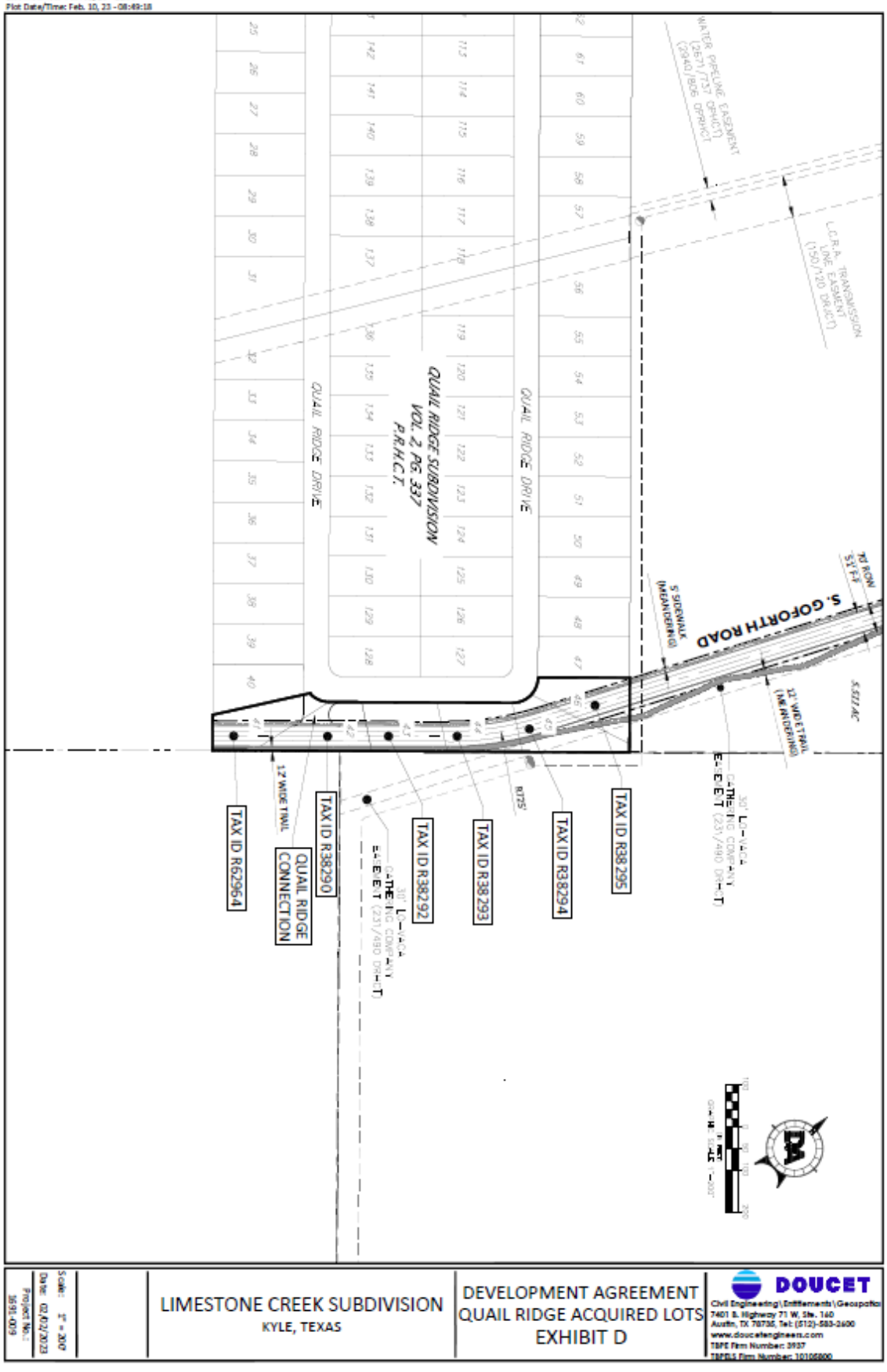
EXHIBIT "C"
S. GOFORTH ROAD AND DRAINAGE

Drawing: C:\pw_working\sean.crandon\dms08171\Development Agreement Exhibit C & D.dwg
User: SCRANDON
Last Modified: Feb. 10, 23 - 13:38
Plot Date/Time: Feb. 10, 23 - 13:38:47



Scale: 1" = 6' Date: 02/10/23 Project No.: 3691-009	LIMESTONE CREEK SUBDIVISION KYLE, TEXAS	DEVELOPMENT AGREEMENT EXHIBIT C	DOUCET Civil Engineering \ Entitlements \ Geospatial 7401 B. Highway 71 W, Ste. 160 Austin, TX 78735, Tel: (512)-583-2600 www.doucetengineers.com TBPE Firm Number: 3937 TBPELS Firm Number: 10105800

EXHIBIT "D"
OFF-SITE PROPERTIES
(showing connection to S. Goforth Road)


Drawing: C:\pw_working\pwan.crandon\dmx98171\Development Agreement Exhibit C & D.dwg
User: SCRANDON
Last Modified: Feb. 02, 23 - 11:50
Plot Date/Time: Feb. 10, 23 - 08:49:18
QUAIL RIDGE SUBDIVISION
VOL. 2, PG. 337
P.R.H.C.T.
QUAIL RIDGE DRIVE
S. GOFORTH ROAD
5' SIDEWALK (MEANDERING)
12' WIDE TRAIL (MEANDERING)
5.511 AC
TAX ID R62964
TAX ID R38290
QUAIL RIDGE CONNECTION
12' WIDE TRAIL
TAX ID R38292
TAX ID R38293
TAX ID R38294
TAX ID R38295
LIMESTONE CREEK SUBDIVISION
KYLE, TEXAS
DEVELOPMENT AGREEMENT
QUAIL RIDGE ACQUIRED LOTS
EXHIBIT D
DOUCET
Civil Engineering | Entitlements | Geospatial
7401 B. Highway 71 W, Ste. 160
Austin, TX 78735, Tel: (512)-583-2600
www.doucetengineers.com
TBPE Firm Number: 3937
TBPELS Firm Number: 10105800
Scale: 1" = 200'
Date: 02/02/2023
Project No.: 1691-009

Department Memo

Mayor & Council Regularly Scheduled Meeting

DEPARTMENT: Planning

FROM: Stephanie Leibe, Norton Rose Fulbright, City's Bond Counsel

MEETING: Tuesday, April 16th, 2024

SUBJECT:

TIRZ No. 6 (Downtown TIRZ)

SUMMARY:

A Tax Increment Reinvestment Zone (TIRZ) has been created on December 19, 2023 to finance certain infrastructure improvements for the downtown area. On February 20, 2024, the City Council amended preliminary project and finance plan for the TIRZ, pursuant to revisions provided by Hays County. Hays County has since accepted the changes and executed the interlocal agreement providing for their participation in the TIRZ. Now, the ordinance approving the final plan for the TIRZ, along with the interlocal agreement with Hays County, is before City Council for consideration.

OPTIONS:

Approve, deny or amend the ordinance.

RECOMMENDATION:

Approve the ordinance as written.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

11/20/23 – City Council approves the resolution setting a public hearing for 12/19 for the creation of the TIRZ

12/19/23 – City Council approves the ordinance creating TIRZ No. 6

2/20/24 – City amends the preliminary project and finance plan for TIRZ No. 6

3/12/24 – Hays County accepts the amended preliminary project and finance plan executes the interlocal agreement with the City.

FISCAL IMPACT:

See Exhibit F to the Final Project and Finance Plan

STAFF CONTACT:

Name: Will Atkinson
Title: Director of Planning
watkinson@cityofkyle.com
512-233-1144

Downtown TIRZ (TIRZ No. 6)

April 16, 2024

Stephanie Leibe, Norton Rose Fulbright US LLP

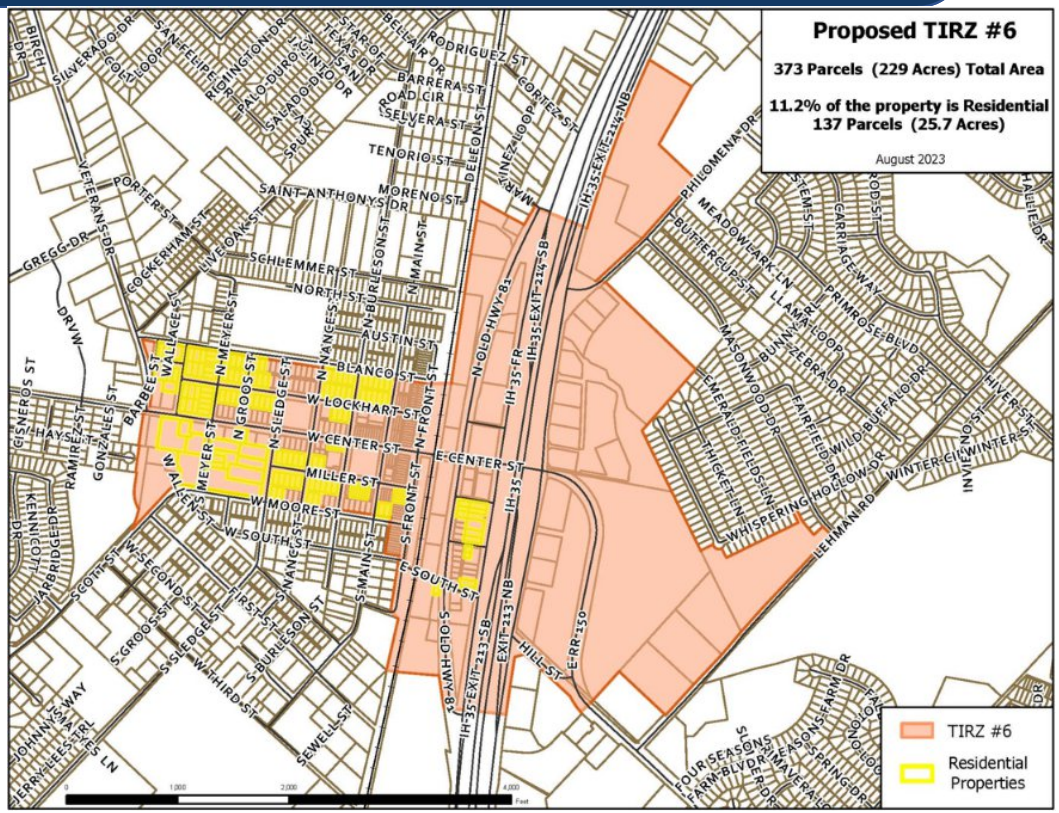
CITY OF KYLE
ESTABLISHED 1880

Tax Increment Reinvestment Zone No. 6 – Overview

- The Downtown Master Plan has identified multiple infrastructure projects intended to facilitate development downtown and immediately east of IH-35 along E FM 150
- TIRZ No. 6 was created on December 19, 2023. TIRZ No. 6 will generate revenues to finance the designated projects
- Projects include roads, stormwater, parking (including parking garages), sidewalks and trails, linear park, a City administrative building, land for floodplain management related to the aforementioned projects, and potentially Chapter 380 economic incentives.

Tax Increment Reinvestment Zone No. 6 – Boundaries

- 229 Acres & 373 parcels



Tax Increment Reinvestment Zone No. 6 – Current Steps

- On February 20, 2024, the City Council amended the Preliminary Project and Finance Plan for TIRZ 6, according to changes requested by Hays County, Texas.
- Hays County approved the interlocal agreement with the City of Kyle on March 16, 2024, and will contribute its TIRZ increment to the TIRZ Fund.
- The Ordinance before the City Council tonight approves the final plan for TIRZ 6 and approves the interlocal agreement between the City and the County.

Tax Increment Reinvestment Zone No. 6 – Next Steps

- Bond issuance, as projects come on-line.

Tax Increment Reinvestment Zone No. 6

- Questions?



ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF KYLE, TEXAS APPROVING THE FINAL PROJECT AND FINANCE PLAN AND AN INTERLOCAL AGREEMENT FOR THE TAX INCREMENT AND REINVESTMENT ZONE NUMBER SIX, CITY OF KYLE, TEXAS

WHEREAS, on December 19, 2023, the City Council (the "City Council") of the City of Kyle, Texas (the "City"), adopted Ordinance No. 1296 (the "TIRZ Ordinance") creating the Tax Increment and Reinvestment Zone Number Six, City of Kyle, Texas (the "Zone") pursuant to Chapter 311 of the Texas Tax Code (the "Act"); and

WHEREAS, in addition to creating the Zone, the TIRZ Ordinance appointed the Board of Directors of the Zone (the "Board") and approved the Preliminary Project and Finance Plan for the Zone; and

WHEREAS, on April 16, 2024, in accordance with the Act, the Board prepared and, by resolution, approved and adopted the final project plan and reinvestment zone financing plan for the Zone (as further described herein, the "Final Plan"); and

WHEREAS, the Board has submitted the Final Plan and Agreement to the City Council and has recommended their approval by the City Council; and

WHEREAS, in connection with the development of the Zone and, in accordance with the Act, the City desires to approve the Final Plan and the form, terms and provisions of the Interlocal Agreement (as defined below); and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AS FOLLOWS:

SECTION 1. Findings. The findings and determinations set forth in the preamble above are hereby deemed to be true and correct and incorporated herein.

SECTION 2. Approval of Final Plan. The City Council hereby approves the "Tax Increment and Reinvestment Zone Number Six, City of Kyle, Texas, Final Project and Finance Plan" in the form attached hereto as Exhibit A, which is incorporated herein as a part hereof for all purposes, as the Final Plan for the Zone, in accordance with the Act. The City hereby finds that the Final Plan satisfies the requirements of the Act, the Zone will enhance the value of all taxable real property in the Zone and the Final Plan is feasible.

SECTION 3. Approval of Interlocal Agreement. That certain "Interlocal Agreement Regarding the City of Kyle Tax Increment Reinvestment Zone Number Six" (the "Interlocal Agreement"), among, Hays County, a political subdivision of the State of Texas, and the

City is hereby authorized and approved in substantially the form attached hereto as Exhibit B, which is incorporated herein as a part hereof for all purposes, and the Mayor of the City is hereby authorized and directed to execute and deliver such Interlocal Agreement with such changes as may be required to carry out the purposes of this Ordinance and approved by the Mayor, such approval to be evidenced by the execution thereof. The Mayor's signature on the Interlocal Agreement may be attested by the City Secretary.

SECTION 4. Additional Actions. The Mayor, City Manager, Finance Director of the City and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance.

SECTION 5. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 7. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 8. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 9. Effective Date. This Ordinance shall become effective from and after its date of passage in accordance with the law.

[Remainder of Page Intentionally Left Blank; Signatures to Follow]

PASSED AND APPROVED on this April 16, 2024.

CITY OF KYLE, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

[City Seal]

EXHIBIT A

Final Plan

REINVESTMENT ZONE NUMBER SIX, CITY OF KYLE, TEXAS
FINAL PROJECT AND FINANCE PLAN

APRIL 16, 2024

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SECTION 1: DEFINITIONS

Capitalized terms used in this Final Plan shall have the meanings given to them in **Section I** below unless otherwise defined in this Final Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section," or an "Exhibit," shall be a reference to a Section of this Final Plan or an Exhibit or Appendix attached to and made a part of this Final Plan for all purposes.

"**Act**" means Chapter 311, Texas Tax Code, as amended, "Tax Increment Financing Act".

"**Administrative Costs**" means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

"Appraisal District" means the Hays Central Appraisal District.

"**Board**" means the Board of Directors for the Zone.

"**Captured Appraised Value**" means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

"**City**" means the City of Kyle, Texas.

"City 380 Agreement" means the agreement between the City and any entity that provides incentive payments to the entity, upon the satisfaction of certain metrics, paid with the TIRZ Increment Receipts produced by the Zone.

"**City Council**" means the governing body of the City.

"**City TIRZ Increment**" means fifty percent (50%) of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone, and deposited into the TIRZ Fund.

"**County**" means Hays County, Texas.

"**County Participation Agreement**" means that certain Interlocal Agreement to Participate in Reinvestment Zone Number Six, City of Kyle, Texas, entered into by the City, County, and the Board on _____, 2024, detailing the City and County's participation in the Zone.

"**County TIRZ Increment**" means fifty percent (50%) of the County's ad valorem real property taxes collected and received by the County on the Captured Appraised Value in the Zone,

excluding the portion of real property taxes collected and received associated with road and bridge maintenance and operations, and deposited into the TIRZ Fund.

"**Creation Ordinance**" means Ordinance No. 1296 adopted by the City Council on December 19, 2023.

"Debt Service" means the total principal and interest due on any TIRZ Bonds issued and sold by the City to acquire the Public Improvements, which Debt Service may be paid from the TIRZ Increment Receipts.

"**Feasibility Study**" means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit F**.

"**Final Plan**" means this *Reinvestment Zone Number Six, City of Kyle Final Project and Finance Plan*.

"Non-Project Costs" means those certain costs that will be spent to develop in the Zone, but will not be financed by the Zone, and will be financed by private funds, as described in **Section 6**, and shown on **Exhibit C**.

"**Preliminary Plan**" means the *Reinvestment Zone Number Six, City of Kyle Preliminary Project and Finance Plan* approved by the City Council on February 20, 2024.

"**Project Costs**" means the total actual costs for those projects benefitting the Zone, as shown on **Exhibit D** hereto, including the actual costs of the Public Improvements, any future City 380 Agreement, and the Administrative Costs.

"**Property**" means 229 acres of land as depicted on **Exhibit A**.

"**Public Improvements**" means the proposed public improvements to be financed by the Zone, which includes roads, stormwater, parking (including parking garage), sidewalks and trails, linear park, City administrative building, and land for floodplain management related thereto, as depicted on **Exhibit H**, and detailed on **Exhibit D**.

"**Tax Increment Base**" means total appraised value of taxable real property in the Zone at the time of creation of the Zone, as calculated and certified by the Appraisal District.

"TIRZ Bonds" means any public securities issued by the City to acquire the Public Improvements, which Debt Service thereof may be paid from the TIRZ Increment Receipts; provided, however, the County portion of TIRZ Increment Receipts shall not be pledged to the payment of TIRZ Bonds. The preliminary schedule for the TIRZ Bonds is detailed on **Exhibit J**.

"**TIRZ Fund**" means the tax increment fund created by the City and segregated from all other funds of the City.

"TIRZ Increment Receipts" means the cumulative amount of the City TIRZ Increment and the County TIRZ Increment.

"**Zone**" means Reinvestment Zone Number Six, City of Kyle, as depicted on **Exhibit A**.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The City has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the City Council determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is economically feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if the area:

1) substantially arrests or impairs the sound growth of the municipality designating the Zone, retard the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition; or
2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or
3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community; or
4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

2.3 Proposed Zone

The Property within the proposed Zone is currently located within the corporate limits of the City. The Property is predominantly open, undeveloped or underdeveloped, and substantially impairs and arrests the sound growth of the City. Due to its size, location, and physical characteristics development would not occur solely through private investment in the foreseeable future. The Property lacks public infrastructure and requires economic incentive to attract development for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the Public Improvements are financed as contemplated by this Final Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a quality development.

2.4 Preliminary Plan and Hearing

Before the City Council adopted the Creation Ordinance, the City Council prepared the Preliminary Plan in accordance with the Act and held a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons were given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property were given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone project and finance plan was satisfied by the Preliminary Plan, the purpose of which was to describe, in general terms, the development of the Zone, and the economic incentive that would be undertaken by the Zone. A description of the uses of the Property is located in **Exhibit G**, and confirmed by the adoption of this Final Plan.

Upon the closing of the above referenced public hearing, the City Council shall consider the Creation Ordinance and the following findings:

1) that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future,
2) that the Zone was feasible,
3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and
4) that the Zone meets the eligibility requirements of the Act.

Among other provisions required by the Act, the Creation Ordinance shall appoint the Board.

2.5 Creation of the Zone

After the creation of the Zone, the Board shall review the Final Plan and recommend its approval to the City Council pursuant to which the City shall contribute the City TIRZ Increment and the

County shall contribute the County TIRZ Increment into the TIRZ Fund to pay a portion of the Project Costs benefiting the Zone.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The Property is currently zoned Residential Townhome, Community Commercial, and Single Family Residential and is intended to be developed with commercial and residential uses. The Property is undeveloped or underdeveloped, and there is limited public infrastructure to support development. Development requires extensive public infrastructure that: (1) the City could not provide, and (2) would not be provided solely through private investment in the foreseeable future. Currently 11.2% of the property is used for residential purposes as shown on **Exhibit A**.

3.2 Proposed Uses

The proposed uses of the Property in the City include single family residential, commercial, office/retail, multifamily, retail, retail/restaurant, residential townhome, duplexes, vertical mixed-use commercial areas, as shown on **Exhibit G**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is wholly located in the corporate limits of the City and shall be subject to the City's zoning regulations. The Property is currently zoned as Residential Townhome, Community Commercial, and Single Family Residential. The City has exclusive jurisdiction over the subdivision and platting of the property within the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

No persons were displaced and in need of relocation due to the creation of the Zone or shall be due to the implementation of this Final Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

Non-Project Costs are costs that will be spent to develop in the Zone but will not be financed by the Zone, and will be financed by private funds. The list of Non-Project Costs is shown on **Exhibit C** and are estimated to be approximately $340,866,863.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

7.1 Categories of Public Improvements

All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

7.2 Locations of Public Improvements

The estimated locations of the proposed Public Improvements are depicted on **Exhibit H**. These locations may be revised, with the approval of the City, from time to time without amending the Final Plan.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Project Costs

The total costs are estimated to be $99,135,182, as shown below and detailed on **Exhibit D**. The costs of Public Improvements and any future City 380 Agreement are estimated to be $98,531,163, and the Administrative Costs are estimated to be $604,020.

8.2 Administrative Costs

The Administrative Costs are estimated to be $10,000 per year beginning 2024 and escalating at two percent (2%) per year thereafter. The Administrative Costs shall be paid each year from the City’s portion of the TIRZ Fund before any other Project Costs are paid.

8.3 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually through the remaining duration of the Zone. It is estimated the costs for constructing the Public Improvements will be incurred between 2024 and 2032, as shown on **Exhibit E**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Feasibility Study

The Feasibility Study, as shown on **Exhibit F**, focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately $200,916,274 in total new real property tax revenue for the participating taxing entities over the remaining term of the Zone. Approximately $86,416,933 will be deposited into the TIRZ Fund to pay for the Project Costs over the remaining term of the Zone. The remaining real property tax revenue over that period, estimated at $114,499,341 shall be retained by the participating taxing entities.

The Feasibility Study shows the cumulative City TIRZ Increment is estimated to be $62,295,195, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be $62,295,195 over the remaining term.

The Feasibility Study shows the cumulative County TIRZ Increment is estimated to be $24,121,738, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new County real property tax revenue generated within the Zone and retained by the County is estimated to be $52,204,146 over the remaining term.

One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities. Based on the foregoing, the feasibility of the Zone has been demonstrated.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

The City shall be authorized to issue TIRZ Bonds which are payable from the City TIRZ Increment and the County TIRZ Increment. The estimated bonded indebtedness of the Zone is anticipated to be $35,000,000, as shown on **Exhibit J**.

SECTION 11: APPRAISED VALUE

11.1 Tax Increment Base

The Tax Increment Base is estimated to be $69,396,753 and shall be confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value

It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately $1,095,274,851 as shown on **Exhibit F**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate both the City TIRZ Increment the County TIRZ Increment, as applicable, pursuant to the Final Plan.

SECTION 12: METHOD OF FINANCING

12.1 TIRZ Fund Contributions

The Final Plan shall obligate the City to deposit the City TIRZ Increment into the TIRZ Fund beginning in 2024. For example, in FY 2024, the City's ad valorem tax rate was $0.4693 per $100 of taxable value, therefore the City would contribute $0.23465 per $100 of the Captured Appraised Value in the Zone levied and collected, into the TIRZ Fund.

The County Participation Agreement shall obligate the County to deposit the County TIRZ Increment into the TIRZ Fund. For example, in FY 2024, the County's ad valorem tax rate was $0.3075 per $100 of taxable value, of which $0.02 per $100 of taxable value was associated with road and bridge maintenance and operations, therefore the County would contribute $0.14375 per $100 of the Captured Appraised Value in the Zone levied and collected, to the TIRZ Fund.

The TIRZ Increment Receipts deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. First, for the reasonable Administrative Costs of the Zone, to be paid solely from the City's TIRZ contribution; then

2. Second, to the allocation for the annual payments of Debt Service of any TIRZ Bonds issued to acquire the Public Improvements; then

3. Third, to be used in any other manner authorized by the Board and the City and as allowed pursuant to the Act, including for payments by the City to any third-party for the Project Costs under any agreement between the City and the third-party entered into pursuant to Chapter 380, Texas Local Government Code, as amended.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City or County unless otherwise approved by their respective governing bodies. The TIRZ Fund shall only be used to pay the Project Costs. The City may amend the Final Plan in compliance with the County Participation Agreement, including but not limited to what is considered a Project Cost.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Duration

The stated term of the Zone shall commence upon the execution of the Creation Ordinance and shall continue until December 31, 2063, with the last payment being due by January 31, 2064, unless otherwise terminated in accordance with the Creation Ordinance. However, the County's participation in the TIRZ shall only continue until December 31, 2053, unless further extended pursuant to a future amendment to the Interlocal Agreement with the City.

13.2 Termination

The Zone shall terminate on the earlier of (i) December 31, 2063, or (ii) at such time that the obligations of the Zone, including all Project Costs, have been paid in full. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City nor County shall have an obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City or County from extending the term of the Zone in accordance with the Act.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Final Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Final Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Absorption Schedule
Exhibit C	Non-Project Costs
Exhibit D	Project Costs
Exhibit E	Estimated Timeline of Incurred Costs
Exhibit F	Feasibility Study
Exhibit G	Proposed Uses of the Property
Exhibit H	Map of the Public Improvements
Exhibit I	Parcel Identification
Exhibit J	TIRZ Bond Summary (Preliminary)

EXHIBIT A – MAP OF THE ZONE

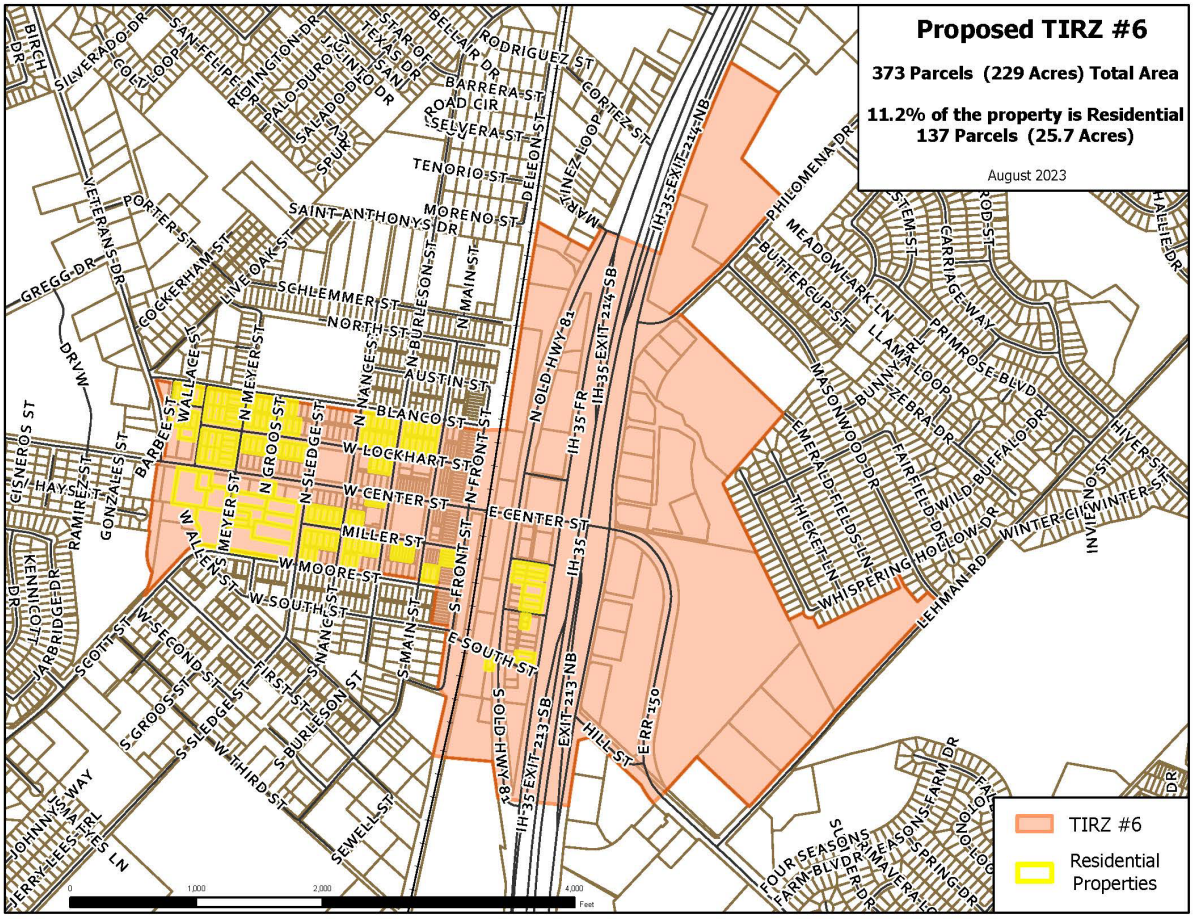


EXHIBIT B – ABSORPTION SCHEDULE

Reinvestment Zone Number 6, City of Kyle, Texas
Estimated Absorption Schedule

Zone	Calendar	Collection	Mixed Use		Comm./Retail		Office		Single Family		Multi-Family		Townhome		Hotel		
Year	Year	Year	SF	$	SF	$	SF	$	Unit	$	Unit	$	Unit	$	Key	$	Annual New Value
Base	2023	2024															
1	2024	2025	2,163	$ 300	40,867	$ 300	2,365	$ 200	1	$ 400,000	46	$ 170,000	2	$ 325,000	7	$ 200,000	$ 23,701,665
2	2025	2026	4,326	$ 306	81,734	$ 306	4,731	$ 204	-	$ 408,000	93	$ 173,400	4	$ 331,500	14	$ 204,000	$ 47,535,396
3	2026	2027	4,326	$ 312	81,734	$ 312	4,731	$ 208	-	$ 416,160	93	$ 176,868	4	$ 338,130	14	$ 208,080	$ 48,486,104
4	2027	2028	6,488	$ 318	122,601	$ 318	7,096	$ 212	1	$ 424,483	139	$ 180,405	6	$ 344,893	21	$ 212,242	$ 74,608,222
5	2028	2029	6,488	$ 325	122,601	$ 325	7,096	$ 216	-	$ 432,973	139	$ 184,013	6	$ 351,790	21	$ 216,486	$ 75,667,413
6	2029	2030	6,488	$ 331	122,601	$ 331	7,096	$ 221	-	$ 441,632	139	$ 187,694	6	$ 358,826	21	$ 220,816	$ 77,180,761
7	2030	2031	4,326	$ 338	81,734	$ 338	4,731	$ 225	1	$ 450,465	93	$ 191,448	4	$ 366,003	14	$ 225,232	$ 52,933,383
8	2031	2032	4,326	$ 345	81,734	$ 345	4,731	$ 230	-	$ 459,474	93	$ 195,277	4	$ 373,323	14	$ 229,737	$ 53,532,576
9	2032	2033	2,163	$ 351	40,867	$ 351	2,365	$ 234	-	$ 468,664	46	$ 199,182	2	$ 380,789	7	$ 234,332	$ 27,301,614
10	2033	2034	2,163	$ 359	40,867	$ 359	2,365	$ 239	-	$ 478,037	46	$ 203,166	2	$ 388,405	7	$ 239,019	$ 27,847,646
11	2034	2035	-	$ 366	-	$ 366	-	$ 244	-	$ 487,598	-	$ 207,229	-	$ 396,173	-	$ 243,799	$ -
12	2035	2036	-	$ 373	-	$ 373	-	$ 249	-	$ 497,350	-	$ 211,374	-	$ 404,097	-	$ 248,675	$ -
13	2036	2037	-	$ 380	-	$ 380	-	$ 254	-	$ 507,297	-	$ 215,601	-	$ 412,179	-	$ 253,648	$ -
14	2037	2038	-	$ 388	-	$ 388	-	$ 259	-	$ 517,443	-	$ 219,913	-	$ 420,422	-	$ 258,721	$ -
15	2038	2039	-	$ 396	-	$ 396	-	$ 264	-	$ 527,792	-	$ 224,311	-	$ 428,831	-	$ 263,896	$ -
16	2039	2040	-	$ 404	-	$ 404	-	$ 269	-	$ 538,347	-	$ 228,798	-	$ 437,407	-	$ 269,174	$ -
17	2040	2041	-	$ 412	-	$ 412	-	$ 275	-	$ 549,114	-	$ 233,374	-	$ 446,155	-	$ 274,557	$ -
18	2041	2042	-	$ 420	-	$ 420	-	$ 280	-	$ 560,097	-	$ 238,041	-	$ 455,078	-	$ 280,048	$ -
19	2042	2043	-	$ 428	-	$ 428	-	$ 286	-	$ 571,298	-	$ 242,802	-	$ 464,180	-	$ 285,649	$ -
20	2043	2044	-	$ 437	-	$ 437	-	$ 291	-	$ 582,724	-	$ 247,658	-	$ 473,464	-	$ 291,362	$ -
21	2044	2045	-	$ 446	-	$ 446	-	$ 297	-	$ 594,379	-	$ 252,611	-	$ 482,933	-	$ 297,189	$ -
22	2045	2046	-	$ 455	-	$ 455	-	$ 303	-	$ 606,267	-	$ 257,663	-	$ 492,592	-	$ 303,133	$ -
23	2046	2047	-	$ 464	-	$ 464	-	$ 309	-	$ 618,392	-	$ 262,817	-	$ 502,443	-	$ 309,196	$ -
24	2047	2048	-	$ 473	-	$ 473	-	$ 315	-	$ 630,760	-	$ 268,073	-	$ 512,492	-	$ 315,380	$ -
25	2048	2049	-	$ 483	-	$ 483	-	$ 322	-	$ 643,375	-	$ 273,434	-	$ 522,742	-	$ 321,687	$ -
26	2049	2050	-	$ 492	-	$ 492	-	$ 328	-	$ 656,242	-	$ 278,903	-	$ 533,197	-	$ 328,121	$ -
27	2050	2051	-	$ 502	-	$ 502	-	$ 335	-	$ 669,367	-	$ 284,481	-	$ 543,861	-	$ 334,684	$ -
28	2051	2052	-	$ 512	-	$ 512	-	$ 341	-	$ 682,755	-	$ 290,171	-	$ 554,738	-	$ 341,377	$ -
29	2052	2053	-	$ 522	-	$ 522	-	$ 348	-	$ 696,410	-	$ 295,974	-	$ 565,833	-	$ 348,205	$ -
30	2053	2054	-	$ 533	-	$ 533	-	$ 355	-	$ 710,338	-	$ 301,894	-	$ 577,150	-	$ 355,169	$ -
31	2054	2055	-	$ 543	-	$ 543	-	$ 362	-	$ 724,545	-	$ 307,931	-	$ 588,693	-	$ 362,272	$ -
32	2055	2056	-	$ 554	-	$ 554	-	$ 370	-	$ 739,036	-	$ 314,090	-	$ 600,466	-	$ 369,518	$ -
33	2056	2057	-	$ 565	-	$ 565	-	$ 377	-	$ 753,816	-	$ 320,372	-	$ 612,476	-	$ 376,908	$ -
34	2057	2058	-	$ 577	-	$ 577	-	$ 384	-	$ 768,893	-	$ 326,779	-	$ 624,725	-	$ 384,446	$ -
35	2058	2059	-	$ 588	-	$ 588	-	$ 392	-	$ 784,270	-	$ 333,315	-	$ 637,220	-	$ 392,135	$ -
36	2059	2060	-	$ 600	-	$ 600	-	$ 400	-	$ 799,956	-	$ 339,981	-	$ 649,964	-	$ 399,978	$ -
37	2060	2061	-	$ 612	-	$ 612	-	$ 408	-	$ 815,955	-	$ 346,781	-	$ 662,963	-	$ 407,977	$ -
38	2061	2062	-	$ 624	-	$ 624	-	$ 416	-	$ 832,274	-	$ 353,716	-	$ 676,223	-	$ 416,137	$ -
39	2062	2063	-	$ 637	-	$ 637	-	$ 424	-	$ 848,920	-	$ 360,791	-	$ 689,747	-	$ 424,460	$ -
40	2063	2064	-	$ 649	-	$ 649	-	$ 433	-	$ 865,898	-	$ 368,007	-	$ 703,542	-	$ 432,949	$ -
			43,255		**817,337**		**47,308**		**3**		**927**		**39**		**141**		**$ 508,794,779**

(1) Based on data provided by the City, preliminary estimates only. The values are assumed to escalate 2% annually.

EXHIBIT C – NON-PROJECT COSTS

		Buildout Value	
Lot Type	**Unit/SF**	**$**	**Total**
Townhome	39	$ 353,932	$ 13,775,021
Mixed Use	43,255	$ 327	$ 14,131,701
Retail	817,337	$ 327	$ 267,029,103
Multi-Family	927	$ 185,133	$ 171,569,688
Single Family	3	$ 424,983	$ 1,274,948
Office	47,308	$ 218	$ 10,303,938
Hotel	141	$ 217,804	$ 30,710,380
Total Buildout Value			$ 508,794,779
Less: Beginning Taxable Value			$ (69,396,753)
Less: Public Improvements			$ (98,531,163)
Total Non-Project Costs			**$ 340,866,863**

Footnotes:

[1]Preliminary estimates only. Buildout value per unit is the weighted average value during the buildout period, which escalates at 2% annually.

EXHIBIT D – PROJECT COSTS

Reinvestment Zone Number Six, City of Kyle, Texas
Project Costs

Project Costs[1]		TIRZ Funding
Local Streets (Full Rebuild)	$	14,238,000
Sidewalk and Vybe Trail Construction	$	1,537,500
City Office Building (111 N. Front Street)[2] [3]	$	19,125,000
Parking Garages	$	18,000,000
Linear Park & Other Park Improvements	$	7,500,000
TIRZ Bond Interest[2]	$	35,774,800
City 380 Grants	$	2,000,000
Land Acquisition for Floodplain Management	$	355,863
Project Costs Subtotal	**$**	**98,531,163**
Administrative Costs		604,020
Total Project Costs	**$**	**99,135,182**

Footnotes:

[1] Provided by the City on December 1, 2023.

[2] County TIRZ Increment shall only be used for the City Office Building or for debt service on any bonds issued to finance the City Office Building in accordance with the terms of the Interlocal Agreement.

[3] Cost is estimated to be between $15,300,000 and $22,950,000. An average of these two figures is utilized.

EXHIBIT E – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number Six, City of Kyle, Texas
Estimated Timeline of Incurred Project Costs

Zone Year	Calendar Year	Total Project Costs[1,2]	
		Annual	Cumulative
Base	2023	$ -	$ -
1	2024	$ 2,923,439	$ 2,923,439
2	2025	$ 5,863,167	$ 8,786,605
3	2026	$ 5,980,430	$ 14,767,035
4	2027	$ 9,202,415	$ 23,969,450
5	2028	$ 9,333,059	$ 33,302,509
6	2029	$ 9,519,720	$ 42,822,229
7	2030	$ 6,528,971	$ 49,351,200
8	2031	$ 6,602,878	$ 55,954,078
9	2032	$ 3,367,468	$ 59,321,545
10	2033	$ 3,434,817	$ 62,756,363
11	2034	$ -	$ 62,756,363
Total		**$ 62,756,363**	

Footnotes:

[1] Estimate provided for illustrative purposes only.

[2] Does not illustrate Administrative Costs, which shall be incurred annually for the duration of the Zone. Does not include interest costs, which will be paid for the duration of the TIRZ Bonds.

EXHIBIT F – FEASIBILITY STUDY

Zone Year	Calendar Year	Growth/ Year[1]	Added Development Value[2]	New Taxable Value	Incremental Value	City Property Tax Increment[4]			County TIRZ Increment[5]			Total TIRZ Fund Contribution	
						%	Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative
Base	2023			$ 69,396,753									
1	2024	2%	23,701,665	$ 94,486,353	$ 25,089,600	50%	$ -	$ -	50%	$ -	$ -	$ -	$ -
2	2025	2%	47,535,396	$ 143,911,475	$ 74,514,722	50%	$ 58,873	$ 58,873	50%	$ 36,066	$ 36,066	$ 94,939	$ 94,939
3	2026	2%	48,486,104	$ 195,275,808	$ 125,879,055	50%	$ 174,849	$ 233,722	50%	$ 107,115	$ 143,181	$ 281,964	$ 376,903
4	2027	2%	74,608,222	$ 273,789,546	$ 204,392,793	50%	$ 295,375	$ 529,097	50%	$ 180,951	$ 324,132	$ 476,326	$ 853,229
5	2028	2%	75,667,413	$ 354,932,750	$ 285,535,997	50%	$ 479,608	$ 1,008,704	50%	$ 293,815	$ 617,947	$ 773,422	$ 1,626,651
6	2029	2%	77,180,761	$ 439,212,166	$ 369,815,413	50%	$ 670,010	$ 1,678,715	50%	$ 410,458	$ 1,028,405	$ 1,080,468	$ 2,707,120
7	2030	2%	52,933,383	$ 500,929,793	$ 431,533,040	50%	$ 867,772	$ 2,546,487	50%	$ 531,610	$ 1,560,015	$ 1,399,382	$ 4,106,501
8	2031	2%	53,532,576	$ 564,480,964	$ 495,084,211	50%	$ 1,012,592	$ 3,559,079	50%	$ 620,329	$ 2,180,343	$ 1,632,921	$ 5,739,422
9	2032	2%	27,301,614	$ 603,072,198	$ 533,675,445	50%	$ 1,161,715	$ 4,720,794	50%	$ 711,684	$ 2,892,027	$ 1,873,399	$ 7,612,821
10	2033	2%	27,847,646	$ 642,981,288	$ 573,584,535	50%	$ 1,252,269	$ 5,973,063	50%	$ 767,158	$ 3,659,185	$ 2,019,428	$ 9,632,249
11	2034	2%	-	$ 655,840,913	$ 586,444,160	50%	$ 1,345,916	$ 7,318,979	50%	$ 824,528	$ 4,483,713	$ 2,170,444	$ 11,802,693
12	2035	2%	-	$ 668,957,732	$ 599,560,979	50%	$ 1,376,091	$ 8,695,071	50%	$ 843,013	$ 5,326,727	$ 2,219,105	$ 14,021,797
13	2036	2%	-	$ 682,336,886	$ 612,940,133	50%	$ 1,406,870	$ 10,101,940	50%	$ 861,869	$ 6,188,596	$ 2,268,739	$ 16,290,536
14	2037	2%	-	$ 695,983,624	$ 626,586,871	50%	$ 1,438,264	$ 11,540,205	50%	$ 881,101	$ 7,069,697	$ 2,319,365	$ 18,609,902
15	2038	2%	-	$ 709,903,297	$ 640,506,544	50%	$ 1,470,286	$ 13,010,491	50%	$ 900,719	$ 7,970,416	$ 2,371,005	$ 20,980,906
16	2039	2%	-	$ 724,101,362	$ 654,704,609	50%	$ 1,502,949	$ 14,513,439	50%	$ 920,728	$ 8,891,144	$ 2,423,677	$ 23,404,583
17	2040	2%	-	$ 738,583,390	$ 669,186,637	50%	$ 1,536,264	$ 16,049,704	50%	$ 941,138	$ 9,832,282	$ 2,477,402	$ 25,881,985
18	2041	2%	-	$ 753,355,057	$ 683,958,304	50%	$ 1,570,246	$ 17,619,950	50%	$ 961,956	$ 10,794,237	$ 2,532,202	$ 28,414,187
19	2042	2%	-	$ 768,422,159	$ 699,025,406	50%	$ 1,604,908	$ 19,224,858	50%	$ 983,190	$ 11,777,428	$ 2,588,098	$ 31,002,286
20	2043	2%	-	$ 783,790,602	$ 714,393,849	50%	$ 1,640,263	$ 20,865,121	50%	$ 1,004,849	$ 12,782,277	$ 2,645,112	$ 33,647,398
21	2044	2%	-	$ 799,466,414	$ 730,069,661	50%	$ 1,676,325	$ 22,541,446	50%	$ 1,026,941	$ 13,809,218	$ 2,703,266	$ 36,350,664
22	2045	2%	-	$ 815,455,742	$ 746,058,989	50%	$ 1,713,108	$ 24,254,555	50%	$ 1,049,475	$ 14,858,693	$ 2,762,584	$ 39,113,248
23	2046	2%	-	$ 831,764,857	$ 762,368,104	50%	$ 1,750,627	$ 26,005,182	50%	$ 1,072,460	$ 15,931,153	$ 2,823,087	$ 41,936,335
24	2047	2%	-	$ 848,400,154	$ 779,003,401	50%	$ 1,788,897	$ 27,794,079	50%	$ 1,095,904	$ 17,027,057	$ 2,884,801	$ 44,821,136
25	2048	2%	-	$ 865,368,157	$ 795,971,404	50%	$ 1,827,931	$ 29,622,011	50%	$ 1,119,817	$ 18,146,874	$ 2,947,749	$ 47,768,885
26	2049	2%	-	$ 882,675,520	$ 813,278,767	50%	$ 1,867,747	$ 31,489,757	50%	$ 1,144,209	$ 19,291,083	$ 3,011,956	$ 50,780,841
27	2050	2%	-	$ 900,329,031	$ 830,932,278	50%	$ 1,908,359	$ 33,398,116	50%	$ 1,169,088	$ 20,460,171	$ 3,077,447	$ 53,858,287
28	2051	2%	-	$ 918,335,611	$ 848,938,858	50%	$ 1,949,783	$ 35,347,899	50%	$ 1,194,465	$ 21,654,636	$ 3,144,248	$ 57,002,535
29	2052	2%	-	$ 936,702,324	$ 867,305,571	50%	$ 1,992,035	$ 37,339,934	50%	$ 1,220,350	$ 22,874,986	$ 3,212,385	$ 60,214,920
30	2053	2%	-	$ 955,436,370	$ 886,039,617	50%	$ 2,035,133	$ 39,375,066	50%	$ 1,246,752	$ 24,121,738	$ 3,281,884	$ 63,496,804
31	2054	2%	-	$ 974,545,097	$ 905,148,344	50%	$ 2,079,092	$ 41,454,158	0%	$ -	$ 24,121,738	$ 2,079,092	$ 65,575,896
32	2055	2%	-	$ 994,035,999	$ 924,639,246	50%	$ 2,123,931	$ 43,578,089	0%	$ -	$ 24,121,738	$ 2,123,931	$ 67,699,827
33	2056	2%	-	$ 1,013,916,719	$ 944,519,966	50%	$ 2,169,666	$ 45,747,755	0%	$ -	$ 24,121,738	$ 2,169,666	$ 69,869,493
34	2057	2%	-	$ 1,034,195,054	$ 964,798,301	50%	$ 2,216,316	$ 47,964,071	0%	$ -	$ 24,121,738	$ 2,216,316	$ 72,085,809
35	2058	2%	-	$ 1,054,878,955	$ 985,482,202	50%	$ 2,263,899	$ 50,227,970	0%	$ -	$ 24,121,738	$ 2,263,899	$ 74,349,708
36	2059	2%	-	$ 1,075,976,534	$ 1,006,579,781	50%	$ 2,312,434	$ 52,540,404	0%	$ -	$ 24,121,738	$ 2,312,434	$ 76,662,142
37	2060	2%	-	$ 1,097,496,065	$ 1,028,099,312	50%	$ 2,361,939	$ 54,902,344	0%	$ -	$ 24,121,738	$ 2,361,939	$ 79,024,081
38	2061	2%	-	$ 1,119,445,986	$ 1,050,049,233	50%	$ 2,412,435	$ 57,314,779	0%	$ -	$ 24,121,738	$ 2,412,435	$ 81,436,516
39	2062	2%	-	$ 1,141,834,906	$ 1,072,438,153	50%	$ 2,463,941	$ 59,778,719	0%	$ -	$ 24,121,738	$ 2,463,941	$ 83,900,457
40	2063	2%	-	$ 1,164,671,604	$ 1,095,274,851	50%	$ 2,516,476	$ 62,295,195	0%	$ -	$ 24,121,738	$ 2,516,476	$ 86,416,933
Total			**508,794,779**				**$ 62,295,195**			**$ 24,121,738**		**$ 86,416,933**	

Assumptions	
Base Taxable Value[3]	$ 69,396,753
City AV Rate	0.469300
County AV Rate	0.2875

Footnotes

1) Values increased at 2% annually.
2) Based on project development data as provided by the City.
3) Base Taxable Value is subject to confirmation by Appraisal District.
4) The City agreed to participate at 50% of the Incremental Value of property tax.
5) The County agreed to participate at 50% of the Incremental value of property tax, excluding the portion of property tax associated with road and bridge maintenance and operations, for an initial term of 30 years. Any future County participation in Years 31-40 shall be reflected through an amendment to the Interlocal Agreement.

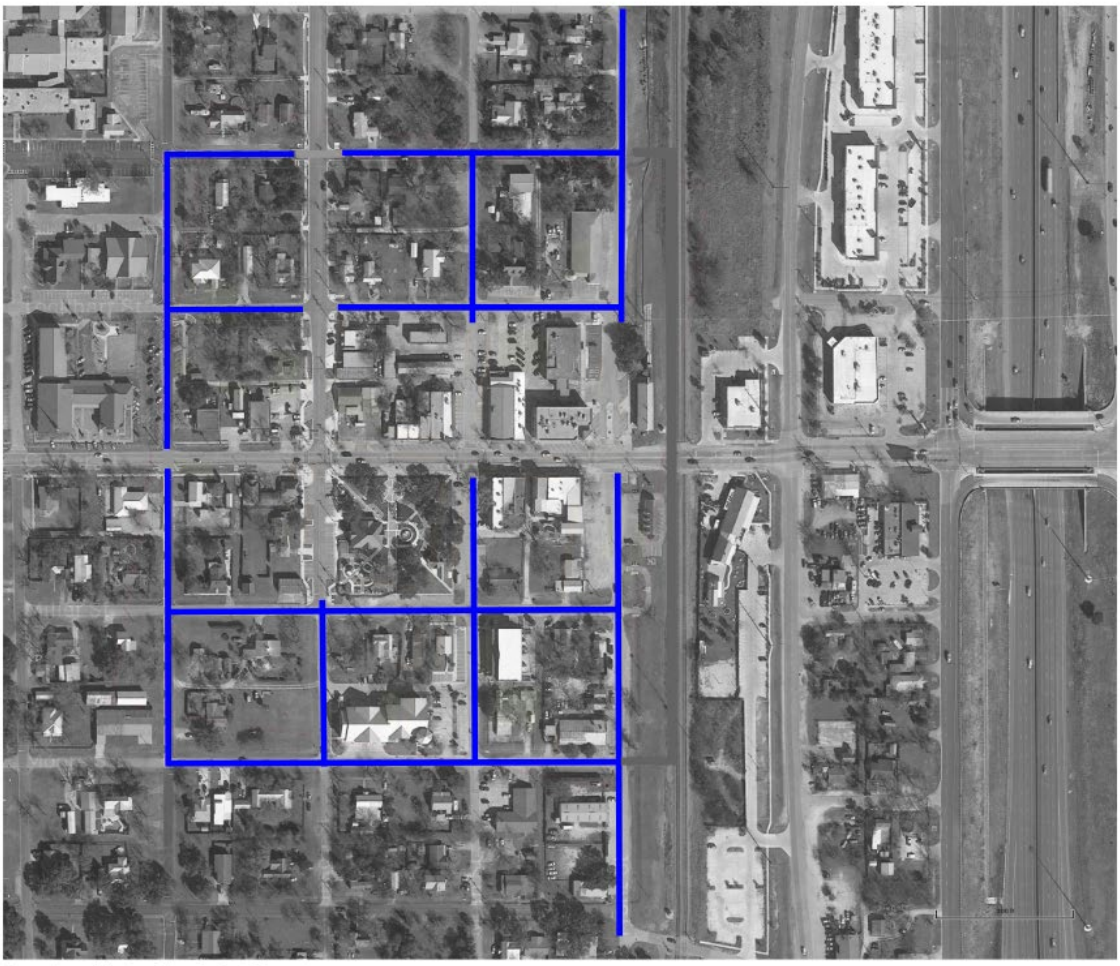
EXHIBIT G – PROPOSED USES OF THE PROPERTY



EXHIBIT H – MAP OF THE PUBLIC IMPROVEMENTS

Full Street Rebuild (Local Streets Only)

- Includes pavement, curb & gutter, stormwater and decorative lighting.



8,475 linear feet of streets for full rebuild.

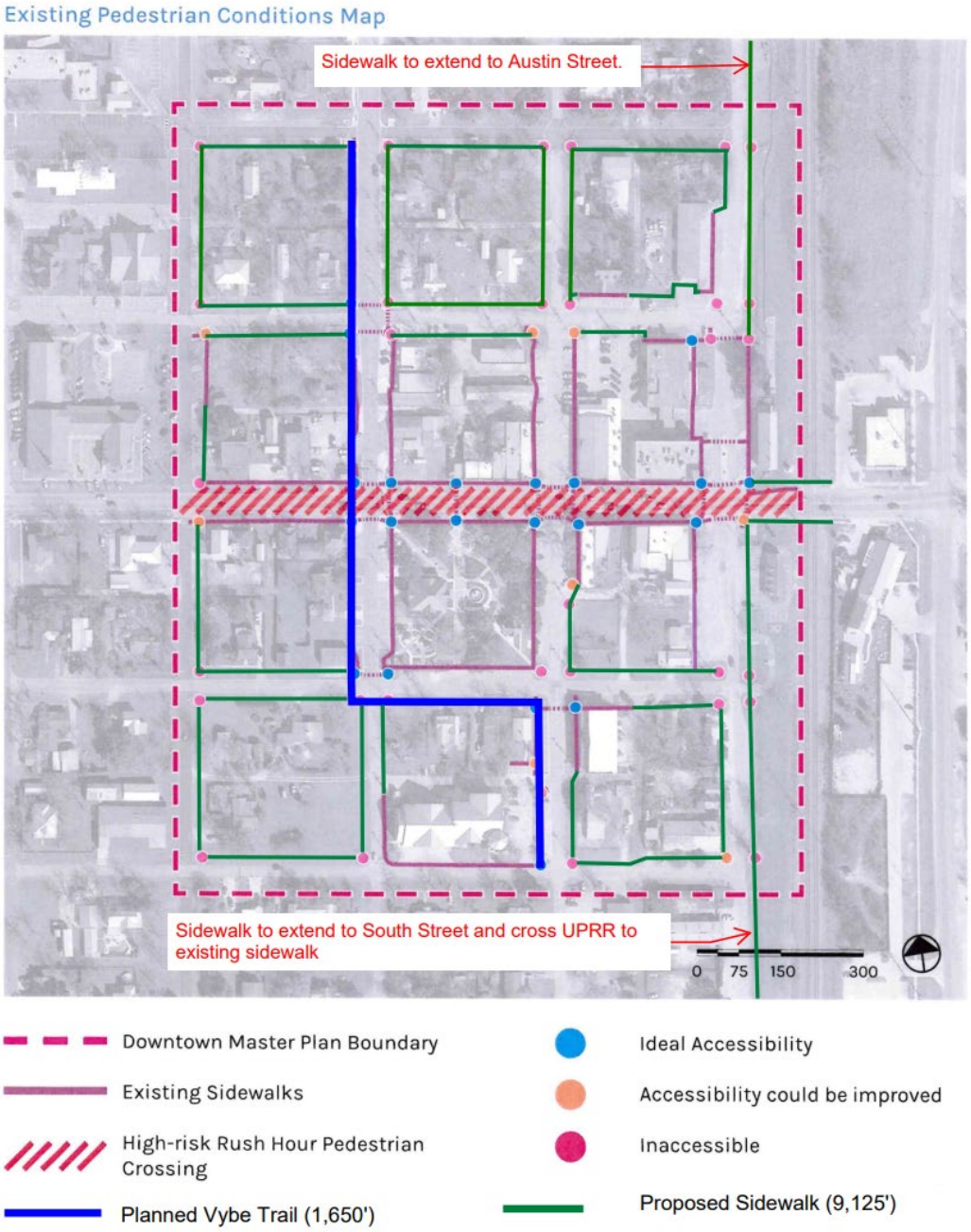
Streets anticipated to be curb & gutter design at 28' of pavement. Recent full depth street construction cost is $60.00 per square foot. T

8,475 linear feet x 28' pavement width x $60.00 per sq. ft. = **$14,238,000.00 + annual % increase for inflation etc.**

*This does not include adjacent sidewalk or Vybe Trail costs, as those are accounted for already in this document.

Sidewalk Construction

Approximately 1,650 linear feet of Vybe Trail & 9,125 linear feet of 5’ sidewalks.



Vybe Trail Estimated Cost @ $378.78 per linear foot = **$625,000.00**

5’ Sidewalk Estimated Cost @ $20.00 per sq. ft. = **$912,500.00**

New City Office Building – 111 N. Front Street

$15,300,000.00 - $22,950,000.00



Downtown Master Plan Project Boundary



The draft Downtown Masterplan contemplates a 2-3 story building to replace the former Kyle Police Department building on site. The footprint of the building (depicted in red) is approximately 75' deep and 170' wide with a footprint of approximately 12,750 sq. ft. The building is assumed to be 3-stories for a total of 38,250 sq. ft. Use will be for office.

Office Building

- Cost at 2-stories
- Footprint = 12,750 sq. ft.
- Gross Floor Area = 25,500 sq. ft.
- Cost per Sq. Ft. = $600.00
- Anticipated Cost = $15,300,000.00

- Cost at 3-stories
- Footprint = 12,750 sq. ft.
- Gross Floor Area = 38,250 sq. ft.
- Cost per Sq. Ft. = $600.00
- Anticipated Cost = $22,950,000.00

Downtown Parking Garages

The draft Downtown Masterplan anticipates two (2) public above ground parking garages.



Downtown Master Plan Project Boundary





The draft Downtown Masterplan contemplates 2, 3-level public parking garages. One will be located at 201 W. Lockhart Street and the other at 310 W. Moore. Locations are subject to change.

Parking Garage (2)

- 3 Levels
- Number of Parking Spaces = 300 spaces each
- Cost per Parking Space = $30,000.00
- Cost per Garage = $9,000,000.00
- Cost for two(2) Garages = $18,000,000.00

Front Street Linear Park



Downtown Master Plan Project Boundary

The area between North and South Front Street and the UPRR tracks is approximately 2,000' in length. The park intended to provide increased detention capacity for downtown, street parking along Front Street, meandering sidewalks, landscaping, decorative fencing adjacent to the UPRR tracks and landscape easements between the UPRR tracks and IH-35 along along both sides of E. Center Street. The cost is not yet identified, but staff recommends allocating $7,500,000.00 for the project.

Land Acquisition for Floodplain Management

3 parcels to be acquired primarily for floodplain management and possibly used for Vybe Trail connectivity per Vybe Trail map. The parcels are difficult to develop as most of each tract are within the 100-year floodplain. The City should purchase to preserve the floodplain in the area.

- R96710 = TRAILS SUB PHASE IIA, BLOCK J, LOT 58, ACRES 11.45
    - Valued at **$11,450.00**
    - City maintains this detention pond and lot as the HOA dissolved years ago. This parcel also has a key connection of the Vybe Trail identified for this site.
- R14839 = **$125,000** (125% of the market value per Hays CAD).
- R14826 = **$219,412.50** (125% of the market value per Hays CAD).

EXHIBIT I – PARCEL IDENTIFICATION

Parcel ID	Acreage
R180359	16.00
R180358	6.40
R114245	1.00
R114246	0.99
R114247	1.26
R144839	13.21
R114248	1.00
R114249	1.17
R114250	1.17
R114251	1.18
R114252	1.00
R151286	6.97
R151284	4.71
R151285	1.96
R115975	30.18
R96710	11.45
R14839	5.00
R14826	5.00
R14803	5.00
R137372	9.76
R114181	1.16
R114182	1.22
R15973	1.22
R115974	1.71
R63395	1.49
R14807	0.27
R14851	0.26
R167099	1.12
R167100	2.13
R113723	2.96
R120645	2.88
R144260	1.28
R144259	0.73
R112079	1.13
R165788	0.62
R165792	2.28
R154932	1.96
R123942	0.22
R155355	1.67
R155356	0.92

Parcel ID	Acreage
R155357	0.90
R14831	2.60
R33474	0.10
R33475	0.20
R33476	0.30
R33473	0.23
R33472	0.70
R33483	0.10
R33484	0.11
R33485	0.13
R33486	0.11
R33487	0.11
R60601	0.11
R33488	0.11
R33482	0.16
R33481	0.16
R33480	0.20
R33479	0.31
R33477	0.16
R33478	0.16
R33494	0.20
R33495	0.10
R33496	0.10
R33497	0.07
R33498	0.11
R33493	0.10
R134854	0.35
R33491	0.43
R33489	0.32
R33490	0.25
R70242	0.11
R70241	0.37
R14690	3.24
R14780	0.32
R14726	1.54
R14822	0.80
R24744	0.14
R14816	0.20
R33536	0.11
R33537	0.63

Parcel ID	Acreage
R33526	0.22
R33527	0.15
R33528	0.22
R33529	0.07
R33532	0.05
R33531	0.07
R33530	0.07
R33535	0.26
R33534	0.26
R33546	0.66
R33551	0.13
R33548	0.16
R33549	0.17
R33550	0.20
R33599	0.66
R33597	0.20
R33598	0.46
R33673	0.40
R33674	0.26
R60611	0.26
R33676	0.13
R33675	0.26
R167978	0.95
R33695	0.45
R33691	0.36
R33692	0.91
R33696	0.50
R33697	0.06
R33694	0.28
R180715	0.21
R180716	0.51
R180714	1.67
R33698	1.05
R138349	0.34
R14745	0.63
R140604	1.31
R140603	1.20
R134175	2.20
R14673	0.26
R14674	0.79

Parcel ID	Acreage
R161685	0.19
R14747	1.24
R14634	0.32
R33688	0.30
R33690	0.27
R33700	0.30
R33687	0.26
R33671	0.26
R33672	0.13
R139266	0.26
R33668	0.30
R33669	0.20
R33670	0.10
R333595	0.10
R33594	0.10
R33596	0.26
R33589	0.05
R33590	0.04
R33592	0.45
R33593	0.19
R60605	1.43
R33523	0.07
R33522	0.07
R106783	0.07
R189520	0.12
R189519	0.07
R33514	0.06
R33515	0.12
R33516	0.60
R33517	0.12
R33521	0.06
R33518	0.19
R33510	0.19
R33511	0.41
R33512	0.17
R60604	0.13
R33513	0.13
R33509	0.26
R60603	0.20
R33506	0.32

Parcel ID	Acreage
R33507	0.15
R33508	0.26
R33559	0.30
R33560	0.10
R33558	0.20
R85300	0.13
R33566	0.26
R33565	0.13
R33564	0.26
R33563	0.13
R33562	0.26
R33561	0.26
R33552	0.07
R33553	0.13
R33554	0.07
R33555	0.13
R33556	0.13
R33557	0.13
R33584	0.50
R33586	0.20
R137802	0.23
R33588	0.40
R33578	0.50
R33579	0.26
R33580	0.26
R33581	0.13
R127899	0.13
R33583	0.13
R60610	0.66
R127819	0.66
R137801	1.43
R33701	0.20
R33702	0.20
R33703	0.26
R33706	0.40
R33704	0.13
R33705	0.13
R165807	0.13
R165808	0.13
R33707	0.20

Parcel ID	Acreage
R33708	0.20
R33709	0.30
R33710	0.37
R33714	0.27
R33713	0.27
R33711	0.02
R33712	0.03
R71100	0.26
R62688	0.13
R33717	0.13
R33715	0.26
R33716	0.26
R33723	0.30
R53240	0.50
R53241	0.50
R33724	0.20
R33725	0.10
R33726	0.32
R136940	0.30
R136939	0.15
R33727	0.31
R53249	0.49
R53250	0.33
R131511	0.30
R137910	0.29
R53245	0.30
R53247	0.27
R53243	0.20
R136942	0.44
R53244	0.50

EXHIBIT J – TIRZ BOND SUMMARY (PRELIMINARY)

City of Kyle, Texas
Downtown TIRZ Debt Financing Plan
Devember 8, 2023

Year	Calendar Year	TIRZ Increment	$ 10,000,000 Series 2027	$ 15,000,000 Series 2032	$ 10,000,000 Series 2037	$ 35,000,000 Total DS	Remaining TIRZ	Coverage
1	2024	$ -				$ -	$ -	
2	2025	$ 97,643				$ -	$ 97,643	
3	2026	$ 197,496				$ -	$ 197,496	
4	2027	$ 395,351				$ -	$ 395,351	
5	2028	$ 602,579	$ 550,000			$ 550,000	$ 52,579	1.10X
6	2029	$ 816,145	$ 739,638			$ 739,638	$ 76,508	1.10X
7	2030	$ 1,037,900	$ 928,275			$ 928,275	$ 109,625	1.12X
8	2031	$ 1,269,837	$ 1,139,675			$ 1,139,675	$ 130,162	1.11X
9	2032	$ 1,508,740	$ 1,333,013			$ 1,333,013	$ 175,728	1.13X
10	2033	$ 1,720,819	$ 579,825	$ 825,000		$ 1,404,825	$ 315,994	1.22X
11	2034	$ 1,937,140	$ 581,300	$ 1,034,088		$ 1,615,388	$ 321,753	1.20X
12	2035	$ 2,091,792	$ 582,225	$ 1,036,850		$ 1,619,075	$ 472,717	1.29X
13	2036	$ 2,251,744	$ 582,600	$ 1,033,925		$ 1,616,525	$ 635,219	1.39X
14	2037	$ 2,302,364	$ 582,425	$ 1,035,313		$ 1,617,738	$ 684,627	1.42X
15	2038	$ 2,353,997	$ 581,700	$ 1,035,875	$ 550,000	$ 2,167,575	$ 186,422	1.09X
16	2039	$ 2,406,663	$ 580,425	$ 1,035,613	$ 550,000	$ 2,166,038	$ 240,626	1.11X
17	2040	$ 2,460,382	$ 578,600	$ 1,034,525	$ 550,000	$ 2,163,125	$ 297,257	1.14X
18	2041	$ 2,515,176	$ 581,088	$ 1,032,613	$ 550,000	$ 2,163,700	$ 351,476	1.16X
19	2042	$ 2,571,065	$ 577,888	$ 1,034,738	$ 550,000	$ 2,162,625	$ 408,440	1.19X
20	2043	$ 2,571,065	$ 579,000	$ 1,035,763	$ 647,250	$ 2,262,013	$ 309,053	1.14X
21	2044	$ 2,571,065	$ 579,288	$ 1,035,688	$ 641,750	$ 2,256,725	$ 314,340	1.14X
22	2045	$ 2,628,072	$ 578,750	$ 1,034,513	$ 636,250	$ 2,249,513	$ 378,560	1.17X
23	2046	$ 2,686,219	$ 582,250	$ 1,037,100	$ 630,750	$ 2,250,100	$ 436,119	1.19X
24	2047	$ 2,745,530	$ 579,788	$ 1,033,450	$ 625,250	$ 2,238,488	$ 507,043	1.23X
25	2048	$ 2,806,026	$ 581,363	$ 1,033,563	$ 930,950	$ 2,545,875	$ 260,151	1.10X
26	2049	$ 2,867,732	$ 581,838	$ 1,032,300	$ 932,163	$ 2,546,300	$ 321,432	1.13X
27	2050	$ 2,930,673	$ 581,213	$ 1,034,525	$ 932,000	$ 2,547,738	$ 382,936	1.15X
28	2051	$ 2,994,872	$ 579,488	$ 1,035,100	$ 930,463	$ 2,545,050	$ 449,822	1.18X
29	2052	$ 3,060,355	$ 581,525	$ 1,034,025	$ 927,550	$ 2,543,100	$ 517,255	1.20X
30	2053	$ 3,060,355	$ 582,188	$ 1,036,163	$ 928,125	$ 2,546,475	$ 513,880	1.20X
31	2054	$ 3,060,355	$ 581,475	$ 1,036,375	$ 931,913	$ 2,549,763	$ 510,593	1.20X
32	2055	$ 3,127,148	$ 579,388	$ 1,034,663	$ 928,913	$ 2,542,963	$ 584,186	1.23X
33	2056	$ 3,195,277	$ 580,788	$ 1,035,888	$ 929,125	$ 2,545,800	$ 649,477	1.26X
34	2057	$ 3,264,768	$ 580,538	$ 1,034,913	$ 932,275	$ 2,547,725	$ 717,043	1.28X
35	2058	$ 3,335,650	$ -	$ 1,036,600	$ 928,363	$ 1,964,963	$ 1,370,688	1.70X
36	2059	$ 3,407,948	$ -	$ 1,035,813	$ 927,388	$ 1,963,200	$ 1,444,748	1.74X
37	2060	$ 3,481,693	$ -	$ 1,032,550	$ 929,075	$ 1,961,625	$ 1,520,068	1.77X
38	2061	$ 3,556,913	$ -	$ 1,036,538	$ 928,288	$ 1,964,825	$ 1,592,088	1.81X
39	2062	$ 3,633,637	$ -	$ 1,032,638	$ 929,888	$ 1,962,525	$ 1,671,112	1.85X
40	2063	$ 3,633,637	$ -	$ -	$ 852,825	$ 852,825	$ 2,780,812	4.26X
Total			$ 19,207,550	$ 30,836,700	$ 20,730,550	$ 70,774,800	$ 22,381,023	

EXHIBIT B

Interlocal Agreement

Interlocal Agreement
Regarding the City of Kyle Tax Increment Reinvestment Zone Number Six

THIS INTERLOCAL AGREEMENT regarding the City of Kyle Tax Increment Reinvestment Zone Number Six (the "Agreement") is made and entered into by and between the City of Kyle, Texas, a home rule municipality (the "City"), and Hays County, a political subdivision of the State of Texas (the "County" and, together with the City, the "Parties") under the authority of Chapter 791 of the Texas Government Code and Chapter 311 of the Texas Tax Code for the participation of the City and the County in **Reinvestment Zone Number Six,** City of Kyle, (the "Zone") created by the City pursuant to Chapter 311 of the Texas Tax Code.

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "Act"), the City Council of the City (the "City Council"), pursuant to Ordinance No. 1296 (the "TIRZ Ordinance") adopted on December 19, 2023, created, established, and designated the Zone under the Act, attached hereto as Exhibit "A"; and

WHEREAS, in the TIRZ Ordinance, the City found that the designation of the Zone would encourage the development of property in and around the Zone; and

WHEREAS, in the TIRZ Ordinance, the City contributed fifty percent (50%) of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value (defined below) in the Zone; and

WHEREAS, in consideration of the County's contribution of a fifty percent (50%) of the County's ad valorem real property taxes collected and received by the County on the Captured Appraised Value in the Zone, the County shall have the authority to appoint two members to the Board (as defined below); and

WHEREAS, the Final Plan (as defined below) includes public infrastructure projects that benefit the County and its residents; and

WHEREAS, in consideration of special benefit to the County created by the projects financed by the Zone, including transportation and capital improvements for public use, the County is authorized to appropriate funding under this Agreement; and

WHEREAS, pursuant to the Hays County Zones Policy, the County's contribution of its County TIRZ Increment (as defined below) equal to fifty percent (50%) of the County's ad valorem real property taxes collected and received by the County on the Captured Appraised Value in the Zone would greatly enhance the implementation of the Zone by the City; and

WHEREAS, both the City and the County will benefit from the development and improvements paid with the TIRZ Fund in accordance with the documents creating the Zone; and

WHEREAS, pursuant to Chapter 791 of the Texas Government Code, the City and the County are entering into this Agreement to set forth the conditions governing the contribution of the Tax Increment by the City and current, annually-appropriated funds by the County, and the City finds that this Agreement is necessary for the implementation of the Final Plan for the Zone; and

NOW THEREFORE, the City and the County, in consideration of the terms, conditions,

and covenants contained herein, hereby agree as follows:

SECTION 1. **Incorporation of Recitals.** The Parties hereby agree that the recitals set forth above form the basis upon which they have entered into this Agreement.

SECTION 2. **Definitions**. In addition to any terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

(a) **Act** means the Tax Increment Financing Act, as amended and as codified as Chapter 311 of the Texas Tax Code.

(b) **Board** means the governing board of directors of the Zone appointed in accordance with Section 311.009 of the Act, the TIRZ Ordinance, and this Agreement.

(c) **Captured Appraised Value** in a given year means the total appraised value, less any applicable exemptions, of all real property of the Zone taxable by the City or the County for that tax year less the Tax Increment Base defined in Section (h) below.

(d) **County TIRZ Increment** means the amount of the County tax levy on the Captured Appraised Value which the County agrees to contribute to the TIRZ Fund of the Zone pursuant to Sections 3(a) and 3(b) of this Agreement.

(e) **Final Plan** means the project and finance plan for the Zone attached to this Agreement as Exhibit "B" as adopted by the Board and approved by City Council, and such amendments and revisions thereto as may be adopted by the Board and approved by the City Council.

(f) **Tax Increment** means the amount of property taxes levied and collected by the City or County for that year on the Captured Appraised Value of real property taxable by the City or County and located in the Zone.

(g) **Tax Increment Base** means the total appraised value as of January 1, 2023, of all real property taxable by the City or the County, as applicable, and located in the Zone.

(h) **TIRZ Fund** means that fund created by the City pursuant to Section 311.014 of the Act and the TIRZ Ordinance, which will be maintained by the City, and into which all revenues of the Zone will be deposited, including deposits of the Tax Increment by the City and by such other taxing units with jurisdiction over real property in the Zone that may enter into agreements for such contributions, including the County's TIRZ Increment.

(i) **Zone** means the Reinvestment Zone Number Six, City of Kyle, Texas, approved by City of Kyle Ordinance No. 1296.

(j) Terms other than those defined above shall: (1) have their meanings as given in the Act; (2) the Final Plan; (3) the recitals hereof; or (4) if not so defined, their usual and ordinary meanings.

(k) References to state statutes shall include amendments to those statutes that are duly enacted from time to time.

SECTION 3. **Obligations of the County**.

(a) **County TIRZ Increment**. The County agrees to pay current, annually appropriated funds to the City for deposit into the TIRZ Fund created by the City for the Zone fifty percent (50%) of the Tax Increment attributed to the Captured Appraised Value of the County in the Zone, excluding the portion of real property taxes collected and received associated with road and bridge maintenance and operations. The County's obligation to make these payments accrues only after taxes on the Captured Appraised Value are collected by the County. Payments shall be due on May 1 of each year during the term of this Agreement. No interest or penalty will be charged to the County for any payments made by the County based on collections that occur after this due date. The County may offset against future payments of the County TIRZ Increment any portion of payments to the City under this Agreement that the County subsequently refunds to taxpayers pursuant to the provision of the Texas Tax Code. Notwithstanding anything to the contrary herein, the County TIRZ Increment shall not fund: 1) the City Office Building (including debt service on any public securities issued to finance the City Office Building), or 2) any payments under any City 380 Agreement entered into between the City and any other entity responsible for developing the Property, unless the use of the County TIRZ Increment for either of these purposes is approved by a majority vote of the Commissioners Court.

(b) **Limitations on Payments.** The County is not obligated to make payments under this Agreement: (1) unless and until taxes on the Captured Appraised Value are actually collected by the County; or (2) in any amount greater than taxes actually collected on the County's Captured Appraised Value. Likewise, if funds are not appropriated by the Commissioners Court of the County (the "Commissioners Court") during any annual budgetary cycle, then the County's obligations to pay the County TIRZ Increment under this Agreement shall be waived for that Fiscal Year. Any funds already contributed to the TIRZ Fund under this Agreement shall remain available for TIRZ expenditures, subject to the other terms and limitations of this Agreement.

(c) **The Project.** The obligation of the County to participate in the Zone is limited to the boundaries of the Zone as described in the TIRZ Ordinance. In accordance with the provisions of Section 311.007 of the Act, the City may change the boundaries of the Zone. The County's participation does not extend to the Tax Increment on any additional property added to the Zone unless the Commissioners Court specifically agrees to participate in the additional area. The projects of the Zone are and shall be those described in the TIRZ Ordinance, as adopted upon recommendation of the Board and approved by the City Council and in accordance with the Final Plan attached as Exhibit "B". In accordance with the provisions of Section 311.011(e) of the Act, the Board may amend the Final Plan; provided, however, no project expenditures of County monies provided under this Agreement shall be authorized without an affirmative vote of the Board, with the County representatives present for the vote and with the County representatives unanimously agreeing with a proposed expenditure. In the event that the County representatives do not unanimously agree with a proposed expenditure, County monies provided under this Agreement may not be utilized for that expenditure unless and until a subsequent vote of the Commissioners Court approves of that expenditure.

(d) **Development in the Zone.** Property within the boundaries of the Zone shall be developed as closely as possible in conformity with the Final Plan. As stated above, County funds will only be used for projects that have been approved by the County members of the Board or by the Commissioners Court.

(e) **County Appointment to the Board.** The Board shall consist of nine (9) voting members. The Commissioners Court shall have the unequivocal right to appoint two (2) qualified

voting members during the period that the TIRZ Fund created under this Agreement contains funds. The City Council shall have the right to appoint seven (7) qualified voting members during the length of the Zone as established by the TIRZ Ordinance. Members of the Board shall meet the qualifications set forth in Section 311.009 of the Act. Failure of the Commissioners Court to appoint a person to the Board shall not be deemed a waiver of the County's right to make an appointment at a later date. The Commissioners Court will make best faith efforts to appoint a qualified person to serve on the Board, and to fill vacancies in the positions as needed.

SECTION 4. **Obligations of the City**.

(a) **Use of County Payments**. The City agrees to use payments made by the County under this Agreement solely to fund Project Costs (as defined in the Final Plan) and as allowed by the Hays County Zones Policy, except for those certain Project Costs excluded in Section 3(a) above.

(b) **Notice to County of Amendments to Final Plan.** The City agrees to provide the County with written notice of any proposed amendments to the Final Plan at least fourteen (14) days prior to their submission to the City Council for approval. The City agrees to work with the Board to implement the Final Plan.

(c) **Disposition of Tax Increments.** Upon termination of the Zone, and after all obligations of the Zone have been paid, the City agrees to pay to the County, within sixty (60) days of the termination, all monies remaining in the TIRZ Fund that represent the County's pro rata amount of participation authorized under this Agreement.

(d) **Annual Reports/ Right to Audit.** The City agrees to provide to the County an annual report regarding the Zone as required under Section 311.016 of the Act. Additionally, the County shall have the right to audit the books and records of the Zone upon providing at least 10 days' written notice to the City. Such an audit shall occur between 9 a.m. and 5 p.m. on business days.

SECTION 5. **Term and Termination**.

The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall last until the earlier of: (1) December 31, 2053; or (2) the date all Project Costs have been paid or reimbursed unless earlier terminated by the parties hereto. Nothing in this Agreement limits the authority of the County or City to extend the term of this Agreement. Upon termination of this Agreement, the obligation of the County to make payments to the City shall end; however, the County's Board appointment powers shall survive the termination.

SECTION 6. **Miscellaneous**.

(a) **Administration.** This Agreement and the TIRZ Fund shall be administered by the City Manager or their designees or consultants. The City shall maintain a separate account for the TIRZ Fund at a depository selected by the City, which TIRZ Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee against County TIRZ Increments for oversight of the TIRZ Fund. The TIRZ Fund shall be an account into which the City shall deposit the County TIRZ Increment, the City TIRZ Increment (as defined in the TIRZ Ordinance and Final Plan), and all accrued interest earned on the fund. The County shall

participate in the oversight of the TIRZ Fund through its representation on the Board on which they will appoint two (2) out of nine (9) members. Pursuant to the Hays County Zones Policy adopted on February 7, 2017, no more than ten percent of the County TIRZ Increment will be used for the payment of administrative, legal, consulting, or other professional expenses, except engineering and architectural fees directly related to the specific projects in which the County will participate.

(b) **Notice.** Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time).

If intended for the City, to:
City Manager
City of Kyle, Texas
1700 Kohlers Crossing
Kyle, Texas 78640

If intended for the County, to:
Hays County Judge
Hays County Courthouse
111 E. San Antonio Street, Suite 300
San Marcos, Texas 78666

With copy to:
Hays County Criminal District Attorney's Office
Hays County Courthouse
111 E. San Antonio Street, Suite 202
San Marcos, Texas 78666

(c) **Non-Assignability.** Neither the City, the County, nor the Board shall assign any interest in this Agreement without the prior written consent of the other parties.

(d) **Non Discrimination.** No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination in any of the operations or funding of the Zone on the grounds of race, color, national origin, age, sex, religion, or other protected status.

(e) **Binding on the Parties and Non-Waiver.** This Agreement shall not be considered fully executed or binding on the City and/or the County until this Agreement has been approved and accepted by the City Council and the Commissioners Court at a properly called and noticed meeting of each respective body. The failure of either Party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that Party's right to insist upon appropriate performance or to assert any such right on any future occasion.

(f) **Third Parties.** The provisions and conditions of this Agreement are solely for the benefit for the City and the County, and are not intended to create any rights, contractual or otherwise, to any other person or entity. The relationship of the City and the County under this Agreement shall not be construed or interpreted to be a joint enterprise or joint venture. The Parties agree that each Party is an independent contractor.

(g) **Controlling Law.** Venue and jurisdiction shall be exclusively in Hays County,

Texas and under the laws of the State of Texas.

(h) **Entirety of Agreement.** This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and the County as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

(i) **Amendments.** Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties and approved by the City Council and the Commissioners Court in open meetings held in accordance with Chapter 551 of the Texas Government Code.

[The remainder of this page intentionally left blank.]

EXECUTED and **EFFECTIVE** on the last date signed by the duly authorized officials, below.

CITY OF KYLE

_____
Mayor

_____
Date

ATTEST

_____
City Secretary

_____
Date

HAYS COUNTY

_____
County Judge

3-12-2024
Date

Elaine H. Cardenas by Dillon Gorrell, Deputy
County Clerk

3-12-2024
Date

Exhibit A

TIRZ ORDINANCE

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS	§
	§
COUNTY OF HAYS	§
	§
CITY OF KYLE	§

I, Jennifer Kirkland, City Secretary of the City of Kyle, Texas, DO HEREBY CERTIFY as follows:

1. That on the 19th day of December, 2023, a regular meeting of the City Council of the City of Kyle, Texas, was held at its regular meeting place; the duly constituted members of the City Council being as follows:

TRAVIS MITCHELL		MAYOR
MICHAEL TOBIAS		MAYOR PRO TEM
GLENN HEISER	)	
ROBERT RIZO	)	
MIGUEL ZUNIGA	)	COUNCIL MEMBERS
LAURALEE HARRIS	)	
DANIELA PARSLEY	)	

and all of said persons were present at said meeting except __None__. Among other business considered at said meeting, the attached ordinance entitled:

ORDINANCE NO. 1296

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CORPORATE LIMITS OF THE CITY AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER SIX, CITY OF KYLE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

was introduced and submitted to the City Council for passage and adoption. After presentation and due consideration of the ordinance, and upon a motion being made and seconded, the ordinance was finally passed and adopted by the City Council to be effective immediately by the following vote:

__7__ voted “For” __0__ voted “Against” __0__ abstained

all as shown in the official minutes of the City Council for the meeting held on the aforesaid date.

2. That the attached ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the City Council of said City on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, each member of the City Council was given actual notice of the time, place, and purpose of the meeting and had actual notice that the matter would be considered; and that said meeting, and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the entitled ordinance, was posted and given in advance thereof in compliance with the provisions of Texas Government Code Chapter 551, as amended.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of the City, this the 19th day of December, 2023.

(City Seal)

Jennifer Kirkland
City Secretary
City of Kyle, Texas

[Signature page to the Certificate of City Secretary]

ORDINANCE NO. 1296

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CORPORATE LIMITS OF THE CITY AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER SIX, CITY OF KYLE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kyle, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a contiguous or noncontiguous geographic area within the corporate limits of the municipality or within the extraterritorial jurisdiction of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council of the City (the "City Council ") desires for the City to consider the creation of a tax increment reinvestment zone with the boundaries described in the parcel description attached hereto as ***Exhibit A*** and more generally depicted in ***Exhibit B*** attached hereto (the "Zone"); and

WHEREAS, pursuant to and as required by the Act, the City has prepared a *Preliminary Project and Finance Plan for Reinvestment Zone Number Six, City of Kyle*, *Texas* dated December 19, 2023, attached as ***Exhibit C*** (hereinafter referred to as the "Preliminary Project and Finance Plan") for a proposed tax increment reinvestment zone containing the real property within the Zone; and

WHEREAS, notice of the public hearing on the creation of the proposed zone was published in the official newspaper of the City on or before November 29, 2023, which date is the seventh (7th) day before the public hearing was opened on December 19, 2023, and

WHEREAS, on December 19, 2023, the City Council conducted a public hearing in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and the concept

of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone and, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed; and

WHEREAS, the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, the City has taken all actions required to create the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act (defined herein), and all other laws applicable to the creation of the Zone; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is publicly owned, that is used for residential purposes is less than thirty percent (30%); and

WHEREAS, the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones within the City does not exceed fifty percent (50%) of the total appraised value of the taxable real property in the City and in the industrial districts created by the City, if any; and

WHEREAS, a Preliminary Project and Finance plan has been prepared for the proposed reinvestment zone.

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

SECTION 1. RECITALS INCORPORATED.

The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are incorporated and adopted as part of this Ordinance for all purposes.

SECTION 2. FINDINGS.

That the City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

(a) That the public hearing on the creation of the proposed reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by applicable law, including the Act; and

(b) That creation of the proposed reinvestment zone with parcels as described and depicted in ***Exhibits A*** and ***B*** will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone; and

(c) That the proposed reinvestment zone, as described and depicted in ***Exhibits A*** and ***B***, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

1. It is a geographic area located wholly within the corporate limits of the City; and

2. The area is predominately open, undeveloped or underdeveloped, and the lack of necessary public improvements substantially impairs sound growth of the City; and

(d) That thirty percent (30%) or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is currently used for residential purposes; and

(e) That the total appraised value of taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed fifty percent (50%) of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and

(f) That the improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City; and

(g) That the development of the Property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future; and

(h) The City Council has prepared the Preliminary Project and Finance Plan prior to the execution of this Ordinance; and

(i) The City Council finds that the Preliminary Project and Finance Plan is feasible.

SECTION 3. DESIGNATION AND NAME OF THE ZONE.

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the area described and depicted in ***Exhibits A*** and ***B*** hereto as a tax increment reinvestment zone. The name assigned to the zone for identification is **Reinvestment Zone Number Six, City of Kyle, Texas** (hereinafter referred to as the "Zone'').

SECTION 4. BOARD OF DIRECTORS.

(a) The City Council hereby creates a board of directors for the Zone (hereinafter referred to as the "Board") consisting of nine (9) members, seven of which shall be appointed by the City Council and two shall be appointed by Hays County, as a participating taxing unit (each, a "Hays County Representative"). The Mayor and Council Members may serve as Board members.

(b) The Board members appointed to the Board shall be eligible to serve on the Board if that person is at least 18 years of age, and is a resident of the county in which the Zone is located or a county adjacent to that county.

(c) The Board shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone (hereinafter referred to as the "Project and Finance Plan") as required by the Act, and shall submit the Project and Finance Plan to the City Council for approval. The Board shall consider amendments to the Project and Finance Plan on its own initiative or upon submission by the City Council, but amendments considered by Board shall not take effect unless and until adopted by City Council.

(d) Directors shall not receive any salary or other compensation for their services as directors.

(e) Members of the Board shall be appointed for terms of two years. The terms of the Board members may be staggered. The City Council may remove and replace Board members at any time during a term.

(f) The initial Board shall be nine members and the following shall be members:

1. Hays County Representative
2. Hays County Representative
3. Mayor
4. City Councilmember, Place 1
5. City Councilmember, Place 2
6. City Councilmember, Place 3
7. City Councilmember, Place 4
8. City Councilmember, Place 5
9. City Councilmember, Place 6

The City Council hereby appoints Mayor to serve as chairman of the Board during the time the initial Board is serving. Each year the City shall appoint one member of the Board to serve as chairman for a term of one year that begins on January 1 of the year. If City Council does not appoint a chairman during that period, the Mayor is automatically appointed to serve as chairperson for the term that begins on January 1 of the following year. The Board may elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board may elect other officers as it considers appropriate.

SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect immediately upon the passage and approval of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and termination of the Zone shall occur upon any of the following: (i) on December 31, 2063; or (ii) at such time that

all project costs and other obligations of the Zone, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Act.

SECTION 6. TAX INCREMENT BASE AND TAX INCREMENT.

Pursuant to Section 311.012(c) of the Act, the tax increment base of the City, or any other taxing unit participating in the Zone, is the total taxable value of all real property taxable by the City, or other taxing unit participating in the Zone, and located in the Zone for the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base"). That, consistent with Section 311.012(a) of the Act, the amount of the tax increment for a year is fifty percent (**50.00%**) of real property taxes levied, assessed, and collected by the City (as set forth in an agreement to participate in the Zone), and all or a portion of property taxes of other taxing units participating in the Zone and located in the Zone (or such other percentage of a taxing unit participating in the Zone as set forth in an agreement to participate in the Zone) for that year on the Captured Appraised Value (defined below) of real property taxable by the City or other taxing unit participating in the Zone and located in the Zone (the "Tax Increment"). Consistent with Section 311.012(b) of the Act, the Captured Appraised Value of real property taxable by the City or other taxing unit participating in the Zone for a year is the total appraised value of all real property taxable by the City and located in the Zone for that year less the Tax Increment Base (the "Captured Appraised Value").

SECTION 7. TAX INCREMENT FUND.

There is hereby created and established a "Tax Increment Fund" for the Zone that may be divided into subaccounts as authorized by subsequent ordinances, into which the Tax Increment of the City, and any participating taxing units, as such increments are described in the Project and Finance Plan and include administration costs, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The amount of the contribution of each taxing unit, other than the City, will be determined according to an agreement between the City and the taxing unit. The Tax Increment Fund and any subaccounts shall be maintained at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues to be dedicated to and used in the Zone shall be deposited into the Tax Increment Fund from which money will be disbursed to pay project costs, plus interest, for the Zone, however excess funds may be transferred to the City's general fund as determined by the City.

SECTION 8. SEVERABILITY CLAUSE.

Should any provision, section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each provision, section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more provisions, sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 9. OPEN MEETINGS.

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

SECTION 10. EFFECTIVE DATE.

This Ordinance shall take effect immediately upon its adoption in accordance with and as provided by law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS, THIS THE 19th DAY OF DECEMBER, 2023.

Travis Mitchell, Mayor

ATTEST:

Jennifer Kirkland, City Secretary

(CITY SEAL)



Exhibit A – Parcel Identification

Parcel ID	Acreage
R180359	16.00
R180358	6.40
R114245	1.00
R114246	0.99
R114247	1.26
R144839	13.21
R114248	1.00
R114249	1.17
R114250	1.17
R114251	1.18
R114252	1.00
R151286	6.97
R151284	4.71
R151285	1.96
R115975	30.18
R96710	11.45
R14839	5.00
R14826	5.00
R14803	5.00
R137372	9.76
R114181	1.16
R114182	1.22
R15973	1.22
R115974	1.71
R175380	4.11
R175383	5.05
R175382	1.46
R175381	2.07
R63395	1.49
R14807	0.27
R14851	0.26
R167099	1.12
R167100	2.13
R113723	2.96
R120645	2.88
R144260	1.28
R144259	0.73
R112079	1.13
R165788	0.62
R165792	2.28

Parcel ID	Acreage
R154932	1.96
R123942	0.22
R155355	1.67
R155356	0.92
R155357	0.90
R14831	2.60
R33474	0.10
R33475	0.20
R33476	0.30
R33473	0.23
R33472	0.70
R33483	0.10
R33484	0.11
R33485	0.13
R33486	0.11
R33487	0.11
R60601	0.11
R33488	0.11
R33482	0.16
R33481	0.16
R33480	0.20
R33479	0.31
R33477	0.16
R33478	0.16
R33494	0.20
R33495	0.10
R33496	0.10
R33497	0.07
R33498	0.11
R33493	0.10
R134854	0.35
R33491	0.43
R33489	0.32
R33490	0.25
R70242	0.11
R70241	0.37
R14690	3.24
R14780	0.32
R14726	1.54
R14822	0.80

Parcel ID	Acreage
R24744	0.14
R14816	0.20
R33536	0.11
R33537	0.63
R33526	0.22
R33527	0.15
R33528	0.22
R33529	0.07
R33532	0.05
R33531	0.07
R33530	0.07
R33535	0.26
R33534	0.26
R33546	0.66
R33551	0.13
R33548	0.16
R33549	0.17
R33550	0.20
R33599	0.66
R33597	0.20
R33598	0.46
R33673	0.40
R33674	0.26
R60611	0.26
R33676	0.13
R33675	0.26
R167978	0.95
R33695	0.45
R33691	0.36
R33692	0.91
R33696	0.50
R33697	0.06
R33694	0.28
R180715	0.21
R180716	0.51
R180714	1.67
R33698	1.05
R138349	0.34
R14745	0.63
R140604	1.31

Parcel ID	Acreage
R140603	1.20
R134175	2.20
R14673	0.26
R14674	0.79
R161685	0.19
R14747	1.24
R14634	0.32
R33688	0.30
R33690	0.27
R33700	0.30
R33687	0.26
R33671	0.26
R33672	0.13
R139266	0.26
R33668	0.30
R33669	0.20
R33670	0.10
R333595	0.10
R33594	0.10
R33596	0.26
R33589	0.05
R33590	0.04
R33592	0.45
R33593	0.19
R60605	1.43
R33523	0.07
R33522	0.07
R106783	0.07
R189520	0.12
R189519	0.07
R33514	0.06
R33515	0.12
R33516	0.60
R33517	0.12
R33521	0.06
R33518	0.19
R33510	0.19
R33511	0.41
R33512	0.17
R60604	0.13

Parcel ID	Acreage
R33513	0.13
R33509	0.26
R60603	0.20
R33506	0.32
R33507	0.15
R33508	0.26
R33499	0.36
R33500	0.22
R33501	0.15
R33559	0.30
R33560	0.10
R33558	0.20
R85300	0.13
R33566	0.26
R33565	0.13
R33564	0.26
R33563	0.13
R33562	0.26
R33561	0.26
R33552	0.07
R33553	0.13
R33554	0.07
R33555	0.13
R33556	0.13
R33557	0.13
R33584	0.50
R33586	0.20
R137802	0.23
R33588	0.40
R33578	0.50
R33579	0.26
R33580	0.26
R33581	0.13
R127899	0.13
R33583	0.13
R60610	0.66
R127819	0.66
R137801	1.43
R33701	0.20
R33702	0.20

Parcel ID	Acreage
R33703	0.26
R33706	0.40
R33704	0.13
R33705	0.13
R165807	0.13
R165808	0.13
R33707	0.20
R33708	0.20
R33709	0.30
R33710	0.37
R33714	0.27
R33713	0.27
R33711	0.02
R33712	0.03
R71100	0.26
R62688	0.13
R33717	0.13
R33715	0.26
R33716	0.26
R33723	0.30
R53240	0.50
R53241	0.50
R33724	0.20
R33725	0.10
R33726	0.32
R136940	0.30
R136939	0.15
R33727	0.31
R53249	0.49
R53250	0.33
R131511	0.30
R137910	0.29
R53245	0.30
R53247	0.27
R53243	0.20
R136942	0.44
R53244	0.50

Exhibit B – Map of the Zone

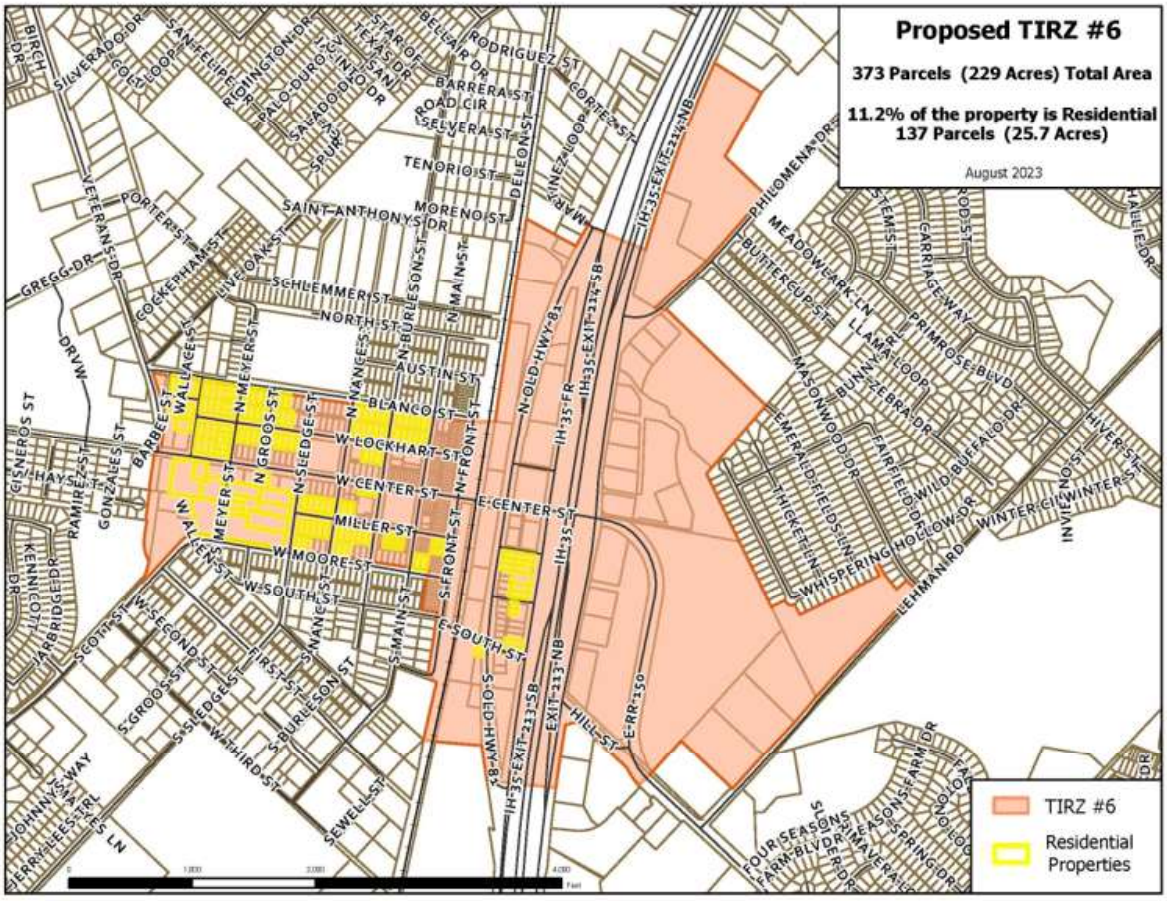


Exhibit C – Preliminary Project and Finance Plan

REINVESTMENT ZONE NUMBER SIX, CITY OF KYLE, TEXAS
PRELIMINARY PROJECT AND FINANCE PLAN

DECEMBER 19, 2023

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SECTION 1: DEFINITIONS

Capitalized terms used in this Preliminary Plan shall have the meanings given to them in **Section I** below unless otherwise defined in this Preliminary Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section," or an "Exhibit," shall be a reference to a Section of this Preliminary Plan or an Exhibit or Appendix attached to and made a part of this Preliminary Plan for all purposes.

"**Act**" means Chapter 311, Texas Tax Code, as amended, "Tax Increment Financing Act".

"**Administrative Costs**" means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

"Appraisal District" means the Hays Central Appraisal District.

"**Board**" means the Board of Directors for the Zone.

"**Captured Appraised Value**" means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

"**City**" means the City of Kyle, Texas.

"City 380 Agreement" means the agreement between the City and any entity that provides incentive payments to the entity, upon the satisfaction of certain metrics, paid with the TIRZ Increment Receipts produced by the Zone.

"**City Council**" means the governing body of the City.

"**City TIRZ Increment**" means fifty percent (50%) of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone, and deposited into the TIRZ Fund.

"**County**" means Hays County, Texas.

"**County TIRZ Increment**" means fifty percent (50%) of the County's ad valorem real property taxes collected and received by the County on the Captured Appraised Value in the Zone, and deposited into the TIRZ Fund.

"**County Participation Agreement**" means that certain Interlocal Agreement to Participate in Reinvestment Zone Number Six, City of Kyle, Texas, entered into by the City, County, and the Board on [DATE], detailing the City and County's participation in the Zone.

"**Creation Ordinance**" means Ordinance No. _____ adopted by the City Council on December 19, 2023.

"**Feasibility Study**" means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit F**.

"**Final Plan**" means the future *Reinvestment Zone Number Six, City of Kyle Final Project and Finance Plan*.

"Non-Project Costs" means those certain costs that will be spent to develop in the Zone, but will not be financed by the Zone, and will be financed by private funds, as described in **Section 6**, and shown on **Exhibit C**.

"**Preliminary Plan**" means this *Reinvestment Zone Number Six, City of Kyle Preliminary Project and Finance Plan*.

"**Project Costs**" means the total actual costs for Projects in the Zone, including the actual costs of the Public Improvements, the City 380 Agreement, and the Administrative Costs.

"**Property**" means 229 acres of land as depicted on **Exhibit A**.

"**Public Improvements**" means the proposed public improvements to be financed by the Zone, which includes water, wastewater, parking, sidewalks and trails, linear park, and land for floodplain management related thereto, as depicted on **Exhibit H**, and detailed on **Exhibit D**.

"**Tax Increment Base**" means total appraised value of taxable real property in the Zone at the time of creation of the Zone, as calculated and certified by the Appraisal District.

"TIRZ Bonds" means any public securities issued by the City to acquire the Public Improvements, which Debt Service thereof may be paid from the TIRZ Increment Receipts. The preliminary schedule for the TIRZ Bonds is detailed on **Exhibit J**.

"**TIRZ Fund**" means the tax increment fund created by the City and segregated from all other funds of the City.

"TIRZ Increment Receipts" means the cumulative amount of the City TIRZ Increment and the County TIRZ Increment.

"**Zone**" means Reinvestment Zone Number Six, City of Kyle, as depicted on **Exhibit A**.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The City has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the City Council determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is economically feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if the area:

1) substantially arrests or impairs the sound growth of the municipality designating the Zone, retard the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition; or
2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or
3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community; or
4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

2.3 Proposed Zone

The Property within the proposed Zone is currently located within the corporate limits of the City. The Property is predominantly open, undeveloped or underdeveloped, and substantially impairs and arrests the sound growth of the City. Due to its size, location, and physical characteristics development would not occur solely through private investment in the foreseeable future. The Property lacks public infrastructure and requires economic incentive to attract development for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the Public Improvements are financed as contemplated by this Preliminary Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a quality development.

2.4 Preliminary Plan and Hearing

Before the City Council adopted the Creation Ordinance, the City Council prepared the Preliminary Plan in accordance with the Act and held a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons were given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property were given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone project and finance plan was satisfied by the Preliminary Plan, the purpose of which was to describe, in general terms, the development of the Zone, and the economic incentive that would be undertaken by the Zone. A description of the uses of the Property is located in **Exhibit G**, and confirmed by the adoption of this Preliminary Plan.

Upon the closing of the above referenced public hearing, the City Council shall consider the Creation Ordinance and the following findings:

1) that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future,
2) that the Zone was feasible,
3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and
4) that the Zone meets the eligibility requirements of the Act.

Among other provisions required by the Act, the Creation Ordinance shall appoint the Board.

2.5 Creation of the Zone

After the creation of the Zone, the Board shall review the Final Plan and recommend its approval to the City Council pursuant to which the City shall contribute the City TIRZ Increment and the

County shall contribute the County TIRZ Increment into the TIRZ Fund to pay a portion of the Project Costs benefiting the Zone.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The Property is currently zoned Residential Townhome, Community Commercial, and Single Family Residential and is intended to be developed with commercial and residential uses. The Property is undeveloped or underdeveloped, and there is limited public infrastructure to support development. Development requires extensive public infrastructure that: (1) the City could not provide, and (2) would not be provided solely through private investment in the foreseeable future. Currently 11.2% of the property is used for residential purposes as shown on **Exhibit A**.

3.2 Proposed Uses

The proposed uses of the Property in the City include single family residential, commercial, office/retail, multifamily, retail, retail/restaurant, residential townhome, duplexes, vertical mixed-use commercial areas, as shown on **Exhibit G**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is wholly located in the corporate limits of the City and shall be subject to the City's zoning regulations. The Property is currently zoned as Residential Townhome, Community Commercial, and Single Family Residential. The City has exclusive jurisdiction over the subdivision and platting of the property within the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

No persons were displaced and in need of relocation due to the creation of the Zone or shall be due to the implementation of this Preliminary Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

Non-Project Costs are costs that will be spent to develop in the Zone but will not be financed by the Zone, and will be financed by private funds. The list of Non-Project Costs is shown on **Exhibit C** and are estimated to be approximately $336,530,507.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

7.1 Categories of Public Improvements

All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

7.2 Locations of Public Improvements

The estimated locations of the proposed Public Improvements are depicted on **Exhibit H**. These locations may be revised, with the approval of the City, from time to time without amending the Final Plan.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Project Costs

The total costs are estimated to be $102,960,182, as shown below and detailed on **Exhibit D**. The costs of Public Improvements and City 380 Agreement are estimated to be $102,356,163, and the Administrative Costs are estimated to be $604,020.

8.2 Administrative Costs

The Administrative Costs are estimated to be $10,000 per year beginning 2024 and escalating at two percent (2%) thereafter. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid.

8.3 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually through the remaining duration of the Zone. It is estimated the costs for constructing the Public Improvements will be incurred between 2024 and 2032, as shown on **Exhibit E**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Feasibility Study

The Feasibility Study, as shown on **Exhibit F**, focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately $206,623,907 in total new real property tax revenue for the participating taxing entities over the remaining term of the Zone. Approximately $103,311,954 will be deposited into the TIRZ Fund to pay for the Project Costs over the remaining term of the Zone. The remaining real property tax revenue over that period, estimated at $103,311,954 shall be retained by the participating taxing entities.

The Feasibility Study shows the cumulative City TIRZ Increment is estimated to be $62,415,422, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be $62,415,422 over the remaining term.

The Feasibility Study shows the cumulative County TIRZ Increment is estimated to be $40,896,532, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new County real property tax revenue generated within the Zone and retained by the County is estimated to be $40,896,532 over the remaining term.

One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities. Based on the foregoing, the feasibility of the Zone has been demonstrated.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

The City shall be authorized to issue TIRZ Bonds which are payable from the City TIRZ Increment and the County TIRZ Increment. The estimated bonded indebtedness of the Zone is anticipated to be $35,000,000, as shown on **Exhibit J**.

SECTION 11: APPRAISED VALUE

11.1 Tax Increment Base

The Tax Increment Base is estimated to be $71,908,109 and shall be confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value

It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately $1,098,308,668 as shown on **Exhibit F**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate both the City TIRZ Increment the County TIRZ Increment, as applicable, pursuant to the Final Plan.

SECTION 12: METHOD OF FINANCING

12.1 TIRZ Fund Contributions

The Final Plan shall obligate the City to deposit the City TIRZ Increment into the TIRZ Fund beginning in 2024. For example, in FY 2024, the City's ad valorem tax rate was $0.4693 per $100 of taxable value, therefore the City would contribute $0.23465 per $100 of the Captured Appraised Value in the Zone levied and collected, into the TIRZ Fund.

The County Participation Agreement shall obligate the County to deposit the County TIRZ Increment into the TIRZ Fund. For example, in FY 2024, the County's ad valorem tax rate was $0.3075 per $100 of taxable value, therefore the County would contribute $0.15375 per $100 of the Captured Appraised Value in the Zone levied and collected, to the TIRZ Fund.

The TIRZ Increment Receipts deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. First, for the reasonable Administrative Costs of the Zone; then

2. Second, to the allocation for the annual payments of Debt Service of any TIRZ Bonds issued to acquire the Public Improvements; then

3. Third, to be used in any other manner authorized by the City and as allowed pursuant to the Act, including for payments by the City to any third-party for the Project Costs under any agreement between the City and the third-party entered into pursuant to Chapter 380, Texas Local Government Code, as amended.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City or County unless otherwise approved by their respective governing bodies. The TIRZ Fund shall only be used to pay the Project Costs. The City may amend the Final Plan in compliance with the County Participation Agreement, including but not limited to what is considered a Project Cost.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Duration

The stated term of the Zone shall commence upon the execution of the Creation Ordinance and shall continue until December 31, 2063, with the last payment being due by January 31, 2064, unless otherwise terminated in accordance with the Creation Ordinance.

13.2 Termination

The Zone shall terminate on the earlier of (i) December 31, 2063, or (ii) at such time that the obligations of the Zone, including all Project Costs, have been paid in full. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City shall have no obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City from extending the term of the Zone in accordance with the Act.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Preliminary Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Preliminary Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Absorption Schedule
Exhibit C	Non-Project Costs
Exhibit D	Project Costs
Exhibit E	Estimated Timeline of Incurred Costs
Exhibit F	Feasibility Study
Exhibit G	Proposed Uses of the Property
Exhibit H	Map of the Public Improvements
Exhibit I	Parcel Identification
Exhibit J	TIRZ Bond Summary (Preliminary)

EXHIBIT A – MAP OF THE ZONE

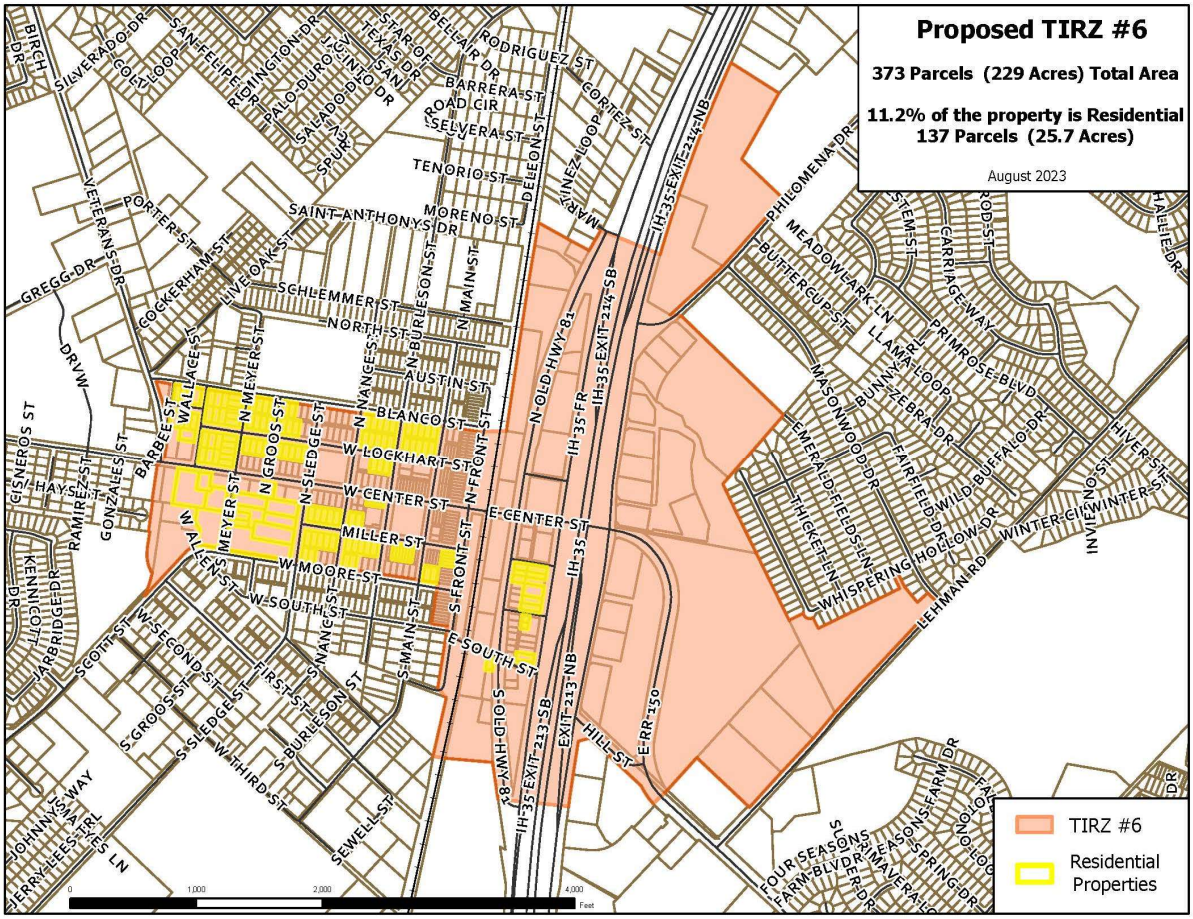


EXHIBIT B – ABSORPTION SCHEDULE

Reinvestment Zone Number 6, City of Kyle, Texas
Estimated Absorption Schedule

Zone Year	Calendar Year	Collection Year	Mixed Use SF	Mixed Use $	Comm./Retail SF	Comm./Retail $	Office SF	Office $	Single Family Unit	Single Family $	Multi-Family Unit	Multi-Family $	Townhome Unit	Townhome $	Hotel Key	Hotel $	Annual New Value
Base	2023	2024															
1	2024	2025	2,163	$ 300	40,867	$ 300	2,365	$ 200	1	$ 400,000	46	$ 170,000	2	$ 325,000	7	$ 200,000	$ 23,701,665
2	2025	2026	4,326	$ 306	81,734	$ 306	4,731	$ 204	-	$ 408,000	93	$ 173,400	4	$ 331,500	14	$ 204,000	$ 47,535,396
3	2026	2027	4,326	$ 312	81,734	$ 312	4,731	$ 208	-	$ 416,160	93	$ 176,868	4	$ 338,130	14	$ 208,080	$ 48,486,104
4	2027	2028	6,488	$ 318	122,601	$ 318	7,096	$ 212	1	$ 424,483	139	$ 180,405	6	$ 344,893	21	$ 212,242	$ 74,608,222
5	2028	2029	6,488	$ 325	122,601	$ 325	7,096	$ 216	-	$ 432,973	139	$ 184,013	6	$ 351,790	21	$ 216,486	$ 75,667,413
6	2029	2030	6,488	$ 331	122,601	$ 331	7,096	$ 221	-	$ 441,632	139	$ 187,694	6	$ 358,826	21	$ 220,816	$ 77,180,761
7	2030	2031	4,326	$ 338	81,734	$ 338	4,731	$ 225	1	$ 450,465	93	$ 191,448	4	$ 366,003	14	$ 225,232	$ 52,933,383
8	2031	2032	4,326	$ 345	81,734	$ 345	4,731	$ 230	-	$ 459,474	93	$ 195,277	4	$ 373,323	14	$ 229,737	$ 53,532,576
9	2032	2033	2,163	$ 351	40,867	$ 351	2,365	$ 234	-	$ 468,664	46	$ 199,182	2	$ 380,789	7	$ 234,332	$ 27,301,614
10	2033	2034	2,163	$ 359	40,867	$ 359	2,365	$ 239	-	$ 478,037	46	$ 203,166	2	$ 388,405	7	$ 239,019	$ 27,847,646
11	2034	2035	-	$ 366	-	$ 366	-	$ 244	-	$ 487,598	-	$ 207,229	-	$ 396,173	-	$ 243,799	$ -
12	2035	2036	-	$ 373	-	$ 373	-	$ 249	-	$ 497,350	-	$ 211,374	-	$ 404,097	-	$ 248,675	$ -
13	2036	2037	-	$ 380	-	$ 380	-	$ 254	-	$ 507,297	-	$ 215,601	-	$ 412,179	-	$ 253,648	$ -
14	2037	2038	-	$ 388	-	$ 388	-	$ 259	-	$ 517,443	-	$ 219,913	-	$ 420,422	-	$ 258,721	$ -
15	2038	2039	-	$ 396	-	$ 396	-	$ 264	-	$ 527,792	-	$ 224,311	-	$ 428,831	-	$ 263,896	$ -
16	2039	2040	-	$ 404	-	$ 404	-	$ 269	-	$ 538,347	-	$ 228,798	-	$ 437,407	-	$ 269,174	$ -
17	2040	2041	-	$ 412	-	$ 412	-	$ 275	-	$ 549,114	-	$ 233,374	-	$ 446,155	-	$ 274,557	$ -
18	2041	2042	-	$ 420	-	$ 420	-	$ 280	-	$ 560,097	-	$ 238,041	-	$ 455,078	-	$ 280,048	$ -
19	2042	2043	-	$ 428	-	$ 428	-	$ 286	-	$ 571,298	-	$ 242,802	-	$ 464,180	-	$ 285,649	$ -
20	2043	2044	-	$ 437	-	$ 437	-	$ 291	-	$ 582,724	-	$ 247,658	-	$ 473,464	-	$ 291,362	$ -
21	2044	2045	-	$ 446	-	$ 446	-	$ 297	-	$ 594,379	-	$ 252,611	-	$ 482,933	-	$ 297,189	$ -
22	2045	2046	-	$ 455	-	$ 455	-	$ 303	-	$ 606,267	-	$ 257,663	-	$ 492,592	-	$ 303,133	$ -
23	2046	2047	-	$ 464	-	$ 464	-	$ 309	-	$ 618,392	-	$ 262,817	-	$ 502,443	-	$ 309,196	$ -
24	2047	2048	-	$ 473	-	$ 473	-	$ 315	-	$ 630,760	-	$ 268,073	-	$ 512,492	-	$ 315,380	$ -
25	2048	2049	-	$ 483	-	$ 483	-	$ 322	-	$ 643,375	-	$ 273,434	-	$ 522,742	-	$ 321,687	$ -
26	2049	2050	-	$ 492	-	$ 492	-	$ 328	-	$ 656,242	-	$ 278,903	-	$ 533,197	-	$ 328,121	$ -
27	2050	2051	-	$ 502	-	$ 502	-	$ 335	-	$ 669,367	-	$ 284,481	-	$ 543,861	-	$ 334,684	$ -
28	2051	2052	-	$ 512	-	$ 512	-	$ 341	-	$ 682,755	-	$ 290,171	-	$ 554,738	-	$ 341,377	$ -
29	2052	2053	-	$ 522	-	$ 522	-	$ 348	-	$ 696,410	-	$ 295,974	-	$ 565,833	-	$ 348,205	$ -
30	2053	2054	-	$ 533	-	$ 533	-	$ 355	-	$ 710,338	-	$ 301,894	-	$ 577,150	-	$ 355,169	$ -
31	2054	2055	-	$ 543	-	$ 543	-	$ 362	-	$ 724,545	-	$ 307,931	-	$ 588,693	-	$ 362,272	$ -
32	2055	2056	-	$ 554	-	$ 554	-	$ 370	-	$ 739,036	-	$ 314,090	-	$ 600,466	-	$ 369,518	$ -
33	2056	2057	-	$ 565	-	$ 565	-	$ 377	-	$ 753,816	-	$ 320,372	-	$ 612,476	-	$ 376,908	$ -
34	2057	2058	-	$ 577	-	$ 577	-	$ 384	-	$ 768,893	-	$ 326,779	-	$ 624,725	-	$ 384,446	$ -
35	2058	2059	-	$ 588	-	$ 588	-	$ 392	-	$ 784,270	-	$ 333,315	-	$ 637,220	-	$ 392,135	$ -
36	2059	2060	-	$ 600	-	$ 600	-	$ 400	-	$ 799,956	-	$ 339,981	-	$ 649,964	-	$ 399,978	$ -
37	2060	2061	-	$ 612	-	$ 612	-	$ 408	-	$ 815,955	-	$ 346,781	-	$ 662,963	-	$ 407,977	$ -
38	2061	2062	-	$ 624	-	$ 624	-	$ 416	-	$ 832,274	-	$ 353,716	-	$ 676,223	-	$ 416,137	$ -
39	2062	2063	-	$ 637	-	$ 637	-	$ 424	-	$ 848,920	-	$ 360,791	-	$ 689,747	-	$ 424,460	$ -
40	2063	2064	-	$ 649	-	$ 649	-	$ 433	-	$ 865,898	-	$ 368,007	-	$ 703,542	-	$ 432,949	$ -
			43,255		**817,337**		**47,308**		**3**		**927**		**39**		**141**		**$ 508,794,779**

(1) Based on data provided by the City, preliminary estimates only. The values are assumed to escalate 2% annually.

EXHIBIT C – NON-PROJECT COSTS

		Buildout Value	
Lot Type	**Unit/SF**	**$**	**Total**
Townhome	39	$ 353,932	$ 13,775,021
Mixed Use	43,255	$ 327	$ 14,131,701
Retail	817,337	$ 327	$ 267,029,103
Multi-Family	927	$ 185,133	$ 171,569,688
Single Family	3	$ 424,983	$ 1,274,948
Office	47,308	$ 218	$ 10,303,938
Hotel	141	$ 217,804	$ 30,710,380
Total Buildout Value			$ 508,794,779
Less: Beginning Taxable Value			$ (71,908,109)
Less: Public Improvements			$ (100,356,163)
Total Non-Project Costs			**$ 336,530,507**

Footnotes:

[1]Preliminary estimates only. Buildout value per unit is the weighted average value during the buildout period, which escalates at 2% annually.

EXHIBIT D – PROJECT COSTS

Reinvestment Zone Number Six, City of Kyle, Texas
Project Costs

Project Costs[1]		TIRZ Funding
Local Streets (Full Rebuild)	$	14,238,000
Sidewalk and Vybe Trail Construction	$	1,537,500
City Office Building (111 N. Front Street)	$	22,950,000
Parking Garages	$	18,000,000
Linear Park & Other Park Improvements	$	7,500,000
TIRZ Bond Interest	$	35,774,800
City 380 Grants	$	2,000,000
Land Acquisition for Floodplain Management	$	355,863
Project Costs Subtotal	**$**	**102,356,163**
Administrative Costs		604,020
Total Project Costs	**$**	**102,960,182**

Footnotes:

[1] Provided by the City on December 1, 2023.

EXHIBIT E – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number Six, City of Kyle, Texas
Estimated Timeline of Incurred Project Costs

Zone Year	Calendar Year	Total Project Costs[1,2]	
		Annual	Cumulative
Base	2023	$ -	$ -
1	2024	$ 3,008,454	$ 3,008,454
2	2025	$ 6,033,672	$ 9,042,126
3	2026	$ 6,154,345	$ 15,196,471
4	2027	$ 9,470,028	$ 24,666,498
5	2028	$ 9,604,471	$ 34,270,969
6	2029	$ 9,796,560	$ 44,067,530
7	2030	$ 6,718,839	$ 50,786,368
8	2031	$ 6,794,894	$ 57,581,262
9	2032	$ 3,465,396	$ 61,046,659
10	2033	$ -	$ 61,046,659
11	2034	$ -	$ 61,046,659
Total		**$ 61,046,659**	

Footnotes:

[1] Estimate provided for illustrative purposes only.

[2] Does not illustrate Administrative Costs, which shall be incurred annually for the duration of the Zone. Does not include interest costs, which will be paid for the duration of the TIRZ Bonds.

EXHIBIT F – FEASIBILITY STUDY

Zone Year	Calendar Year	Growth/ Year[1]	Added Development Value[2]	New Taxable Value	Incremental Value	City Property Tax Increment[4]			County TIRZ Increment[5]			Total TIRZ Fund Contribution	
						%	Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative
Base	2023			$ 71,908,109									
1	2024	2%	23,701,665	$ 97,047,936	$ 25,139,827	50%	$ -	$ -	50%	$ -	$ -	$ -	$ -
2	2025	2%	47,535,396	$ 146,524,290	$ 74,616,181	50%	$ 58,991	$ 58,991	50%	$ 38,652	$ 38,652	$ 97,643	$ 97,643
3	2026	2%	48,486,104	$ 197,940,879	$ 126,032,770	50%	$ 175,087	$ 234,077	50%	$ 114,722	$ 153,375	$ 289,809	$ 387,452
4	2027	2%	74,608,222	$ 276,507,918	$ 204,599,809	50%	$ 295,736	$ 529,813	50%	$ 193,775	$ 347,150	$ 489,511	$ 876,964
5	2028	2%	75,667,413	$ 357,705,490	$ 285,797,381	50%	$ 480,093	$ 1,009,907	50%	$ 314,572	$ 661,722	$ 794,666	$ 1,671,629
6	2029	2%	77,180,761	$ 442,040,361	$ 370,132,252	50%	$ 670,624	$ 1,680,530	50%	$ 439,413	$ 1,101,136	$ 1,110,037	$ 2,781,666
7	2030	2%	52,933,383	$ 503,814,551	$ 431,906,442	50%	$ 868,515	$ 2,549,046	50%	$ 569,078	$ 1,670,214	$ 1,437,594	$ 4,219,260
8	2031	2%	53,532,576	$ 567,423,418	$ 495,515,309	50%	$ 1,013,468	$ 3,562,514	50%	$ 664,056	$ 2,334,270	$ 1,677,525	$ 5,896,785
9	2032	2%	27,301,614	$ 606,073,500	$ 534,165,391	50%	$ 1,162,727	$ 4,725,241	50%	$ 761,855	$ 3,096,125	$ 1,924,581	$ 7,821,366
10	2033	2%	27,847,646	$ 646,042,617	$ 574,134,508	50%	$ 1,253,419	$ 5,978,660	50%	$ 821,279	$ 3,917,404	$ 2,074,698	$ 9,896,064
11	2034	2%	-	$ 658,963,469	$ 587,055,360	50%	$ 1,347,207	$ 7,325,867	50%	$ 882,732	$ 4,800,136	$ 2,229,938	$ 12,126,003
12	2035	2%	-	$ 672,142,738	$ 600,234,629	50%	$ 1,377,525	$ 8,703,392	50%	$ 902,598	$ 5,702,734	$ 2,280,123	$ 14,406,126
13	2036	2%	-	$ 685,585,593	$ 613,677,484	50%	$ 1,408,451	$ 10,111,843	50%	$ 922,861	$ 6,625,595	$ 2,331,311	$ 16,737,437
14	2037	2%	-	$ 699,297,305	$ 627,389,196	50%	$ 1,439,994	$ 11,551,837	50%	$ 943,529	$ 7,569,124	$ 2,383,523	$ 19,120,961
15	2038	2%	-	$ 713,283,251	$ 641,375,142	50%	$ 1,472,169	$ 13,024,005	50%	$ 964,611	$ 8,533,735	$ 2,436,780	$ 21,557,740
16	2039	2%	-	$ 727,548,916	$ 655,640,807	50%	$ 1,504,987	$ 14,528,992	50%	$ 986,114	$ 9,519,849	$ 2,491,101	$ 24,048,841
17	2040	2%	-	$ 742,099,894	$ 670,191,785	50%	$ 1,538,461	$ 16,067,453	50%	$ 1,008,048	$ 10,527,897	$ 2,546,509	$ 26,595,350
18	2041	2%	-	$ 756,941,892	$ 685,033,783	50%	$ 1,572,605	$ 17,640,058	50%	$ 1,030,420	$ 11,558,317	$ 2,603,025	$ 29,198,375
19	2042	2%	-	$ 772,080,730	$ 700,172,621	50%	$ 1,607,432	$ 19,247,490	50%	$ 1,053,239	$ 12,611,556	$ 2,660,671	$ 31,859,046
20	2043	2%	-	$ 787,522,345	$ 715,614,236	50%	$ 1,642,955	$ 20,890,445	50%	$ 1,076,515	$ 13,688,071	$ 2,719,470	$ 34,578,517
21	2044	2%	-	$ 803,272,792	$ 731,364,683	50%	$ 1,679,189	$ 22,569,634	50%	$ 1,100,257	$ 14,788,328	$ 2,779,446	$ 37,357,962
22	2045	2%	-	$ 819,338,247	$ 747,430,138	50%	$ 1,716,147	$ 24,285,781	50%	$ 1,124,473	$ 15,912,802	$ 2,840,620	$ 40,198,583
23	2046	2%	-	$ 835,725,012	$ 763,816,903	50%	$ 1,753,845	$ 26,039,626	50%	$ 1,149,174	$ 17,061,975	$ 2,903,019	$ 43,101,601
24	2047	2%	-	$ 852,439,513	$ 780,531,404	50%	$ 1,792,296	$ 27,831,922	50%	$ 1,174,368	$ 18,236,344	$ 2,966,665	$ 46,068,266
25	2048	2%	-	$ 869,488,303	$ 797,580,194	50%	$ 1,831,517	$ 29,663,439	50%	$ 1,200,067	$ 19,436,411	$ 3,031,584	$ 49,099,850
26	2049	2%	-	$ 886,878,069	$ 814,969,960	50%	$ 1,871,522	$ 31,534,961	50%	$ 1,226,280	$ 20,662,690	$ 3,097,801	$ 52,197,652
27	2050	2%	-	$ 904,615,630	$ 832,707,521	50%	$ 1,912,327	$ 33,447,288	50%	$ 1,253,016	$ 21,915,707	$ 3,165,343	$ 55,362,995
28	2051	2%	-	$ 922,707,943	$ 850,799,834	50%	$ 1,953,948	$ 35,401,237	50%	$ 1,280,288	$ 23,195,995	$ 3,234,236	$ 58,597,231
29	2052	2%	-	$ 941,162,102	$ 869,253,993	50%	$ 1,996,402	$ 37,397,638	50%	$ 1,308,105	$ 24,504,099	$ 3,304,507	$ 61,901,738
30	2053	2%	-	$ 959,985,344	$ 888,077,235	50%	$ 2,039,704	$ 39,437,343	50%	$ 1,336,478	$ 25,840,577	$ 3,376,183	$ 65,277,920
31	2054	2%	-	$ 979,185,051	$ 907,276,942	50%	$ 2,083,873	$ 41,521,216	50%	$ 1,365,419	$ 27,205,996	$ 3,449,292	$ 68,727,212
32	2055	2%	-	$ 998,768,752	$ 926,860,643	50%	$ 2,128,925	$ 43,650,141	50%	$ 1,394,938	$ 28,600,934	$ 3,523,864	$ 72,251,076
33	2056	2%	-	$ 1,018,744,127	$ 946,836,018	50%	$ 2,174,878	$ 45,825,020	50%	$ 1,425,048	$ 30,025,983	$ 3,599,927	$ 75,851,003
34	2057	2%	-	$ 1,039,119,009	$ 967,210,900	50%	$ 2,221,751	$ 48,046,771	50%	$ 1,455,760	$ 31,481,743	$ 3,677,511	$ 79,528,514
35	2058	2%	-	$ 1,059,901,389	$ 987,993,280	50%	$ 2,269,560	$ 50,316,331	50%	$ 1,487,087	$ 32,968,830	$ 3,756,647	$ 83,285,161
36	2059	2%	-	$ 1,081,099,417	$ 1,009,191,308	50%	$ 2,318,326	$ 52,634,657	50%	$ 1,519,040	$ 34,487,869	$ 3,837,366	$ 87,122,527
37	2060	2%	-	$ 1,102,721,406	$ 1,030,813,297	50%	$ 2,368,067	$ 55,002,725	50%	$ 1,551,632	$ 36,039,501	$ 3,919,699	$ 91,042,226
38	2061	2%	-	$ 1,124,775,834	$ 1,052,867,725	50%	$ 2,418,803	$ 57,421,528	50%	$ 1,584,875	$ 37,624,376	$ 4,003,679	$ 95,045,905
39	2062	2%	-	$ 1,147,271,350	$ 1,075,363,241	50%	$ 2,470,554	$ 59,892,082	50%	$ 1,618,784	$ 39,243,161	$ 4,089,338	$ 99,135,243
40	2063	2%	-	$ 1,170,216,777	$ 1,098,308,668	50%	$ 2,523,340	$ 62,415,422	50%	$ 1,653,371	$ 40,896,532	$ 4,176,711	$ 103,311,954
Total			**508,794,779**				**$ 62,415,422**			**$ 40,896,532**		**$ 103,311,954**	

Assumptions	
Base Taxable Value[3]	$ 71,908,109
City AV Rate	0.469300
County AV Rate	0.3075

Footnotes

1) Values increased at 2% annually.
2) Based on project development data as provided by the City.
3) Base Taxable Value is subject to confirmation by Appraisal District.
4) The City agreed to participate at 50% of the Incremental Value of property tax.
5) The County agreed to participate at 50% of the Incremental Value of property tax.

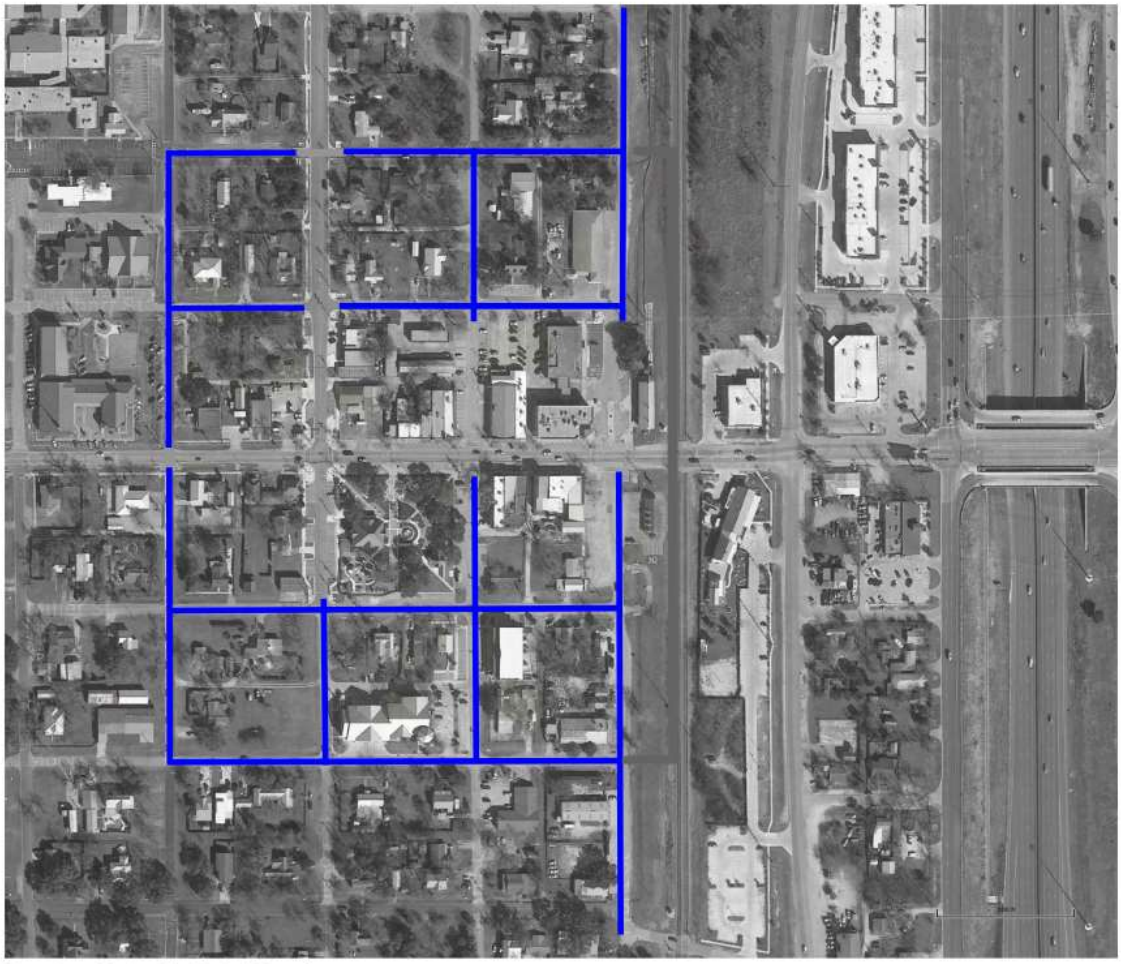
EXHIBIT G – PROPOSED USES OF THE PROPERTY



EXHIBIT H – MAP OF THE PUBLIC IMPROVEMENTS

Full Street Rebuild (Local Streets Only)

- Includes pavement, curb & gutter, water, wastewater, stormwater and decorative lighting.



8,475 linear feet of streets for full rebuild.

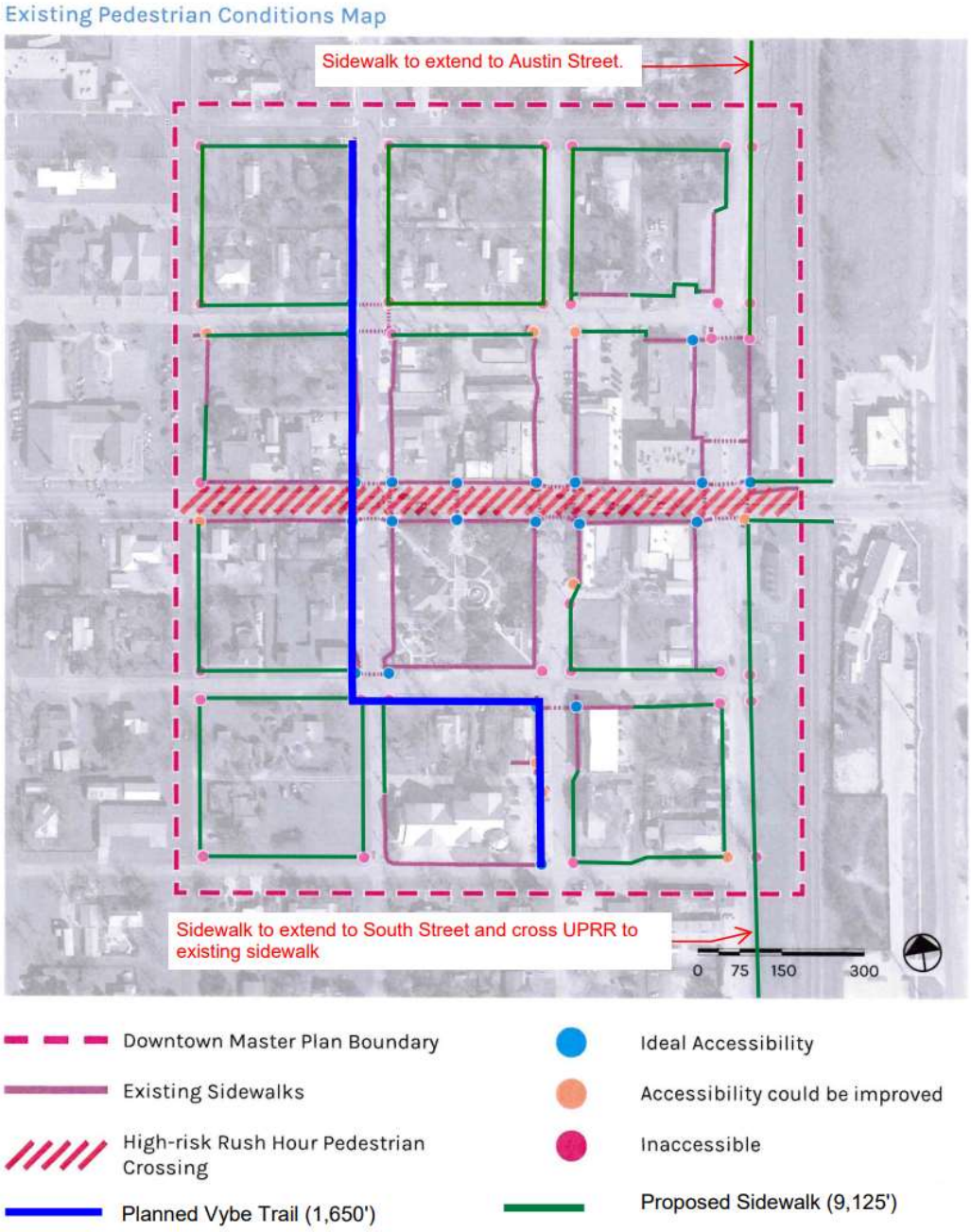
Streets anticipated to be curb & gutter design at 28' of pavement. Recent full depth street construction cost is $60.00 per square foot. T

8,475 linear feet x 28' pavement width x $60.00 per sq. ft. = **$14,238,000.00 + annual % increase for inflation etc.**

*This does not include adjacent sidewalk or Vybe Trail costs, as those are accounted for already in this document.

Sidewalk Construction

Approximately 1,650 linear feet of Vybe Trail & 9,125 linear feet of 5’ sidewalks.



Vybe Trail Estimated Cost @ $378.78 per linear foot = **$625,000.00**

5’ Sidewalk Estimated Cost @ $20.00 per sq. ft. = **$912,500.00**

New City Office Building – 111 N. Front Street

$15,300,000.00 - $22,950,000.00



Downtown Master Plan Project Boundary



The draft Downtown Masterplan contemplates a 2-3 story building to replace the former Kyle Police Department building on site. The footprint of the building (depicted in red) is approximately 75' deep and 170' wide with a footprint of approximately 12,750 sq. ft. The building is assumed to be 3-stories for a total of 38,250 sq. ft. Use will be for office.

Office Building

- Cost at 2-stories
- Footprint = 12,750 sq. ft.
- Gross Floor Area = 25,500 sq. ft.
- Cost per Sq. Ft. = $600.00
- Anticipated Cost = $15,300,000.00

- Cost at 3-stories
- Footprint = 12,750 sq. ft.
- Gross Floor Area = 38,250 sq. ft.
- Cost per Sq. Ft. = $600.00
- Anticipated Cost = $22,950,000.00

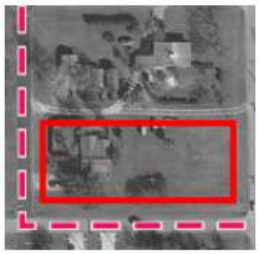
Downtown Parking Garages

The draft Downtown Masterplan anticipates two (2) public above ground parking garages.



Downtown Master Plan Project Boundary





The draft Downtown Masterplan contemplates 2, 3-level public parking garages. One will be located at 201 W. Lockhart Street and the other at 310 W. Moore. Locations are subject to change.

Parking Garage (2)

- 3 Levels
- Number of Parking Spaces = 300 spaces each
- Cost per Parking Space = $30,000.00
- Cost per Garage = $9,000,000.00
- Cost for two(2) Garages = $18,000,000.00

Front Street Linear Park



Downtown Master Plan Project Boundary

The area between North and South Front Street and the UPRR tracks is approximately 2,000' in length. The park intended to provide increased detention capacity for downtown, street parking along Front Street, meandering sidewalks, landscaping, decorative fencing adjacent to the UPRR tracks and landscape easements between the UPRR tracks and IH-35 along along both sides of E. Center Street. The cost is not yet identified, but staff recommends allocating $7,500,000.00 for the project.

Land Acquisition for Floodplain Management

3 parcels to be acquired primarily for floodplain management and possibly used for Vybe Trail connectivity per Vybe Trail map. The parcels are difficult to develop as most of each tract are within the 100-year floodplain. The city should purchase to preserve the floodplain in the area.

- R96710 = TRAILS SUB PHASE IIA, BLOCK J, LOT 58, ACRES 11.45
    - Valued at **$11,450.00**
    - City maintains this detention pond and lot as the HOA dissolved years ago. This parcel also has a key connection of the Vybe Trail identified for this site.
- R14839 = **$125,000** (125% of the market value per Hays CAD).
- R14826 = **$219,412.50** (125% of the market value per Hays CAD).

EXHIBIT I – PARCEL IDENTIFICATION

Parcel ID	Acreage
R180359	16.00
R180358	6.40
R114245	1.00
R114246	0.99
R114247	1.26
R144839	13.21
R114248	1.00
R114249	1.17
R114250	1.17
R114251	1.18
R114252	1.00
R151286	6.97
R151284	4.71
R151285	1.96
R115975	30.18
R96710	11.45
R14839	5.00
R14826	5.00
R14803	5.00
R137372	9.76
R114181	1.16
R114182	1.22
R15973	1.22
R115974	1.71
R175380	4.11
R175383	5.05
R175382	1.46
R175381	2.07
R63395	1.49
R14807	0.27
R14851	0.26
R167099	1.12
R167100	2.13
R113723	2.96
R120645	2.88
R144260	1.28
R144259	0.73
R112079	1.13
R165788	0.62
R165792	2.28

Parcel ID	Acreage
R154932	1.96
R123942	0.22
R155355	1.67
R155356	0.92
R155357	0.90
R14831	2.60
R33474	0.10
R33475	0.20
R33476	0.30
R33473	0.23
R33472	0.70
R33483	0.10
R33484	0.11
R33485	0.13
R33486	0.11
R33487	0.11
R60601	0.11
R33488	0.11
R33482	0.16
R33481	0.16
R33480	0.20
R33479	0.31
R33477	0.16
R33478	0.16
R33494	0.20
R33495	0.10
R33496	0.10
R33497	0.07
R33498	0.11
R33493	0.10
R134854	0.35
R33491	0.43
R33489	0.32
R33490	0.25
R70242	0.11
R70241	0.37
R14690	3.24
R14780	0.32
R14726	1.54
R14822	0.80

Parcel ID	Acreage
R24744	0.14
R14816	0.20
R33536	0.11
R33537	0.63
R33526	0.22
R33527	0.15
R33528	0.22
R33529	0.07
R33532	0.05
R33531	0.07
R33530	0.07
R33535	0.26
R33534	0.26
R33546	0.66
R33551	0.13
R33548	0.16
R33549	0.17
R33550	0.20
R33599	0.66
R33597	0.20
R33598	0.46
R33673	0.40
R33674	0.26
R60611	0.26
R33676	0.13
R33675	0.26
R167978	0.95
R33695	0.45
R33691	0.36
R33692	0.91
R33696	0.50
R33697	0.06
R33694	0.28
R180715	0.21
R180716	0.51
R180714	1.67
R33698	1.05
R138349	0.34
R14745	0.63
R140604	1.31

Parcel ID	Acreage
R140603	1.20
R134175	2.20
R14673	0.26
R14674	0.79
R161685	0.19
R14747	1.24
R14634	0.32
R33688	0.30
R33690	0.27
R33700	0.30
R33687	0.26
R33671	0.26
R33672	0.13
R139266	0.26
R33668	0.30
R33669	0.20
R33670	0.10
R333595	0.10
R33594	0.10
R33596	0.26
R33589	0.05
R33590	0.04
R33592	0.45
R33593	0.19
R60605	1.43
R33523	0.07
R33522	0.07
R106783	0.07
R189520	0.12
R189519	0.07
R33514	0.06
R33515	0.12
R33516	0.60
R33517	0.12
R33521	0.06
R33518	0.19
R33510	0.19
R33511	0.41
R33512	0.17
R60604	0.13

Parcel ID	Acreage
R33513	0.13
R33509	0.26
R60603	0.20
R33506	0.32
R33507	0.15
R33508	0.26
R33499	0.36
R33500	0.22
R33501	0.15
R33559	0.30
R33560	0.10
R33558	0.20
R85300	0.13
R33566	0.26
R33565	0.13
R33564	0.26
R33563	0.13
R33562	0.26
R33561	0.26
R33552	0.07
R33553	0.13
R33554	0.07
R33555	0.13
R33556	0.13
R33557	0.13
R33584	0.50
R33586	0.20
R137802	0.23
R33588	0.40
R33578	0.50
R33579	0.26
R33580	0.26
R33581	0.13
R127899	0.13
R33583	0.13
R60610	0.66
R127819	0.66
R137801	1.43
R33701	0.20
R33702	0.20

Parcel ID	Acreage
R33703	0.26
R33706	0.40
R33704	0.13
R33705	0.13
R165807	0.13
R165808	0.13
R33707	0.20
R33708	0.20
R33709	0.30
R33710	0.37
R33714	0.27
R33713	0.27
R33711	0.02
R33712	0.03
R71100	0.26
R62688	0.13
R33717	0.13
R33715	0.26
R33716	0.26
R33723	0.30
R53240	0.50
R53241	0.50
R33724	0.20
R33725	0.10
R33726	0.32
R136940	0.30
R136939	0.15
R33727	0.31
R53249	0.49
R53250	0.33
R131511	0.30
R137910	0.29
R53245	0.30
R53247	0.27
R53243	0.20
R136942	0.44
R53244	0.50

EXHIBIT J – TIRZ BOND SUMMARY (PRELIMINARY)

City of Kyle, Texas
Downtown TIRZ Debt Financing Plan
December 8, 2023

Year	Calendar Year	TIRZ Increment	$ 10,000,000 Series 2027	$ 15,000,000 Series 2032	$ 10,000,000 Series 2037	$ 35,000,000 Total DS	Remaining TIRZ	Coverage
1	2024	$ -				$ -	$ -	
2	2025	$ 97,643				$ -	$ 97,643	
3	2026	$ 197,496				$ -	$ 197,496	
4	2027	$ 395,351				$ -	$ 395,351	
5	2028	$ 602,579	$ 550,000			$ 550,000	$ 52,579	1.10X
6	2029	$ 816,145	$ 739,638			$ 739,638	$ 76,508	1.10X
7	2030	$ 1,037,900	$ 928,275			$ 928,275	$ 109,625	1.12X
8	2031	$ 1,269,837	$ 1,139,675			$ 1,139,675	$ 130,162	1.11X
9	2032	$ 1,508,740	$ 1,333,013			$ 1,333,013	$ 175,728	1.13X
10	2033	$ 1,720,819	$ 579,825	$ 825,000		$ 1,404,825	$ 315,994	1.22X
11	2034	$ 1,937,140	$ 581,300	$ 1,034,088		$ 1,615,388	$ 321,753	1.20X
12	2035	$ 2,091,792	$ 582,225	$ 1,036,850		$ 1,619,075	$ 472,717	1.29X
13	2036	$ 2,251,744	$ 582,600	$ 1,033,925		$ 1,616,525	$ 635,219	1.39X
14	2037	$ 2,302,364	$ 582,425	$ 1,035,313		$ 1,617,738	$ 684,627	1.42X
15	2038	$ 2,353,997	$ 581,700	$ 1,035,875	$ 550,000	$ 2,167,575	$ 186,422	1.09X
16	2039	$ 2,406,663	$ 580,425	$ 1,035,613	$ 550,000	$ 2,166,038	$ 240,626	1.11X
17	2040	$ 2,460,382	$ 578,600	$ 1,034,525	$ 550,000	$ 2,163,125	$ 297,257	1.14X
18	2041	$ 2,515,176	$ 581,088	$ 1,032,613	$ 550,000	$ 2,163,700	$ 351,476	1.16X
19	2042	$ 2,571,065	$ 577,888	$ 1,034,738	$ 550,000	$ 2,162,625	$ 408,440	1.19X
20	2043	$ 2,571,065	$ 579,000	$ 1,035,763	$ 647,250	$ 2,262,013	$ 309,053	1.14X
21	2044	$ 2,571,065	$ 579,288	$ 1,035,688	$ 641,750	$ 2,256,725	$ 314,340	1.14X
22	2045	$ 2,628,072	$ 578,750	$ 1,034,513	$ 636,250	$ 2,249,513	$ 378,560	1.17X
23	2046	$ 2,686,219	$ 582,250	$ 1,037,100	$ 630,750	$ 2,250,100	$ 436,119	1.19X
24	2047	$ 2,745,530	$ 579,788	$ 1,033,450	$ 625,250	$ 2,238,488	$ 507,043	1.23X
25	2048	$ 2,806,026	$ 581,363	$ 1,033,563	$ 930,950	$ 2,545,875	$ 260,151	1.10X
26	2049	$ 2,867,732	$ 581,838	$ 1,032,300	$ 932,163	$ 2,546,300	$ 321,432	1.13X
27	2050	$ 2,930,673	$ 581,213	$ 1,034,525	$ 932,000	$ 2,547,738	$ 382,936	1.15X
28	2051	$ 2,994,872	$ 579,488	$ 1,035,100	$ 930,463	$ 2,545,050	$ 449,822	1.18X
29	2052	$ 3,060,355	$ 581,525	$ 1,034,025	$ 927,550	$ 2,543,100	$ 517,255	1.20X
30	2053	$ 3,060,355	$ 582,188	$ 1,036,163	$ 928,125	$ 2,546,475	$ 513,880	1.20X
31	2054	$ 3,060,355	$ 581,475	$ 1,036,375	$ 931,913	$ 2,549,763	$ 510,593	1.20X
32	2055	$ 3,127,148	$ 579,388	$ 1,034,663	$ 928,913	$ 2,542,963	$ 584,186	1.23X
33	2056	$ 3,195,277	$ 580,788	$ 1,035,888	$ 929,125	$ 2,545,800	$ 649,477	1.26X
34	2057	$ 3,264,768	$ 580,538	$ 1,034,913	$ 932,275	$ 2,547,725	$ 717,043	1.28X
35	2058	$ 3,335,650	$ -	$ 1,036,600	$ 928,363	$ 1,964,963	$ 1,370,688	1.70X
36	2059	$ 3,407,948	$ -	$ 1,035,813	$ 927,388	$ 1,963,200	$ 1,444,748	1.74X
37	2060	$ 3,481,693	$ -	$ 1,032,550	$ 929,075	$ 1,961,625	$ 1,520,068	1.77X
38	2061	$ 3,556,913	$ -	$ 1,036,538	$ 928,288	$ 1,964,825	$ 1,592,088	1.81X
39	2062	$ 3,633,637	$ -	$ 1,032,638	$ 929,888	$ 1,962,525	$ 1,671,112	1.85X
40	2063	$ 3,633,637	$ -	$ -	$ 852,825	$ 852,825	$ 2,780,812	4.26X
Total			$ 19,207,550	$ 30,836,700	$ 20,730,550	$ 70,774,800	$ 22,381,023	

Exhibit B

FINAL PLAN

REINVESTMENT ZONE NUMBER SIX, CITY OF KYLE, TEXAS
FINAL PROJECT AND FINANCE PLAN

APRIL 16, 2024

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SECTION 1: DEFINITIONS

Capitalized terms used in this Final Plan shall have the meanings given to them in **Section I** below unless otherwise defined in this Final Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a "Section," or an "Exhibit," shall be a reference to a Section of this Final Plan or an Exhibit or Appendix attached to and made a part of this Final Plan for all purposes.

"**Act**" means Chapter 311, Texas Tax Code, as amended, "Tax Increment Financing Act".

"**Administrative Costs**" means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

"Appraisal District" means the Hays Central Appraisal District.

"**Board**" means the Board of Directors for the Zone.

"**Captured Appraised Value**" means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

"**City**" means the City of Kyle, Texas.

"City 380 Agreement" means the agreement between the City and any entity that provides incentive payments to the entity, upon the satisfaction of certain metrics, paid with the TIRZ Increment Receipts produced by the Zone.

"**City Council**" means the governing body of the City.

"**City TIRZ Increment**" means fifty percent (50%) of the City's ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone, and deposited into the TIRZ Fund.

"**County**" means Hays County, Texas.

"**County Participation Agreement**" means that certain Interlocal Agreement to Participate in Reinvestment Zone Number Six, City of Kyle, Texas, entered into by the City, County, and the Board on _____, 2024, detailing the City and County's participation in the Zone.

"**County TIRZ Increment**" means fifty percent (50%) of the County's ad valorem real property taxes collected and received by the County on the Captured Appraised Value in the Zone,

excluding the portion of real property taxes collected and received associated with road and bridge maintenance and operations, and deposited into the TIRZ Fund.

"**Creation Ordinance**" means Ordinance No. 1296 adopted by the City Council on December 19, 2023.

"Debt Service" means the total principal and interest due on any TIRZ Bonds issued and sold by the City to acquire the Public Improvements, which Debt Service may be paid from the TIRZ Increment Receipts.

"**Feasibility Study**" means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit F**.

"**Final Plan**" means this *Reinvestment Zone Number Six, City of Kyle Final Project and Finance Plan*.

"Non-Project Costs" means those certain costs that will be spent to develop in the Zone, but will not be financed by the Zone, and will be financed by private funds, as described in **Section 6**, and shown on **Exhibit C**.

"**Preliminary Plan**" means the *Reinvestment Zone Number Six, City of Kyle Preliminary Project and Finance Plan* approved by the City Council on February 20, 2024.

"**Project Costs**" means the total actual costs for those projects benefitting the Zone, as shown on **Exhibit D** hereto, including the actual costs of the Public Improvements, any future City 380 Agreement, and the Administrative Costs.

"**Property**" means 229 acres of land as depicted on **Exhibit A**.

"**Public Improvements**" means the proposed public improvements to be financed by the Zone, which includes roads, stormwater, parking (including parking garage), sidewalks and trails, linear park, City administrative building, and land for floodplain management related thereto, as depicted on **Exhibit H**, and detailed on **Exhibit D**.

"**Tax Increment Base**" means total appraised value of taxable real property in the Zone at the time of creation of the Zone, as calculated and certified by the Appraisal District.

"TIRZ Bonds" means any public securities issued by the City to acquire the Public Improvements, which Debt Service thereof may be paid from the TIRZ Increment Receipts; provided, however, the County portion of TIRZ Increment Receipts shall not be pledged to the payment of TIRZ Bonds. The preliminary schedule for the TIRZ Bonds is detailed on **Exhibit J**.

"**TIRZ Fund**" means the tax increment fund created by the City and segregated from all other funds of the City.

"TIRZ Increment Receipts" means the cumulative amount of the City TIRZ Increment and the County TIRZ Increment.

"**Zone**" means Reinvestment Zone Number Six, City of Kyle, as depicted on **Exhibit A**.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The City has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the City Council determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is economically feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if the area:

1) substantially arrests or impairs the sound growth of the municipality designating the Zone, retard the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition; or
2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or
3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community; or
4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

2.3 Proposed Zone

The Property within the proposed Zone is currently located within the corporate limits of the City. The Property is predominantly open, undeveloped or underdeveloped, and substantially impairs and arrests the sound growth of the City. Due to its size, location, and physical characteristics development would not occur solely through private investment in the foreseeable future. The Property lacks public infrastructure and requires economic incentive to attract development for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the Public Improvements are financed as contemplated by this Final Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a quality development.

2.4 Preliminary Plan and Hearing

Before the City Council adopted the Creation Ordinance, the City Council prepared the Preliminary Plan in accordance with the Act and held a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons were given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property were given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone project and finance plan was satisfied by the Preliminary Plan, the purpose of which was to describe, in general terms, the development of the Zone, and the economic incentive that would be undertaken by the Zone. A description of the uses of the Property is located in **Exhibit G**, and confirmed by the adoption of this Final Plan.

Upon the closing of the above referenced public hearing, the City Council shall consider the Creation Ordinance and the following findings:

1) that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future,
2) that the Zone was feasible,
3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and
4) that the Zone meets the eligibility requirements of the Act.

Among other provisions required by the Act, the Creation Ordinance shall appoint the Board.

2.5 Creation of the Zone

After the creation of the Zone, the Board shall review the Final Plan and recommend its approval to the City Council pursuant to which the City shall contribute the City TIRZ Increment and the

County shall contribute the County TIRZ Increment into the TIRZ Fund to pay a portion of the Project Costs benefiting the Zone.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The Property is currently zoned Residential Townhome, Community Commercial, and Single Family Residential and is intended to be developed with commercial and residential uses. The Property is undeveloped or underdeveloped, and there is limited public infrastructure to support development. Development requires extensive public infrastructure that: (1) the City could not provide, and (2) would not be provided solely through private investment in the foreseeable future. Currently 11.2% of the property is used for residential purposes as shown on **Exhibit A**.

3.2 Proposed Uses

The proposed uses of the Property in the City include single family residential, commercial, office/retail, multifamily, retail, retail/restaurant, residential townhome, duplexes, vertical mixed-use commercial areas, as shown on **Exhibit G**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is wholly located in the corporate limits of the City and shall be subject to the City's zoning regulations. The Property is currently zoned as Residential Townhome, Community Commercial, and Single Family Residential. The City has exclusive jurisdiction over the subdivision and platting of the property within the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 5: RELOCATION OF DISPLACED PERSONS

No persons were displaced and in need of relocation due to the creation of the Zone or shall be due to the implementation of this Final Plan.

SECTION 6: ESTIMATED NON-PROJECT COSTS

Non-Project Costs are costs that will be spent to develop in the Zone but will not be financed by the Zone, and will be financed by private funds. The list of Non-Project Costs is shown on **Exhibit C** and are estimated to be approximately $338,355,507.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

7.1 Categories of Public Improvements

All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

7.2 Locations of Public Improvements

The estimated locations of the proposed Public Improvements are depicted on **Exhibit H**. These locations may be revised, with the approval of the City, from time to time without amending the Final Plan.

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Project Costs

The total costs are estimated to be $99,135,182, as shown below and detailed on **Exhibit D**. The costs of Public Improvements and any future City 380 Agreement are estimated to be $98,531,163, and the Administrative Costs are estimated to be $604,020.

8.2 Administrative Costs

The Administrative Costs are estimated to be $10,000 per year beginning 2024 and escalating at two percent (2%) per year thereafter. The Administrative Costs shall be paid each year from the City’s portion of the TIRZ Fund before any other Project Costs are paid.

8.3 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually through the remaining duration of the Zone. It is estimated the costs for constructing the Public Improvements will be incurred between 2024 and 2032, as shown on **Exhibit E**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Feasibility Study

The Feasibility Study, as shown on **Exhibit F**, focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately $201,304,033 in total new real property tax revenue for the participating taxing entities over the remaining term of the Zone. Approximately $86,575,311 will be deposited into the TIRZ Fund to pay for the Project Costs over the remaining term of the Zone. The remaining real property tax revenue over that period, estimated at $114,728,722 shall be retained by the participating taxing entities.

The Feasibility Study shows the cumulative City TIRZ Increment is estimated to be $62,415,422, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be $62,415,422 over the remaining term.

The Feasibility Study shows the cumulative County TIRZ Increment is estimated to be $24,159,889, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new County real property tax revenue generated within the Zone and retained by the County is estimated to be $52,313,300 over the remaining term.

One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities. Based on the foregoing, the feasibility of the Zone has been demonstrated.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

The City shall be authorized to issue TIRZ Bonds which are payable from the City TIRZ Increment and the County TIRZ Increment. The estimated bonded indebtedness of the Zone is anticipated to be $35,000,000, as shown on **Exhibit J**.

SECTION 11: APPRAISED VALUE

11.1 Tax Increment Base

The Tax Increment Base is estimated to be $71,908,109 and shall be confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value

It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately $1,098,308,668 as shown on **Exhibit F**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate both the City TIRZ Increment the County TIRZ Increment, as applicable, pursuant to the Final Plan.

SECTION 12: METHOD OF FINANCING

12.1 TIRZ Fund Contributions

The Final Plan shall obligate the City to deposit the City TIRZ Increment into the TIRZ Fund beginning in 2024. For example, in FY 2024, the City's ad valorem tax rate was $0.4693 per $100 of taxable value, therefore the City would contribute $0.23465 per $100 of the Captured Appraised Value in the Zone levied and collected, into the TIRZ Fund.

The County Participation Agreement shall obligate the County to deposit the County TIRZ Increment into the TIRZ Fund. For example, in FY 2024, the County's ad valorem tax rate was $0.3075 per $100 of taxable value, of which $0.02 per $100 of taxable value was associated with road and bridge maintenance and operations, therefore the County would contribute $0.14375 per $100 of the Captured Appraised Value in the Zone levied and collected, to the TIRZ Fund.

The TIRZ Increment Receipts deposited into the TIRZ Fund shall be prioritized and allocated on a parcel by parcel basis as follows:

1. First, for the reasonable Administrative Costs of the Zone, to be paid solely from the City's TIRZ contribution; then

2. Second, to the allocation for the annual payments of Debt Service of any TIRZ Bonds issued to acquire the Public Improvements; then

3. Third, to be used in any other manner authorized by the Board and the City and as allowed pursuant to the Act, including for payments by the City to any third-party for the Project Costs under any agreement between the City and the third-party entered into pursuant to Chapter 380, Texas Local Government Code, as amended.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City or County unless otherwise approved by their respective governing bodies. The TIRZ Fund shall only be used to pay the Project Costs. The City may amend the Final Plan in compliance with the County Participation Agreement, including but not limited to what is considered a Project Cost.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Duration

The stated term of the Zone shall commence upon the execution of the Creation Ordinance and shall continue until December 31, 2063, with the last payment being due by January 31, 2064, unless otherwise terminated in accordance with the Creation Ordinance. However, the County's participation in the TIRZ shall only continue until December 31, 2053, unless further extended pursuant to a future amendment to the Interlocal Agreement with the City.

13.2 Termination

The Zone shall terminate on the earlier of (i) December 31, 2063, or (ii) at such time that the obligations of the Zone, including all Project Costs, have been paid in full. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City nor County shall have an obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City or County from extending the term of the Zone in accordance with the Act.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Final Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Final Plan for all purposes.

Exhibit A	Map of the Zone
Exhibit B	Absorption Schedule
Exhibit C	Non-Project Costs
Exhibit D	Project Costs
Exhibit E	Estimated Timeline of Incurred Costs
Exhibit F	Feasibility Study
Exhibit G	Proposed Uses of the Property
Exhibit H	Map of the Public Improvements
Exhibit I	Parcel Identification
Exhibit J	TIRZ Bond Summary (Preliminary)

EXHIBIT A – MAP OF THE ZONE

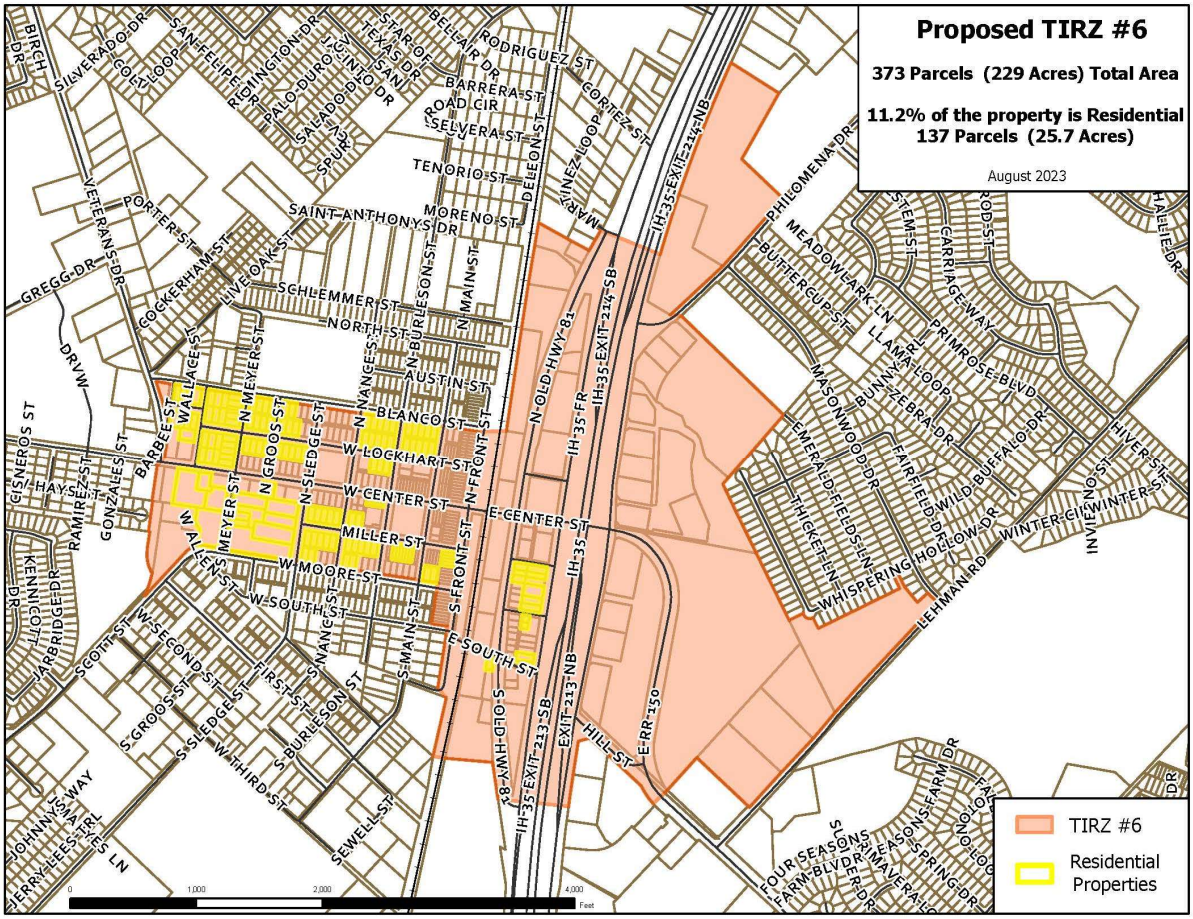


EXHIBIT B – ABSORPTION SCHEDULE

Reinvestment Zone Number 6, City of Kyle, Texas
Estimated Absorption Schedule

Zone Year	Calendar Year	Collection Year	Mixed Use SF	Mixed Use $	Comm./Retail SF	Comm./Retail $	Office SF	Office $	Single Family Unit	Single Family $	Multi-Family Unit	Multi-Family $	Townhome Unit	Townhome $	Hotel Key	Hotel $	Annual New Value
Base	2023	2024															
1	2024	2025	2,163	$ 300	40,867	$ 300	2,365	$ 200	1	$ 400,000	46	$ 170,000	2	$ 325,000	7	$ 200,000	$ 23,701,665
2	2025	2026	4,326	$ 306	81,734	$ 306	4,731	$ 204	-	$ 408,000	93	$ 173,400	4	$ 331,500	14	$ 204,000	$ 47,535,396
3	2026	2027	4,326	$ 312	81,734	$ 312	4,731	$ 208	-	$ 416,160	93	$ 176,868	4	$ 338,130	14	$ 208,080	$ 48,486,104
4	2027	2028	6,488	$ 318	122,601	$ 318	7,096	$ 212	1	$ 424,483	139	$ 180,405	6	$ 344,893	21	$ 212,242	$ 74,608,222
5	2028	2029	6,488	$ 325	122,601	$ 325	7,096	$ 216	-	$ 432,973	139	$ 184,013	6	$ 351,790	21	$ 216,486	$ 75,667,413
6	2029	2030	6,488	$ 331	122,601	$ 331	7,096	$ 221	-	$ 441,632	139	$ 187,694	6	$ 358,826	21	$ 220,816	$ 77,180,761
7	2030	2031	4,326	$ 338	81,734	$ 338	4,731	$ 225	1	$ 450,465	93	$ 191,448	4	$ 366,003	14	$ 225,232	$ 52,933,383
8	2031	2032	4,326	$ 345	81,734	$ 345	4,731	$ 230	-	$ 459,474	93	$ 195,277	4	$ 373,323	14	$ 229,737	$ 53,532,576
9	2032	2033	2,163	$ 351	40,867	$ 351	2,365	$ 234	-	$ 468,664	46	$ 199,182	2	$ 380,789	7	$ 234,332	$ 27,301,614
10	2033	2034	2,163	$ 359	40,867	$ 359	2,365	$ 239	-	$ 478,037	46	$ 203,166	2	$ 388,405	7	$ 239,019	$ 27,847,646
11	2034	2035	-	$ 366	-	$ 366	-	$ 244	-	$ 487,598	-	$ 207,229	-	$ 396,173	-	$ 243,799	$ -
12	2035	2036	-	$ 373	-	$ 373	-	$ 249	-	$ 497,350	-	$ 211,374	-	$ 404,097	-	$ 248,675	$ -
13	2036	2037	-	$ 380	-	$ 380	-	$ 254	-	$ 507,297	-	$ 215,601	-	$ 412,179	-	$ 253,648	$ -
14	2037	2038	-	$ 388	-	$ 388	-	$ 259	-	$ 517,443	-	$ 219,913	-	$ 420,422	-	$ 258,721	$ -
15	2038	2039	-	$ 396	-	$ 396	-	$ 264	-	$ 527,792	-	$ 224,311	-	$ 428,831	-	$ 263,896	$ -
16	2039	2040	-	$ 404	-	$ 404	-	$ 269	-	$ 538,347	-	$ 228,798	-	$ 437,407	-	$ 269,174	$ -
17	2040	2041	-	$ 412	-	$ 412	-	$ 275	-	$ 549,114	-	$ 233,374	-	$ 446,155	-	$ 274,557	$ -
18	2041	2042	-	$ 420	-	$ 420	-	$ 280	-	$ 560,097	-	$ 238,041	-	$ 455,078	-	$ 280,048	$ -
19	2042	2043	-	$ 428	-	$ 428	-	$ 286	-	$ 571,298	-	$ 242,802	-	$ 464,180	-	$ 285,649	$ -
20	2043	2044	-	$ 437	-	$ 437	-	$ 291	-	$ 582,724	-	$ 247,658	-	$ 473,464	-	$ 291,362	$ -
21	2044	2045	-	$ 446	-	$ 446	-	$ 297	-	$ 594,379	-	$ 252,611	-	$ 482,933	-	$ 297,189	$ -
22	2045	2046	-	$ 455	-	$ 455	-	$ 303	-	$ 606,267	-	$ 257,663	-	$ 492,592	-	$ 303,133	$ -
23	2046	2047	-	$ 464	-	$ 464	-	$ 309	-	$ 618,392	-	$ 262,817	-	$ 502,443	-	$ 309,196	$ -
24	2047	2048	-	$ 473	-	$ 473	-	$ 315	-	$ 630,760	-	$ 268,073	-	$ 512,492	-	$ 315,380	$ -
25	2048	2049	-	$ 483	-	$ 483	-	$ 322	-	$ 643,375	-	$ 273,434	-	$ 522,742	-	$ 321,687	$ -
26	2049	2050	-	$ 492	-	$ 492	-	$ 328	-	$ 656,242	-	$ 278,903	-	$ 533,197	-	$ 328,121	$ -
27	2050	2051	-	$ 502	-	$ 502	-	$ 335	-	$ 669,367	-	$ 284,481	-	$ 543,861	-	$ 334,684	$ -
28	2051	2052	-	$ 512	-	$ 512	-	$ 341	-	$ 682,755	-	$ 290,171	-	$ 554,738	-	$ 341,377	$ -
29	2052	2053	-	$ 522	-	$ 522	-	$ 348	-	$ 696,410	-	$ 295,974	-	$ 565,833	-	$ 348,205	$ -
30	2053	2054	-	$ 533	-	$ 533	-	$ 355	-	$ 710,338	-	$ 301,894	-	$ 577,150	-	$ 355,169	$ -
31	2054	2055	-	$ 543	-	$ 543	-	$ 362	-	$ 724,545	-	$ 307,931	-	$ 588,693	-	$ 362,272	$ -
32	2055	2056	-	$ 554	-	$ 554	-	$ 370	-	$ 739,036	-	$ 314,090	-	$ 600,466	-	$ 369,518	$ -
33	2056	2057	-	$ 565	-	$ 565	-	$ 377	-	$ 753,816	-	$ 320,372	-	$ 612,476	-	$ 376,908	$ -
34	2057	2058	-	$ 577	-	$ 577	-	$ 384	-	$ 768,893	-	$ 326,779	-	$ 624,725	-	$ 384,446	$ -
35	2058	2059	-	$ 588	-	$ 588	-	$ 392	-	$ 784,270	-	$ 333,315	-	$ 637,220	-	$ 392,135	$ -
36	2059	2060	-	$ 600	-	$ 600	-	$ 400	-	$ 799,956	-	$ 339,981	-	$ 649,964	-	$ 399,978	$ -
37	2060	2061	-	$ 612	-	$ 612	-	$ 408	-	$ 815,955	-	$ 346,781	-	$ 662,963	-	$ 407,977	$ -
38	2061	2062	-	$ 624	-	$ 624	-	$ 416	-	$ 832,274	-	$ 353,716	-	$ 676,223	-	$ 416,137	$ -
39	2062	2063	-	$ 637	-	$ 637	-	$ 424	-	$ 848,920	-	$ 360,791	-	$ 689,747	-	$ 424,460	$ -
40	2063	2064	-	$ 649	-	$ 649	-	$ 433	-	$ 865,898	-	$ 368,007	-	$ 703,542	-	$ 432,949	$ -
			43,255		**817,337**		**47,308**		**3**		**927**		**39**		**141**		**$ 508,794,779**

(1) Based on data provided by the City, preliminary estimates only. The values are assumed to escalate 2% annually.

EXHIBIT C – NON-PROJECT COSTS

		Buildout Value	
Lot Type	Unit/SF	$	Total
Townhome	39	$ 353,932	$ 13,775,021
Mixed Use	43,255	$ 327	$ 14,131,701
Retail	817,337	$ 327	$ 267,029,103
Multi-Family	927	$ 185,133	$ 171,569,688
Single Family	3	$ 424,983	$ 1,274,948
Office	47,308	$ 218	$ 10,303,938
Hotel	141	$ 217,804	$ 30,710,380
Total Buildout Value			$ 508,794,779
Less: Beginning Taxable Value			$ (71,908,109)
Less: Public Improvements			$ (98,531,163)
Total Non-Project Costs			**$ 338,355,507**

Footnotes:

[1]Preliminary estimates only. Buildout value per unit is the weighted average value during the buildout period, which escalates at 2% annually.

EXHIBIT D – PROJECT COSTS

Reinvestment Zone Number Six, City of Kyle, Texas
Project Costs

Project Costs[1]		TIRZ Funding
Local Streets (Full Rebuild)	$	14,238,000
Sidewalk and Vybe Trail Construction	$	1,537,500
City Office Building (111 N. Front Street)[2] [3]	$	19,125,000
Parking Garages	$	18,000,000
Linear Park & Other Park Improvements	$	7,500,000
TIRZ Bond Interest[2]	$	35,774,800
City 380 Grants	$	2,000,000
Land Acquisition for Floodplain Management	$	355,863
Project Costs Subtotal	**$**	**98,531,163**
Administrative Costs		604,020
Total Project Costs	**$**	**99,135,182**

Footnotes:

[1] Provided by the City on December 1, 2023.

[2] County TIRZ Increment shall only be used for the City Office Building or for debt service on any bonds issued to finance the City Office Building in accordance with the terms of the Interlocal Agreement.

[3] Cost is estimated to be between $15,300,000 and $22,950,000. An average of these two figures is utilized.

EXHIBIT E – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number Six, City of Kyle, Texas
Estimated Timeline of Incurred Project Costs

Zone Year	Calendar Year	Total Project Costs[1,2]	
		Annual	Cumulative
Base	2023	$ -	$ -
1	2024	$ 3,101,622	$ 3,101,622
2	2025	$ 6,220,527	$ 9,322,149
3	2026	$ 6,344,937	$ 15,667,086
4	2027	$ 9,763,302	$ 25,430,388
5	2028	$ 9,901,909	$ 35,332,296
6	2029	$ 10,099,947	$ 45,432,243
7	2030	$ 6,926,912	$ 52,359,155
8	2031	$ 7,005,323	$ 59,364,479
9	2032	$ 3,572,715	$ 62,937,193
10	2033	$ -	$ 62,937,193
11	2034	$ -	$ 62,937,193
Total		**$ 62,937,193**	

Footnotes:

[1] Estimate provided for illustrative purposes only.

[2] Does not illustrate Administrative Costs, which shall be incurred annually for the duration of the Zone. Does not include interest costs, which will be paid for the duration of the TIRZ Bonds.

EXHIBIT F – FEASIBILITY STUDY

Zone Year	Calendar Year	Growth/ Year[1]	Added Development Value[2]	New Taxable Value	Incremental Value	City Property Tax Increment[4]			County TIRZ Increment[5]			Total TIRZ Fund Contribution	
						%	Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative
Base	2023			$ 71,908,109									
1	2024	2%	23,701,665	$ 97,047,936	$ 25,139,827	50%	$ -	$ -	50%	$ -	$ -	$ -	$ -
2	2025	2%	47,535,396	$ 146,524,290	$ 74,616,181	50%	$ 58,991	$ 58,991	50%	$ 36,139	$ 36,139	$ 95,129	$ 95,129
3	2026	2%	48,486,104	$ 197,940,879	$ 126,032,770	50%	$ 175,087	$ 234,077	50%	$ 107,261	$ 143,399	$ 282,348	$ 377,477
4	2027	2%	74,608,222	$ 276,507,918	$ 204,599,809	50%	$ 295,736	$ 529,813	50%	$ 181,172	$ 324,571	$ 476,908	$ 854,385
5	2028	2%	75,667,413	$ 357,705,490	$ 285,797,381	50%	$ 480,093	$ 1,009,907	50%	$ 294,112	$ 618,684	$ 774,206	$ 1,628,590
6	2029	2%	77,180,761	$ 442,040,361	$ 370,132,252	50%	$ 670,624	$ 1,680,530	50%	$ 410,834	$ 1,029,517	$ 1,081,457	$ 2,710,048
7	2030	2%	52,933,383	$ 503,814,551	$ 431,906,442	50%	$ 868,515	$ 2,549,046	50%	$ 532,065	$ 1,561,582	$ 1,400,580	$ 4,110,628
8	2031	2%	53,532,576	$ 567,423,418	$ 495,515,309	50%	$ 1,013,468	$ 3,562,514	50%	$ 620,866	$ 2,182,448	$ 1,634,334	$ 5,744,962
9	2032	2%	27,301,614	$ 606,073,500	$ 534,165,391	50%	$ 1,162,727	$ 4,725,241	50%	$ 712,303	$ 2,894,751	$ 1,875,030	$ 7,619,992
10	2033	2%	27,847,646	$ 646,042,617	$ 574,134,508	50%	$ 1,253,419	$ 5,978,660	50%	$ 767,863	$ 3,662,614	$ 2,021,282	$ 9,641,274
11	2034	2%	-	$ 658,963,469	$ 587,055,360	50%	$ 1,347,207	$ 7,325,867	50%	$ 825,318	$ 4,487,932	$ 2,172,525	$ 11,813,799
12	2035	2%	-	$ 672,142,738	$ 600,234,629	50%	$ 1,377,525	$ 8,703,392	50%	$ 843,892	$ 5,331,824	$ 2,221,417	$ 14,035,216
13	2036	2%	-	$ 685,585,593	$ 613,677,484	50%	$ 1,408,451	$ 10,111,843	50%	$ 862,837	$ 6,194,662	$ 2,271,288	$ 16,306,504
14	2037	2%	-	$ 699,297,305	$ 627,389,196	50%	$ 1,439,994	$ 11,551,837	50%	$ 882,161	$ 7,076,823	$ 2,322,156	$ 18,628,660
15	2038	2%	-	$ 713,283,251	$ 641,375,142	50%	$ 1,472,169	$ 13,024,005	50%	$ 901,872	$ 7,978,695	$ 2,374,041	$ 21,002,701
16	2039	2%	-	$ 727,548,916	$ 655,640,807	50%	$ 1,504,987	$ 14,528,992	50%	$ 921,977	$ 8,900,672	$ 2,426,964	$ 23,429,664
17	2040	2%	-	$ 742,099,894	$ 670,191,785	50%	$ 1,538,461	$ 16,067,453	50%	$ 942,484	$ 9,843,155	$ 2,480,945	$ 25,910,609
18	2041	2%	-	$ 756,941,892	$ 685,033,783	50%	$ 1,572,605	$ 17,640,058	50%	$ 963,401	$ 10,806,556	$ 2,536,006	$ 28,446,615
19	2042	2%	-	$ 772,080,730	$ 700,172,621	50%	$ 1,607,432	$ 19,247,490	50%	$ 984,736	$ 11,791,292	$ 2,592,168	$ 31,038,782
20	2043	2%	-	$ 787,522,345	$ 715,614,236	50%	$ 1,642,955	$ 20,890,445	50%	$ 1,006,498	$ 12,797,790	$ 2,649,453	$ 33,688,236
21	2044	2%	-	$ 803,272,792	$ 731,364,683	50%	$ 1,679,189	$ 22,569,634	50%	$ 1,028,695	$ 13,826,486	$ 2,707,884	$ 36,396,120
22	2045	2%	-	$ 819,338,247	$ 747,430,138	50%	$ 1,716,147	$ 24,285,781	50%	$ 1,051,337	$ 14,877,823	$ 2,767,484	$ 39,163,604
23	2046	2%	-	$ 835,725,012	$ 763,816,903	50%	$ 1,753,845	$ 26,039,626	50%	$ 1,074,431	$ 15,952,253	$ 2,828,276	$ 41,991,879
24	2047	2%	-	$ 852,439,513	$ 780,531,404	50%	$ 1,792,296	$ 27,831,922	50%	$ 1,097,987	$ 17,050,240	$ 2,890,283	$ 44,882,163
25	2048	2%	-	$ 869,488,303	$ 797,580,194	50%	$ 1,831,517	$ 29,663,439	50%	$ 1,122,014	$ 18,172,254	$ 2,953,531	$ 47,835,693
26	2049	2%	-	$ 886,878,069	$ 814,969,960	50%	$ 1,871,522	$ 31,534,961	50%	$ 1,146,522	$ 19,318,776	$ 3,018,043	$ 50,853,737
27	2050	2%	-	$ 904,615,630	$ 832,707,521	50%	$ 1,912,327	$ 33,447,288	50%	$ 1,171,519	$ 20,490,295	$ 3,083,846	$ 53,937,583
28	2051	2%	-	$ 922,707,943	$ 850,799,834	50%	$ 1,953,948	$ 35,401,237	50%	$ 1,197,017	$ 21,687,312	$ 3,150,965	$ 57,088,549
29	2052	2%	-	$ 941,162,102	$ 869,253,993	50%	$ 1,996,402	$ 37,397,638	50%	$ 1,223,025	$ 22,910,337	$ 3,219,427	$ 60,307,975
30	2053	2%	-	$ 959,985,344	$ 888,077,235	50%	$ 2,039,704	$ 39,437,343	50%	$ 1,249,553	$ 24,159,889	$ 3,289,257	$ 63,597,232
31	2054	2%	-	$ 979,185,051	$ 907,276,942	50%	$ 2,083,873	$ 41,521,216	0%	$ -	$ 24,159,889	$ 2,083,873	$ 65,681,105
32	2055	2%	-	$ 998,768,752	$ 926,860,643	50%	$ 2,128,925	$ 43,650,141	0%	$ -	$ 24,159,889	$ 2,128,925	$ 67,810,031
33	2056	2%	-	$ 1,018,744,127	$ 946,836,018	50%	$ 2,174,878	$ 45,825,020	0%	$ -	$ 24,159,889	$ 2,174,878	$ 69,984,909
34	2057	2%	-	$ 1,039,119,009	$ 967,210,900	50%	$ 2,221,751	$ 48,046,771	0%	$ -	$ 24,159,889	$ 2,221,751	$ 72,206,660
35	2058	2%	-	$ 1,059,901,389	$ 987,993,280	50%	$ 2,269,560	$ 50,316,331	0%	$ -	$ 24,159,889	$ 2,269,560	$ 74,476,220
36	2059	2%	-	$ 1,081,099,417	$ 1,009,191,308	50%	$ 2,318,326	$ 52,634,657	0%	$ -	$ 24,159,889	$ 2,318,326	$ 76,794,547
37	2060	2%	-	$ 1,102,721,406	$ 1,030,813,297	50%	$ 2,368,067	$ 55,002,725	0%	$ -	$ 24,159,889	$ 2,368,067	$ 79,162,614
38	2061	2%	-	$ 1,124,775,834	$ 1,052,867,725	50%	$ 2,418,803	$ 57,421,528	0%	$ -	$ 24,159,889	$ 2,418,803	$ 81,581,417
39	2062	2%	-	$ 1,147,271,350	$ 1,075,363,241	50%	$ 2,470,554	$ 59,892,082	0%	$ -	$ 24,159,889	$ 2,470,554	$ 84,051,972
40	2063	2%	-	$ 1,170,216,777	$ 1,098,308,668	50%	$ 2,523,340	$ 62,415,422	0%	$ -	$ 24,159,889	$ 2,523,340	$ 86,575,311
Total			**508,794,779**				**$ 62,415,422**			**$ 24,159,889**		**$ 86,575,311**	

Assumptions	
Base Taxable Value[3]	$ 71,908,109
City AV Rate	0.469300
County AV Rate	0.2875

Footnotes

1) Values increased at 2% annually.
2) Based on project development data as provided by the City.
3) Base Taxable Value is subject to confirmation by Appraisal District.
4) The City agreed to participate at 50% of the Incremental Value of property tax.
5) The County agreed to participate at 50% of the Incremental value of property tax, excluding the portion of property tax associated with road and bridge maintenance and operations, for an initial term of 30 years. Any future County participation in Years 31-40 shall be reflected through an amendment to the Interlocal Agreement.

EXHIBIT G – PROPOSED USES OF THE PROPERTY



EXHIBIT H – MAP OF THE PUBLIC IMPROVEMENTS

Full Street Rebuild (Local Streets Only)

- Includes pavement, curb & gutter, stormwater and decorative lighting.



8,475 linear feet of streets for full rebuild.

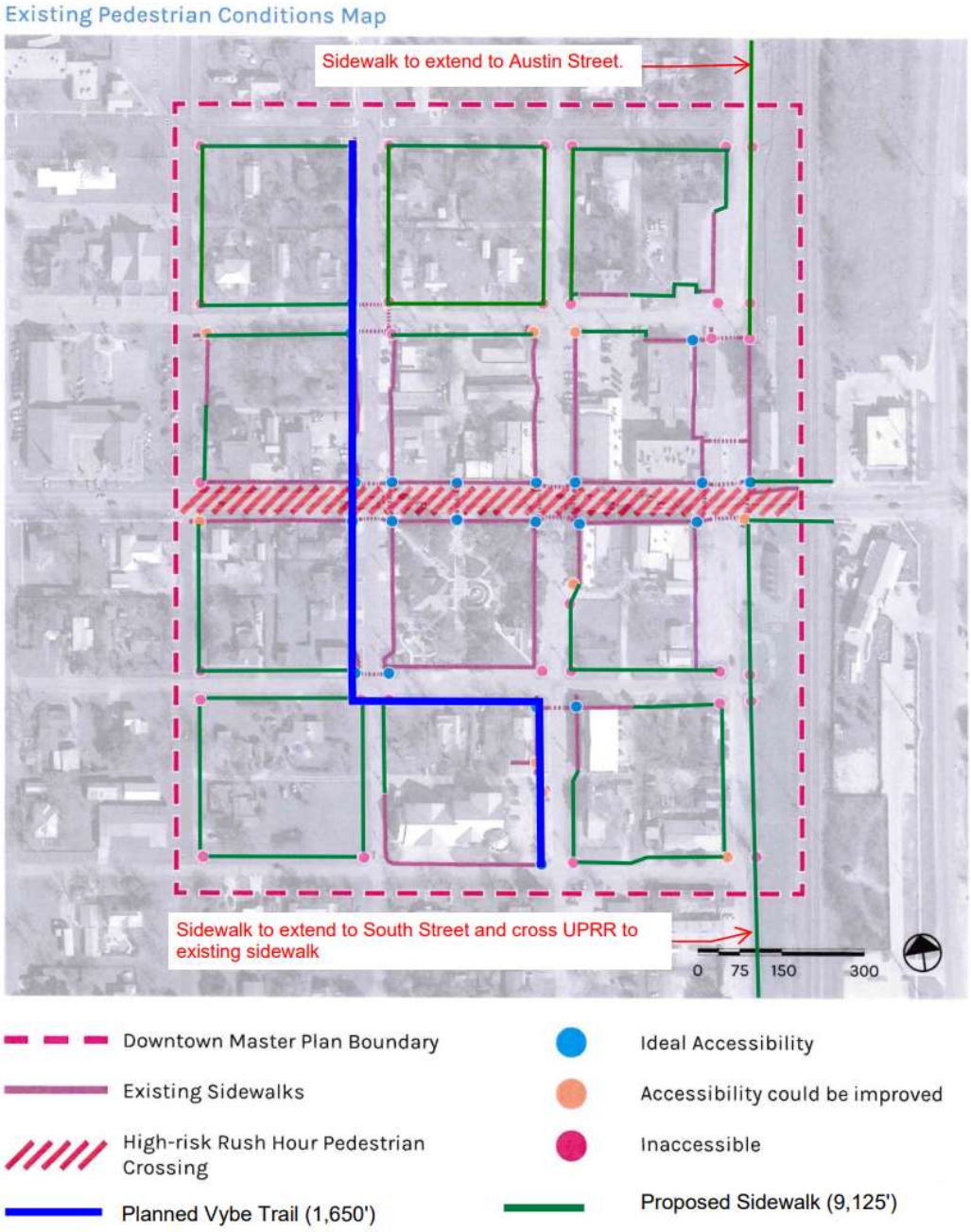
Streets anticipated to be curb & gutter design at 28' of pavement. Recent full depth street construction cost is $60.00 per square foot. T

8,475 linear feet x 28' pavement width x $60.00 per sq. ft. = **$14,238,000.00 + annual % increase for inflation etc.**

*This does not include adjacent sidewalk or Vybe Trail costs, as those are accounted for already in this document.

Sidewalk Construction

Approximately 1,650 linear feet of Vybe Trail & 9,125 linear feet of 5’ sidewalks.



Vybe Trail Estimated Cost @ $378.78 per linear foot = **$625,000.00**

5’ Sidewalk Estimated Cost @ $20.00 per sq. ft. = **$912,500.00**

New City Office Building – 111 N. Front Street

$15,300,000.00 - $22,950,000.00



Downtown Master Plan Project Boundary



The draft Downtown Masterplan contemplates a 2-3 story building to replace the former Kyle Police Department building on site. The footprint of the building (depicted in red) is approximately 75' deep and 170' wide with a footprint of approximately 12,750 sq. ft. The building is assumed to be 3-stories for a total of 38,250 sq. ft. Use will be for office.

Office Building

- Cost at 2-stories
- Footprint = 12,750 sq. ft.
- Gross Floor Area = 25,500 sq. ft.
- Cost per Sq. Ft. = $600.00
- Anticipated Cost = $15,300,000.00

- Cost at 3-stories
- Footprint = 12,750 sq. ft.
- Gross Floor Area = 38,250 sq. ft.
- Cost per Sq. Ft. = $600.00
- Anticipated Cost = $22,950,000.00

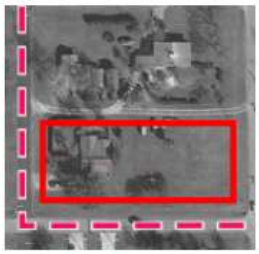
Downtown Parking Garages

The draft Downtown Masterplan anticipates two (2) public above ground parking garages.



Downtown Master Plan Project Boundary





The draft Downtown Masterplan contemplates 2, 3-level public parking garages. One will be located at 201 W. Lockhart Street and the other at 310 W. Moore. Locations are subject to change.

Parking Garage (2)

- 3 Levels
- Number of Parking Spaces = 300 spaces each
- Cost per Parking Space = $30,000.00
- Cost per Garage = $9,000,000.00
- Cost for two(2) Garages = $18,000,000.00

Front Street Linear Park



Downtown Master Plan Project Boundary

The area between North and South Front Street and the UPRR tracks is approximately 2,000' in length. The park intended to provide increased detention capacity for downtown, street parking along Front Street, meandering sidewalks, landscaping, decorative fencing adjacent to the UPRR tracks and landscape easements between the UPRR tracks and IH-35 along along both sides of E. Center Street. The cost is not yet identified, but staff recommends allocating $7,500,000.00 for the project.

Land Acquisition for Floodplain Management

3 parcels to be acquired primarily for floodplain management and possibly used for Vybe Trail connectivity per Vybe Trail map. The parcels are difficult to develop as most of each tract are within the 100-year floodplain. The City should purchase to preserve the floodplain in the area.

- R96710 = TRAILS SUB PHASE IIA, BLOCK J, LOT 58, ACRES 11.45
    - Valued at **$11,450.00**
    - City maintains this detention pond and lot as the HOA dissolved years ago. This parcel also has a key connection of the Vybe Trail identified for this site.
- R14839 = **$125,000** (125% of the market value per Hays CAD).
- R14826 = **$219,412.50** (125% of the market value per Hays CAD).

EXHIBIT I – PARCEL IDENTIFICATION

Parcel ID	Acreage
R180359	16.00
R180358	6.40
R114245	1.00
R114246	0.99
R114247	1.26
R144839	13.21
R114248	1.00
R114249	1.17
R114250	1.17
R114251	1.18
R114252	1.00
R151286	6.97
R151284	4.71
R151285	1.96
R115975	30.18
R96710	11.45
R14839	5.00
R14826	5.00
R14803	5.00
R137372	9.76
R114181	1.16
R114182	1.22
R15973	1.22
R115974	1.71
R175380	4.11
R175383	5.05
R175382	1.46
R175381	2.07
R63395	1.49
R14807	0.27
R14851	0.26
R167099	1.12
R167100	2.13
R113723	2.96
R120645	2.88
R144260	1.28
R144259	0.73
R112079	1.13
R165788	0.62
R165792	2.28

Parcel ID	Acreage
R154932	1.96
R123942	0.22
R155355	1.67
R155356	0.92
R155357	0.90
R14831	2.60
R33474	0.10
R33475	0.20
R33476	0.30
R33473	0.23
R33472	0.70
R33483	0.10
R33484	0.11
R33485	0.13
R33486	0.11
R33487	0.11
R60601	0.11
R33488	0.11
R33482	0.16
R33481	0.16
R33480	0.20
R33479	0.31
R33477	0.16
R33478	0.16
R33494	0.20
R33495	0.10
R33496	0.10
R33497	0.07
R33498	0.11
R33493	0.10
R134854	0.35
R33491	0.43
R33489	0.32
R33490	0.25
R70242	0.11
R70241	0.37
R14690	3.24
R14780	0.32
R14726	1.54
R14822	0.80

Parcel ID	Acreage
R24744	0.14
R14816	0.20
R33536	0.11
R33537	0.63
R33526	0.22
R33527	0.15
R33528	0.22
R33529	0.07
R33532	0.05
R33531	0.07
R33530	0.07
R33535	0.26
R33534	0.26
R33546	0.66
R33551	0.13
R33548	0.16
R33549	0.17
R33550	0.20
R33599	0.66
R33597	0.20
R33598	0.46
R33673	0.40
R33674	0.26
R60611	0.26
R33676	0.13
R33675	0.26
R167978	0.95
R33695	0.45
R33691	0.36
R33692	0.91
R33696	0.50
R33697	0.06
R33694	0.28
R180715	0.21
R180716	0.51
R180714	1.67
R33698	1.05
R138349	0.34
R14745	0.63
R140604	1.31

Parcel ID	Acreage
R140603	1.20
R134175	2.20
R14673	0.26
R14674	0.79
R161685	0.19
R14747	1.24
R14634	0.32
R33688	0.30
R33690	0.27
R33700	0.30
R33687	0.26
R33671	0.26
R33672	0.13
R139266	0.26
R33668	0.30
R33669	0.20
R33670	0.10
R333595	0.10
R33594	0.10
R33596	0.26
R33589	0.05
R33590	0.04
R33592	0.45
R33593	0.19
R60605	1.43
R33523	0.07
R33522	0.07
R106783	0.07
R189520	0.12
R189519	0.07
R33514	0.06
R33515	0.12
R33516	0.60
R33517	0.12
R33521	0.06
R33518	0.19
R33510	0.19
R33511	0.41
R33512	0.17
R60604	0.13

Parcel ID	Acreage
R33513	0.13
R33509	0.26
R60603	0.20
R33506	0.32
R33507	0.15
R33508	0.26
R33499	0.36
R33500	0.22
R33501	0.15
R33559	0.30
R33560	0.10
R33558	0.20
R85300	0.13
R33566	0.26
R33565	0.13
R33564	0.26
R33563	0.13
R33562	0.26
R33561	0.26
R33552	0.07
R33553	0.13
R33554	0.07
R33555	0.13
R33556	0.13
R33557	0.13
R33584	0.50
R33586	0.20
R137802	0.23
R33588	0.40
R33578	0.50
R33579	0.26
R33580	0.26
R33581	0.13
R127899	0.13
R33583	0.13
R60610	0.66
R127819	0.66
R137801	1.43
R33701	0.20
R33702	0.20

Parcel ID	Acreage
R33703	0.26
R33706	0.40
R33704	0.13
R33705	0.13
R165807	0.13
R165808	0.13
R33707	0.20
R33708	0.20
R33709	0.30
R33710	0.37
R33714	0.27
R33713	0.27
R33711	0.02
R33712	0.03
R71100	0.26
R62688	0.13
R33717	0.13
R33715	0.26
R33716	0.26
R33723	0.30
R53240	0.50
R53241	0.50
R33724	0.20
R33725	0.10
R33726	0.32
R136940	0.30
R136939	0.15
R33727	0.31
R53249	0.49
R53250	0.33
R131511	0.30
R137910	0.29
R53245	0.30
R53247	0.27
R53243	0.20
R136942	0.44
R53244	0.50

EXHIBIT J – TIRZ BOND SUMMARY (PRELIMINARY)

City of Kyle, Texas
Downtown TIRZ Debt Financing Plan
December 8, 2023

Year	Calendar Year	TIRZ Increment	$ 10,000,000 Series 2027	$ 15,000,000 Series 2032	$ 10,000,000 Series 2037	$ 35,000,000 Total DS	Remaining TIRZ	Coverage
1	2024	$ -				$ -	$ -	
2	2025	$ 97,643				$ -	$ 97,643	
3	2026	$ 197,496				$ -	$ 197,496	
4	2027	$ 395,351				$ -	$ 395,351	
5	2028	$ 602,579	$ 550,000			$ 550,000	$ 52,579	1.10X
6	2029	$ 816,145	$ 739,638			$ 739,638	$ 76,508	1.10X
7	2030	$ 1,037,900	$ 928,275			$ 928,275	$ 109,625	1.12X
8	2031	$ 1,269,837	$ 1,139,675			$ 1,139,675	$ 130,162	1.11X
9	2032	$ 1,508,740	$ 1,333,013			$ 1,333,013	$ 175,728	1.13X
10	2033	$ 1,720,819	$ 579,825	$ 825,000		$ 1,404,825	$ 315,994	1.22X
11	2034	$ 1,937,140	$ 581,300	$ 1,034,088		$ 1,615,388	$ 321,753	1.20X
12	2035	$ 2,091,792	$ 582,225	$ 1,036,850		$ 1,619,075	$ 472,717	1.29X
13	2036	$ 2,251,744	$ 582,600	$ 1,033,925		$ 1,616,525	$ 635,219	1.39X
14	2037	$ 2,302,364	$ 582,425	$ 1,035,313		$ 1,617,738	$ 684,627	1.42X
15	2038	$ 2,353,997	$ 581,700	$ 1,035,875	$ 550,000	$ 2,167,575	$ 186,422	1.09X
16	2039	$ 2,406,663	$ 580,425	$ 1,035,613	$ 550,000	$ 2,166,038	$ 240,626	1.11X
17	2040	$ 2,460,382	$ 578,600	$ 1,034,525	$ 550,000	$ 2,163,125	$ 297,257	1.14X
18	2041	$ 2,515,176	$ 581,088	$ 1,032,613	$ 550,000	$ 2,163,700	$ 351,476	1.16X
19	2042	$ 2,571,065	$ 577,888	$ 1,034,738	$ 550,000	$ 2,162,625	$ 408,440	1.19X
20	2043	$ 2,571,065	$ 579,000	$ 1,035,763	$ 647,250	$ 2,262,013	$ 309,053	1.14X
21	2044	$ 2,571,065	$ 579,288	$ 1,035,688	$ 641,750	$ 2,256,725	$ 314,340	1.14X
22	2045	$ 2,628,072	$ 578,750	$ 1,034,513	$ 636,250	$ 2,249,513	$ 378,560	1.17X
23	2046	$ 2,686,219	$ 582,250	$ 1,037,100	$ 630,750	$ 2,250,100	$ 436,119	1.19X
24	2047	$ 2,745,530	$ 579,788	$ 1,033,450	$ 625,250	$ 2,238,488	$ 507,043	1.23X
25	2048	$ 2,806,026	$ 581,363	$ 1,033,563	$ 930,950	$ 2,545,875	$ 260,151	1.10X
26	2049	$ 2,867,732	$ 581,838	$ 1,032,300	$ 932,163	$ 2,546,300	$ 321,432	1.13X
27	2050	$ 2,930,673	$ 581,213	$ 1,034,525	$ 932,000	$ 2,547,738	$ 382,936	1.15X
28	2051	$ 2,994,872	$ 579,488	$ 1,035,100	$ 930,463	$ 2,545,050	$ 449,822	1.18X
29	2052	$ 3,060,355	$ 581,525	$ 1,034,025	$ 927,550	$ 2,543,100	$ 517,255	1.20X
30	2053	$ 3,060,355	$ 582,188	$ 1,036,163	$ 928,125	$ 2,546,475	$ 513,880	1.20X
31	2054	$ 3,060,355	$ 581,475	$ 1,036,375	$ 931,913	$ 2,549,763	$ 510,593	1.20X
32	2055	$ 3,127,148	$ 579,388	$ 1,034,663	$ 928,913	$ 2,542,963	$ 584,186	1.23X
33	2056	$ 3,195,277	$ 580,788	$ 1,035,888	$ 929,125	$ 2,545,800	$ 649,477	1.26X
34	2057	$ 3,264,768	$ 580,538	$ 1,034,913	$ 932,275	$ 2,547,725	$ 717,043	1.28X
35	2058	$ 3,335,650	$ -	$ 1,036,600	$ 928,363	$ 1,964,963	$ 1,370,688	1.70X
36	2059	$ 3,407,948	$ -	$ 1,035,813	$ 927,388	$ 1,963,200	$ 1,444,748	1.74X
37	2060	$ 3,481,693	$ -	$ 1,032,550	$ 929,075	$ 1,961,625	$ 1,520,068	1.77X
38	2061	$ 3,556,913	$ -	$ 1,036,538	$ 928,288	$ 1,964,825	$ 1,592,088	1.81X
39	2062	$ 3,633,637	$ -	$ 1,032,638	$ 929,888	$ 1,962,525	$ 1,671,112	1.85X
40	2063	$ 3,633,637	$ -	$ -	$ 852,825	$ 852,825	$ 2,780,812	4.26X
Total			$ 19,207,550	$ 30,836,700	$ 20,730,550	$ 70,774,800	$ 22,381,023	

Department Memo

City Council Regular Meeting

DEPARTMENT: Economic Development

FROM: Victoria Vargas, Director of Economic Development

MEETING: April 16, 2024

SUBJECT:

Consider approval of an ordinance of the city council of the city of Kyle, Texas establishing an exemption from ad valorem taxes for qualifying childcare facility properties.

SUMMARY:

During the 88th Legislative Session, the Texas Legislature passed Senate Bill (SB) 1145 and Senate Joint Resolution (SJR) 64 to amend Article VIII of the Texas Constitution to allow cities and counties the option to provide an exemption from ad valorem property taxation between 50 to 100 percent of the appraised value of all or a part of real property used to operate a childcare facility, contingent on voter approval.

On November 7, 2023, 64.8% of Texas voters approved the constitutional amendment (Proposition/Prop 2), which paved the way for SB 1145 and SJR 64 to officially become law on January 1, 2024.

Texas Tax Code Section 11.36, as added by S.B. 1145 of the 88th Texas Legislature regular session, authorizes an exemption from property taxes on all or part of the appraised value of real property, or a portion thereof, operating as a qualifying childcare facility.

The property tax exemption will support and help reduce the financial burden for early education providers caring for our most vulnerable children.

Once adopted and in order to receive the child-care facility tax exemption, the person claiming the exemption must submit an application to the applicable appraisal district in which the property is located, demonstrating that they meet the qualifications.

To qualify:

- a child-care facility must be licensed by the Health and Human Services Commission,
- the owner or operator must participate in the Texas Workforce Commission (TWC)'s Texas Rising Star Program, and
- maintain a minimum 20% enrollment of children receiving subsidized services through the Texas Workforce Commission.

As set forth in Texas Tax Code Section 11.36(g), a person cannot claim the child-care facility exemption on property they own and lease to another to operate a qualifying child-care facility if the person also claims a Texas Tax Code Section 11.13 residence homestead exemption on the property or leases any part of the property to another for use as a principal residence.

State law requires property owners to pass on all savings to the childcare provider(s) who rent their facilities. For properties taxed as a single entity but subdivided for tenants, the law states that only the square footage used for childcare may be used to calculate the tax exemption by the local appraisal district.

On March 12, 2024, the Hays County Commissioners Court, by unanimous vote, approved a 100 percent exemption from the County s ad valorem property tax for eligible childcare facilities pursuant to Section 11.36 of the Texas Property Tax Code.

Currently only three (3) childcare facilities in the Kyle city limits are participating in the Texas Workforce Commission (TWC)'s Texas Rising Star Program.

OPTIONS:

1. Approve the ordinance with a 100 percent exemption.
2. Approve an amended version of the ordinance with a 50 percent exemption.
3. Disapprove the ordinance.

RECOMMENDATION:

Staff recommends approval of the ordinance with a 100 percent exemption.

FISCAL IMPACT:

Annually less than $5000

STAFF CONTACT:

Name: Victoria Vargas
Title: Director of Economic Development
Email: Victoria@cityofkyle.com
Phone: 512-262-3932

Qualifying Childcare Tax Exemption Ordinance

Authorized by Texas Tax Code Section 11.36

Economic Development Department

CITY OF KYLE
ESTABLISHED 1880

Summary

- During the 88th Legislative Session, Senate Bill 1145 and Senate Joint Resolution 64 passed, allowing cities and counties the option to provide an exemption from ad valorem property taxation between 50 & 100% of the appraised value of all or a part of real property used to operate a childcare facility, contingent on voter approval.
- On November 7, 2023, Texas voters approved the constitutional amendment.
- As a result, Texas Tax Code Section 11.36 authorizing an exemption from property taxes on all or part of the appraised value of real property, or a portion thereof, for qualifying childcare facilities became law on January 1, 2024.
- This property tax exemption will support and help reduce the financial burden for early education providers caring for our most vulnerable children.

Summary (continued)

- Once adopted, and to receive the child-care facility tax exemption, someone claiming the exemption must submit an application to the applicable appraisal district in which the property is located, demonstrating they meet these qualifications:
  - child-care facility must be licensed by the Health and Human Services Commission,
  - the owner or operator must participate in the Texas Workforce Commission (TWC)'s Texas Rising Star Program, and
  - maintain a minimum 20% enrollment of children receiving subsidized services through the Texas Workforce Commission.

Summary (continued)

- Per the new code, a property owner cannot claim the child-care facility exemption on property they lease to another to operate a qualifying child-care facility if the owner also claims a residence homestead exemption on the property or leases any part of the property to another for use as a principal residence.
- State law requires property owners to pass on all savings to the childcare provider(s) who rent their facilities. For properties taxed as a single entity but subdivided, the law states only the square footage used for childcare may be used to calculate the childcare tax exemption.
- On March 12, 2024, the Hays County Commissioners Court approved a 100% exemption from the County's ad valorem property tax for eligible childcare facilities.
- Currently only three childcare facilities in the Kyle city limits are participating in the Texas Workforce Commission (TWC)'s Texas Rising Star Program.

Fiscal Impact

Less than $5000 annually.



Options & Recommendation

- Options:
  1. Approve the ordinance with a 100% exemption.
  2. Approve an amended version of the ordinance with a 50% exemption.
  3. Disapprove the ordinance.
- Recommendation:
  - Staff recommends approval of the ordinance with a 100% exemption.



Questions?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KYLE, TEXAS ESTABLISHING AN EXEMPTION FROM THE CITY'S REAL PROPERTY TAX OF 100 PERCENT (100%) OF THE APPRAISED VALUE FOR ALL OR PART OF REAL PROPERTY USED AS A QUALIFIED CHILDCARE FACILITY IN ACCORDANCE WITH TEXAS TAX CODE § 11.36.

WHEREAS, Texas Tax Code Section 11.36, as added by S.B. 1145 of the 88th Texas Legislature regular session (2023), authorizes an exemption from ad valorem (property) taxes on all or part of the appraised value of real property, or a portion thereof, operating as a qualifying childcare facility; and

WHEREAS, an exemption, as described in section (A) above, of 100 percent of the appraised value of all or a portion of real property used to operate a qualifying childcare facility is in the public interest; and

WHEREAS, the City of Kyle desires to implement the policy proposal to grant the Qualified Childcare Facility property tax exemption in accordance with the Texas Tax Code Section 11.36, effective January 1, 2024.

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

Section 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Section 2. Council adopts an exemption, as authorized by Texas Tax Code Section 11.36, entitling qualifying persons to an exemption from taxation by the City of 100 percent of the appraised value of:

(A) the real property the person owns and operates as a qualifying childcare facility; or

(B) the portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying childcare facility.

Section 3. As set forth in Texas Tax Code Section 11.36(g), a person cannot claim the childcare facility exemption on property they own and lease to another to operate a qualifying childcare facility if the person also claims a Texas Tax Code Section 11.13 residence homestead exemption on the property or leases any part of the property to another for use as a principal residence.

Section 4. The exemption adopted by this ordinance applies to the tax year beginning January 1, 2024.

Section 5. Repeal of Conflicting Ordinances. All ordinances or parts thereof conflicting or inconsistent with the provisions of this ordinance as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this ordinance and any other code or ordinance of the City, the terms and provisions of this ordinance shall govern.

Section 6. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place,

and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, Tex. Gov't. Code.

PASSED AND APPROVED on this the _____ day of _____, 2024.
FINALLY PASSED AND APPROVED on this the ____ day of _____, 2024.

The City of Kyle, Texas

_____
Travis Mitchell, Mayor

ATTEST:

_____
Jennifer Kirkland, City Secretary

Sec. 11.36 of the 2023 Texas Property Tax Code

Sec. 11.36. Child- care facilities [As added by Acts 2023 88th Leg., ch. 281, § 1; effective on approval by the voters of S.J.R. 64, 88th Leg., R.S.]

(a) In this section:

(1) “Child- care facility” means a facility licensed by the Health and Human Services Commission to provide assessment, care, training, education, custody, treatment, or supervision for a child who is not related by blood, marriage, or adoption to the owner or operator of the facility, for all or part of the 24- hour day, whether or not the facility is operated for profit or charges for the services it offers.

(2) “Qualifying child- care facility” means a child- care facility:

(A) the owner or operator of which participates in the Texas Workforce Commission’s Texas Rising Star Program as described by Section 2308.3155, Government Code, for that facility; and

(B) at which at least 20 percent of the total number of children enrolled at the facility receive subsidized child- care services provided through the child- care services program administered by the Texas Workforce Commission.

(b) Subject to Subsection (d), if the governing body of a county or municipality in the manner required by law for official action by the governing body adopts the exemption, a person is entitled to an exemption from taxation by the county or municipality of all or part of the appraised value of:

(1) the real property the person owns and operates as a qualifying child- care facility; or

(2) the portion of the real property that the person owns and leases to a person who uses the property to operate a qualifying child- care facility.

(c) The governing body of a county or municipality may adopt the exemption authorized by this section as a percentage of the appraised value of the property. The percentage specified by the governing body may not be less than 50 percent.103 TAXABLE PROPERTY AND EXEMPTIONS Sec. 11.36

(d) To qualify for the exemption authorized by this section, the property must be:

(1) except as provided by Subsection (e), used exclusively to provide developmental and educational services for children attending the child- care facility; and

(2) reasonably necessary for the operation of the child- care facility.

(e) The use of exempt property for functions other than providing developmental and educational services for children attending the child- care facility located on the property does not result in the loss of an exemption authorized by this section if those other functions are incidental to the use of the property for providing those services to those children and benefit:

(1) those children; or

(2) the staff and faculty of the facility.

(f) A person who claims an exemption under Subsection (b)(2) must include with the application for the exemption an affidavit certifying to the chief appraiser for the appraisal district that appraises the property that is the subject of the application that:

(1) the person has provided to the child- care facility to which the property is leased a disclosure document stating the amount by which the taxes on the property are reduced as a result of the exemption and the method the person will implement to ensure that the rent charged for the lease of the property fully reflects that reduction;

(2) the rent charged for the lease of the property reflects the reduction in the amount of taxes on the property resulting from the exemption through a monthly or annual credit against the rent; and

(3) the person does not charge rent for the lease of the property in an amount that exceeds:

(A) for property that consists of space in a commercial property, the rent charged by the person to other tenants of the commercial property for similar space; or

(B) for property other than property described by Paragraph (A), the average rent charged for comparable rental property.

(g) Notwithstanding any other provision of this section, a person may not claim an exemption under Subsection (b) (2) for property:

(1) for which the person claims an exemption under Section 11.13; or

(2) any part of which is leased by the person to another person for use as a principal residence.

(h) Property is not ineligible for an exemption under this section if a portion of the property is used for functions other than those described by Subsections (d) and (e). However, the exemption does not apply to the value of the portion of the property that is used for those other functions.

(i) Section 25.07 does not apply to a leasehold interest in property for which the owner receives an exemption under this section.

(j) The comptroller may adopt rules and forms necessary for the administration of this section.

HISTORY: Enacted by Acts 2023, 88th Leg., ch. 281 (S.B. 1145), § 1, effective January 1, 2024.

Department Memo

City Council Regular Meeting

DEPARTMENT: Administrative Services

FROM: Rosie Truelove

ON BEHALF OF: Water Utilities (Mike Murphy, Director)

MEETING: April 16, 2024

SUBJECT:

Consider approval of an ordinance authorizing the City Manager to execute any and all documents necessary with Archer Western Contractors, LLC for the construction of the FM 1626 Ground Storage Tank and Pump Station Project in an amount not to exceed $25,000,000.

SUMMARY:

The City of Kyle is a stakeholder in twenty-eight percent of the Alliance Water project. Alliance Water is a Regional Water Authority that was formed for the purpose of resolving the long-term water needs of its Participants. Alliance Water is comprised of the cities of Kyle, San Marcos, and Buda, along with the Canyon Regional Water Authority which represents County Line Special Utility District (SUD), Crystal Clear SUD, Martindale WSC, and Green Valley SUD. The City of Kyle will receive treated potable water at two locations from Alliance, Waterstone Water Facility and 1626 Pump Station. Alliance Water is currently scheduled to begin providing potable water at the Waterstone Water Facility and the 1626 Pump Station February 2025.

If formally bid, this project has a completion schedule of June 2026 due to delays associated with take-point location, property dedication, and transmission line realignment for the 1626 Pump Station. Staff is concerned that delaying the ability to receive Alliance water at the 1626 Pump Station beyond February 2025 will significantly impact the City of Kyle's ability to adequately meet the needs of the potable water system, which also serves as fire protection, and thereby creates an undue risk to public health and safety.

City of Kyle representatives met with Archer Western on Friday, March 22, 2024. Discussions on this contractor's ability to complete this project, or portions of this project to meet the February 2025 time frame were discussed. Archer Western confirmed that they can perform the necessary scope of this project. Approaching this work as a direct contract under the health and safety exemption of state statute will enable the City to order equipment and begin mobilization as full design is being finalized. This will result in significant time savings which will help ensure we are ready to receive the necessary water from ARWA and minimize the risk to the residents of Kyle.

In order to minimize schedule impacts, staff requests the ability to execute any and all documents necessary to complete this project within an established amount of $25,000,000. The contracting for this work will occur in two phases. The initial phase will consist of acquisition of long lead equipment and site

mobilization, as well as some piping and drainage work. The amount for Phase I of this project will be $12,458,157. Archer Western is working on pricing for the balance of the associated work and we anticipate contracting for Phase II of this project by the end of April or early May. Staff does not anticipate that the pricing will exceed the $25,000,000 (including project contingency) of requested contract authority, however, if Phase II pricing comes back with a higher cost, staff will return to Council for additional contracting authority.

OPTIONS:

Option 1: Approve the contract with Archer Western Construction, LLC, granting staff the ability to execute any and all documents necessary to complete this project.

Option 2: Approve award and execution of Phase I of the work for $12,458,157.

Option 3: Do not approve the contract with Archer Western Construction, LLC.

RECOMMENDATION:

Option 1

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

STAFF CONTACT:

Name: Rosie Truelove
Title: Director of Administrative Services
Email: rtruelove@cityofkyle.com
Phone: (512) 394-4138

Name: Leon Barba
Title: City Engineer
Email: lbarba@cityofkyle.com

Phone: (512) 262-3958

FM 1626 Ground Storage Tank & Pump Station

Award a Contract to Archer Western Contraction, LLC for Phase 1 FM 1626 Ground Storage Tank & Pump Station

Background

- City of Kyle will receive water through the Alliance Regional Water Authority at two locations:
  - Waterstone Water Facility
  - 1626 Pump Station
- ARWA will be ready to begin providing potable water to the 1626 Pump Station in February 2025

Health and Safety Concerns

- If formally bid, this work would not be complete until June 2026
  - Delays due to take-point location, property dedication, and transmission line realignment
- Staff is concerned about public health and safety risk of delays
  - Ability of meet the needs of the potable water system
  - Ability to maintain adequate system for fire protection
- A direct contract mitigates these risks by saving time and delivering portions of the project on the needed schedule that will allow Alliance water to be delivered

Contracting Approach

- Staff approached Archer Western about their ability to complete this project to meet the schedule for potable water delivery from ARWA
- $25M authorization to cover two phases of contracting
  - Phase I (now): $12,458,157 for long lead equipment, site mobilization, some piping and drainage work
  - Phase II (end of April/early May): remaining construction work

Options

- Option 1: Approve the contract with Archer Western Construction, LLC, granting staff the ability to execute any and all documents necessary to complete this project.
- Option 2: Approve award and execution of Phase I of the work for $12,458,157.
- Option 3: Do not approve the contract with Archer Western Construction, LLC.

Recommendation

- Option 1: Approve the contract with Archer Western Construction, LLC, granting staff the ability to execute any and all documents necessary to complete this project.

Staff recommends Option 1 – this will allow work to begin as quickly as possible and minimizes potential schedule impacts associated with bringing subsequent phases to Council for approval, thereby optimizing the City's ability to be ready to receive water by ARWA's potable water delivery date.

Thank you!

- Questions?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KYLE, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY WITH ARCHER WESTERN CONTRACTORS, LLC FOR THE CONSTRUCTION OF THE FM 1626 GROUND STORAGE TANK AND PUMP STATION PROJECT IN AN AMOUNT NOT TO EXCEED $25,000,000.

WHEREAS, the City of Kyle (the "City") is a stakeholder in the Alliance Regional Water Authority project, which allows the City to receive treated water at two locations; and

WHEREAS, Alliance Regional Water Authority has stated that it can begin to provide treated water at the location of the FM 1626 Ground Storage Tank and Pump Station Project as early as February 2025; and

WHEREAS, State law generally requires that procurements are subject to statutory requirements, including competitive bids, unless an exception applies; and

WHEREAS, there is a statutory exception for this procurement in Local Government Code, Section 252.022(a)(2), as this purchase is necessary to preserve or protect the public health or safety of the City's residents; and

WHEREAS, due to the need to ensure adequate water supply to preserve the public health and safety of the City's residents, the City Council of the City of Kyle has determined that it is in the best interests of the City to enter into a construction contract with Archer Western Contractors, LLC to begin construction on the FM 1626 Ground Water Storage and Pump Station Project as soon as possible.

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

Section 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Section 2. The City Manager is hereby authorized to execute any and all documents necessary with Archer Western Contractors, LLC for the construction of the FM 1626 Ground Storage Tank and Pump Station Project in an amount not to exceed $25,000,000, which funding is available for this project.

Section 3. Repeal of Conflicting Ordinances. All ordinances or parts thereof conflicting or inconsistent with the provisions of this ordinance as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this ordinance and any other code or ordinance of the City, the terms and provisions of this ordinance shall govern.

Section 4. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, Tex. Gov't. Code.

PASSED AND APPROVED on this the _____ day of _____, 2024.
FINALLY PASSED AND APPROVED on this the ____ day of _____, 2024.

The City of Kyle, Texas

_____
Travis Mitchell, Mayor

ATTEST:

_____
Jennifer Kirkland, City Secretary

4/5/2024

Yvonne Gil-Vallejo, Project Manager
City of Kyle, TX

RE: Phase 1 Pricing for the City of Kyle FM 1626 Pump Station Improvements Project

Ms. Gil-Vallejo:

Archer Western has prepared pricing for Phase I of the above referenced project to include aspects of the work that will be required to accept and convey water from the ARWA Pipeline Delivery point by 2/28/2025. This pricing is only inclusive of the items listed below and identified in the attachments included in this proposal. We intend to provide follow-up pricing for the remaining scope of this project on 4/26/2024.

The pricing is based on the following documents that have been provided by City of Kyle:

- 90% Design Review Contract Drawings Dated 9/1/2023;
- 90% Design Construction Documents Project Manual dated September, 2023;
- Geotechnical Foundation Recommendations dated 3/26/2024;
- Subsurface Investigation and Geotechnical Data Report dated 9/13/2022;
- RFI-001 Response

The pricing for this proposal includes the following items:

- Pipeline and Tank Construction as Identified on Exhibit A, including:
    - 30" Tank Inlet piping, starting at the connection to the ARWA Pipeline;
    - ARWA Supply Flow Control Station, including all pipe, valves and concrete;
    - Ground Storage Tank No. 2 complete per 90% Contract Documents and attached Preload proposal;
    - 16" Water line from the Tank Inlet piping to GST No. 1 (stub up above ground in this phase);
    - 36" Tank Outlet Piping ;
    - 16" Water line from the existing Pump Station to the 36" Tank Outlet Piping;
    - 3ea additional valves as identified by AW to allow for isolation during Phase 1 operations;
- Electrical Scope as detailed in the attached T Morales Proposal;
- Supervision/General Conditions Costs for the 18-month duration of the overall project;
- Construction Equipment costs for the work associated with Phase 1.

We also offer the following clarifications/exclusions:

- A perimeter foundation drain around GST #2 has been included. If not required, a credit will be offered with Phase 2 pricing;
- Tank design and construction by Preload;
- Electrical Scope by T Morales;
- AW anticipates an overall duration of 18-months for this project and has included all supervision costs in the Phase 1 pricing;
- We have not included an office trailer for City/Inspections staff;

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- Box Culvert terminations (endwall/slope paving/etc) to be determined and included in Phase 2 pricing;
- AW has included pricing from the following valve manufacturers based on quoted lead times.
    - Butterfly Valves – J&S Valve (data included)
    - Gate Valves – J&S Valve (data included)
    - Flow Control Valve – Bermad
    - Duckbill Check – Hedflex (data included)
- AW will require expedited review/approval within 1-week of submission of the below items to allow for early release and fabrication:
    - Ductile Iron Pipe and Fittings
    - Valves
    - Ground Storage Tank Foundation Package
- Floating Solar Mixer is not included in this pricing

Archer Western requested pricing from both Preload and DN Tanks for the tank design and construction. We have included the full scopes from both subcontractors as part of this proposal for review, if necessary. We have selected Preload based on the committed tank construction time frame of 17 weeks beginning in August. Preload's pricing was also more competitive than DN Tanks'. Based on more competitive pricing and an earlier tank completion date, Archer Western has included Preload as part of our team on this project.

Archer Western will perform Phase 1 of the contract for a price of $11,953,243. We also recommend carrying a Design Contingency of $504,914 to account for any design changes that may occur between the 90% Documents and Final 100% Document Issuance.

We request award of a contract in the amount of $12,458,157 at the next City Council meeting for the scope including in this proposal. We recommend issuance of the remainder portion of the scope (Phase II) via a Change Order to this contract upon the final pricing proposal on 4/26/2024.

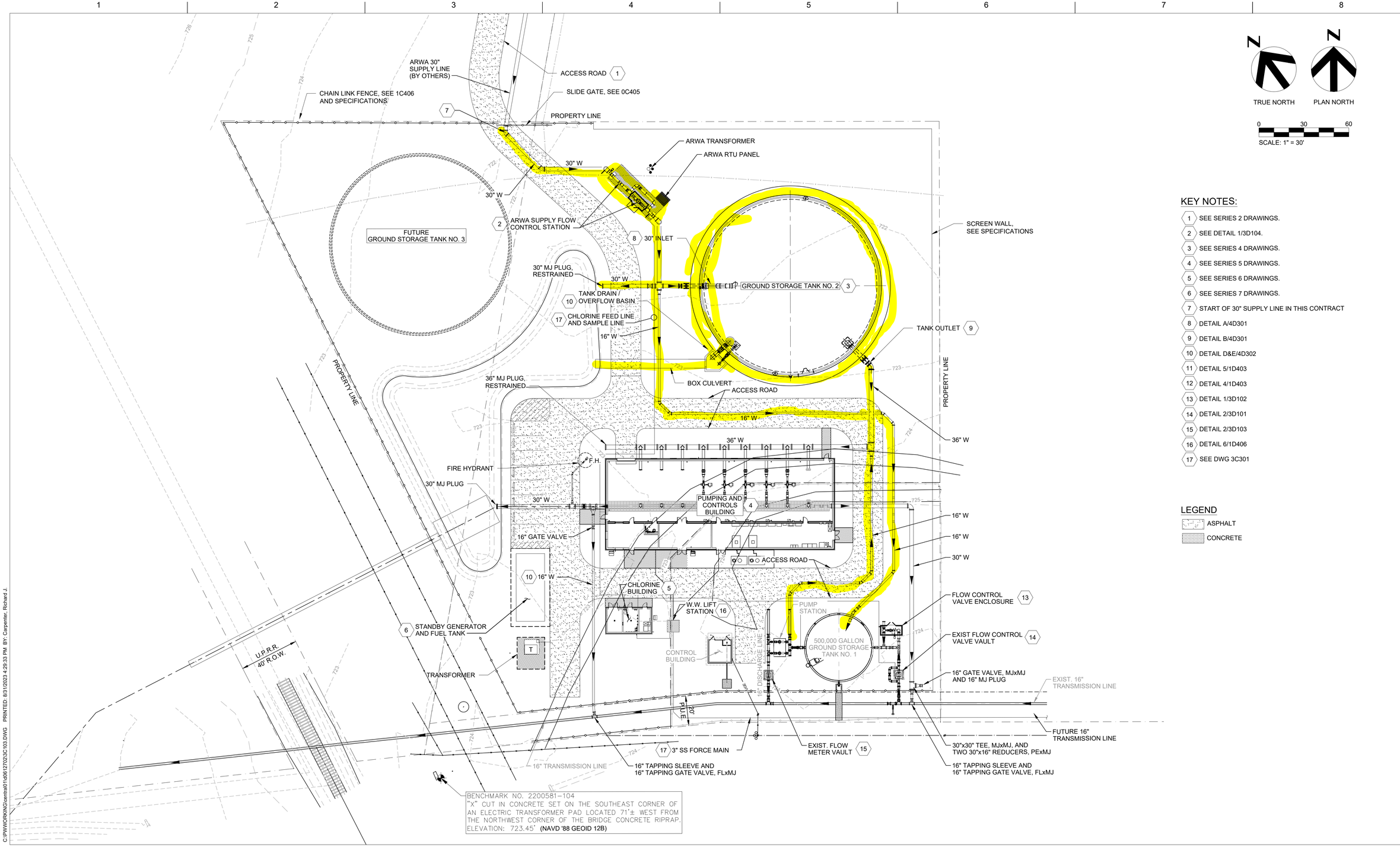
Please do not hesitate to contact me with any questions or comments.

Thank you,
Archer Western Construction, LLC

Thor Benson
Program Manager

Attachments:
Phase 1 CPM Schedule
Phase 1 Highlighted Drawing
Preload Scope
DN Tanks Scope (for comparison only)
T Morales Phase 1 Scope
Valve Data – J&S BFV / J&S Gate Valve / Hedflex Check Valve

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TRUE NORTH PLAN NORTH

0 30 60
SCALE: 1" = 30'

KEY NOTES:

1. SEE SERIES 2 DRAWINGS.
2. SEE DETAIL 1/3D104.
3. SEE SERIES 4 DRAWINGS.
4. SEE SERIES 5 DRAWINGS.
5. SEE SERIES 6 DRAWINGS.
6. SEE SERIES 7 DRAWINGS.
7. START OF 30" SUPPLY LINE IN THIS CONTRACT
8. DETAIL A/4D301
9. DETAIL B/4D301
10. DETAIL D&E/4D302
11. DETAIL 5/1D403
12. DETAIL 4/1D403
13. DETAIL 1/3D102
14. DETAIL 2/3D101
15. DETAIL 2/3D103
16. DETAIL 6/1D406
17. SEE DWG 3C301

LEGEND

ASPHALT
CONCRETE

C:\PWWORKING\central01\d0612702\3C103.DWG PRINTED: 8/31/2023 4:29:33 PM BY: Carpenter, Richard J.

TEXAS P.E. FIRM
Registration No. F-754

ISSUE	DATE	DESCRIPTION
--	09/01/2023	ISSUED FOR 90% DESIGN REVIEW

PROJECT MANAGER	J. A. MARLER
CIVIL	G. L. PIERSON
STRUCTURAL	L. MENDOZA
ARCHITECTURAL	W. J. WARD
PROCESS	G. L. PIERSON
MECHANICAL	B. R. PERLBERG
ELECTRICAL	O. JONGUITUD
INSTRUMENTATION	S. E. HORRAS
PROJECT NUMBER	10092867

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF REVIEW UNDER THE AUTHORITY OF GREGORY L. PIERSON TEXAS P.E. NO. 129983 DATE: SEPTEMBER 01, 2023

IT IS NOT TO BE USED FOR CONSTRUCTION OR ANY OTHER PURPOSE.

CITY OF KYLE, TEXAS
PUBLIC WORKS
WATER DEPARTMENT

F.M. 1626 PUMP STATION IMPROVEMENTS

FM 1626 PUMP STATION SITE
CIVIL
YARD PIPING SITE ORIENTATION PLAN

0 1" 2"

FILENAME	3C103.DWG
SCALE	1" = 30'
SHEET	3C103

Activity ID	Activity Name	Original Duration	Start	Finish
City of Kyle FM 1626 PS Improvements Interim ARWA Receivi		238	08-Apr-24	13-Mar-25
General Conditons		238	08-Apr-24	13-Mar-25
GC100	NTP	0	08-Apr-24	
GC110	Mobilize Site	10	08-Apr-24	19-Apr-24
GC120	Substantial Completion	0		27-Feb-25
GC130	Punchlist / Close Out	10	28-Feb-25	13-Mar-25
GC140	Final Completion	0		13-Mar-25
Submittals / Procurement		105	08-Apr-24	04-Sep-24
S1020	Submit GST- Foundation Plan	10	08-Apr-24	19-Apr-24
S1030	Approval GST Tank Foundation	10	22-Apr-24	03-May-24
S1040	Submit GST -Tank Design and Appurtenances	20	22-Apr-24	17-May-24
S1050	Approval GST Tank Design and Appurtenances	20	20-May-24	17-Jun-24
S2060	Submit Fabricated DIP Piping - Underslab	1	08-Apr-24	08-Apr-24
S2070	Approval Fabricated DIP Piping - Underslab	4	09-Apr-24	12-Apr-24
S2072	Fab / Deliver Tank Underslab Pipe	36	15-Apr-24	04-Jun-24
S2078	Fab / Deliver DIP Piping - Yard Pipe	100	15-Apr-24	04-Sep-24
S2080	Submit Butterfly Valves	10	08-Apr-24	19-Apr-24
S2090	Approval Butterfly Valves	10	22-Apr-24	03-May-24
S2092	Fab / Deliver Butterfly Valves	20	06-May-24	03-Jun-24
Sitework		33	08-Apr-24	22-May-24
A1368	SWPPP Plan / Installation	10	08-Apr-24	19-Apr-24
A1370	Tree Removal/Clear & Grub	3	22-Apr-24*	24-Apr-24
A1380	Strip Topsoil	4	25-Apr-24	30-Apr-24
A1382	Site Backfill- Laydown Area	13	06-May-24	22-May-24
Ground Storage Tank		208	06-May-24	27-Feb-25
Excavate / Backfill		63	06-May-24	02-Aug-24
A1830	Structural Excavation - GST	12	06-May-24	21-May-24
A1860	GST Subgrade Verification	1	22-May-24	22-May-24
A1870	Structural Backfill - GST (Flexbase)	20	23-May-24	20-Jun-24
A1875	12"/ 30"/ 36" Tank Drain/Inlet/Outlet Underslab / Encasement	15	21-Jun-24	12-Jul-24
A1880	Structural Backfill - GST (6" Leveling Base)	10	15-Jul-24	26-Jul-24
A1900	GST Laydown / Casting / Winding Road	5	29-Jul-24	02-Aug-24
Tank Contractor - Execute		97	05-Aug-24	19-Dec-24
A1950	Mobilize	3	05-Aug-24	07-Aug-24
A1960	Mill Lumber	4	07-Aug-24	12-Aug-24
A1970	Build Casting Beds	5	13-Aug-24	19-Aug-24
A1980	Install Footing Form	4	13-Aug-24	16-Aug-24
A1990	Install Floor/Footing Reinforcing	4	19-Aug-24	22-Aug-24
A2000	Install Waterstop / QC Floor	2	23-Aug-24	26-Aug-24
A2010	Pour Floor	1	27-Aug-24	27-Aug-24
A2020	Seam Diaphragm	2	13-Aug-24	14-Aug-24
A2030	Cast Wall Panels	11	20-Aug-24	04-Sep-24
A2040	Layout / Erect Shoring	10	28-Aug-24	11-Sep-24
A2050	Erect Walls	4	12-Sep-24	17-Sep-24
A2060	Erect Wall Slots	2	18-Sep-24	19-Sep-24
A2070	Form / Pour WS and Dome	10	20-Sep-24	03-Oct-24

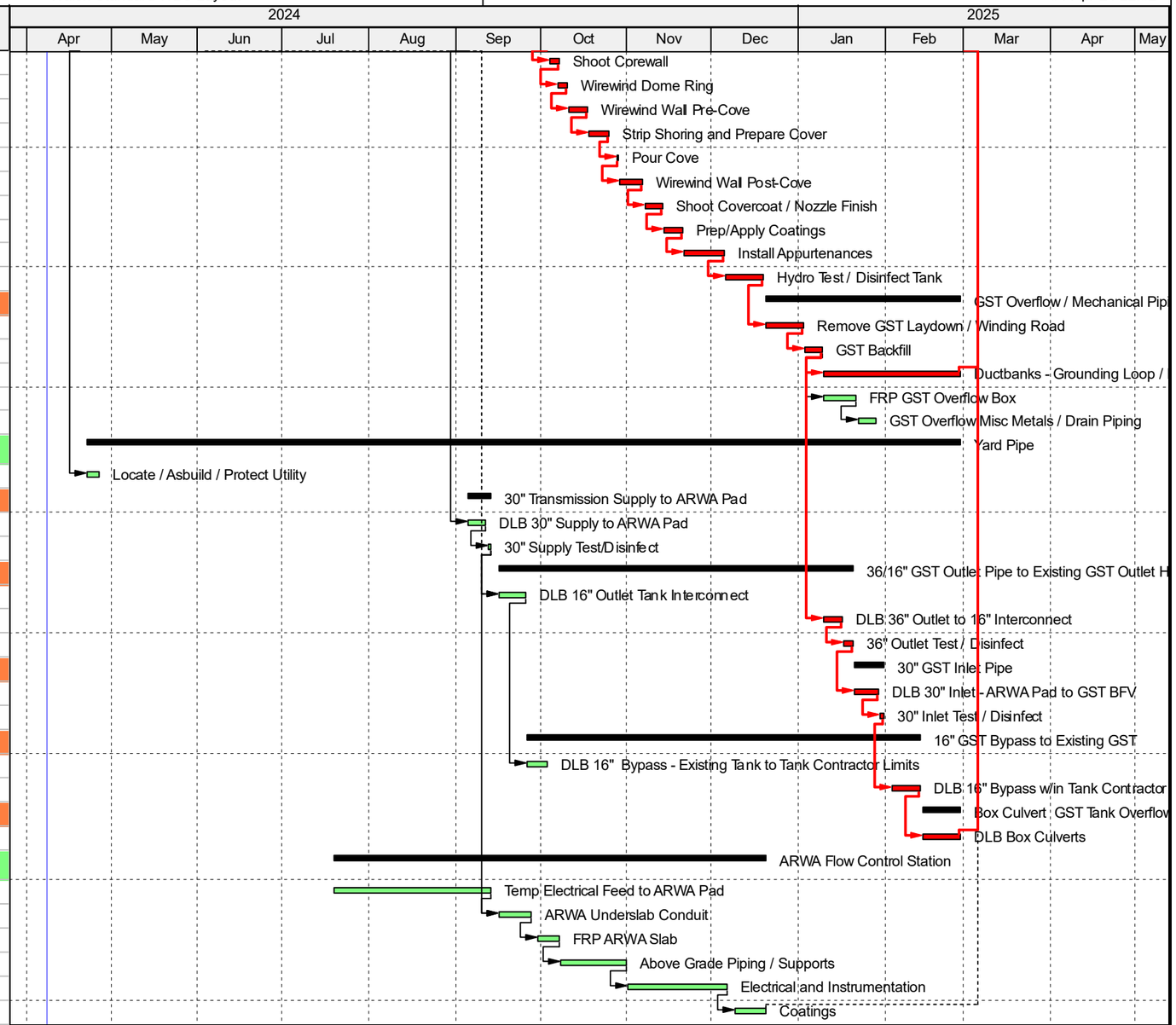


Remaining Level of Effort | Actual Work | Critical Remaining Work
Actual Level of Effort | Remaining Work | Milestone

TASK filter: All Activities

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Activity ID	Activity Name	Original Duration	Start	Finish
A2080	Shoot Corewall	2	04-Oct-24	07-Oct-24
A2090	Wirewind Dome Ring	4	07-Oct-24	10-Oct-24
A2100	Wirewind Wall Pre-Cove	5	11-Oct-24	17-Oct-24
A2110	Strip Shoring and Prepare Cover	6	18-Oct-24	25-Oct-24
A2120	Pour Cove	1	28-Oct-24	28-Oct-24
A2130	Wirewind Wall Post-Cove	7	29-Oct-24	06-Nov-24
A2140	Shoot Covercoat / Nozzle Finish	5	07-Nov-24	13-Nov-24
A2150	Prep/Apply Coatings	5	14-Nov-24	20-Nov-24
A2160	Install Appurtenances	10	21-Nov-24	05-Dec-24
A2170	Hydro Test / Disinfect Tank	10	06-Dec-24	19-Dec-24
GST Overflow / Mechanical Piping		48	20-Dec-24	27-Feb-25
A1922	Remove GST Laydown / Winding Road	8	20-Dec-24	02-Jan-25
A1928	GST Backfill	5	03-Jan-25	09-Jan-25
A1929	Ductbanks - Grounding Loop / Electrical / Instrumentation	35	10-Jan-25	27-Feb-25
A1930	FRP GST Overflow Box	8	10-Jan-25	21-Jan-25
A1940	GST Overflow Misc Metals / Drain Piping	5	22-Jan-25	28-Jan-25
Yard Pipe		218	22-Apr-24	27-Feb-25
A1000	Locate / Asbuild / Protect Utility	5	22-Apr-24	26-Apr-24
30" Transmission Supply to ARWA Pad		7	05-Sep-24	13-Sep-24
A2180	DLB 30" Supply to ARWA Pad	5	05-Sep-24	11-Sep-24
A2190	30" Supply Test/Disinfect	2	12-Sep-24	13-Sep-24
36/16" GST Outlet Pipe to Existing GST Outlet Header		88	16-Sep-24	20-Jan-25
A1070	DLB 16" Outlet Tank Interconnect	8	16-Sep-24	25-Sep-24
A10982	DLB 36" Outlet to 16" Interconnect	5	10-Jan-25	16-Jan-25
A1102	36" Outlet Test / Disinfect	2	17-Jan-25	20-Jan-25
30" GST Inlet Pipe		9	21-Jan-25	31-Jan-25
A1010	DLB 30" Inlet - ARWA Pad to GST BFV	7	21-Jan-25	29-Jan-25
A1020	30" Inlet Test / Disinfect	2	30-Jan-25	31-Jan-25
16" GST Bypass to Existing GST		98	26-Sep-24	13-Feb-25
A10990	DLB 16" Bypass - Existing Tank to Tank Contractor Limits	6	26-Sep-24	03-Oct-24
A11000	DLB 16" Bypass w/in Tank Contractor Limits	9	03-Feb-25	13-Feb-25
Box Culvert GST Tank Overflow		10	14-Feb-25	27-Feb-25
A1200	DLB Box Culverts	10	14-Feb-25	27-Feb-25
ARWA Flow Control Station		109	19-Jul-24	20-Dec-24
FC0985	Temp Electrical Feed to ARWA Pad	40	19-Jul-24	13-Sep-24
FC0990	ARWA Underslab Conduit	10	16-Sep-24	27-Sep-24
FC1000	FRP ARWA Slab	6	30-Sep-24	07-Oct-24
FC1010	Above Grade Piping / Supports	18	08-Oct-24	31-Oct-24
FC1020	Electrical and Instrumentation	25	01-Nov-24	06-Dec-24
FC1030	Coatings	10	09-Dec-24	20-Dec-24



Remaining Level of Effort | Actual Work | Critical Remaining Work
Actual Level of Effort | Remaining Work | Milestone

TASK filter: All Activities

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Department Memo

City Council Meeting

DEPARTMENT: Office of the City Manager

FROM: Joe Cantalupo, K Friese + Associates

MEETING: April 16, 2024

SUBJECT:

Consider approval of Task Order No. 3 to BGE, Inc. for PS&E design of the Bunton Creek Road project of the 2022 Road Bond Program in the amount of $2,030,777.09.

SUMMARY:

In November of 2022, City of Kyle Voters approved Proposition A, a road bond for 8 transportation projects across Kyle totaling 10.3 total miles of new location, reconstruction, and widening projects to improve the City's transportation network.

This project will straighten out the curves along Bunton Creek Road between Lehman Road and Goforth Road. There is one planned roundabout at Bunton Creek Road and Goforth Road S.

Project alignments and design features were approved by Council January 2024. Final schematic was completed in January 2024. The project to progress to Final Design (Plans, Specifications & Estimates) with approval of this Task Order. The project is anticipated to bid January 2026 with delivery in January 2027.

The task order for BGE, Inc. includes the development of Plans, Specifications, and Estimates (PS&E) for the Bunton Creek Road project as part of the 2022 Road Bond Program. Previously, Council acknowledged the Bunton Creek Road project as serving a public purpose for public use, directing the GEC to continue forward progress on the project. This Task Order formalizes the direction to move the project into the Final Design stage.

PS&E is the final engineering plans, specifications and cost estimate documents, required to advertise, award, and administer a construction contract.

OPTIONS:

Approve or fail to approve task order.

RECOMMENDATION:

Approval of the task order.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

Task order has an amount of $2,030,777.09

STAFF CONTACT:

Name: Bryan Langley
Title: City Manager
blangley@cityofkyle.com

Kyle Road Bond

Council Action Needed

Office of the City Manager | April 16, 2024

Bunton Creek: Task Order for Consideration

- Consider approval of Task Order No. 3 to BGE, Inc. for PS&E design of the Bunton Creek Road project of the 2022 Road Bond Program in the amount of $2,030,777.09

Council Action Needed | 2

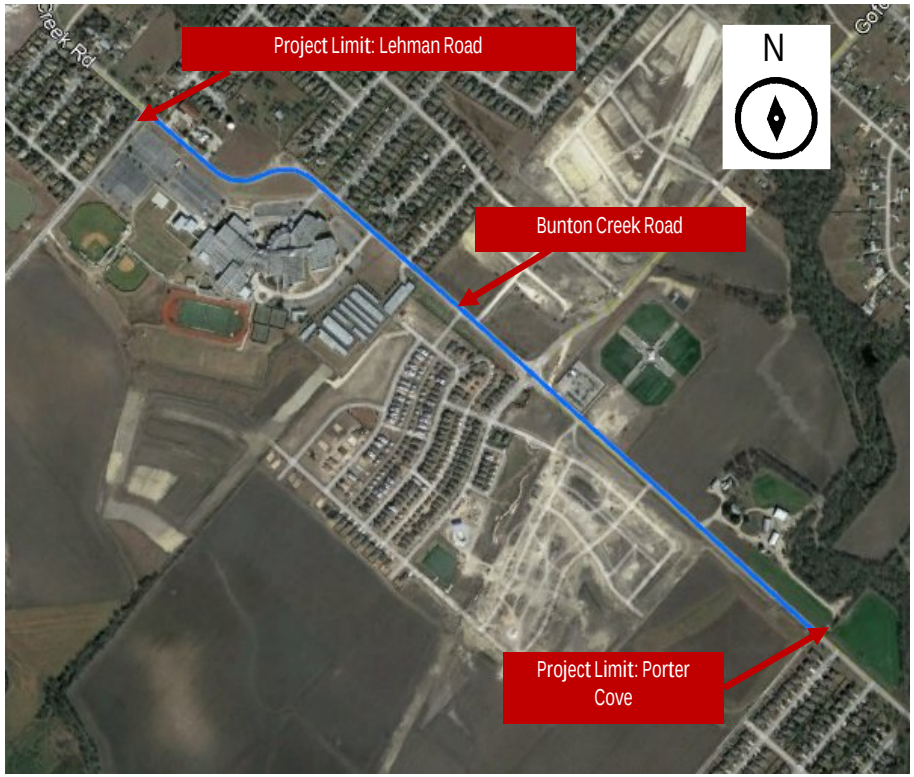
2022 Road Bonds Projects

- In November of 2022, City of Kyle Voters approved Proposition A, a road bond for 8 transportation projects across Kyle totaling 10.3 total miles of new location, reconstruction, and widening projects to improve the City's transportation network.
- This project will straighten out the curves along Bunton Creek Road between Lehman Road and Goforth Road and increase capacity between Lehman Road and Porter Cove. There is one planned roundabout at Bunton Creek Road and Goforth Road S.

Council Action Needed | 3

Project Background

- Alignment and design features approved by Council January 2024
- Final schematic completed January 2024
- Progresses to Final Design (Plans, Specifications, & Estimates) with approval of this Task Order
- Anticipated to bid January 2026 with delivery January 2027



Council Action Needed | 4

Task Order Scope

- Development of plans, specifications, and estimates for the Bunton Creek Road project.

Task Order Fee

- Fee for proposed scope is $2,030,777.09

Recommendation

- Approve Task Order No. 3 to BGE, Inc.

TASK ORDER NO. 3

This Task Order is issued pursuant to that Professional Services Agreement (Agreement) between the City of KYLE, Texas (Owner) and BGE, Inc. (Professional) effective May 17, 2022, and constitutes authorization by Owner for Professional to proceed with the following described construction and engineering design services.

Construction and Engineering Design Services

A. PROJECT DESCRIPTION

The scope of the Agreement is to provide professional construction and engineering design services (Services) for the Owner based on the scope of services listed below in Item B. Professional services may include performing preliminary engineering and planning; generating plans, specifications and estimates; researching, analyzing, and providing technical recommendations; providing construction phase services; and providing general consulting services in the areas identified herein.

B. SCOPE OF SERVICES AND DELIVERABLES

Pursuant to the Agreement, this Task Order authorizes Professional to perform the Services shown in Attachment A.

C. BASIS OF COMPENSATION

The total compensation for the Services shall be based on the hourly rates as defined in Compensation Table provided on page 3 of this document, and on the corresponding rates and hours in the Fee Estimate attached as Attachment B. Attachment B shall use the template provided by the Owner. Owner will make payments to Professional for performing the Services described on a monthly billing basis in accordance with monthly statements submitted by the Professional and approved by Owner. Final payment shall be due upon completion of the Services described.

D. TIME FOR COMPLETION

Professional will work expeditiously to complete the Services described herein by June 2025.

BGE, Inc. shall begin work as soon as authorized in this Task Order No. 3.

APPROVED:

CITY OF KYLE, TEXAS

By _____

Title: City Manager

Attest _____

Date _____

ACCEPTED:

BGE, INC.

By 

Title Director

Attest 

Date 4/4/2004

COMPENSATION

Compensation for the services provided pursuant to the Professional Services Agreement between the City of Kyle and BGE, Inc. executed the 17th day of May 2022 will be paid on a lump sum basis and calculated based on the amounts reflected below.

BGE

Professional Staff	Hourly Bill Rate
Senior CADD Tech	$110
CADD Tech	$80
Engineering Tech	$138
Senior Engineering Tech	$195
Graduate Engineer	$140
Design Engineer	$175
Environmental Specialist	$125
Senior Environmental Specialist	$240
QC Manager	$285
Project Engineer	$215
Senior Engineer	$250
Project Manager	$255
Senior Project Manager	$275
Principal/Director	$310

BGE Survey

Professional Staff	Hourly Bill Rate
Senior Tech	$135
RPLS	$195
Crew Rate	$175

The Rios Group

Professional Staff	Hourly Bill Rate
Supervisory Engineer	$190.86
SUE Project Manager	$169.71
Asst. Project Manager	$118.30
CADD Tech	$74.84
Eng Tech	$74.67
Field Mgr	$127.23

CobbFendley

Professional Staff	Hourly Bill Rate
Technician III	$134.00
Engineer I	$152
Engineer II	$185
Project Manager	$258

ATTACHMENT A

TASK ORDER NO. 3 (PS&E PHASE)

SERVICES TO BE PROVIDED BY THE ENGINEER

BGE, Inc. (Engineer) will provide staff to support the City of KYLE (Owner) with general construction and engineering support services for the Bunton Creek Road project from Lehman Road to Porter Cove. The Owner also includes the City's General Engineering Consultant (GEC), K Friese & Associates, Inc., which the Owner has secured to act on its behalf as an Owner's Representative. The Engineer is required to coordinate with the GEC for completion of this work. Specific tasks may include, but are not limited to, the following:

The work to be performed by the Engineer shall consist of providing engineering services required for the preparation of plans, specifications, and estimates (PS&E) and related documents, as requested by the Owner. These services may include, but are not limited to, preparing roadway design, hydrologic and hydraulic design, storm sewer design, survey and ROW mapping, and geotechnical data collection, and, if requested, provide design support and testify as the Engineer of Record at Right of Way hearings necessary to support the design process.

The Engineer shall complete the services to be provided by the Engineer according to the milestone work schedule established in the task order. The Engineer shall submit a written progress report to the Owner monthly indicating the actual work accomplished during the month, scheduled work to be accomplished for the month, and the estimated work to be accomplished for the coming month. The progress report will use a bar chart diagram to indicate the percentage complete of each task shown on the previous report and the percentage complete of each task. The Engineer is required to meet with the designated Owner project manager and environmental coordinator bi-weekly for progress tracking purposes unless prior agreement is made with Owner not to hold a scheduled meeting. The Engineer shall submit minutes of the meeting, summarizing the events of the meeting within seven calendar days after each meeting.

The Engineer shall prepare a project work schedule. The work schedule must incorporate an allocation of time for stage reviews of the PS&E and the environmental documents by Owner personnel. The Engineer shall present the work schedule to the Owner for review and acceptance and provide assistance in interpreting the proposed work schedule.

GENERAL REQUIREMENTS

1.1. Design Criteria.

Design Criteria. The Engineer shall prepare all work in accordance with the latest version of applicable Owner's procedures, specifications, manuals, guidelines, standard drawings, and standard specifications or previously approved special provisions and special specifications, which include:

- Kyle Connected 2040 Transportation Master Plan (2015)
- Kyle Transportation Master Plan Update (2021)
- The Vybe Kyle: Trail-Oriented Development (2021)
- Kyle Drainage Master Plan (2018)
- City of Kyle Roundabout Ordinance #1162 (2021)

- City of Kyle GEC Roundabout Checklist
- US Access Board Public Right-of-Way Accessibility Guidelines (PROWAG)
- City of Kyle standard detail sheets and general construction notes
- City of Austin Drainage Criteria Manual (2023)
- City of Kyle Drainage Criteria (2022)
- Texas Department of Transportation (TxDOT) PS&E Preparation Manual
- TxDOT Roadway Design Manual
- TxDOT Highway Illumination Manual
- TxDOT Hydraulic Design Manual
- Texas Manual on Uniform Traffic Control Devices (TMUTCD)
- Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges (latest Edition)
- Other Owner approved manuals
- City of Austin Utility Criteria Manual
- City of Kyle Utility Standards
- Texas Commission on Environmental Quality (TCEQ)

When design criteria are not identified in Owner's manuals or TxDOT criteria, or if conflicting guidance is found, the Engineer shall notify the Owner and refer to City of Austin policies and the American Association of State Highway and Transportation Officials (AASHTO), A Policy on Geometric Design of Highways and Street, (latest Edition). In addition, the Engineer shall follow the Owner's guidelines in developing the PS&E package. The Engineer shall prepare each PS&E package in a form suitable for letting through the Owner's construction contract bidding and awarding process.

The Engineer shall identify, prepare exhibits and complete all necessary forms for each Design Exception and Waiver required within project limits prior to the 60% project completion submittal. The Engineer shall submit each exception and waiver to the Owner for coordination and processing of approvals. If subsequent changes require additional exceptions, the Engineer shall notify the Owner in writing as soon as possible after identification of each condition that may warrant a design exception or waiver.

The Engineer shall prepare a design time schedule and an estimated construction contract time schedule, using the latest version of MS Project, Primavera, or any Owner approved programs. The schedules shall indicate tasks, subtasks, critical dates, milestones, deliverables and review requirements in a format that depicts the interdependence of the various items. The Engineer shall provide assistance to Owner's personnel in interpreting the schedules. The Engineer shall schedule milestone submittals at 60%, 90% and final project completion phases unless directed by Owner otherwise. The Engineer shall advise the Owner in writing if the Engineer is not able to meet the scheduled milestone review date.

Once the project has been completed and accepted by the Owner, and goes to letting, the Engineer shall deliver all electronic files to the Owner within 30 calendar days of Owner's written request.

1.2. Right-of-Entry. The Engineer shall notify the Owner and secure permission to enter private property to perform any surveying, environmental, engineering, or geotechnical activities needed off Owner right-of-way. In pursuance of the Owner's policy with the general public, the Engineer shall not commit acts which would result in damages to private property, and the Engineer shall make

every effort to comply with the wishes and address the concerns of affected private property owners. The Engineer shall contact each property owner prior to any entry onto the owner's property and shall request concurrence from the Owner prior to each entry.

1.3. Progress Reporting and Invoicing. The Engineer shall invoice according to Function Code breakdowns shown in Exhibit "A" of the Professional Services Agreement and Attachment "B" - Fee Schedule, of the Task Order. The Engineer shall submit each invoice in a format acceptable to the Owner.

With each invoice the Engineer shall submit a monthly written progress report to the Owner's Project Manager regardless of whether the Engineer is invoicing for that month.

The Engineer's written progress report shall describe activities during the reporting period; activities planned for the following period: problems encountered, and actions taken to remedy them; list of meetings attended; and overall status, including a percent complete by task.

The Engineer shall complete the services according to the milestone work schedule established in the task order. The Engineer shall submit a monthly written progress report to the Owner indicating the actual work accomplished during the month, scheduled work to be accomplished for the month, the estimated work to be accomplished for the coming month, problems encountered, and actions taken to remedy them, list of meetings attended, and overall status. The progress report must use a bar chart diagram to indicate the percentage complete of each task shown on the previous report and the percentage complete of each task. The Engineer is required to meet with the designated Owner project manager or environmental coordinator bi-weekly for progress tracking purposes unless prior written agreement is made with Owner not to hold a meeting in any given month. The Engineer shall submit minutes of the meeting summarizing the events of the meeting within seven calendar days after each meeting.

The Engineer shall prepare a project work schedule, using the latest version of Primavera software or another scheduling program approved by the Owner in writing. The schedules shall indicate tasks, subtasks, critical dates, milestones, deliverables, and review requirements in a format that depicts the interdependence of the various items. The work schedule must incorporate an allocation of time for stage reviews of the environmental documents, and PS&E documents by Owner personnel. The Engineer shall present the work schedule to the Owner for review and acceptance and provide assistance in interpreting the proposed work schedule. The Engineer shall provide advance written notice to the Owner if the Engineer is not able to meet the scheduled milestone review date.

Condition precedents to final payment by the Owner are the Owner's receipt of all electronic files and confirmation by the Owner's Project Manager that (1) the electronic files can be opened and are usable by the Owner utilizing the Owner-owned version of the intended software, and (2) all of the Owner's review comments have been addressed.

1.4. Traffic Control. The Engineer shall provide all planning, labor, and equipment to develop and to execute each Traffic Control Plan (TCP) needed by the Engineer to perform services under each task order. The Engineer shall comply with the requirements of the most recent edition of the TMUTCD. The Engineer shall submit a copy of each TCP to the Owner for approval prior commencing any work on any Owner roadway. The Engineer shall provide all signs, flags, and safety equipment needed to execute the approved TCP. The Engineer shall notify the Owner in writing five (5) days (in advance of executing each TCP requiring a lane closure and shall have received written concurrence from the Owner prior to beginning the lane closure. The Engineer's field crew shall always possess a

copy of the approved TCP on the job site and shall make the TCP available to the Owner for inspection upon request. The Engineer shall assign charges for any required traffic control to the applicable function code. City requires Public Notice of lane and Road closure 7 days in advance of closure through use of message boards, thus notice to Owner would need to be about 10 days prior of closure.

1.5. State-Controlled Waters. The placement of a new structure or modification of an existing structure(s) within State-Controlled waters will require confirmation that said structure(s) lie within the General Land Office (GLO) state owned land and whether the crossing is tidally influenced or not. Consequently, the Engineer shall request, as early in the design process as possible, that the State determine whether the proposed improvements are found within the tidal GLO, is a submerged GLO property or a non-tidal GLO property. The Owner may request assistance from the Engineer to prepare an exhibit demonstrating the location of the proposed improvements on the GLO State Owned Map for the project location.

1.6. Coordination. The Engineer shall coordinate issues and communications with Owner's internal departments through the Owner's Project Manager. The Owner will communicate the resolution of issues and provide the Engineer direction through the Owner's Project Manager.

Where applicable, the Engineer shall notify the Owner and coordinate with adjacent engineers and surveyors on all controls at project interfaces. The Engineer shall document the coordination effort, and each engineer must provide written concurrence regarding the agreed project controls and interfaces. In the event the Engineer and the other adjacent engineers are unable to agree, the Engineer shall meet jointly with the Owner and each adjacent engineer to resolve disagreements. If the engineers are unable to resolve an issue with the Owner as mediator, the Owner may decide the issue and the decision will be final.

The Engineer shall prepare each exhibit necessary for approval by each railroad, utility, and other governmental or regulatory agency in compliance with the applicable format and guidelines required by each entity and as approved by the Owner. The Engineer shall notify the Owner in writing prior to beginning any work on any outside agency's exhibit.

1.7. Level of Effort. For each task order, the Engineer shall base the level of effort at each phase on the prior work developed in earlier phases without unnecessary repetition or re-study. As directed by the Owner, the Engineer shall provide written justification regarding whether or not additional or repeated level of effort of earlier completed work is warranted, or if additional detail will be better addressed at a later stage in the project development.

1.8. Quality Assurance (QA) and Quality Control (QC). The Engineer shall provide peer review at all levels. For each deliverable, the Engineer shall have some evidence of their internal review and mark-up of that deliverable as preparation for submittal. A milestone submittal is not considered complete unless the required milestone documents and associated internal red-line mark-ups are submitted. The Owner's Project Manager may require the Engineer to submit the Engineer's internal mark-up (red-lines) or comments developed as part the Engineer's quality control step. When internal mark-ups are requested by the Owner in advance, the Owner, at its sole discretion, may reject the actual deliverable should the Engineer fail to provide the evidence of quality control. The Engineer shall clearly label each document submitted for quality assurance as an internal mark-up document.

The Engineer shall perform QA and QC on all survey procedures, field surveys, data, and products prior to delivery to the Owner. If, at any time, during the course of reviewing a survey submittal it

becomes apparent to the Owner that the submittal contains errors, omissions, or inconsistencies, the Owner may cease its review and immediately return the submittal to the Engineer for appropriate action by the Engineer. A submittal returned to the Engineer for this reason is not a submittal for purposes of the submission schedule.

1.9. Use of Standard Details. The Engineer shall identify and insert as frequently as is feasible the applicable, current City of Kyle Standard Details, TxDOT Statewide Standard Details, TxDOT Austin District Standard Details, or miscellaneous details that have been approved for use in the plan. The Engineer shall sign, seal, and date each Standard and miscellaneous detail if the Standard selected has not been adopted for use by the Owner. The Engineer shall obtain approval for use of these details during the early stages of design from the Owner Project Manager. In addition, these details shall be accompanied by the appropriate general notes, special specifications, special provisions, and method of payment. The Engineer shall retain the responsibility for the appropriate selection of each Standard identified for use within their design.

1.10. Organization of Plan Sheets. The PS&E shall be complete and organized in accordance with the latest edition of the TxDOT PS&E Preparation Manual. The PS&E package shall be suitable for the bidding and awarding of a construction contract, and in accordance with the latest TxDOT policies and procedures, and the Austin District's PS&E Checklist.

1.11. Organization of Design Project Folder and Files (Electronic Project Files). The Engineer shall organize the electronic project files in accordance with the Owner's File Management System (FMS) format. The Engineer shall maintain the project files in the Owner's file structure.

1.12. Personal Protective Equipment (PPE). The Engineer shall, and shall require its subcontractors to, (1) provide personal protective equipment (PPE) to their personnel, (2) provide business vehicles for their personnel, and (3) require their personnel to use PPE and drive only business vehicles while performing work on or near roadways. The PPE must meet all (1) current standards set by the Occupational Safety and Health Administration (OSHA) and (2) TxDOT requirements (e.g., safety glasses, Type 3 (TY 3) pants for night work). Each business vehicle must be clearly marked with the Engineer's business name, or the name of the appropriate subcontractor, such that the name can be identified from a distance.

1.13. Data Classification. Unless otherwise clearly labeled or otherwise specifically excepted through a provision of this contract or its attachments, all data provided to or generated by the Engineer under this contract is considered public data for the purposes of applying the Owner's data security standards. The Engineer shall manage all data and work products according to the terms of the contract, including specifically Attachment I, Information Resources and Security Requirements.

1.14. Preventative Measures to Prevent the Spread of Oak Wilt Disease Contamination.

The Engineer shall take the following preventive measures while cutting, pruning, or removing oak trees in counties which have confirmed cases of oak wilt disease or when directed by the Owner:

A. When possible, employ alternative methods instead of pruning or cutting oak trees.
B. When possible, perform necessary pruning and cutting of healthy trees during January or February when sap beetles are least active.
C. Treat wounds with pruning paint in oak wilt disease infected counties to discourage insects, especially during warm weather.

D. Sterilize all pruning tools between each use on each tree with either Lysol spray or a 70 percent rubbing alcohol solution.
E. Dispose of the tree cuttings by burning, burying, or another approved method.

TASK DESCRIPTIONS AND FUNCTION CODES

The Engineer shall categorize each task performed to correspond with the Function Codes (FC) and Task Descriptions.

FUNCTION CODE 102(110) – FEASIBILITY STUDIES

110.4 GEOMETRIC DESIGN SCHEMATIC UPDATE

The Engineer shall verify the feasibility of modifying the previously approved design such that the proposed roundabout does not impact the approved site plan for the retail development on the northwest corner of the Bunton Creek Rd/Goforth Road intersection and revise the schematic accordingly. The revised schematic will require approval before continuing with 60& PS&E design. Any comments to the revised schematic will be addressed during 60% PS&E design. The Engineer shall:

- Revise roundabout and tie-in geometry
- Update storm drain design
- Revise underground utility alignments and easements and update for conflicts
- Update cost estimate

Deliverables

- Schematic
- Cost Estimate

130.1. RIGHT-OF-WAY SURVEYS (15.1.1)

N/A

130.2. RIGHT OF WAY MAPPING – TRADITIONAL ROW MAP

N/A

130.4. ROW Hearing Services

N/A

130.7. Access Management.

N/A

FUNCTION CODE 145(145, 164) – MANAGING CONTRACTED/DONATED PE

CONTRACT MANAGEMENT AND ADMINISTRATION

145.1. Contract Management and Administration

The Engineer shall:

A. Act as an agent for the Owner when specified in a task order.
B. Produce a complete and acceptable deliverable for each environmental service performed for environmental documentation.
C. Incorporate environmental data into identification of alternatives.
D. Notify the Owner of its schedule, in advance, for all field activities.
E. Notify the Owner as soon as practical, by phone and in writing, if performance of environmental services discloses the presence or likely presence of significant impacts (in accordance with 40 Code of Federal Regulations (CFR) 1500-1508). Inform the Owner of the basis for concluding there are significant impacts and the basis for concluding that the impacts might require mitigation.
F. Notify the Owner as soon as practical, by phone and in writing, if performance of environmental services results in identification of impacts or a level of controversy that might elevate the transportation activity's status from a categorical exclusion or environmental assessment. The Owner will reassess the appropriate level of documentation.

145.2. Project Management and Administration

The Engineer, in association with the Owner's Project Manager shall be responsible for directing and coordinating all activities associated with the project to comply with Owner policies and procedures, and to deliver that work on time.

Project Management and Coordination. The Engineer shall coordinate all subconsultant activity to include quality of and consistency of plans and administration of the invoices and monthly progress reports. The Engineer shall coordinate with necessary local entities.

All firms participating in Kyle 2022 Road Bond Projects, either as Prime Contractor or Subcontractor, must fully utilize Procore Construction management software for full project implementation, as directed by the Owner. The Owner will provide Procore access to all firms.

The Engineer shall:

- Prepare monthly written progress reports for each project.
- Develop and maintain a detailed project schedule (details below) to track project conformance for each task order. The schedule submittals shall be electronic format.
- Meet on a scheduled basis with the Owner to review project progress. Prepare, distribute, and file both written and electronic correspondence.
- Prepare and distribute meeting minutes.
- Document phone calls and conference calls as required during the project to coordinate the work for various team members.
- Provide QC/QA documentation for all submittals, including the sub consultants.

Baseline Schedule. Develop and submit for approval a Critical Path Method (CPM) baseline schedule within fourteen (14) calendar days of the Notice to Proceed. Schedule Shall be in MS Project or Primavera P6. Modifications to the approved schedule will require approval by the Owner.

- Submit both pdf and native (.mpp or .xer) copies of the files to Procore.
- Include all planned work activities and sequences, major milestones, and show Contract completion
- Include activities that are the responsibility of the Owner, and estimate the duration of these activities. This time will not count against the Contract time, but is important to track as the critical path may run through them.
- Ensure that the activities are broken out to a level of detail that clearly explains the tasks associated with delivering the work product.
- Provide activity durations in whole calendar days.
- Provide a legend for all abbreviations, run date, data date, project start date, and project completion date in the title block of each submittal.
- Begin the project schedule on the Notice to Proceed date.
- Show a predecessor and successor for each activity with the appropriate activity relationships.
- Ensure that all work sequences are logical and can be explained to the Owner if questions arise for clarification or understanding.
- Do not use activities exceeding 28 calendar days, unless agreed upon with the Owner

Monthly Progress Schedule

- Project schedule updates shall be submitted as part of all invoice approval packages. Invoices submitted without schedule updates will be incomplete and will not be processed until schedule update is submitted.
- Submit both the pdf and electronic copy of the project schedule running through the end of each month, due no later than the Seventh (7th) calendar day of the following month, as it will become a record of the progress achieved on the project.
- Once established, the original duration and actual dates of all activities must remain unchanged.
- Revisions to the schedule may be made, but must be listed in a monthly update narrative in the Progress Report with the purpose of explaining the purpose of the revision and description of the impact on the project schedule's critical path and project completion date.
- Monthly Progress Reports should include:

1. Completed and planned work
2. Budget status
3. Schedule status
4. Actual start dates for activities started
5. Actual finish dates for activities completed
6. The percentage of work completed and remaining duration for each activity started, but not yet completed
7. Current delays and plans showing how they will be rectified
8. Potential delays and plans to rectify
9. Tracking schedule (pdf & mpp/xer)

FUNCTION CODE 160(150) – ROADWAY DESIGN

150.1. DESIGN AND CONSTRUCTION SURVEY

N/A

150.2. DESIGN SURVEY (15.2.1)

Topographic survey

Provide additional design survey for the roundabout shift.

Easement Descriptions

Provide a metes and bounds description of each easement being acquired.

150.3. CONSTRUCTION SURVEY (15.2.2)

N/A

150.4. DELIVERABLES FOR DESIGN AND CONSTRUCTION SURVEYS

N/A

150.11. HORIZONTAL AND VERTICALCONTROL (15.3.5)

N/A

FUNCTION CODE 160(160) - ROADWAY DESIGN

ROADWAY DESIGN CONTROLS

The Engineer shall inform the Owner of changes made from previous initial meetings regarding each exception, waiver, and variance that may affect the design. The Engineer shall cease all work under this task until the exceptions, waivers, and variances have been resolved between the Engineer and the Owner unless otherwise directed by the Owner to proceed. The Engineer shall identify, prepare exhibits, and complete all necessary forms for Design Exceptions and Waivers within project limits prior to the 60% Submittal. These exceptions shall be provided to the Owner for coordination and processing of approvals.

160.1. Geometric Design.

The Engineer shall:

A. Preliminary Geometric Project Layout.

The Engineer shall update a preliminary geometric project layout (Layout) and a preliminary 3D corridor model for the full length of the project to be reviewed and approved by the Owner prior to the Engineer proceeding with the 60% milestone submittal package.

The Layout must consist of a planimetric file of existing features and the proposed improvements within the existing and any proposed ROW. The Layout must also include the

following features: existing and proposed ROW, existing and proposed horizontal and vertical alignment and profile grade line, cross culverts, lane widths, cross slopes, ditch slopes, pavement structure, clear zone, dedicated right turn lanes, corner clips, retaining walls (if applicable) guard rail (if applicable), and water surface elevations for various rainfall frequencies, etc. Existing major subsurface and surface utilities must be shown on the Layout.

The Engineer shall develop the proposed alignment to avoid the relocation of existing utilities as much as possible. The Engineer shall consider Americans with Disabilities Act (ADA) requirements when developing the Layout. The Layout must be prepared in accordance with the current Roadway Design Manual. The Engineer shall provide horizontal and vertical alignment of the project layout in English units for main lanes and cross streets. Minor alignment alternatives must be considered to provide for an optimal design. The project layout must be coordinated with the Owner and adjacent Engineers, if any. The Engineer shall also provide proposed and existing typical sections with the profile grade line (PGL), lane widths, cross slopes, ROW lines, ditch shapes, pavement structures and clear zones depicted, etc.

The 3D corridor model must be created using Bentley's OpenRoads and GEOPAK tools. The 3D corridor model must have enough details to verify the feasibility of the proposed design.

Prior to proceeding with the final preliminary geometric layout, the Engineer shall also present to the Owner for review and approval, alternatives for the design (e.g., flush or raised curb median) with recommendations and cost estimates for each alternative. The Engineer shall also attend all necessary meetings to discuss the outcome of the evaluations of the study.

160.2. Roadway Design.

The Engineer shall use Bentley's OpenRoads 3D Design technology in the design and preparation of the roadway plan sheets.

The Engineer shall use the current versions of MicroStation and GEOPAK at the time the task order is executed. However, the Owner may approve the use of other versions.

The Engineer shall provide roadway plan and profile drawings using CADD standards as required by TxDOT. The drawings must consist of a planimetric file of existing features and files of the proposed improvements. The roadway base map must contain line work that depicts existing surface features obtained from the schematic drawing. Existing major subsurface and surface utilities must be shown if requested by the Owner. Existing and proposed right-of-way lines must be shown. Plan and Profile must be shown on separate or same sheets (this depends upon width of pavement) for main lanes, frontage roads, and direct connectors.

The plan view must contain the following design elements:

1. Calculated roadway centerlines for mainlanes, ramps, cross streets and frontage roads, as applicable. Horizontal control points must be shown. The alignments must be calculated using OpenRoads horizontal geometry tools.
2. Pavement edges for all improvements (mainlanes, direct connectors, ramps, cross streets, driveways, and frontage roads, if applicable).
3. Lane and pavement width dimensions.
4. Proposed structure locations, lengths, and widths.

5. Direction of traffic flow on all roadways. Lane lines and arrows indicating the number of lanes must also be shown.
6. Drawing scale shall be 1" =100'
7. Control of access line, ROW lines, and easements.
8. Begin and end superelevation transitions and cross slope changes.
9. Limits of riprap, block sod, and seeding.
10. Existing utilities and structures.
11. Benchmark information.
12. Metal beam guard fence locations
13. Radii call outs, curb location, Concrete Traffic Barrier (CTB), crash safety items and American with Disabilities Act Accessibility Guidelines (ADAAG) compliance items.

The profile view must contain the following design elements:

1. Calculated profile grade for proposed mainlanes (cite direction), direct connectors, ramps, cross streets, and frontage roads, if applicable. Vertical curve data, including "K" values must be shown. The profiles must be calculated using OpenRoads vertical geometry tools.
2. Existing and proposed profiles along the proposed centerline of the mainlanes, the outside shoulder line of ramps, and the outside gutter line of the designated (north, south, east, or west) bound frontage roads.
3. Drawing vertical scale to be 1" =10'.

160.3. Typical Sections: The Engineer shall prepare typical sections for all proposed and existing roadways and structures. Typical sections must include width of travel lanes, shoulders, outer separations, border widths, curb offsets, managed lanes, and ROW. The typical section must also include Proposed Profile Grade Line (PGL), centerline, pavement design, longitudinal joints, side slopes, sodding or seeding limits, concrete traffic barriers and sidewalks, if required, station limits, common proposed and existing structures including retaining walls, existing pavement removal, riprap, limits of embankment and excavation, etc.

160.6. Cross Streets. The Engineer shall provide an intersection layout detailing the pavement design and drainage design at the intersection of each cross street. The layout must include the horizontal and vertical alignments, curb returns, geometrics, transition length, stationing, pavement, drainage details, and Americans with Disabilities Act Accessibility Guidelines (ADAAG) compliance items. The Engineer shall design for full pavement width to the ROW and provide a transition to the existing roadway. The Engineer shall follow the Owner's Roundabout Policy, documenting and requesting Owner approval when roundabouts are not applicable.

160.7. Cut and Fill Quantities. The Engineer shall develop an earthwork analysis to determine cut and fill quantities and provide final design cross sections at 100 feet intervals. Cross sections must be created from the 3D corridor model and must be delivered in the standard TxDOT format on 11"x17" sheets or roll plots and electronic files. The Engineer shall provide all templates and

corridors used to generate the design cross sections. Cross sections and quantities must include existing pavement removals. Annotation shall include at a minimum existing and proposed ROW, side slopes (front & back), profiles, etc.

The Engineer shall submit electronic files for each submittal at the 60% and 90%. For final submittals 2 sets 11"x17". The Engineer shall also submit the current OpenRoads generated 3D corridor model for each submittal.

160.8. Plan Preparation. The Engineer shall prepare roadway plans, profiles and typical sections for the proposed improvements. This scope of services and the corresponding cost proposal are based on the Engineer preparing plans to construct main lanes and cross streets at intersections. The roadway plans must consist of the types and be organized in the sequence as described in the PS&E Preparation manual.

160.9. Wetlands Information. The wetland areas are to be staked, fenced and the delineation surveyed by the Engineer. The survey data must be electronically transferred to the Plan and Profile (P&P) sheets and the volumes calculated for the delineated areas.

160.10. Pavement Design.

N/A

160.11. Pedestrian and Bicycle Facilities. The Engineer shall coordinate with the Owner to incorporate pedestrian and bicycle facilities as required or shown on the project's schematic. All pedestrian and bicycle facilities must be designed in accordance with the latest Americans with Disabilities Act Accessibility Guidelines (ADAAG), the Texas Accessibility Standards (TAS), US Access Board Public Right-of-Way Accessibility Guidelines (PROWAG), and the AASHTO Guide for the Development of Bicycle Facilities. The Engineer shall design the Owner's Vybe Trail if within the project limits. Certain Vybe details will be provided by the Owner. The Engineer shall submit the project for review by a Registered Accessibility Specialist (RAS). Fees for the review and permitting by the Texas Department of Licensing and Regulation (TDLR) shall be paid by the Engineer and reimbursed by the City. The Engineer shall include a note in the plans that fees for construction inspection by a RAS of his/her choosing shall be borne by the Contractor.

FUNCTION CODE 160(161) - ROADWAY DESIGN

DRAINAGE

161.1. Data Collection.

The Engineer shall provide the following data collection services:

1. Conduct field inspections to observe current conditions and the outfall channels, drainage easements, and land development projects. Document field inspections with digital photos.
2. Collect available applicable data including GIS data and maps, site survey data, construction plans, previous reports and studies.
3. Review survey data and coordinate any additional surveying needs with Owner.

161.2. Hydrologic Studies.

The Engineer shall provide the following services:

1. Incorporate the hydrologic analysis from the submitted schematic (12/20/2023).
2. Calculate discharges using appropriate hydrologic methods and as approved by the Owner. This shall be based on Atlas 14 rainfall. The City of Kyle Drainage Criteria IDF curve coefficients shall be used.
3. Consider the pre-construction and post-construction conditions in the hydrologic analysis.
4. Include, at a minimum, the 4% Annual Exceedance Probability (AEP) as the "design" frequency and the 1% AEP storm frequency. The hydrologic analysis must include the full range of frequencies (50%, 20% 10%, 4%, 1%, and 0.2% AEP).

161.3. Storm Drains.

The Engineer shall provide the following services:

1. Design and analyze storm drains using ORD Drainage & Utilities software. The storm drains will be designed to the 4% AEP.
2. Size inlets, laterals, trunk line and outfalls. Develop designs that minimize the interference with the passage of traffic or incur damage to the highway and local property in accordance with local drainage ordinances, the TxDOT Hydraulic Design Manual, and any specific guidance provided by the Owner. Storm drain design software shall be selected as directed by the task order.
3. Determine hydraulic grade line starting at the outfall channel for each storm drain design. Use the design water surface elevation of the outfall as the starting basis (tailwater) for the design of the proposed storm sewer system.
4. Calculate manhole head-losses. Compute manhole head losses as per FHWA's HEC-22.
5. Limit discharge into existing storm drains and existing outfalls to the capacity of the existing system, which will be determined by the Engineer. Evaluate alternate flow routes or detention, if necessary, to relieve system overload.
6. Identify areas requiring trench protection, excavation, and shoring.
7. Evaluate the outfall points and design outfall protection as applicable.

161.4. Parallel-Drainage Structures and Ditch Analysis.

The Engineer shall provide the following services:

1. Determine drainage areas and flows for the proposed parallel culvert drainage structures.
2. Determine the sizing of the proposed parallel culvert drainage structures. The scope may include extending, adjusting or replacing non-bridge-class culverts . Develop designs that minimize the interference with the passage of traffic or cause damage to the highway and local property in accordance with local ordinances, TxDOT's Hydraulic Design Manual, and any specific guidance provided by the Owner.
3. Design and analyze the parallel culverts using HY-8. The parallel culverts will be designed to the 4% AEP.
4. Determine the drainage areas, flows, and sizing of the parallel ditches. Sizing will be determined using a ditch capacity spreadsheet. The ditches will be designed to the 4% AEP.
5. Evaluate the outfall points and design outfall protection as applicable.

161.5. Temporary Drainage Facilities.

The Engineer shall develop plans for all temporary drainage facilities necessary to allow staged construction of the project and to conform with the phasing of adjacent construction projects without significant impact to the hydraulic capacity of the area. Drainage area maps are not required for temporary drainage.

1. N/A

161.6. Plans, Specifications and Estimates (PS&E) Development for Hydraulics.

The Engineer shall provide the following services:

1. Prepare the PS&E package in accordance with the applicable requirements of the Owner's specifications, standards, and manuals, including the TxDOT PS&E Preparation Manual. Include the following sheets and documents, as appropriate:
    a. Drainage Area Maps
    b. Hydrologic Data Sheets
    c. Hydraulic Data Sheets
    d.
    e. Storm Drain Plan/Profile Sheets
    f. Storm Drain Lateral Sheets
    g. Driveway Culverts and Ditches Sheets
    h. Miscellaneous Drainage Details

i. Drainage Standard Sheets
j. Drainage Quantity Summaries

2. Identify areas requiring trench protection, excavation, and shoring.
3. Prepare drainage area maps.
4. Prepare plan and profile sheets for storm drain systems and outfall ditches.
5. Select any necessary standard details from the TxDOT, City of Kyle, or City of Austin lists of standards for items such as inlets, manholes, junction boxes and end treatments.
6. Prepare details for non-standard inlets, manholes and junction boxes.
7. Prepare drainage details for outlet protection, outlet structures and utility accommodation structures.
8. Identify pipe strength requirements.
9. Prepare drainage facility quantity summaries.
10. Identify potential utility conflicts and, if feasible, design to mitigate or avoid those identified conflicts.
11. Consider pedestrian facilities, utility impacts, driveway grades, retaining wall and concrete traffic barrier drainage impacts.
12. Identify existing ground elevation profiles at the ROW lines on storm sewer plan and profile sheets.
13. Develop a 3D model of the proposed drainage structures using ORD Drainage & Utilities Product..

FUNCTION CODE 160(162) - ROADWAY DESIGN

SIGNING, PAVEMENT MARKINGS AND SIGNALIZATION (PERMANENT)

162.1. Signing. The Engineer shall prepare drawings, specifications, and details for all signs. The Engineer shall coordinate with the Owner (and other Engineers as required) for overall temporary, interim and final signing strategies and placement of signs outside contract limits. The Engineer shall:

- Prepare sign detail sheets for non-standard signs showing dimensions, lettering, shields, borders, corner radii, etc., and shall provide a summary of small signs to be removed, relocated, or replaced.
- Designate the shields to be attached to guide signs.
- Illustrate and number the proposed signs on plan sheets.
- Select each sign foundation from State Standards.

162.2. Pavement Marking. The Engineer shall detail both permanent and temporary pavement markings and channelization devices on plan sheets. The Engineer shall coordinate with the Owner (and other Engineers as required) for overall temporary, interim, and final pavement marking strategies. The Engineer shall select Pavement markings from the latest City and Owner standards.

The Engineer shall provide a 3D corridor model with the proposed pavement marking stenciled onto the model.

The Engineer shall provide the following information on sign and pavement marking layouts:

- Roadway layout.
- Center line with station numbering.
- Designation of arrow used on exit direction signs
- Culverts and other structures that present a hazard to traffic.
- Location of utilities.
- Existing signs to remain, to be removed, to be relocated or replaced.
- Proposed signs (illustrated, numbered and size).
- Proposed overhead sign bridges to remain, to be revised, removed, relocated, or replaced.
- Proposed overhead sign bridges, indicating location by plan.
- Proposed markings (illustrated and quantified) which include pavement markings, object markings and delineation.
- Quantities of existing pavement markings to be removed.
- Proposed delineators, object markers, and mailboxes.
- The location of interchanges, mainlanes, grade separations, frontage roads and ramps.
- The number of lanes in each section of proposed highway and the location of changes in numbers of lanes.
- Right-of-way limits.
- Direction of traffic flow on all roadways.

162.3. Traffic Warrant Studies.

PEDESTRIAN HYBRID BEACON (PHB) WARRANT STUDY

The Engineer shall prepare a pedestrian hybrid beacon (PHB) warrant study to support their recommendation for the proposed PHB. Each warrant study must include addressing pedestrian signals along with obtaining pedestrian counts.

The Engineer shall implement the proposed PHB within existing Owner ROW unless otherwise approved by the Owner. The Engineer shall refer to latest version of the TMUTCD, Traffic Signal Manual, and the Owner and TxDOT's roadway and traffic standards for work performed. The Engineer shall develop and include a timing plan for each PHB.

162.4. Traffic Signals.

N/A

FUNCTION CODE 160(163) - ROADWAY DESIGN

MISCELLANEOUS (ROADWAY)

The Engineer shall provide the following services:

163.1. Utility Engineering

Utility Engineering includes the identification of utility conflicts, coordination, compliance with the UAR, and resolution of utility conflicts. The Engineer shall coordinate all activities with the Owner to facilitate the orderly progress and timely completion of the project design phase.

A. Coordination of Engineering Activities

1. Utility Layout:

The Utility Engineer must maintain a utility layout in the current approved version of OpenRoads Civil Design system used by the Owner. This layout must include all existing utilities which are to remain in place or be abandoned, and all adjusted utilities. This layout must be utilized to monitor the necessity of relocation and evaluate alternatives. The Utility Engineer must utilize the layout of existing utilities as prepared, if available, and make a determination of the following:

a. Facilities in conflict with the proposed project that are to be relocated.
b. Facilities to be removed or abandoned in place.
c. Facilities that are going to be moved underground.
d. Facilities to remain in service and in place because of roadway design adjustments and meeting the current UAR.
e. If there are additional facilities, not shown in the SUE documents, which require relocation, the Engineer shall coordinate this information with the Owner immediately upon discovery.
f. For facilities with unknown owner that require utility accommodation, the Utility Engineer must coordinate with the Owner for possible hot tap and removal. Engineer shall furnish all documents and exhibits to the Owner. When construction sequence and adjustments will be included in the PS&E package; the Utility Engineer must coordinate with the PS&E design engineer for the construction sequence in regard to the utility adjustments. The Utility Engineer must include this in the PS&E package.

B. Public and Individual Meetings with Utility Companies

As required, to facilitate utility conflict identification and resolution, the Engineer shall:

1. Establish contact with all existing utilities within and adjacent to the project limits and set up utility coordination meetings to discuss concepts and options for construction.
2. Schedule all utility coordination meetings and ensure compatibility with the schedule of the Owner.
3. Set agenda for all coordination meetings as directed by the Owner.
4. Establish and promote the desired agenda and methodologies for utility construction within the project limits. Typical strategies include Avoid- Minimize-Accommodate (AMA). The agenda and methodologies may allow the construction of utilities as a part of the highway contract.
5. Initial Project Meeting following the Notice of Proposed Construction (NOPC): Attend an initial meeting and an on-site inspection (when appropriate) to ensure familiarity with existing conditions and project requirements and prepare a written report of the meeting.

6. Progress Meetings: Meet with the Owner and, if applicable, design consultants, periodically to coordinate the work effort and resolve problems. Prepare a written report of all progress meetings and provide the report to the Owner. During the progress meetings, the Utility Engineer must review:
    a. Activities completed since the last meeting
    b. Problems encountered.
    c. Late activities.
    d. Activities required by the next progress meeting.
    e. Solutions for unresolved and/or anticipated problems.
    f. Information or items required from other agencies/consultants.

C. Review of Utility's Proposed Adjustments

1. Evaluate alternatives: The Utility Engineer must evaluate alternatives in the adjustment of utilities balancing the needs of both the Owner and the Utility. The Utility Engineer must use the AMA strategy as part of evaluating the alternatives.
2. Review estimates and schedules: The Utility Engineer must review the utility adjustment estimates for reasonableness of cost and the timely scheduling of the adjustment.
3. The Utility Engineer must review plans for compliance with UAR, Buy America materials, and proposed location data.
4. The Utility Engineer must ensure that utility owners are receiving updates for project design development so that utility owners are reviewing the most current plans, quality and accuracy of utility adjustment data, as well as compliance of UAR, as it pertains to the plans. The responsibility for compliance, quality, and accuracy of utility adjustment plans will remain with the utility company.
5. The Utility Engineer must ensure compliance with the regulations of the most recent edition of the TMUTCD. The Utility Engineer must obtain approval from the Owner concerning the proposed method of handling traffic prior to allowing commencement of work.

D. The Engineer shall not provide services under this contract that are for the sole benefit of a party or parties other than the Owner. The Engineer shall not invoice the Owner for any such services.

E. The Utility Engineer must:

1. Ensure all facilities conflicts have been resolved.
2. Ensure all stakeholders have concurred with the various alignments.
3. Establish the sequence of construction for all utility relocation work whether it is included as a part of the roadway construction or not. Ensure that the sequence of work is included in the traffic control plan and incorporated in the contract time determination schedule.
4. Determine which utilities will be built as part of the contract.
5. Determine which facilities will be relocated prior to construction or during construction. The Utility Engineer is responsible for assisting in the creation and maintenance of the utility management plan.

F. The Engineer shall coordinate, and/or review PS&E for all utilities included in the construction contract.

G. Utility Certification or Special Provisions: The Utility Engineer must submit, upon request from the Owner, Utility Certifications or Special Provisions. The Utility Certifications or Special Provisions will certify that all utilities are clear for roadway construction. However, if the utility adjustments are not complete prior to highway project letting, the Utility Engineer must provide a Special Provision outlining all outstanding utility conflicts and their effects on roadway construction. The Utility Engineer is responsible for ensuring that the utility management plan, utility certifications, and special provisions interface appropriately. With the certification and special provisions as noted above, the Utility Engineer must monitor the completion of the work, according to the utility clearance schedule signed by the utility owner. The formats for the certification and the clearance schedule will be provided by the Owner.

H. Utility Engineering VFP-

End Result: Fully reviewed and approved engineering plans (done by utility owners) of constructible utility accommodations.

The Utility Engineer must:

1. Identify potential conflicts using the AMA process, the design, and SUE.
    a. Avoid – work with designers to avoid conflicts.
    b. Minimize – Cost analyzed of safe available options to minimize cost and project delay.
    c. Notice of Required Accommodation (NORA) sent out and acknowledgement of receipt obtained.
2. Hold meetings with utilities requiring (NORA) to strategize and program the accommodation
3. Document all activities.
4. Track all ROW acquisitions to assist with scheduling accommodations.
5. Review documentation and justifications for Utility Exceptions.

I. Deliverables:

The Engineer shall submit the following deliverables to the Owner:

1. Identification of utility conflicts.
2. Composite DGN file showing all utilities.
3. Documentation showing review of engineering plans created by utility owners to ensure compliance with UAR, Buy America, etc.
4. Scheduling of accommodation to minimize issues (downtime, etc.) while maximizing the use of resources (e.g., Traffic Control) in a manner consistent with overall project timelines.
5. Documentation showing that exceptions were reviewed for viability.

163.2. Utility Design

This task includes the design of water, wastewater, and reclaimed water utility facilities eligible under Transportation Code §203.092 and performed in support of necessary utility relocations, adjustments, modifications, or abandonment. The Utility Engineer must coordinate all activities with the Owner, or its designee, to design select utility facilities in a manner that will facilitate the orderly progression and timely completion of the Owner's project development effort.

As directed by the Owner, the Utility Engineer must prepare detailed plans, specifications, quantities, and estimates for, water, wastewater, and reclaimed water utility facilities that require relocation, adjustment, modification, or abandonment due to a conflict with the highway improvement project.

The Utility Engineer's activities must conform with those specified under Texas Administrative Code, Title 43, Part 1, Chapter 21, Subchapter C, Section 21.37, relating to the specified utility types, eligibility requirements, agreements, and approvals.

The Utility Engineer must provide documentation of the location and manner by which a utility installation, adjustment, or relocation work will be performed within the right of way to the Owner for review and approval.

A. Data Collection

Prior to the start of utility design, the Engineer shall investigate and verify ownership, size, construction method, depth, location, number of lines, and other details of the conflicting or noncompliant utility facility that are necessary to design the relocation, adjustment, modification, or abandonment of the utility facility.

B. Plan Preparation

1. The Utility Engineer must overlay the utility design plan onto the roadway design plan to show existing and proposed roadway features, including existing and proposed roadway right of way lines, all control of access lines, and all applicable reference information.

2. The Utility Engineer must prepare the utility design plans to depict sufficient information that will enable the Owner to verify compliance with UAR including depth of cover, casing requirements, vent locations, manhole sizes, etc., for each utility design. At the Owner's request, the Utility Engineer must represent the existing and proposed utilities in a 3D utility model that is compatible with the Owner's MicroStation graphics program and OpenRoads civil design system.

3. The Utility Engineer must evaluate and resolve any conflict with existing and proposed utilities or roadway facilities as a result of the utility design.

4. The utility engineer shall provide the design as plan and profile sheets for all water, wastewater, and reuse utilities required due to roadway and drainage conflicts, for a total of 47 sheets. This includes the following utility relocations:

a. City of Kyle service connections approximately 190 linear feet.

b. City of Kyle 12-inch waterline approximately 365 linear feet.

c. City of Kyle 12-inch waterline approximately 1415 linear feet.

d. City of Kyle 12-inch waterline approximately 65 linear feet.

e. City of Kyle 16-inch waterline approximately 1510 linear feet.

f. GBRA 16-inch waterline approximately 930 linear feet.

g. GBRA metering station

h. GBRA 30-inch waterline approximately 135 linear feet

i. City of Kyle reclaimed waterline approximately 5805 linear feet.

j. City of Kyle wastewater line approximately 700 linear feet.

k. County Line SUD 12-inch waterline approximately 75 linear feet.

l. County Line SUD 12-inch waterline approximately 4,500 linear feet.

5. The Utility Engineer must review and verify that the utility design plans are consistent and compatible with, but not limited to, the following:

    a. ROW acquisition schedule

    b. Utility adjustments with ROW acquisition schedule

    c. Design and construction of the project

    d. Final roadway design

    e. Any existing utility or any other utilities being installed in the same vicinity

    f. Roadway design Traffic Control Plan (TCP)

    g. Sequence of work to define contract time determination

6. The Engineer shall gain approval of the utility design plans from the utility owner, operator, or other party authorized by the utility owner. This includes submittals to and coordination with GBRA and County Line SUD for design approval and easement acquisition.

7. The Engineer shall develop utility design, standards, and specifications in a manner acceptable to the Owner for inclusion in roadway construction plans for bid purposes. The utility design plans must be signed, sealed, and dated by the responsible Engineer.

8. At the request of the utility owner the Engineer shall assist the utility owner in the development of a utility exception request.

C. Meetings with Utility Owners

The Engineer shall meet with each utility owner (City of Kyle, GBRA, and County Line SUD) one time prior to each submittal for a total of 9 meetings.

D. Easement location development

The Engineer will work with utility providers to define the locations, size, and limits of the proposed easements.

E. Estimates

The Utility Engineer must provide a detailed estimate of quantities that accurately correlates with the material types, denotes Buy America compliant material, and reflects the quantities on the utility design plans. The Engineer shall design the utility facility in a cost-effective and feasible manner.

F. Utility Design VFP-

End Result: The Engineer shall provide engineering plans of constructible utility accommodations showing compliance with safety, UAR, and Buy America.

The Engineer shall work with the Owner to create the engineering plans.

Examples of circumstances requiring this service may include, but are not limited to:

1. Utility does not have in-house capabilities for design and will pay for the Owner to complete this design work.
2. Owner takes over for unknown utilities requiring accommodation.

G. Deliverable(s):

The Engineer shall submit the following deliverables to the Owner at 60%, 90% and Final:

1. Plan and profile sheets for utility relocations including City of Kyle, County Line SUD, and GBRA.
2. Engineer's Opinion of Probable Construction Cost Estimate
3. Comment Response to Utility Owner comments

163.3. Geotechnical Borings and Investigations

N/A

163.4. Retaining Walls and Miscellaneous Structures.

For projects that have retaining walls, the Engineer shall develop retaining wall layouts in the 3D corridor model.

The approximate limits of each retaining wall shall be based on Station or length. The Engineer shall notify the Owner of the type of retaining walls that will be used for and Cut and Fill location. Retaining wall types must include:

- Spread Footing Walls (High Footing Pressure Design and Low Footing Pressure Design). The Engineer shall select a spread footing wall for fill situation when considerable room behind the walls is available for forming, constructing, and backfilling the footings and stem. The Engineer shall notify the Owner when the quantity is less than 1000 square feet to have as option in the plans to cast in place a spread footing wall design. This selection has to be approved by the Owner.
- Mechanically Stabilized Earth (MSE) Walls. The Engineer shall prepare the retaining wall layouts showing plan and profile or retaining walls for design by an Owner approved vendor. The Engineer is responsible for design of geometry and wall stability. The Engineer shall incorporate a slope of 4:1 or flatter from the existing and finished ground line elevation to the face of the retaining wall.
- Concrete Block Walls (Structural and Landscape)
- Tied Back Walls
- Soil Nailed Walls
- Rock Nailed Walls
- Drilled Shaft Walls
- Temporary MSE Walls.

The Engineer shall provide layouts (scale 1" = 100'), elevations, quantity estimate, summary of quantities, typical cross sections, and structural details of all retaining walls within the project. The approximate lengths of the retaining walls as shown on the schematic are listed as below. The Engineer shall determine if any additional walls are required and verify the need for and length of the retaining walls as shown on the schematic.

The specific requirements for each item are as follows:

1. Layout Plan
    a. Designation of reference line
    b. Beginning and ending retaining wall stations
    c. Offset from reference line
    d. Horizontal curve data
    e. Total length of wall
    f. Indicate face of wall
    g. All wall dimensions and alignment relations (alignment data as necessary)
    h. Soil boring locations
    i. Drainage, signing, lightning, etc. that is mounted on or passing through the wall
    j. Subsurface drainage structures or utilities which could be impacted by wall construction.

2. Elevation
    a. Top of wall elevations
    b. Existing and finished ground line elevations
    c. Vertical limits of measurement for payment
    d. Type, limits, and anchorage details of railing (only if Traffic Railing foundation standard is not being used on this project)

e. Top and bottom of wall profiles plotted at correct station & elevation
f. Underdrains
g. Any soil improvement, if applicable
h. Drainage, signing, lighting etc. as noted above
i. Drainage structures and utilities as noted above

3. Sectional View
    a. Reinforced volume
    b. Underdrain location
    c. Soil improvements, if applicable.

4. General Guidelines for Retaining Walls
    a. The Engineer shall perform design calculations to check the external stability of the walls including slope stability, bearing, sliding and overturning and detail drawings in accordance with the standard requirements of the Owner.
    b. For retaining wall submittals, the Engineer shall check TxDOT's Bridge Division website for current requirements.

163.5. Traffic Control Plan, Detours, Sequence of Construction. The Engineer shall prepare Traffic Control Plans (TCP) including TCP typical sections, for the project. A detailed TCP must be developed in accordance with the latest edition of the TMUTCD. The Engineer shall implement the current Barricade and Construction (BC) standards and TCP standards as applicable. The Engineer shall interface and coordinate phases of work, including the TCP, with adjacent Engineers. The Engineer shall:

1. Provide a written narrative of the construction sequencing and work activities per phase and determine the existing and proposed traffic control devices (regulatory signs, warning signs, guide signs, route markers, construction pavement markings, barricades, flag personnel, temporary traffic signals, etc.) to be used to handle traffic during each construction sequence. The Engineer shall show proposed traffic control devices at grade intersections during each construction phase (stop signs, flag person, signals, etc.). The Engineer shall show temporary roadways, ramps, structures (including railroad shoo-fly) and detours required to maintain lane continuity throughout the construction phasing. If temporary shoring is required, prepare layouts, and show the limits on the applicable TCP.
2. Coordinate with the Owner in scheduling a Traffic Control Workshop and submittal of the TCP for approval by the Traffic Control Approval Team (TCAT). The Engineer shall assist the Owner in coordinating mitigation of impacts to adjacent schools, emergency vehicles, pedestrians, bicyclists, and neighborhoods.
3. Develop each TCP to provide continuous, safe access to each adjacent property during all phases of construction and to preserve existing access. The Engineer shall notify the Owner in the event existing access must be eliminated and must receive approval from the Owner prior to any elimination of existing access.

4. Design temporary drainage to replace existing drainage disturbed by construction activities or to drain detour pavement. The Engineer shall show horizontal and vertical location of culverts and required cross sectional area of culverts.
5. Prepare each TCP in coordination with the Owner. The TCP must include interim signing for every phase of construction. Interim signing must include regulatory, warning, construction, route, and guide signs. The Engineer shall interface and coordinate phases of work, including the TCP, with adjacent Engineers, which are responsible for the preparation of the PS&E for adjacent projects.
6. Maintain continuous access to abutting properties during all phases of the TCP. The Engineer shall develop a list of each abutting property along its alignment. The Engineer shall prepare exhibits for and attend meetings with the public, as requested by the Owner.
7. Make every effort to prevent detours and utility relocations from extending beyond the proposed Right-of-way lines. If it is necessary to obtain additional permanent or temporary easements and Right-of- Entry, the Engineer shall notify the Owner in writing of the need and justification for such action. The Engineer shall identify and coordinate with all utility companies for relocations required.
8. Describe the type of work to be performed for each phase of sequence of construction and any special instructions (e.g., storm drain, culverts, bridges, railing, illumination, signals, retaining walls, signing, paving surface sequencing or concrete placement, ROW restrictions, utilities, etc.) that the contractor should be made aware to include limits of construction, obliteration, and shifting or detouring of traffic prior to the proceeding phase.
9. Include the work limits, the location of channelizing devices, positive barrier, location and direction of traffic, work area, stations, pavement markings, and other information deemed necessary for each phase of construction.
10. Identify and delineate any outstanding ROW parcels.
11. Delineate areas of wetlands on traffic control plans.
12. Design the TCP phasing by creating a phased 3D corridor model.
13. Road closures should be avoided. If a road closure is determined to be necessary, a Detour Layout and estimated closure duration shall be provided to the Owner for approval.

163.6. Temporary Traffic Signals and Illumination:

N/A

163.7. Illumination. The Engineer shall refer to TxDOT's Highway Illumination Manual and other deemed necessary Owner approved manuals for design of continuous lighting and safety lighting for all conventional, lighting. The Engineer shall include safety lighting as part of each design on each flashing beacon and traffic signal. The Engineer shall provide a preliminary layout for initial review and approval by the Owner. The Engineer shall prepare circuit wiring diagrams showing the number of luminaries on each circuit, electrical conductors, length of runs, service pole assemblies. Underpass lighting must be used on all structures within each project. The Engineer shall integrate existing illumination within the project limits into the proposed design. The Engineer shall coordinate with the Owner to determine the location of proposed conventional lighting.

Routes selected by Owner will install City approved, Dark Sky-compliant lighting with aesthetically pleasing poles per City code.

Photometric modeling will be performed in accordance to City of San Marcos Development Code Chapter 7 Article 5: Lighting and Glare Standards. " Standards based on the model lighting ordinance developed by the International Dark Sky Association."

BGE excludes use of 30' City of Kyle specified pole. 40' pole will be needed to meet minimum illumination intensities on roadway.

163.8. Storm Water Pollution Prevention Plans (SWP3). The Engineer shall develop SWP3, on separate sheets from (but in conformance with) the TCP, to minimize potential impact to receiving waterways. The SWP3 must include text describing the plan, quantities, type, phase and locations of erosion control devices and any required permanent erosion control. The SW3P sheets must also include blanks to indicate placement and removal dates of all BMPs within the plan.

163.9. Compute and Tabulate Quantities. The Engineer shall provide the summaries and quantities within all formal submittals.

163.10. Special Utility Details (Water, Sanitary Sewer, etc.)

N/A

163.11. Miscellaneous Structural Details.

N/A

163.12. Agreements (Railroad, etc.) and Layouts.

N/A

163.145. Estimate. The Engineer shall independently develop and report quantities necessary to construct the contract in standard Owner bid format at the specified milestones and Final PS&E submittals. The Engineer shall prepare each construction cost estimate using TxDOT, City of Kyle, and/or City of Austin bid items and recent bid tabs. The estimate shall be provided at each milestone submittal.

163.156. Contract time determination. The Engineer shall prepare a detailed contract time estimate to determine the approximate time required for construction of the project in calendar and working days (based on the TxDOT standard definitions of calendar and working days) at the 90% and Final PS&E milestone.

The schedule must include tasks, subtasks, critical dates, milestones, deliverables, and review requirements in a format which depicts the interdependence of the various items and adjacent construction packages. The Engineer shall provide assistance to the Owner in interpreting the schedule.

163.167. Specifications and General Notes. The Engineer shall identify necessary standard specifications, special specifications, special provisions, and the appropriate reference items. The Engineer shall prepare General Notes from the TxDOT Austin District's Master List of General Notes, Special Specifications and Special Provisions for inclusion in the plans and bidding documents. In addition, the Engineer shall include applicable Owner general notes. The Engineer shall provide General Notes, Special Specifications and Special Provisions in the required format.

163.18. Constructability Review. The Engineer shall provide Independent Quality Review of the constructability of the PS&E sets.

The Engineer shall perform constructability reviews at major project design milestones (e.g. 60%, 90%, and final plan) to identify potential constructability issues and options that would provide substantial time savings during construction. The constructability review must be performed for all roadway and structural elements such as Sequence of Work and Traffic Control, Drainage (Temporary and Permanent), Storm Water Pollution Prevention Plan (SWP3), Environmental Permits, Issues and Commitments (EPIC) addressed, identify Utility conflicts; ensuring accuracy and appropriate use of Items, Quantities, General Notes, Standard and Special Specifications, Special Provisions, Contract Time/Schedule, Standards; and providing detailed comments in an approved format. Reviews must be captured in a Constructability Log identifying areas of concern and potential conflict. The Engineer shall provide the results of all Constructability reviews and recommendations to the Owner at major project design milestone submittals.

163.19. SUE Services

Provide up to fourteen (14) QLA SUE test holes within the limits project. To lay out the test holes, QLB SUE will be utilized to designate the target utility 10-feet on either side of the proposed test holes. No other utility investigation or designation work is included in this scope of work.

Deliverables:

- A summary sheet of all test hole coordinate data and depth information.
- 8.5" x 11" Test Hole Data Forms for all test hole locations completed. These forms will be signed and sealed by a Professional Engineer and delivered to the Client in electronic PDF form.
- A Utility Report containing metadata (e.g. scope of work, work limits, dates of performance, survey control, etc.), information about the Utility

Investigation not otherwise conveyed in other project deliverables, and recommendations to address data deficiencies.

FUNCTION CODE 160(165) – ROADWAY DESIGN

Traffic Management Systems (Permanent)

N/N

FUNCTION CODE 160(170) – ROADWAY DESIGN

BRIDGE DESIGN

N/A

FUNCTION CODE 170 – BID PHASE SERVICES

BID PHASE SERVICES

1. **Project Manual Development –** Prepare project manual utilizing front-end documents and specifications provided by City including bid items, contract, and special conditions.
2. Provide bidding support services, including assistance with responding to bidder questions, attend pre-bid meeting, and prepare minutes. Agenda will be prepared by the City.
3. Prepare Responses to Bidders' questions.
4. Tabulate, evaluate bids, and make apparent low bidder award recommendation.

FUNCTION CODE 160(160) - ROADWAY DESIGN

Deliverables

Plans

The Engineer shall provide the following information at each submittal:

60% Plans Submittal:

- Electronic set for owner review
- Estimate of construction cost.
- Roundabout checklist
- Engineer's internal QA and QC marked up set.
- Electronic roll format TCP phasing layouts and one .pdf of plan sheets for TCP concept.

- A preliminary 3D corridor model, in the most current format, created using Bentley's OpenRoads tools, and with detail to verify the design of the 60% plan sheets. The level of detail of the surface and subsurface features will be at the direction of the Owner.

90% Plans Submittal:

- 2 sets of 11" x 17" plan sheets for the Owner review
- List of governing Specifications and Special Provisions in addition to those required.
- Marked up general notes.
- Plans estimate.
- New Special Specifications and Special Provisions
- Triple Zero Special Provisions.
- Engineer sign, seal and date supplemental sheets (8 ½" x 11").
- Contract time determination summary.
- Significant project procedures form.
- Right-of-Way and utilities certification.
- Temporary road closure letters.
- Construction speed zone request.
- Engineer's internal QA and QC marked-up set.
- Other supporting documents.
- A detailed 3D corridor model, in the most current format, created using Bentley's OpenRoads tools, and with detail to verify the design of the 90% plan sheets. The level of detail of the surface and subsurface features will be at the direction of the Owner.

Final submittal (100%).

- 1 paper set 24" x 36" and 1 set 11" x 17"
- Revised supporting documents from 90% review comments.
- A final 3D corridor model, in the most current format created using Bentley 's OpenRoads tools. The level of detail of the surface and subsurface features will be at the direction of the Owner.
- A final 3D earthwork model in either .XML or. ICM format (as directed by the Owner) created using Bentley's OpenRoads tools. The level of detail of the surface and subsurface features will be at the direction of the Owner.

Electronic Copies

The Engineer shall furnish the Owner with a flash drive or USB hard drive of the final plans in the format of current CADD system used by the Owner, and shall also provide as a .pdf format and upload to the file management system.

The Engineer shall also provide a separate flash drive or USB hard drive containing cross section information (in dgn, XLR, & ASCII formats) for the contractor to use.

The Engineer shall provide an electronic copy of MS Project, Primavera, or the latest scheduling program used by the Owner for construction time estimate.

With the approval of the Owner, and in lieu of the above, the Engineer may maintain the project files in the Owner's file management system.

Calculations

The Engineer shall provide the following:

Electronic submittal with all quantity and non-structural design calculations.

Electronic copies of all engineering calculations, analysis, input calculations, quantities, geometric designs (GEOPAK GPK files), etc. relating to the project's structural elements. Project structural elements include, but are not limited to: bridges, retaining walls, overhead sign foundations, high-mast illumination foundations, non-standard culverts, custom headwalls and drainage appurtenances.

Working copies of all spreadsheets and output from any programs utilized on a flash drive or USB hard drive in a universally reliable format and uploaded to the Owner's Procore file management system.

The Engineer may provide the calculations in .pdf format in lieu of the bound hard copies. The .pdf file will be submitted on a flash drive or USB hard drive and uploaded to the Owner's Procore file management system.

ASSUMPTIONS:

- All design efforts will be based on the submitted schematic (12/20/2023).
- The limits of the Bunton Creek Road storm sewer design will not exceed more than 100 feet outside of the project limits on the west end near Lehman Road. BGE will provide a storm sewer stub out and coordinate flows from Bunton Creek Road with the Lehman Road design team.
- All water and wastewater utility relocations (COK, GBRA, County Line SUD) will be designed by BGE under this contract.
- Wastewater for 1600 Bunton Creek Road (next to Extra Space Storage) will not be required under this project design. It is anticipated that the parcel can be served from the manhole adjacent to the property on Lenox Drive.
- No easement development or creation (e.g. City of Kyle, GBRA, CenterPoint, Atmos, etc.) is included. The quantity and location of these easements will be defined during final design and performed under additional service.
- The project will be bid and constructed as a single project.

PRIME PROVIDER: BGE, Inc.

ATTACHMENT B
FEE SCHEDULE
Method of Payment:
LUMP SUM AND UNIT COSTS

Contract No. _____
Work Authorization No. _

PROJECT NAME: Bunton Creek Rd

PROJECT LIMITS: Lehman Rd to Porter Cv

TASK DESCRIPTION	BGE, Inc.	CobbFendley	The Rios Group	TOTAL COSTS BY FC
FEASIBILITY STUDIES (FC 102 (110))	$ 67,850.00	$ 19,664.00	$ -	$ 87,514.00
SOCIAL, ECONOMIC AND ENVIRONMENTAL STUDIES AND PUBLIC INVOLVEMENT (FC 120 (120))	$ -	$ -	$ -	$ -
RIGHT-OF-WAY DATA (FC 130 (130))	$ -	$ -	$ -	$ -
MANAGING CONTRACTED/DONATED PE (FC 145 (145,164))	$ 114,800.00	$ -	$ -	$ 114,800.00
ROADWAY DESIGN SURVEY (FC 160 (150))	$ 67,460.00	$ -	$ -	$ 67,460.00
ROADWAY DESIGN CONTROLS (FC 160 (160))	$ 368,935.00	$ -	$ -	$ 368,935.00
DRAINAGE (FC 160 (161))	$ 370,550.00	$ -	$ -	$ 370,550.00
SIGNING, PAVEMENT MARKINGS AND SIGNALIZATION (PERMANENT) (FC 160 (162))	$ 54,425.00	$ -	$ -	$ 54,425.00
MISCELLANEOUS (ROADWAY) (FC 160 (163))	$ 325,084.00	$ 206,826.00	$ 5,700.59	$ 537,610.59
UTILITY DESIGN (FC 160 (163.2))	$ 372,767.00			$ 372,767.00
BID PHASE SERVICES (FC 170)	$ 25,280.00	$ -	$ -	$ 25,280.00
CONSTRUCTION PHASE SERVICES (FC 300 (351))	$ -	$ -	$ -	$ -
SUBTOTAL LABOR EXPENSES	$ 1,767,151.00	$ 226,490.00	$ 5,700.59	**$ 1,999,341.59**
DIRECT EXPENSES (FC 164)	$ 4,278.00	$ 207.50	$ 5,000.00	**$ 9,485.50**
UNIT COST EXPENSES (FC 164)	$ -	$ -	$ 21,950.00	**$ 21,950.00**
TOTAL	$ 1,771,429.00	$ 226,697.50	$ 32,650.59	**$ 2,030,777.09**
	87.2%	11.2%	1.6%	100%

SUMMARY	
TOTAL LABOR COSTS FOR PRIME PROVIDER	$ 1,767,151.00
NON-SALARY (OTHER DIRECT EXPENSES) FOR PRIME PROVIDER	$ 4,278.00
SUBCONTRACTS (includes labor costs, direct expenses and unit cost)	$ 259,348.09
GRAND TOTAL	**$ 2,030,777.09**

BGE, Inc.

PROJECT NAME: Bunton Creek Rd
PROJECT LIMITS: Lehman Rd to Porter Cv

	TASKS	SHTS	Principal/ Director	Senior Project Manager	Project Manager	Senior Engineer	Project Engineer	QC Manager	Senior Env Specialist	Env Specialist	Design Engineer	Graduate Engineer	Senior Engineering Tech	Engineering Tech	Senior CADD Tech	CADD Tech	Survey Crew Rate	RPLS	Senior Survey Tech	Admin/ Clerical	TOTAL HOURS	TOTAL COST
			$310.00	$275.00	$255.00	$250.00	$215.00	$285.00	$240.00	$125.00	$175.00	$140.00	$195.00	$138.00	$110.00	$80.00	$175.00	$195.00	$135.00	$85.00		
FC 102 (110)	**Feasibility Studies**																					
110.4	**Geometric Design Schematic Update**																					$ -
	Roundabout and tie-in geometry revisions		1	2	16		32	16			60			40							167	$ 32,400.00
	Storm Drain				4		10	2			25		10								51	$ 10,065.00
	Utility Adjustments		1	2	8		32	8			40										91	$ 19,060.00
	Cost Estimate			1	8		16	2													27	$ 6,325.00
																						$ -
																						$ -
SUBTOTAL			2	5	36		90	28			125		10	40							336	**$ 67,850.00**
FC 145 (145,164)	**Managing Contracted/Donated PE**																					
145.2	**Project Management and Administration**																					$ -
	Develop and maintain project schedule				12		48														60	$ 13,380.00
	GEC Bi-Weekly Design Meetings (Assumes 24 design meetings) and documentation			24	24		40													24	112	$ 23,360.00
	Internal meetings, subconsultant coordination			8	40		40														88	$ 21,000.00
	Invoicing, Progress Reports, Project schedule (28 months)			12	112		84													84	292	$ 57,060.00
																						$ -
																						$ -
SUBTOTAL				44	188		212													108	552	**$ 114,800.00**
FC 160 (150)	**Roadway Design Survey**																					
150.2	Design Surveys (Provided by BGE and shown in separate tab "BGE Survey"																					$ -
																						$ -
																						$ -
																						$ -
																						$ -
SUBTOTAL																						**$ -**
FC 160 (160)	**Roadway Design Controls**																					
160.1	**Roadway Design**																					$ -
																						$ -
	Design cross sections				8	2	80					160									250	$ 42,140.00
	Roundabout Details/Design Checklist	1		1	4	1	24				8	40									78	$ 13,705.00
	Develop 60% Plans, Package, Comment Resolution																					$ -
	Removal Sheets	3			8	1	24				16	24									73	$ 13,610.00
	Typical Sections	2	1	2	8		24				8	24									67	$ 12,820.00
	Plan & Profile Drawings	5	1	4	40		32				32	80			40						229	$ 39,690.00
	Alignment Data Sheets	2			4						16	4									24	$ 4,380.00
	Earthwork Quantities				4	2	24					8									38	$ 7,800.00
	Driveway Details (10 Driveways)	4	1	1	4		24				4	40									74	$ 13,065.00
	Intersection Details (5 Intersections)	2		1	4		24				4	36									69	$ 12,195.00
	Roundabout Plan	1	1		4	1	24				24	24									78	$ 14,300.00
	Roundabout Profiles	2			4	1	24				24	24									77	$ 13,990.00
	Develop 90% Plans, Package, Comment Resolution																					$ -
	Removal Sheets	3			4	1	16				16	12									49	$ 9,190.00
	Typical Sections	2	1	2	4		24				8	12									51	$ 10,120.00
	Plan & Profile Drawings	5	1	4	20		16				32	40			20						133	$ 23,350.00
	Alignment Data Sheets	2			2						16	4									22	$ 3,870.00
	Earthwork Quantities				2	2	16					8									28	$ 5,570.00
	Driveway Details (10 Driveways)	4	1	1	2		16				4	20									44	$ 8,035.00
	Intersection Details (5 Intersections)	2		1	2		16				4	18									41	$ 7,445.00
	Roundabout Plan	1	1		2	1	16				24	12									56	$ 10,390.00
	Roundabout Profiles	2			2	1	16				24	12									55	$ 10,080.00
	Develop 100% Plans, Package																					$ -
	Removal Sheets	3			4	1	8				16	12									41	$ 7,470.00
	Typical Sections	2	1	2	4		8				8	12									35	$ 6,680.00
	Plan & Profile Drawings	5	1	4	20		16				24	40			10						115	$ 20,850.00
	Alignment Data Sheets	2			2						16	4									22	$ 3,870.00
	Earthwork Quantities				2	2	8					8									20	$ 3,850.00
	Driveway Details (10 Driveways)	4	1	1	2		8				4	20									36	$ 6,315.00
	Intersection Details (5 Intersections)	2		1	2		8				4	18									33	$ 5,725.00
	Roundabout Plan	1	1		2	1	8				20	12									44	$ 7,970.00
	Roundabout Profiles	2			2	1	8				20	12									43	$ 7,660.00
	QA/QC Roadway							80													80	$ 22,800.00
SUBTOTAL		64	12	25	172	18	512	80			376	740			70						2,005	**$ 368,935.00**
FC 160 (161)	**Drainage**																					
161.1	**Data Collection**																					

BGE, Inc.

PROJECT NAME: Bunton Creek Rd
PROJECT LIMITS: Lehman Rd to Porter Cv

	TASKS	SHTS	Principal/ Director	Senior Project Manager	Project Manager	Senior Engineer	Project Engineer	QC Manager	Senior Env Specialist	Env Specialist	Design Engineer	Graduate Engineer	Senior Engineering Tech	Engineering Tech	Senior CADD Tech	CADD Tech	Survey Crew Rate	RPLS	Senior Survey Tech	Admin/ Clerical	TOTAL HOURS	TOTAL COST
			$310.00	$275.00	$255.00	$250.00	$215.00	$285.00	$240.00	$125.00	$175.00	$140.00	$195.00	$138.00	$110.00	$80.00	$175.00	$195.00	$135.00	$85.00		
	Conduct field inspection and photo documentation										10	10									20	$ 3,150.00
	Collect and review valiable data, surveys, reports			2							6	8									16	$ 2,720.00
	Review survey data and coordinate additional survey needs			2							6	8									16	$ 2,720.00
161.2	**Hydrologic Studies**																					$ -
	Refine Hydrologic Calcs					6	12				20	20									58	$ 10,380.00
161.3	**Storm Drains**																					$ -
	Refine Storm Sewer Analysis					10	20				40	40									110	$ 19,400.00
161.4	**Parallel Drainage Structures and Ditch Analysis**																					$ -
	Refine Ditch Analysis					10	20				40	40									110	$ 19,400.00
	Driveway Culverts Analysis					8	16				25	25									74	$ 13,315.00
161.5	**Temporary Drainage Facilities**																					$ -
	Temporary Drainage Facilities		1	2		10	10	6			15	20	20								84	$ 16,545.00
161.6	**PS&E Development for Hydraulics**																					$ -
	Develop 60% Plans, Package, Comment Resolution																					$ -
	Drainage Area Maps	8		2		4	8	1			20	20	10								65	$ 11,805.00
	Hydrologic Data Sheets	3	1	2		2	4	2			8	10	8								37	$ 7,150.00
	Hydraulic Data Sheets	8	1	2		6	24	6			30	30	20								119	$ 22,580.00
	Storm Sewer Plan and Profile Sheets (1" = 100')	8	1	2		12	24	8			40	50	30								167	$ 31,150.00
	Storm Sewer Laterals	6	1	2		10	18	6			20	30	25								112	$ 21,515.00
	Driveway Culverts and Ditches Sheets	3	1	2		8	10	6			10	20	10								67	$ 13,220.00
	Miscellaneous Drainage Details	3		2		3	10	2			10	20	15								62	$ 11,495.00
	Drainage Standard Sheets	12		2		6	12	3			24	30	15								92	$ 16,810.00
	Drainage Quantity Summaries			2		3	8	2			8	8	4								35	$ 6,890.00
	Comment Resolution			1			2				2										5	$ 1,055.00
	Develop 90% Plans, Package, Comment Resolution																					$ -
	Drainage Area Maps	8		2		4	6	2			12	12	8								46	$ 8,750.00
	Hydrologic Data Sheets	3	1	2		1	3	1			4	6	4								22	$ 4,360.00
	Hydraulic Data Sheets	8	1	2		8	8	6			16	16	12								69	$ 13,670.00
	Storm Sewer Plan and Profile Sheets (1" = 100')	8	1	2		12	16	6			25	30	15								107	$ 20,510.00
	Storm Sewer Laterals	6	1	2		10	12	3			15	20	10								73	$ 14,170.00
	Driveway Culverts and Ditches Sheets	3	1	2		4	6	4			12	12	8								49	$ 9,630.00
	Miscellaneous Drainage Details	3		2		3	2	2			3	10	3								25	$ 4,810.00
	Drainage Standard Sheets	12		2		3	6	3			6	10	4								34	$ 6,675.00
	Drainage Quantity Summaries			2		3	4	2			6	6	3								26	$ 5,205.00
	Comment Resolution			1			2				2										5	$ 1,055.00
	Develop Final Plans, Package, Comment Resolution																					$ -
	Drainage Area Maps	8		1		2	4	2			4	8	2								23	$ 4,415.00
	Hydrologic Data Sheets	3	1	1		1	1	1			4	4	2								15	$ 2,985.00
	Hydraulic Data Sheets	8	1	1		4	4	2			8	8	6								34	$ 6,705.00
	Storm Sewer Plan and Profile Sheets (1" = 100')	8	1	1		4	6	3			16	16	10								57	$ 10,720.00
	Storm Sewer Laterals	6	1	1		3	6	2			8	12	6								39	$ 7,445.00
	Driveway Culverts and Ditches Sheets	3	1	1		2	3	2			8	8	6								31	$ 5,990.00
	Miscellaneous Drainage Details	3		1		1	2	1			2	2	2								11	$ 2,260.00
	Drainage Standard Sheets	12		1		2	2	2			3	3	2								15	$ 3,110.00
	Drainage Quantity Summaries			1		1	2	2			2	4	1								13	$ 2,630.00
	Comment Resolution			1			2					2									5	$ 985.00
	Specifications and General Notes			2		6						8									16	$ 3,170.00
SUBTOTAL		153	16	56		172	295	88			490	586	261								1,964	**$ 370,550.00**
FC 160 (162)	**Signing, Pavement Markings and Signalization (Permanent)**																					
	Signing & Pavement Markings plan sheets and details	4	1		2		12				8	40			40						103	$ 14,800.00
	Sign Layouts	1					4				4	32			8						48	$ 6,920.00
	Pedestrian Hybrid Beacon Warrant Study			4	24		40														68	$ 15,820.00
	PHB Layout	2		1	2	2	40				40										85	$ 16,885.00
																						$ -
																						$ -
SUBTOTAL		7	1	5	28	2	96				52	72			48						304	**$ 54,425.00**
FC 160 (163)	**Miscellaneous (Roadway)**																					
163.1	Utility Coordination																					
	Coordinate, communicate, and conduct meetings concerning utility adjustments - 1 kickoff meeting and 9 monthly meetings = 10 meetings, agendas, minutes			5		20							25								50	$ 11,250.00
	Utility Coordination Meetings at 60%, 90%, 100% = 3 UC milestone meetings			3		6							6								15	$ 3,495.00
	Project Meetings at 60%, 90%, 100% = 3 Project milestone meetings			3		3							3								9	$ 2,160.00
	Prepare, submit, and maintain utility conflict matrix; action log; and perform document control					14							32								46	$ 9,740.00
	Assist with utility conflict analysis and resolution					18							50								68	$ 14,250.00
	Prepare forms (NOPC, NORA) and associated documentation					7							14								21	$ 4,480.00
	Utility Adjustment Deliverables Utility Conflict Matrix 60, 90, 100%					6							9								15	$ 3,255.00
	Utility Engineering																					$ -
	Identification of utility conflicts					16							24								40	$ 8,680.00

PRIME PROVIDER:

ATTACHMENT B
FEE SCHEDULE
Method of Payment:
LUMP SUM AND UNIT COSTS

Contract No. _____
Work Authorization No. _

BGE, Inc.

PROJECT NAME: Bunton Creek Rd
PROJECT LIMITS: Lehman Rd to Porter Cv

	TASKS	SHTS	Principal/ Director	Senior Project Manager	Project Manager	Senior Engineer	Project Engineer	QC Manager	Senior Env Specialist	Env Specialist	Design Engineer	Graduate Engineer	Senior Engineering Tech	Engineering Tech	Senior CADD Tech	CADD Tech	Survey Crew Rate	RPLS	Senior Survey Tech	Admin/ Clerical	TOTAL HOURS	TOTAL COST
			$310.00	$275.00	$255.00	$250.00	$215.00	$285.00	$240.00	$125.00	$175.00	$140.00	$195.00	$138.00	$110.00	$80.00	$175.00	$195.00	$135.00	$85.00		
	Site Visit												8								8	$ 1,560.00
	Coordinate engineering activities: develop and maintain utility layout; utility adjustment construction sequence; etc. (assume 8 utility layout sheets)					40							88	48		24					200	$ 35,704.00
	Facilitate individual meetings with utility companies (including, but not limited to, attending meetings; scheduling; developing agendas; and preparing meeting minutes) - assume 24 meetings			6		18							24								48	$ 10,830.00
	Review utility's proposed adjustments					15							30								45	$ 9,600.00
	Develop and maintain utility management plan and certifications					16							24								40	$ 8,680.00
	Monitor the completion of the work, in accordance to the utility clearance schedule					10							15								25	$ 5,425.00
	Utility Engineering Deliverables					6							12								18	$ 3,840.00
																						$ -
	Title Sheet	1			1		2				8	8									19	$ 3,205.00
	Project Layout	1			1		2				8	24									35	$ 5,445.00
	Index of Sheets	1			1		2				8	8									19	$ 3,205.00
163.4	Retaining Walls	2		2	4		24				8	16									54	$ 10,370.00
163.5	Traffic Control Plan, Detours, Sequence of Construction																					$ -
	Construction Phase Layouts - 3 Phases	9	2	4	16		40				24	40			40						166	$ 28,600.00
	Detour Layouts	2		1	4		24				16	16									61	$ 11,495.00
	Sequence of Construction Narrative and General TCP Notes	1			1		8					16									25	$ 4,215.00
163.7	Illumination *Following TxDOT Specifications*																					$ -
	Photometric Model in AGI32 Software *60% submittal*			4		20	60	2													86	$ 19,570.00
	Photometric Model in AGI32 Software *update model at 90% and final submittals*			1		4	12	1													18	$ 4,140.00
	Preliminary Roll Plot Layout w/ light intensities from photometric model			2		4	20	1					40								67	$ 13,935.00
	Development of plan sheets, circuit design, and electrical deta	8		4		20	40	6					90								160	$ 33,960.00
163.8	SW3P	3			2	1	8				8	44									63	$ 10,040.00
163.9	Quantity Summaries				2		4				40										46	$ 8,370.00
163.1	Estimate		2		8	16	16														42	$ 10,100.00
163.2	Contract time determination				4		40														44	$ 9,620.00
163.2	Specifications and General Notes				1	1	8					16									26	$ 4,465.00
163.2	Constructability Review (60%, 90%, 100%)							40													40	$ 11,400.00
SUBTOTAL		28	4	35	45	261	310	50			120	188	494	48	40	24					1,619	**$ 325,084.00**
FC 160 (163.2)	**Utility Design**																					
	Coordination and Meetings with Utility Owners (GBRA, CLSUD, COK)			10			46					48									104	$ 19,360.00
	Develop 60% Plans, Package, Comment Resolution																					$ -
	Water Relocation Plan and Profile Sheets (1"=20')	24	2	24			24					96		144							290	$ 45,692.00
	Wastewater Relocation Plan and Profile Sheets (1"=20')	2	2	24			2					8		12							48	$ 10,426.00
	Reclaimed Waterline Plan and Profile Sheets (1"=20')	15	2	24			15					60		90							191	$ 31,265.00
	GBRA Meter Station and Waterline Relocation (1"=20')	6	2	24			6					30		42							104	$ 18,506.00
	Utility Details	3		24			3					12		18							57	$ 11,409.00
	Utility Quantity Summaries & Estimate			2			6					24									32	$ 5,200.00
	Comment Resolution			1			2					2									5	$ 985.00
	Develop 90% Plans, Package, Comment Resolution																					$ -
	Water Relocation Plan and Profile Sheets (1"=20')	24		24			24					96		144							288	$ 45,072.00
	Wastewater Relocation Plan and Profile Sheets (1"=20')	2		2			2					8		12							24	$ 3,756.00
	Reclaimed Waterline Plan and Profile Sheets (1"=20')	15		15			15					60		90							180	$ 28,170.00
	GBRA Meter Station and Waterline Relocation (1"=20')	6		6			6					30		42							84	$ 12,936.00
	Utility Details	3		3			3					12		18							36	$ 5,634.00
	Utility Quantity Summaries & Estimate			2			6					24									32	$ 5,200.00
	Comment Resolution			1			2					2									5	$ 985.00
	Develop Final Plans, Package, Comment Resolution																					$ -
	Water Relocation Plan and Profile Sheets (1"=20')	24		24			24					48		96							192	$ 31,728.00
	Wastewater Relocation Plan and Profile Sheets (1"=20')	2		2			2					4		8							16	$ 2,644.00
	Reclaimed Waterline Plan and Profile Sheets (1"=20')	15		15			15					30		60							120	$ 19,830.00
	GBRA Meter Station and Waterline Relocation (1"=20')	6		6			6					18		30							60	$ 9,600.00
	Utility Details	3		3			3					6		12							24	$ 3,966.00
	Utility Quantity Summaries & Estimate			2			6					24									32	$ 5,200.00
	Comment Resolution			1			2					2									5	$ 985.00
	Specifications and General Notes			2			4					8									14	$ 2,530.00
	Water Shut Out Plan/Phasing	2					8					8		16							32	$ 5,048.00
	QC Review and Recovery						20	60						40							120	$ 26,920.00
	Develop location and limits of utility easements						40					40		40							120	$ 19,720.00
SUBTOTAL		152	8	241			292	60				700		914							2,215	**$ 372,767.00**
FC 170	**Bid Phase Services**																					
	Project Manual Development		1	2	16		24					40									83	$ 15,700.00

PRIME PROVIDER:

ATTACHMENT B
FEE SCHEDULE
Method of Payment:
LUMP SUM AND UNIT COSTS

Contract No. _____
Work Authorization No. _

BGE, Inc.

PROJECT NAME: Bunton Creek Rd
PROJECT LIMITS: Lehman Rd to Porter Cv

TASKS	SHTS	Principal/ Director	Senior Project Manager	Project Manager	Senior Engineer	Project Engineer	QC Manager	Senior Env Specialist	Env Specialist	Design Engineer	Graduate Engineer	Senior Engineering Tech	Engineering Tech	Senior CADD Tech	CADD Tech	Survey Crew Rate	RPLS	Senior Survey Tech	Admin/ Clerical	TOTAL HOURS	TOTAL COST
		$310.00	$275.00	$255.00	$250.00	$215.00	$285.00	$240.00	$125.00	$175.00	$140.00	$195.00	$138.00	$110.00	$80.00	$175.00	$195.00	$135.00	$85.00		
Pre-bid Meeting Attendance			4			4														8	$ 1,960.00
Respond to Bidders' Questions				8		8														16	$ 3,760.00
Bid tabulations & Award				4		8					8									20	$ 3,860.00
																					$ -
																					$ -
																					$ -
																					$ -
																					$ -
																					$ -
SUBTOTAL		1	6	28		44					48									127	**$ 25,280.00**
LABOR TOTALS	**404**	**44**	**417**	**497**	**453**	**1851**	**306**			**1163**	**2334**	**765**	**1002**	**158**	**24**				**108**	**9,122**	**$ 1,699,691.00**
		0.5%	4.6%	5.4%	5.0%	20.3%	3.4%			12.7%	25.6%	8.4%	11.0%	1.7%	0.3%				1.2%		

OTHER DIRECT EXPENSES	# OF UNITS	COST/UNIT	UNIT	
				$ -
Mileage	3,400	$0.67	mile	$ 2,278.00
				$ -
				$ -
TDLR Review	1	$1,000.00	each	$ 1,000.00
TDLR Inspection	1	$1,000.00	each	$ 1,000.00
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
SUBTOTAL DIRECT EXPENSES (FC 164)				**$ 4,278.00**

UNIT COST EXPENSES	# OF UNITS	COST/UNIT	UNIT	
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
				$ -
SUBTOTAL UNIT COST EXPENSES (FC 164)				$ -

SUMMARY

TOTAL COSTS FOR PRIME PROVIDER	$ 1,767,151.00
NON-SALARY (OTHER DIRECT EXPENSES) FOR PRIME PROVIDER	$ 4,278.00
NON-SALARY (UNIT COST EXPENSES) FOR PRIME PROVIDER	$ -
SUBCONTRACTS (includes labor costs, direct expenses, and unit costs)	$ 259,348.09
GRAND TOTAL	**$ 2,030,777.09**

Bunton Creek Road Design Survey, Kyle, TX BGE, Inc.				
TASKS	Crew Rate	RPLS	Senior Tech	Total
East of Lehman	$175	$195	$135	
150.2 Design Survey				
Additional survey for roundabout/alignment shift	30		4	$5,790
Update DGN and TIN/Terrain			24	$3,240
QAQC and Final Updated Deliverables		4	4	$1,320
Sub Total				**$10,400**
Easement Descriptions (for 14 easements)				
Obtain Boundary Monumentation data	120			$21,000
Boundary Anaylisis		16	40	$8,520
Prepare exhibit maps		16	40	$8,520
Prepare exhibit Descriptions		40	30	$11,850
Address Comments		8	20	$4,260
QA/QC		8	10	$2,910
Sub Total				**$57,060**
Per Easement				**$4,076**
Total Hours	150	92	172	
Total	**$26,250**	**$17,940**	**$23,220**	**$67,460**

PRIME PROVIDER:

ATTACHMENT B
FEE SCHEDULE
Method of Payment:
LUMP SUM AND UNIT COSTS

Contract No. _____
Work Authorization No. _

Cobb, Fendley & Associates, Inc.

PROJECT NAME: **Bunton Creek Road**
PROJECT LIMITS: **Lehman Road to Porter Cove**

	TASKS	SHTS	Project Manager	Engineer II	Engineer I	Graduate Engineer	Technician III	Technician II	Clerical	Category	Category	Category	Category	Category	TOTAL HOURS	TOTAL COST
			$258.00	$185.00	$152.00	$130.00	$134.00	$115.00	$98.00	Rate ($)	Rate ($)	Rate ($)	Rate ($)	Rate ($)		
FC 102 (102)	**Feasibility Studies**															
	Update schematic based on relocated roundabout (PEC and Telecommunications only)		6	20			80								106	$ 15,968.00
	QAQC		2	4			8								14	$ 2,328.00
	Update Estimate		1	6											7	$ 1,368.00
																$ -
																$ -
																$ -
SUBTOTAL			9	30			88								127	**$ 19,664.00**
FC 160 (163)	**Miscellaneous (Roadway)**															
163.2	Meetings with Electric/Telecom Utilities impacted (Assume 6)		6		12										18	$ 3,372.00
	Bi-Weekly Progress Meetings (Assume 20)		20		20										40	$ 8,200.00
	Monthly Progress Summary Reports (Assume 10)		10		5										15	$ 3,340.00
	Plan and Profiles (60, 90, 100%)	15	45	216			720								981	$ 148,050.00
	Notes and Detail Sheets (60, 90, 100%)	6	20	40			72								132	$ 22,208.00
	Specifications (60, 90, 100%)		4	8											12	$ 2,512.00
	OPCC (60, 90, 100%)		8		16										24	$ 4,496.00
	QAQC (60, 90, 100%)		10	20			20								50	$ 8,960.00
	Final Approval from Utility Companies		8	8			16								32	$ 5,688.00
SUBTOTAL		21	131	292	53		828								1,304	**$ 206,826.00**
LABOR TOTALS		**42**	**271**	**614**	**106**		**1744**								**1,431**	**$ 226,490.00**
			18.9%	42.9%	7.4%		121.9%									

OTHER DIRECT EXPENSES		# OF UNITS	COST/UNIT	UNIT		
	Mileage (design)	250	0.67	miles		**$ 167.50**
	8 1/2 x 11 Copies	100	0.1	each		**$ 10.00**
	11 x 17 Copies	150	0.2	each		**$ 30.00**
						$ -
						$ -
SUBTOTAL DIRECT EXPENSES (FC 164)						**$ 207.50**

UNIT COST EXPENSES		# OF UNITS	COST/UNIT	UNIT		
						$ -
SUBTOTAL UNIT COST EXPENSES (FC 164)						$ -

SUMMARY

TOTAL COSTS FOR SUBCONSULTANT 1	$ 226,490.00
NON-SALARY (OTHER DIRECT EXPENSES) FOR SUBCONSULTANT 1	$ 207.50
NON-SALARY (UNIT COST EXPENSES) FOR SUBCONSULTANT 1	$ -
GRAND TOTAL	**$ 226,697.50**

The Rios Group

PROJECT NAME: **Bunton Creek Road**

PROJECT LIMITS: **Lehman Road to Porter Cove**

163.19 SUE Services

Labor	Rate	Assumed Quantity	Unit	SubTotal
Supervisory Engineer	$ 190.86	2	HR	$ 381.72
SUE Project Manager	$ 169.71	6	HR	$ 1,018.26
Professional Engineer	$ 165.19		HR	$ -
Asst. Project Manager	$ 118.30	12	HR	$ 1,419.60
EIT	$ 110.49		HR	$ -
CADD Tech	$ 74.84	28	HR	$ 2,095.52
Eng Tech	$ 74.67	2	HR	$ 149.34
Field Mgr	$ 127.23	5	HR	$ 636.15
Administrative	$ 81.39		HR	$ -
Subtotal				$ 5,700.59

Direct Expenses	Rate	Assumed Quantity	Unit	SubTotal
ROW Permit	$ 500.00	1	EA	$ 500.00
Traffic Control (Standard)	$ 1,000.00	2	DAY	$ 2,000.00
Survey (RPLS)	$ 2,500.00	1	DAY	$ 2,500.00
				$ 5,000.00

QL "B" SUE Test Holes

Unit Rate - Depth	Rate	Assumed Quantity	Unit	Subtotal
One Designating Person	$ 160.00	15	EA	$ 2,400.00
Subtotal				$ 2,400.00

QL "A" SUE Test Holes

Unit Rate - Depth	Oustide Pavement Area	Assumed Quantity	Unit	Subtotal
0-5 Feet	$ 1,315.00	10	EA	$ 13,150.00
5-8 Feet	$ 1,600.00	4	EA	$ 6,400.00
8-13 Feet	$ 1,995.00		EA	$ -
13-20 Feet	$ 2,575.00		EA	$ -
Over 20 Feet	$ 3,025.00		EA	$ -
Pavement Coring	$ 370.00		EA	$ -
Subtotal				$ 19,550.00

Total Estimated Cost	$ 32,650.59

Department Memo

City Council Meeting

DEPARTMENT: Office of the City Manager

FROM: Joe Cantalupo, K Friese + Associates

MEETING: April 16, 2024

SUBJECT:

Consider approval of Task Order No. 4 to Cobb, Fendley & Associates, Inc. for the development of pedestrian treatment plans for the intersections along the Kyle Parkway/Lehman Road Extension project.

SUMMARY:

In November of 2022, City of Kyle Voters approved Proposition A, a road bond for 8 transportation projects across Kyle totaling 10.3 total miles of new location, reconstruction, and widening projects to improve the City's transportation network.

This project will extend Lehman Road northeast of Bunton Creek Road to connect to Dacy Lane. Kyle Parkway will also be extended to the new segment of Lehman Road. There are four planned roundabouts: Kyle Parkway and Dacy Lane, Kyle Parkway and Lehman Road, Lehman Road and Bunton Creek Road, and Lehman Road and Dacy Lane.

The US Access Board recently updated their guidelines for pedestrian treatments at intersections, including multilane roundabouts. These guidelines are called the Public Right-of-Way Accessibility Guidelines, or PROWAG. The city is required to meet the requirements in PROWAG, which require more design effort than the requirements initially scoped for this project (Americans with Disabilities Act Accessibility Guidelines and Texas Accessibility Standards). As Kyle Parkway/Lehman Road was approved for PS&E prior to the US Access Board accepting PROWAG, their scope and fee needs to reflect these new guidelines.

The task order for Cobb, Fendley & Associates, Inc. includes the development of plans for Rectangular Rapid Flashing Beacons (RRFB) meeting PROWAG requirements for the following intersections along the project corridors:

1. Lehman Road at Bunton Creek Road
2. Kyle Parkway at Dacy Lane
3. Kyle Parkway at Lehman Road
4. Lehman Road at Dacy Lane

OPTIONS:

Approve or fail to approve task order.

RECOMMENDATION:

Approval of the task order.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

FISCAL IMPACT:

Task order has an amount of $82,310.75.

STAFF CONTACT:

Name: Bryan Langley
Title: City Manager
blangley@cityofkyle.com

Kyle Road Bond

Council Action Needed

Office of the City Manager | April 16, 2024

Task Order for Consideration

- Consider approval of Task Order No. 4 to Cobb, Fendley & Associates, Inc. for the development of pedestrian treatment plans for the intersections along the Kyle Parkway/Lehman Road Extension project.

2022 Road Bonds Projects

- In November of 2022, City of Kyle Voters approved Proposition A, a road bond for 8 transportation projects across Kyle totaling 10.3 total miles of new location, reconstruction, and widening projects to improve the City's transportation network.
- This project will extend Lehman Road northeast of Bunton Creek Road to connect to Dacy Lane. Kyle Parkway will also be extended to the new segment of Lehman Road. There are four planned roundabouts: Kyle Parkway and Dacy Lane, Kyle Parkway and Lehman Road, Lehman Road and Bunton Creek Road, and Lehman Road and Dacy Lane.

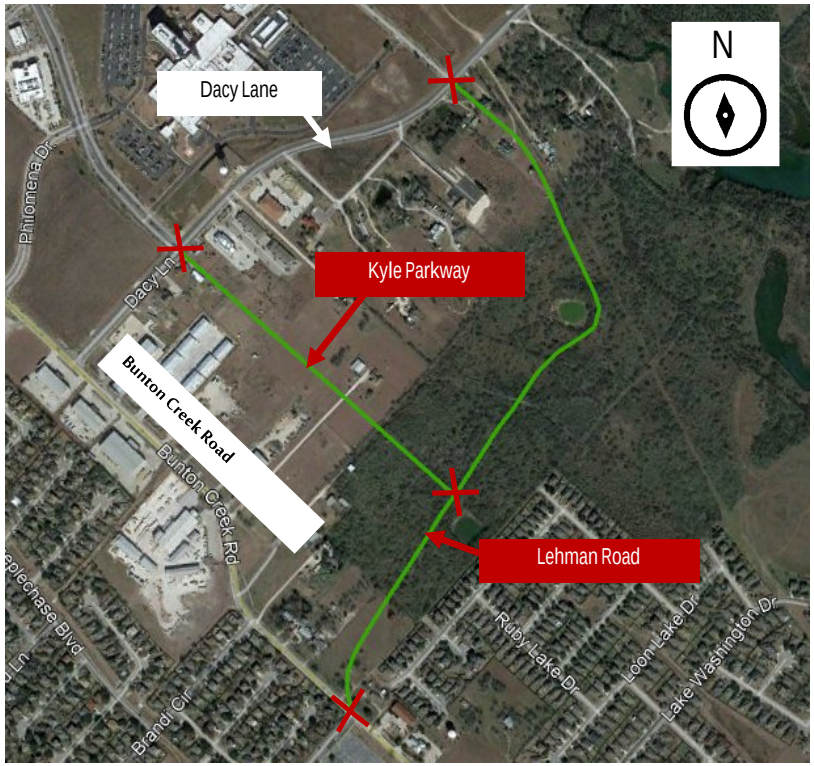
Council Action Needed | 3

US Access Board Guidelines

- US Access Board updated guidelines for pedestrian treatments at roundabouts after initial PS&E task order was approved
- Public Right-of-Way Accessibility Guidelines (PROWAG) require more design effort than previous standards
  - Project was scoped to follow Americans with Disabilities Accessibility Guidelines & Texas Accessibility Standards
- Scope needs to be updated to reflect effort needed to meet new guidelines

Project Background

- 4 planned roundabouts along corridors
  - Lehman Road at Bunton Creek Road
  - Kyle Parkway at Dacy Lane
  - Kyle Parkway at Lehman Road
  - Lehman Road at Dacy Lane



Council Action Needed | 5

Task Order Scope

- Design and development of Rectangular Rapid Flashing Beacon (RRFB) plans for the pedestrian treatments at the intersections along the project corridors.

Pedestrian Treatments at Roundabouts



Rectangular Rapid Flashing Beacon

(Source: Carmanah Technologies)

Task Order Fee

- Fee for proposed scope is $82,310.75.

Recommendation

- Approve Task Order No. 4 to Cobb, Fendley & Associates, Inc.

TASK ORDER NO. 4

This Task Order is issued pursuant to that Professional Services Agreement (Agreement) between the City of KYLE, Texas (Owner) and Cobb, Fendley & Associates, Inc. (Professional) effective May 17, 2022 and constitutes authorization by Owner for Professional to proceed with the following described construction and engineering design services.

Construction and Engineering Design Services

A. PROJECT DESCRIPTION

The scope of the Agreement is to provide professional construction and engineering design services (Services) for the Owner based on the scope of services listed below in Item B. Professional services may include performing preliminary engineering and planning; generating plans, specifications and estimates; researching, analyzing, and providing technical recommendations; providing construction phase services; and providing general consulting services in the areas identified herein.

B. SCOPE OF SERVICES AND DELIVERABLES

Pursuant to the Agreement, this Task Order authorizes Professional to perform the Services shown in Attachment A.

C. BASIS OF COMPENSATION

The total compensation for the Services shall be based on the hourly rates as defined in Compensation Table provided on page 3 of this document, and on the corresponding rates and hours in the Fee Estimate attached as Attachment B. Attachment B shall use the template provided by the Owner. Owner will make payments to Professional for performing the Services described on a monthly billing basis in accordance with monthly statements submitted by the Professional and approved by Owner. Final payment shall be due upon completion of the Services described.

D. TIME FOR COMPLETION

Professional will work expeditiously to complete the Services described herein by October 2025.

Cobb, Fendley & Associates, Inc. shall begin work as soon as authorized in this Task Order No. 4.

APPROVED:

CITY OF KYLE, TEXAS

By _____

Title: _____

Attest _____

Date _____

ACCEPTED:

COBB, FENDLEY & ASSOCIATES, INC.

By Julie Hastings Julie Hastings

Title Principal

Attest _____

Date 4/5/2024

COMPENSATION

Compensation for the services provided pursuant to the Professional Services Agreement between the City of Kyle and Cobb, Fendley & Associates, Inc. executed the 17th day of May, 2022 will be paid on a lump sum basis and calculated based on the amounts reflected below.

Cobb Fendley

Professional Staff	Hourly Bill Rate
Administrative	$128
EIT	$130
Project Engineer	$205
Project Manager	$258
Principal	$340

ATTACHMENT A

TASK ORDER NO. 4 (PROWAG ROUNDABOUT TREATMENTS)

SERVICES TO BE PROVIDED BY THE ENGINEER

CobbFendley & Associates, Inc. (Engineer) will provide staff to support the City of KYLE (Owner) with general construction and engineering support services. The Owner also includes the City's General Engineering Consultant (GEC), K Friese & Associates, Inc., which the Owner has secured to act on its behalf as an Owner's Representative. The Engineer is required to coordinate with the GEC for completion of this work. Specific tasks may include, but are not limited to, the following:

The work to be performed by the Engineer shall consist of providing engineering design for the extension of Lehman Road from Bunton Creek Road to Dacy Lane and the extension of Kyle Parkway from Lehman Road to Dacy Lane. The roadway extensions shall include the designs of a roundabout at the Lehman Road/Bunton Creek Road intersection as well as the Kyle Parkway/Lehman Road, Kyle Parkway/Dacy Lane, and Lehman Road/Dacy Lane intersections. The design will include the preparation of plans, specifications, and estimates (PS&E) and related documents, as requested by the Owner. These services may include, but are not limited to, preparing roadway design, hydrologic and hydraulic design, bridge design, survey and ROW mapping, and geotechnical data collection, and, if requested, provide design support and testify as the Engineer of Record at Right of Way hearings necessary to support the design process.

The Engineer shall complete the services to be provided by the Engineer according to the milestone work schedule established in the task order. The Engineer shall submit a written progress report to the Owner monthly indicating the actual work accomplished during the month, scheduled work to be accomplished for the month, and the estimated work to be accomplished for the coming month. The progress report will use a bar chart diagram to indicate the percentage complete of each task shown on the previous report and the percentage complete of each task. The Engineer is required to meet with the designated Owner project manager and environmental coordinator bi-weekly for progress tracking purposes unless prior agreement is made with Owner not to hold a scheduled meeting. The Engineer shall submit minutes of the meeting, summarizing the events of the meeting within seven calendar days after each meeting.

The Engineer shall prepare a project work schedule. The work schedule must incorporate an allocation of time for stage reviews of the PS&E and the environmental documents by Owner personnel. The Engineer shall present the work schedule to the Owner for review and acceptance and provide assistance in interpreting the proposed work schedule.

GENERAL REQUIREMENTS

1.1. Design Criteria.

Design Criteria. The Engineer shall prepare all work in accordance with the latest version of applicable Owner's procedures, specifications, manuals, guidelines, standard drawings, and standard specifications or previously approved special provisions and special specifications, which include:

- Kyle Connected 2040 Transportation Master Plan (2015)
- Kyle Transportation Master Plan Update (2021)
- The Vybe Kyle: Trail-Oriented Development (2021)

- Kyle Drainage Master Plan (2018)
- City of Kyle Roundabout Ordinance #1162 (2021)
- US Access Board Public Right-of-Way Accessibility Guidelines (PROWAG)
- City of Kyle standard detail sheets and general construction notes
- Texas Department of Transportation (TxDOT) PS&E Preparation Manual
- TxDOT Roadway Design Manual
- TxDOT Hydraulic Design Manual
- Texas Manual on Uniform Traffic Control Devices (TMUTCD)
- Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges (latest Edition)
- Other Owner approved manuals

When design criteria are not identified in Owner's manuals or TxDOT criteria, or if conflicting guidance is found, the Engineer shall notify the Owner and refer to City of Austin policies and the American Association of State Highway and Transportation Officials (AASHTO), A Policy on Geometric Design of Highways and Street, (latest Edition). In addition, the Engineer shall follow the Owner's guidelines in developing the PS&E package. The Engineer shall prepare each PS&E package in a form suitable for letting through the Owner's construction contract bidding and awarding process.

The Engineer shall identify, prepare exhibits and complete all necessary forms for each Design Exception and Waiver required within project limits prior to the 30% project completion submittal. The Engineer shall submit each exception and waiver to the Owner for coordination and processing of approvals. If subsequent changes require additional exceptions, the Engineer shall notify the Owner in writing as soon as possible after identification of each condition that may warrant a design exception or waiver.

The Engineer shall prepare a design time schedule and an estimated construction contract time schedule, using the latest version of MS Project, Primavera, or any Owner approved programs. The schedules shall indicate tasks, subtasks, critical dates, milestones, deliverables and review requirements in a format that depicts the interdependence of the various items. The Engineer shall provide assistance to Owner's personnel in interpreting the schedules. The Engineer shall schedule milestone submittals at 60%, 90% and final project completion phases unless directed by Owner otherwise. The Engineer shall advise the Owner in writing if the Engineer is not able to meet the scheduled milestone review date.

Once the project has been completed and accepted by the Owner, and goes to letting, the Engineer shall deliver all electronic files to the Owner within 30 calendar days of Owner's written request.

Submittals shall be provided electronically to the Owner using the Procore platform.

1.2. Right-of-Entry. The Engineer shall notify the Owner and secure permission to enter private property to perform any surveying, environmental, engineering, or geotechnical activities needed off Owner right-of-way. In pursuance of the Owner's policy with the general public, the Engineer shall not commit acts which would result in damages to private property, and the Engineer shall make every effort to comply with the wishes and address the concerns of affected private property owners. The Engineer shall contact each property owner prior to any entry onto the owner's property and shall request concurrence from the Owner prior to each entry. The owner shall secure permission from the property owner for any reasonable clearing needed along proposed rights-of-way and/or

easements to be performed to enable geotechnical investigation equipment access to collect data required for the project design.

1.3. Progress Reporting and Invoicing. The Engineer shall invoice according to Function Code breakdowns shown in Exhibit “A” of the Professional Services Agreement and Attachment "B" - Fee Schedule, of the Task Order. The Engineer shall submit each invoice in a format acceptable to the Owner.

With each invoice the Engineer shall submit a monthly written progress report to the Owner’s Project Manager regardless of whether the Engineer is invoicing for that month.

The Engineer’s written progress report shall describe activities during the reporting period; activities planned for the following period: problems encountered, and actions taken to remedy them; list of meetings attended; and overall status, including a percent complete by task.

The Engineer shall complete the services according to the milestone work schedule established in the task order. The Engineer shall submit a monthly written progress report to the Owner indicating the actual work accomplished during the month, scheduled work to be accomplished for the month, the estimated work to be accomplished for the coming month, problems encountered, and actions taken to remedy them, list of meetings attended, and overall status. The progress report must use a bar chart diagram to indicate the percentage complete of each task shown on the previous report and the percentage complete of each task. The Engineer is required to meet with the designated Owner project manager or environmental coordinator bi-weekly for progress tracking purposes unless prior written agreement is made with Owner not to hold a meeting in any given month. The Engineer shall submit minutes of the meeting summarizing the events of the meeting within seven calendar days after each meeting.

The Engineer shall prepare a project work schedule, using the latest version of Primavera software or another scheduling program approved by the Owner in writing. The schedules shall indicate tasks, subtasks, critical dates, milestones, deliverables, and review requirements in a format that depicts the interdependence of the various items. The work schedule must incorporate an allocation of time for stage reviews of the environmental documents, and PS&E documents by Owner personnel. The Engineer shall present the work schedule to the Owner for review and acceptance and provide assistance in interpreting the proposed work schedule. The Engineer shall provide advance written notice to the Owner if the Engineer is not able to meet the scheduled milestone review date.

Condition precedents to final payment by the Owner are the Owner’s receipt of all electronic files and confirmation by the Owner’s Project Manager that (1) the electronic files can be opened and are usable by the Owner utilizing the Owner-owned version of the intended software, and (2) all of the Owner’s review comments have been addressed.

The Engineer shall prepare a letter of transmittal to accompany each document submittal to the Owner. At a minimum, the letter of transmittal must include the project name, project limits, Owner’s contract number, and Owner’s task order number.

1.4. Traffic Control. The Engineer shall provide all planning, labor, and equipment to develop and to execute each Traffic Control Plan (TCP) needed by the Engineer to perform services under each task order. The Engineer shall comply with the requirements of the most recent edition of the TMUTCD. The Engineer shall submit a copy of each TCP to the Owner for approval prior commencing any work on any Owner roadway. The Engineer shall provide all signs, flags, and safety equipment

needed to execute the approved TCP. The Engineer shall notify the Owner in writing five (5) days (in advance of executing each TCP requiring a lane closure and shall have received written concurrence from the Owner prior to beginning the lane closure. The Engineer's field crew shall always possess a copy of the approved TCP on the job site and shall make the TCP available to the Owner for inspection upon request. The Engineer shall assign charges for any required traffic control to the applicable function code. City requires Public Notice of lane and Road closure 7 days in advance of closure through use of message boards, thus notice to Owner would need to be about 10 days prior of closure.

1.6. Coordination. The Engineer shall coordinate issues and communications with Owner's internal departments through the Owner's Project Manager. The Owner will communicate the resolution of issues and provide the Engineer direction through the Owner's Project Manager.

Where applicable, the Engineer shall notify the Owner and coordinate with adjacent engineers and surveyors on all controls at project interfaces. The Engineer shall document the coordination effort, and each engineer must provide written concurrence regarding the agreed project controls and interfaces. In the event the Engineer and the other adjacent engineers are unable to agree, the Engineer shall meet jointly with the Owner and each adjacent engineer to resolve disagreements. If the engineers are unable to resolve an issue with the Owner as mediator, the Owner may decide the issue and the decision will be final.

The Engineer shall prepare each exhibit necessary for approval by each railroad, utility, and other governmental or regulatory agency in compliance with the applicable format and guidelines required by each entity and as approved by the Owner. The Engineer shall notify the Owner in writing prior to beginning any work on any outside agency's exhibit.

1.7. Level of Effort. For each task order, the Engineer shall base the level of effort at each phase on the prior work developed in earlier phases without unnecessary repetition or re-study. As directed by the Owner, the Engineer shall provide written justification regarding whether or not additional or repeated level of effort of earlier completed work is warranted, or if additional detail will be better addressed at a later stage in the project development.

1.8. Quality Assurance (QA) and Quality Control (QC). The Engineer shall provide peer review at all levels. For each deliverable, the Engineer shall have some evidence of their internal review and mark-up of that deliverable as preparation for submittal. A milestone submittal is not considered complete unless the required milestone documents and associated internal red-line mark-ups are submitted. The Owner's Project Manager may require the Engineer to submit the Engineer's internal mark-up (red-lines) or comments developed as part the Engineer's quality control step. When internal mark-ups are requested by the Owner in advance, the Owner, at its sole discretion, may reject the actual deliverable should the Engineer fail to provide the evidence of quality control. The Engineer shall clearly label each document submitted for quality assurance as an internal mark-up document.

The Engineer shall perform QA and QC on all survey procedures, field surveys, data, and products prior to delivery to the Owner. If, at any time, during the course of reviewing a survey submittal it becomes apparent to the Owner that the submittal contains errors, omissions, or inconsistencies, the Owner may cease its review and immediately return the submittal to the Engineer for appropriate action by the Engineer. A submittal returned to the Engineer for this reason is not a submittal for purposes of the submission schedule.

1.9. Use of Standard Details. The Engineer shall identify and insert as frequently as is feasible

the applicable, current City of Kyle Standard Details, TxDOT Statewide Standard Details, TxDOT Austin District Standard Details, or miscellaneous details that have been approved for use in the plan. The Engineer shall sign, seal, and date each Standard and miscellaneous detail if the Standard selected has not been adopted for use by the Owner. The Engineer shall obtain approval for use of these details during the early stages of design from the Owner Project Manager. In addition, these details shall be accompanied by the appropriate general notes, special specifications, special provisions, and method of payment. The Engineer shall retain the responsibility for the appropriate selection of each Standard identified for use within their design.

1.10. Organization of Plan Sheets. The PS&E shall be complete and organized in accordance with the latest edition of the TxDOT PS&E Preparation Manual. The PS&E package shall be suitable for the bidding and awarding of a construction contract, and in accordance with the latest TxDOT policies and procedures, and the Austin District's PS&E Checklist.

1.11. Organization of Design Project Folder and Files (Electronic Project Files). The Engineer shall organize the electronic project files in accordance with the Owner's File Management System (FMS) format. The Engineer shall maintain the project files in the Owner's file structure.

1.12. Personal Protective Equipment (PPE). The Engineer shall, and shall require its subcontractors to, (1) provide personal protective equipment (PPE) to their personnel, and (2) require their personnel to use PPE and drive only business vehicles while performing work on or near roadways. The PPE must meet all (1) current standards set by the Occupational Safety and Health Administration (OSHA) and (2) TxDOT requirements (e.g., safety glasses, Type 3 (TY 3) pants for night work). Each business vehicle must be clearly marked with the Engineer's business name, or the name of the appropriate subcontractor, such that the name can be identified from a distance.

1.13. Data Classification. Unless otherwise clearly labeled or otherwise specifically excepted through a provision of this contract or its attachments, all data provided to or generated by the Engineer under this contract is considered public data for the purposes of applying the Owner's data security standards. The Engineer shall manage all data and work products according to the terms of the contract, including specifically Attachment I, Information Resources and Security Requirements.

1.14. Preventative Measures to Prevent the Spread of Oak Wilt Disease Contamination.

The Engineer shall take the following preventive measures while cutting, pruning, or removing oak trees in counties which have confirmed cases of oak wilt disease or when directed by the Owner:

A. When possible, employ alternative methods instead of pruning or cutting oak trees.
B. When possible, perform necessary pruning and cutting of healthy trees during January or February when sap beetles are least active.
C. Treat wounds with pruning paint in oak wilt disease infected counties to discourage insects, especially during warm weather.
D. Sterilize all pruning tools between each use on each tree with either Lysol spray or a 70 percent rubbing alcohol solution.
E. Dispose of the tree cuttings by burning, burying, or another approved method.

TASK DESCRIPTIONS AND FUNCTION CODES

The Engineer shall categorize each task performed to correspond with the Function Codes (FC) and Task Descriptions.

FUNCTION CODE 102(102) – FEASIBILITY STUDIES

OMIT

FUNCTION CODE 120(120) – SOCIAL/ECON/ENVIRON STUDIES

OMIT

FUNCTION CODE 130(130) – RIGHT-OF-WAY DATA

OMIT

FUNCTION CODE 145(145,164) – MANAGING CONTRACTED / DONATED PE

145.1. Project Management and Administration

The Engineer, in association with the Owner's Project Manager shall be responsible for directing and coordinating all activities associated with the project to comply with Owner policies and procedures, and to deliver that work on time.

Project Management and Coordination. The Engineer shall coordinate all subconsultant activity to include quality of and consistency of plans and administration of the invoices and monthly progress reports. The Engineer shall coordinate with necessary local entities.

FUNCTION CODE 160(160) – ROADWAY DESIGN CONTROLS

OMIT

FUNCTION CODE 160(161) - DRAINAGE

OMIT

FUNCTION CODE 160(162) - SIGNING, PAVEMENT MARKINGS AND SIGNALIZATION (PERMANENT)

162.1. Signing.

OMIT

162.2. Pavement Marking.

OMIT

162.3 Traffic Studies.

OMIT

162.4. Traffic Signals. The Engineer shall identify and prepare Rectangular Rapid Flashing Beacon (RRFB) Plans for 4 Roundabouts (Lehman Rd at Bunton Creek Rd, Kyle Parkway at Lehman Road, Kyle Parkway at Dacy Lane and Lehman Road at Dacy Lane). The Engineer shall confirm the power source and coordinate with the appropriate utility agency as required. Pedestrian actuated RRFB Plans must be signed and sealed by a Texas Registered Professional Engineer. The Engineer shall develop all quantities, general notes, specifications and incorporate the appropriate agency standards required to complete construction. Poles, fixtures, signs, RRFB and lighting must be designed per the Green Ribbon Report recommendations and standards.

The Engineer shall provide the following information in the RRFB Plans:

1. Layout
    a. Estimate and quantity sheet
        i. List of all bid items
        ii. Bid item quantities
        iii. Specification item number
        iv. Paid item description and unit of measure
    b. Basis of estimate sheet (list of materials)
    c. General notes and specification data.
    d. Condition diagram
        i. Highway and intersection design features
        ii. Roadside development
        iii. Traffic control including illumination
    e. Plan sheet(s)
        i. Existing traffic control that will remain (signs and markings)
        ii. Existing utilities
        iii. Proposed highway improvements
        iv. Proposed installation
        v. Proposed additional traffic controls
    f. Notes for plan layout
    g. Proposed Wiring Sheets
    h. Proposed Elevations
    i. Phase sequence diagram(s)
    j. Construction detail sheets(s)
        i. Poles (State standard sheets)
        ii. Controller Foundation standard sheet
        iii. Electrical chart
    k. Marking details (not applicable)

1. General Requirements
    a. Prepare governing specifications and special provisions list
    b. Prepare project estimate

2. Summary of Quantities
    a. Small signs tabulation

3. Sign Detail Sheets

a. All signs except route markers
b. Dimensioning (letters, shields, borders, etc.)
c. Designation of shields attached to guide signs

FUNCTION CODE 160(163) - MISCELLANEOUS (ROADWAY)

OMIT

FUNCTION CODE 160(165) – TRAFFIC MANAGEMENT SYSTEMS (PERMANENT)

OMIT

FUNCTION CODE 160(170) – BRIDGE DESIGN

OMIT

FUNCTION CODE 300(351) – DESIGN VERIF/CHANGES/ALTER

CONSTRUCTION PHASE SERVICES

The Engineer shall provide Construction Phase Services at the written request of the Owner's Project Manager. The written request must include a description of the work requested, a mutually agreed upon time limit, and any special instructions for coordination and submittal. These services shall include, but are not limited to the following:

1. Review and approval of shop drawings (2 submittals for RRFB)
2. Responding to requests for information (RFIs) (2 RFIs for RRFB)
3. Answering general questions
4. Providing clarification

DELIVERABLES

Plans

The Engineer shall provide the following information at each submittal:

30% Plans Submittal:

OMIT

Between 30% Submittal and 60% Submittal:

OMIT

60% Plans Submittal:

- Electronic set for owner review
- Estimate of construction cost.
- Engineer's internal QA and QC marked up set.

90% Plans Submittal:

- Electronic set for owner review
- Estimate of construction cost.
- Engineer's internal QA and QC marked up set.

Final submittal (100%):

- 1 paper set 24" x 36" and 1 set 11" x 17"
- Revised supporting documents from 90% review comments.

Electronic Copies

The Engineer shall furnish the Owner with a flash drive or USB hard drive of the final plans in the format of current CADD system used by the Owner and shall also provide as a .pdf format and upload to the file management system.

With the approval of the Owner, and in lieu of the above, the Engineer may maintain the project files in the Owner's file management system.

PRIME PROVIDER:
CobbFendley

EXHIBIT B
FEE SCHEDULE
Method of Payment:
LUMP SUM AND UNIT COSTS

COBB FENDLEY

Contract No. _____
Work Authorization No. _

PROJECT NAME: PROWAG ROUNDABOUT TREATMENTS
PROJECT LIMITS: INTERSECTIONS OF LEHMAN/BUNTON, LEHMAN/KYLE PKWY, LEHMAN/DACY, KYLE PKWY/DAC

TASKS		SHTS	Principal	Project Manager	Project Engineer	EIT	Adminstrative	TOTAL HOURS	TOTAL COST
			$340.00	$258.00	$205.00	$130.00	$128.00		
FC 145 (145,164)	**Managing Contracted/Donated PE**								
	Project Management		1	4			16	21	$ 3,420.00
	Coordination meetings (Kickoff Meeting and up to 12 monthly meetings)		2	13	13	13		41	$ 8,389.00
	Agency Coordination		2	4	8	4		18	$ 3,872.00
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
									$ -
SUBTOTAL			5	21	21	17	16	80	$ 15,681.00
FC 160 (162)	**Signing, Pavement Markings and Signalization (Permanent)**								
162.4	**Rectangular Rapid Flashing Beacons (3 Roundabouts)**								
	General Notes	1			1	2		3	$ 465.00
	Field Visit			2		2		4	$ 776.00
	Documenting Visit to the Field			1		2		3	$ 518.00
	RRFB Summary Sheets	1		3	6	10		19	$ 3,304.00
	Basis of Estimate	1		1	2	6		9	$ 1,448.00
	RRFB Notes	1		1	4	6		11	$ 1,858.00
	Proposed Layout Sheets (1 per roundabout, 4 total)	3		10	16	64		90	$ 14,180.00
	Proposed Wiring Sheets (1 per roundabout, 4 total)	3		10	16	64		90	$ 14,180.00
	Elevation Sheets	3		8	12	24		44	$ 7,644.00
	Proposed Quantities (60%, 90%, 100%)			8	10	20		38	$ 6,714.00
	Coordinate Power Source Identification			1	2	2		5	$ 928.00
	QAQC (60%, 90%, 100%)			24				24	$ 6,192.00
	Standard sheets			2	4	4		10	$ 1,856.00

PRIME PROVIDER:
CobbFendley

EXHIBIT B
FEE SCHEDULE
Method of Payment:
LUMP SUM AND UNIT COSTS

COBB FENDLEY

Contract No. _____
Work Authorization No. _

PROJECT NAME: PROWAG ROUNDABOUT TREATMENTS
PROJECT LIMITS: INTERSECTIONS OF LEHMAN/BUNTON, LEHMAN/KYLE PKWY, LEHMAN/DACY, KYLE PKWY/DAC

TASKS	SHTS	Principal	Project Manager	Project Engineer	EIT	Adminstrative	TOTAL HOURS	TOTAL COST
		$340.00	$258.00	$205.00	$130.00	$128.00		
SUBTOTAL			71	73	206		350	**$ 60,063.00**
FC 300 (351) Design Verif/Changes/Alter								
								$ -
Bid Phase Services RRFB - answer questions			2	3			5	$ 1,131.00
Construction Phase Services (RRFB)								$ -
Review Submittals (assumed 2 reviews)			2	4	8		14	$ 2,376.00
Answer RFIs (assumed 2)			2	4	12		18	$ 2,896.00
								$ -
								$ -
								$ -
								$ -
								$ -
								$ -
								$ -
								$ -
SUBTOTAL			6	11	20		37	**$ 6,403.00**
LABOR TOTALS	**6.5**	**5**	**98**	**105**	**243**	**16**	**467**	**$ 82,147.00**
		1.1%	21.0%	22.5%	52.0%	3.4%		

OTHER DIRECT EXPENSES	# OF UNITS	COST/UNIT	UNIT		
					$ -

PRIME PROVIDER:
CobbFendley

EXHIBIT B
FEE SCHEDULE
Method of Payment:
LUMP SUM AND UNIT COSTS

Contract No. _____
Work Authorization No. _

COBB FENDLEY

PROJECT NAME: PROWAG ROUNDABOUT TREATMENTS
PROJECT LIMITS: INTERSECTIONS OF LEHMAN/BUNTON, LEHMAN/KYLE PKWY, LEHMAN/DACY, KYLE PKWY/DAC

TASKS	SHTS	Principal	Project Manager	Project Engineer	EIT	Adminstrative	TOTAL HOURS	TOTAL COST
		$340.00	$258.00	$205.00	$130.00	$128.00		
								$ -
Mileage	250		$0.655	MI				$ 163.75
								$ -
								$ -
								$ -
								$ -
								$ -
SUBTOTAL DIRECT EXPENSES (FC 164)								$ 163.75

UNIT COST EXPENSES	# OF UNITS	COST/UNIT	UNIT		
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
					$ -
SUBTOTAL UNIT COST EXPENSES (FC 164)					$ -

SUMMARY

TOTAL COSTS FOR SUBCONSULTANT 1	$82,147.00
NON-SALARY (OTHER DIRECT EXPENSES) FOR SUBCONSULTANT 1	$163.75
NON-SALARY (UNIT COST EXPENSES) FOR SUBCONSULTANT 1	
GRAND TOTAL	**$82,310.75**

Department Memo

City Council Regular Meeting

DEPARTMENT: City Manager's Office

FROM: Jesse Elizondo, Assistant City Manager

MEETING: April 16, 2024

SUBJECT:

Consider approval of a resolution authorizing a professional services agreement with Burditt Consultants, LLC for a feasibility study and conceptual plan for the Community Center Project in the amount of $120,000.

SUMMARY:

In June 2023, during a visioning workshop, the City Council outlined the framework for a multifunctional facility in Kyle, aimed at enhancing city service and operational needs. This envisioned premier facility was designed to offer new amenities, improve operations, and boost the quality of life for residents. On March 16, 2024, the council further discussed the project, covering its usage, funding, timelines, and potential locations. A council task force was established, and staff were instructed to engage external firms for a preliminary evaluation of the project's scope, location, feasibility, concept, and potential use/layout.

City staff immediately began engaging external firms for the preliminary project evaluation. On March 22, 2024, the council task force and staff convened to review and shortlist the submittals. On March 29, 2024, these finalists were interviewed by the council task force and city staff, resulting in the selection of Burditt Consultants as top candidate for the project and on April 2, 2024 a resolution was passed by city council for selection of the firm.

The proposed contract will allow Burditt to begin working on the project to ultimately provide a complete assessment of required items within the timeframe allotted.

OPTIONS:

1) Approve the contract as presented.
2) Approve the contract with changes.
3) Deny the contract.

RECOMMENDATION:

Staff recommends approval of the contract as presented.

FISCAL IMPACT:

$120,000 price of the contract.

STAFF CONTACT:

Name: Jesse Elizondo
Title: Assistant City Manager
Email: jelizondo@cityofkyle.com
Phone: (512) 992-5501

Contract with Burditt Consultants

City Council Meeting 4.16.24

Community Center Resolution

Timeline

- Visioning workshop – June 2023
- Council discussion – March 16, 2024
- Council task force and city staff – March 22, 2024
- Shortlist interviews and evaluation – March 29, 2024
- Approve Resolution – April 2, 2024
- Contract returns for council approval – April 16, 2024
- Preliminary evaluation work commences
- Council evaluation of options – June/July
- Approval on any changes or revisions
- Call bond election for the project - August



Overview

Community Center Resolution

External Firms Engaged to Evaluate

- Both locations (Kyle Vista & Dacy Lane)
- Community outreach/input
- General layout/concept for multi-use
- Infrastructure feasibility (access, floodplain, etc.)
- Landscape plan and natural design
- Location and connectivity
- Broad cost analysis/cost recovery
- Ability to work within timeline

Contract with Burditt Consultants to begin the preliminary assessment for the project immediately.



Evaluation Process

Customer Service Evaluation

Council Action

1. Approve the contract as presented
2. Approve the contract with changes
3. Deny the contract

Staff recommends approval as presented.



Questions?

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH BURDITT CONSULTANTS, LLC FOR A FEASIBILITY STUDY AND CONCEPTUAL PLAN FOR THE COMMUNITY CENTER PROJECT IN THE AMOUNT OF $120,000.

WHEREAS, on March 16, 2024, the City Council held a Special City Council meeting and discussed the possibility of calling a bond election for the design and construction of a Community Center in the City; and

WHEREAS, this item provides for the approval of a professional services agreement for a feasibility study and conceptual plan as are necessary to gather information in preparation for a potential bond election; and

WHEREAS, State law provides that procurements are subject to statutory procurement requirements, including competitive bids, unless an exception applies; and

WHEREAS, there is a statutory exception for this procurement in Local Government Code, Section 252.022(a)(4), as the services provided under the professional service agreement qualify as personal, professional and/or planning services.

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

Section 1. The City Manager, or designee, is authorized to execute a professional services agreement with Burditt Consultants, LLC for a feasibility study and conceptual plan for the Community Center Project in the amount of $120,000.

Section 2. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

Section 3. Effective Date. This resolution will become effective immediately upon its passage by the Kyle City Council.

PASSED AND ADOPTED this _____ day of _____, 2024.

THE CITY OF KYLE, TEXAS

_____
Travis Mitchell, Mayor

ATTEST:

_____
Jennifer Kirkland, City Secretary

SERVICE AGREEMENT NO. 2024-16

CONTRACT FOR PROFESSIONAL SERVICES

FOR PROJECT (No./Name) Multi-use Facility Feasibility Study

The City of Kyle, a Texas home rule municipal corporation, 100 W. Center Street, Kyle, Texas 78640 ("City") acting through its duly authorized City Manager or Designee ("Director") and Burditt Consultants, LLC, 310 Longmire Road, Conroe, Texas 77304 ("Consultant"), hereby agree as follows:

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ARTICLE I – SCOPE OF SERVICES

1.1 City and Consultant agree that the services provided are properly described in the Scope of Services, which is incorporated herein and attached to this Agreement as **Exhibit A.** The Scope of Services shall include all associated work required for Consultant to provide such Services, pursuant to this Agreement, and any and all Services that would normally be required by law or common due diligence in accordance with the standard of care defined in Article XIII of this Agreement. The approved Scope of Services defines the services to be performed by Consultant under this Agreement. Consultant will perform the Services in accordance with **Exhibit A**.

1.2 Consultant shall follow City Codes and Standards effective at the time of the execution of the contract. At review milestones, the Consultant and City will review the progress to ensure that City Codes and Standards are followed unless specifically and explicitly excluded from doing so in the approved Scope of Services attached as **Exhibit A**. A request made by either party to deviate from City standards after the contract is executed must be in writing.

1.3 Consultant shall provide labor, equipment and transportation necessary to complete all services agreed to hereunder in a timely manner throughout the term of the Agreement. Persons retained by Consultant to perform work pursuant to this Agreement shall be employees or subconsultants of Consultant. Upon request, Consultant must provide City with a list of all subconsultants that includes the services performed by subconsultant and the % of work performed by each subconsultant (in dollars). Changes in Consultant's proposed team as specified in the Scope of Services must be agreed to by the City in writing.

1.4 Consultant shall not begin work on any phase/task authorized under this Agreement until they are briefed on the scope of the Project and are notified in writing to proceed. If the scope of the Project changes, either Consultant or City may request a review of the changes with an appropriate adjustment in compensation.

1.5 Consultant will provide status updates at least once every two weeks (project progress or delays) in the format requested by the City.

1.6 The Consultant agrees to complete the Scope of Services in accordance with the approved project schedule and budget as defined in **Exhibit A**, including completing the work in phases defined therein.

ARTICLE II – QUALITY CONTROL

2.1 The Consultant agrees to perform quality assurance-quality control/constructability reviews (QCP Review). The City reserves the right to retain a separate consultant to perform additional QCP services for the City.

2.2 The Consultant will perform QCP Reviews at intervals during the Project to ensure deliverables satisfy applicable industry quality standards and meet the requirements of the Project scope. Based on the findings of the QCP Review, the Consultant must reconcile the Project Scope and the Opinion of Probable Cost (OPC), as needed.

ARTICLE III – COMPENSATION

3.1 The Compensation for all services (Basic and Additional) included in this Agreement and in the Scope of Services for this Agreement shall not exceed **$120,000.**

3.2 The Consultant's fee will be on a lump sum basis as detailed in **Exhibit A** and will be full and total compensation for all services and for all expenses incurred in performing these services. Consultant shall submit a Rate Schedule with their proposal.

3.3 The Consultant agrees to complete the Scope of Services in accordance with the approved project schedule and budget as defined in **Exhibit A**, including completing the work in phases defined therein.

3.4 The Director may request the Consultant to undertake additional services or tasks provided that no increase in fee is required. Services or tasks requiring an increase in fee will be mutually agreed and evidenced in writing as an amendment to this contract. Consultant shall notify the City within three (3) days of notice if tasks requested require an additional fee.

3.5 Monthly invoices will be submitted in accordance with the Payment Request as shown in **Exhibit B**. Each invoice will include the Consultant's estimate of the proportion of the contracted services completed at the time of billing. City will make prompt monthly payments in response to Consultant's monthly invoices in compliance with the Texas Prompt Payment Act.

3.6 Principals may only bill at the agreed hourly rate for Principals (as defined in the Rate Schedule) when acting in that capacity. Principals acting in the capacity of staff must bill at applicable staff rates.

3.7 Consultant certifies that title to all services covered by a Payment Request shall pass to City no later than the time of payment. Consultant further certifies that, upon submittal of a Payment Request, all services for which Payment Requests have been previously issued and payments received from City shall, to the best of Consultant's knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of Consultant or other persons or entities making a claim by reason of having provided labor or services relating to this Agreement. **Consultant shall indemnify and hold City harmless from any liens, claims, security interests or encumbrances filed by anyone claiming by, through or under the items covered by payments made by City to Consultant.**

3.8 The final payment due hereunder shall not be paid until all reports, data and documents have been submitted, received, accepted and approved by City. Final billing shall indicate "Final Bill – no additional compensation is due to Consultant."

3.9 City may withhold compensation to such extent as may be necessary, in City's opinion, to protect City from damage or loss for which Consultant is responsible, because of:

3.9.1 delays in the performance of Consultant's work;

3.9.2 failure of Consultant to make payments to subconsultants or vendors for labor, materials or equipment;

3.9.3 damage to City; or

3.9.4 persistent failure by Consultant to carry out the performance of its services in accordance with this Agreement.

3.10 When the above reasons for withholding are removed or remedied by Consultant, compensation of the amount withheld shall be made within 30 days. City shall not be deemed in default by reason of withholding compensation as provided under this Agreement.

3.11 In the event of any dispute(s) between the Parties regarding the amount properly compensable for any phase or as final compensation or regarding any amount that may be withheld by City, Consultant shall be required to make a claim pursuant to and in accordance with the terms of this Agreement and follow the procedures provided herein for the resolution of such dispute. In the event Consultant does not initiate and follow the claims procedures as required by the terms of this Agreement, any such claim shall be waived.

3.12 Request of final compensation by Consultant shall constitute a waiver of claims except those previously made in writing and identified by Consultant as unsettled at the time of final Payment Request.

3.13 All funding obligations of the City under this Agreement are subject to the appropriation of funds in its annual budget. The City may direct the Consultant to suspend work pending receipt and appropriation of funds. The right to suspend work under this provision does not relieve the City of its obligation to make payments in accordance with section 3.5 above for services provided up to the date of suspension.

ARTICLE IV – TIME AND PERIOD OF SERVICE

4.1 This Agreement shall be effective upon the signature of the City Manager or designee (Effective Date).

4.2 The Consultant agrees to begin work on those authorized Services for this contract upon receipt of the Notice to Proceed from the Director. Work will not begin on any phase or any Additional Services until requested in writing by the Consultant and written authorization is provided by the Director.

4.3 Time is of the essence for this Agreement. Consultant shall perform and complete its obligations under this Agreement in a prompt and continuous manner so as to not delay the Work for the Project, in accordance with the schedules approved by City. The Consultant and City are aware that many factors may affect the Consultant's ability to complete the services to be provided under this agreement. The Consultant must notify the City within ten business days of becoming aware of a factor that may impact the Consultant's ability to complete the services hereunder.

4.4 City shall perform its obligations of review and approval in a prompt and continuous manner so as to not delay the project.

4.5 This Agreement shall remain in force for a period which may reasonably be required for completion of the Project, including any extra work and any required extensions thereto, unless terminated as provided for in this Agreement. For construction design services, "completion of the Project" refers to acceptance by the City of the construction phase of the Project, i.e., Final Completion.

ARTICLE V – OPINIONS OF COST

5.1 The Opinion of Probable Cost (OPC), if required by the Scope of Services, is computed by the Consultant and includes the total cost for construction of the Project.

5.2 The OPC does not include the cost of the land, rights-of-way or other costs which are the responsibility of the City.

5.3 Since Consultant has no control over a construction contractor's cost of labor, materials or equipment, or over the contractor's methods of determining prices, or over competitive bidding or market conditions, Consultant's opinions of probable Project Cost or Construction Cost provided herein are to be made on the basis of Consultant's experience and qualifications and represent Consultant's best judgment as a design professional familiar with the construction industry, but Consultant cannot and does not guarantee proposals, bids or the construction cost shall not vary from the OPC prepared by Consultant.

ARTICLE VI – INSURANCE REQUIREMENTS

6.1 Consultant must not commence work under this Agreement until all insurance required has been obtained and such insurance has been approved by the City. Consultant must not allow any subconsultant to commence work until all similar insurance required of any subconsultant has been obtained.

6.2 Insurance Requirements are shown in **EXHIBIT C**.

ARTICLE VII – INDEMNIFICATION

Consultant shall fully indemnify and hold harmless the City of Kyle and its officials, officers, agents, employees, excluding the engineer or architect or that person's agent, employee or subconsultant, over which the City exercises control ("Indemnitee") from and against any and all claims, damages, liabilities or costs, including reasonable attorney fees and court costs, to the extent that the damage is caused by or results from an act of negligence, intentional tort, intellectual property infringement or failure to pay a subcontractor or supplier committed by Consultant or its agent, Consultant under contract or another entity over which Consultant exercises control while in the exercise of rights or performance of the duties under this agreement. This indemnification does not apply to any liability resulting from the negligent acts or omissions of the City or its employees, to the extent of such negligence.

Consultant shall defend Indemnitee, with counsel satisfactory to the City Attorney, from and against any and all claims, damages, liabilities or costs, including reasonable attorney fees and court costs, included in the indemnification above if the claim is not based wholly or partly on the negligence of, fault of or breach of contract by Indemnitee. If a claim is based wholly or partly on the negligence of, fault of or breach of contract by Indemnitee, the Consultant shall reimburse the City's reasonable attorney's fees in proportion to the Consultant's liability.

Consultant must advise City in writing within 24 hours of any claim or demand against City or Consultant known to Consultant related to or arising out of Consultant's activities under this Agreement.

ARTICLE VIII – TERMINATION OF AGREEMENT

8.1 By Consultant:

8.1.1 The City reserves the right to suspend this Agreement at the end of any phase for the convenience of the City by issuing a written and signed Notice of Suspension. The Consultant may terminate this Agreement for convenience in the event such suspension extends for a period beyond 120 calendar days by delivering a Notice of Termination to the City.

8.1.2 The Consultant must follow the Termination Procedure outlined in this Agreement.

8.2 By City:

8.2.1 The City may terminate this agreement for convenience upon seven days' written notice to the Consultant at the address of record.

8.2.2 The City may terminate this agreement for cause upon ten days' written notice to the Consultant. If Consultant begins, within three days of receipt of such notice, to correct its failure and proceeds to diligently cure such failure within the ten days, the agreement will not terminate. If the Consultant again fails to perform under this agreement, the City may terminate the agreement for cause upon seven days' written notice to the Consultant with no additional cure period. If the City terminates for cause, the City may reject any and all proposals submitted by Consultant for up to two years.

8.3 Termination Procedure

8.3.1 Upon receipt of a Notice of Termination and prior to the effective date of termination, unless the notice otherwise directs or Consultant takes action to cure a failure to perform under the cure period, Consultant shall immediately begin the phase-out and discontinuance of all services in connection with the

performance of this Agreement. Within 30 calendar days after receipt of the Notice of Termination, unless Consultant has successfully cured a failure to perform, Consultant shall submit a statement showing in detail the services performed under this Agreement prior to the effective date of termination. City retains the option to grant an extension to the time period for submittal of such statement.

8.3.2 Consultant shall submit all completed and/or partially completed work under this Agreement, including but not limited to specifications, designs, plans and exhibits.

8.3.3 Upon receipt of documents described in the Termination Procedure and absent any reason why City may be compelled to withhold fees, Consultant will be compensated for its services based upon a Time & Materials calculation or Consultant and City's estimate of the proportion of the total services actually completed at the time of termination. There will be no compensation for anticipated profits on services not completed.

8.3.4 Consultant acknowledges that City is a public entity and has a duty to document the expenditure of public funds. The failure of Consultant to comply with the submittal of the statement and documents, as required above, shall constitute a waiver by Consultant of any and all rights or claims to payment for services performed under this Agreement.

ARTICLE IX – RIGHT OF REVIEW AND AUDIT

9.1 Consultant grants City, or its designees, the right to audit, examine or inspect, at City's election, all of Consultant's records relating to the performance of the Work under this Agreement, during the term of this Agreement and retention period herein. The audit, examination or inspection may be performed by a City designee, which may include its internal auditors or an outside representative engaged by City. Consultant agrees to retain its records for a minimum of four years following termination of the Agreement, unless there is an ongoing dispute under this Agreement, then such retention period shall extend until final resolution of the dispute.

9.2 Consultant's records include any and all information, materials and data of every kind and character generated as a result of and relevant to the Work under this Agreement (Consultant's Records). Examples include billings, books, general ledger, cost ledgers, invoices, production sheets, documents, correspondence, meeting notes, subscriptions, agreements, purchase orders, leases, contracts, commitments, arrangements, notes, daily diaries, reports, drawings, receipts, vouchers, memoranda, time sheets, payroll records, policies, procedures, and any and all other agreements, sources of information and matters that may, in City's and Consultant's reasonable judgment, have any bearing on or pertain to any matters, rights, duties or obligations under or covered by any Agreement Documents.

9.3 City agrees that it shall exercise the right to audit, examine or inspect Consultant's Records only during Consultant's regular business hours. Consultant agrees to allow City's designee access to all of Consultant's Records, Consultant's facilities and Consultant's current employees, deemed necessary by City or its designee(s), to perform such audit, inspection or examination. Consultant also agrees to provide adequate and appropriate work space necessary to City or its designees to conduct such audits, inspections or examinations.

9.4 Consultant shall include this audit clause in any subconsultant, supplier or vendor contract.

ARTICLE X – OWNER REMEDIES

10.1 The City and Consultant agree that in the event the City suffers actual damages, the City may elect to pursue its actual damages and any other remedy allowed by law. This includes but is not limited to:

10.1.1 Failure of the Consultant to make adequate progress toward timely and successful completion of the Project, which includes failure of subconsultants to meet contractual obligations;

10.1.2 Failure of the Consultant to design in compliance with the laws of the City, State and/or federal governments, such that subsequent compliance costs exceed expenditures that would have been involved had services been properly executed by the Consultant.

10.1.3 Losses are incurred because of errors and/or omissions in the design, working drawings, specifications or other documents prepared by the Consultant to the extent that the financial losses are greater than the City would have originally paid had there not been errors and/or omissions in the documents.

10.2 Alternatively, the City may withhold the whole or part of any payment as detailed in Article III.

ARTICLE XI – CONSULTANT REMEDIES

11.1 If Consultant is delayed due to uncontrollable circumstances, such as strikes, riots, acts of God, national emergency, acts of the public enemy, governmental restrictions, laws or regulations or any other causes beyond Consultant's and City's reasonable control, an extension of the Project schedule in an amount equal to the time lost due to such delay shall be Consultant's sole and exclusive remedy. The revised schedule should be approved in writing with a documented reason for granting the extension.

11.2 The City agrees that the Consultant is not responsible for damages arising from any cause beyond Consultant's reasonable control.

11.3 If Consultant requests a remedy for a condition not specified above, Consultant must file a Claim as provided in this Agreement.

ARTICLE XII – CLAIMS AND DISPUTE RESOLUTION

12.1 Filing of Claims

12.1.1 Claims arising from the circumstances identified in this Agreement or other occurrences or events, shall be made by Written Notice delivered by the party making the Claim to the other party within 21 calendar days after the start of the occurrence or event giving rise to the Claim and stating the general nature of the Claim.

12.1.2 Every Claim of Consultant, whether for additional compensation, additional time or other relief, shall be signed and sworn to by a person authorized to bind the Consultant by his/her signature, verifying the truth and accuracy of the Claim.

12.1.3 The responsibility to substantiate a claim rests with the party making the Claim.

12.1.4 Within 30 calendar days of receipt of notice and supporting documentation, City will meet to discuss the request, after which an offer of settlement or a notification of no settlement offer will be sent to Consultant. If Consultant is not satisfied with the proposal presented, Consultant will have 30 calendar days in which to (i) submit additional supporting data requested by the City, (ii) modify the initial request for remedy or (iii) request Mediation.

12.1.5 Pending final resolution of a claim, except as otherwise agreed in writing, Consultant shall proceed diligently with performance of the Agreement, and City shall continue to make payments in accordance with this Agreement.

12.2 Mediation

12.2.1 All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

12.2.2 Before invoking mediation, the Parties agree that they shall first try to resolve any dispute arising out of or related to this Agreement through discussions directly between those senior management representatives within their respective organizations who have overall managerial responsibility for similar projects. This step shall be a condition precedent to the use of mediation. If the parties' senior management representatives cannot resolve the dispute within 30 calendar days after a Party delivers a written notice of such dispute, then the Parties shall proceed with the mediation process contained herein.

12.2.2.1 In the event that City or Consultant shall contend that the other has committed a material breach of this Agreement, the Party alleging such breach shall, as a condition precedent to filing any lawsuit, request mediation of the dispute.

12.2.2.2 Request for mediation shall be in writing, and shall request that the mediation commence no less than 30 or more than 90 calendar days following the date of the request, except upon agreement of both parties.

12.2.2.3 In the event City and Consultant are unable to agree to a date for the mediation or to the identity of the mediator or mediators within 30 calendar days of the request for mediation, all conditions precedent in this Article shall be deemed to have occurred.

12.2.2.4 The parties shall share the mediator's fee. Venue for mediation shall be Hays County, Texas. Any agreement reached in mediation shall be enforceable as a settlement agreement in any court having jurisdiction thereof. No provision of this Agreement shall waive any immunity or defense. No provision of this Agreement is a consent to suit.

12.3 In no event shall the City be liable, whether in contract or tort or otherwise, for loss of profits, delay damages or for any special incidental or consequential loss or damage of any nature arising at any time or from any cause whatsoever.

12.4 In case of litigation between the parties, Consultant and City agree that neither party shall be responsible for payment of attorney's fees pursuant to any law or other provision for payment of attorneys' fees. Both Parties expressly waive any claim to attorney's fees should litigation result from any dispute between the parties to this Agreement.

12.5 In case of litigation between the parties, Consultant and City agree that they have knowingly waived and do hereby waive the right to trial by jury and have instead agreed, in the event of any litigation arising out of or connected to this Agreement, to proceed with a trial before the court, unless both parties subsequently agree otherwise in writing.

12.6 No Waiver of Governmental Immunity. **This Agreement is to perform a governmental function solely for the public benefit. Nothing in this Agreement shall be construed to waive City's governmental immunity from lawsuit, which immunity is expressly retained to the extent it is not clearly and unambiguously waived by state law.**

ARTICLE XIII – MISCELLANEOUS PROVISIONS

13.1 Assignability. Neither party will assign, transfer or delegate any of its obligations or duties under this Agreement to any other person and/or party without the prior written consent of the other party, except for routine

duties delegated to personnel of the Consultant. This includes subcontracts entered into for services under this Agreement. If the Consultant is a partnership or joint venture, then in the event of the termination of the partnership or joint venture, this contract will inure to the individual benefit of such partner or partners as the City may designate. No part of the Consultant fee may be assigned in advance of receipt by the Consultant without written consent of the City.

The City will not pay the fees of expert or technical assistance and consultants unless such employment, including the rate of compensation, has been approved in writing by the City.

13.2 Provisions Required by Law. Each applicable provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were physically included herein.

13.2.1 For purposes of compliance with Chapter 2271.002 of the Texas Government Code, and subject to applicable Federal law, Consultant verifies that it does not boycott Israel and will not boycott Israel while this Agreement is in effect. The term "boycott Israel" as used in this paragraph shall have the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

13.2.2 For purposes of compliance with Section 2274.002, Texas Government Code, and subject to applicable Federal law, Consultant verifies that it does not boycott energy companies and will not boycott energy companies while this Agreement is in effect. The phrase "Boycott Energy Companies" as used in this paragraph shall have the meaning assigned to the phrase "Boycott Energy Company" in Section 809.001 of the Texas Government Code, as amended.

13.2.3 For purposes of compliance with Section 2274.002, Texas Government Code, and subject to applicable Federal law, Consultant verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association while this Agreement is in effect. The phrase "Discriminates Against a Firearm Entity or Firearm Trade Association" as used in this paragraph shall have the meaning assigned to the phrase "Discriminate Against a Firearm Entity or Firearm Trade Association" in Section 2274.001(3) of the Texas Government Code, as amended.

13.3 Standard of Care. Services provided by Consultant under this Agreement shall be performed with the professional skill and care ordinarily provided by competent licensed professionals practicing under the same or similar circumstances and professional license; and performed as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

13.4 Licensing. Consultant shall be represented by personnel with appropriate licensure, registration and/or certification(s) at meetings of any official nature concerning the Project, including scope meetings, review meetings, pre-bid meetings and preconstruction meetings.

13.5 Independent Contractor. The relationship between the City and Consultant under this Agreement shall be that of independent contractor. City may explain to Consultant the City's goals and objectives in regard to the services to be performed by Consultant, but the City shall not direct Consultant on how or in what manner these goals and objectives are to be met.

13.6 Entire Agreement. This Agreement represents the entire and integrated Agreement between City and Consultant and supersedes all prior negotiations, representations or agreements, either oral or written. This Agreement may be amended only by written instrument signed by both the City and Consultant.

13.7 No Third Party Beneficiaries. Nothing in this Agreement can be construed to create rights in any entity other than the City and Consultant. Neither the City nor Consultant intends to create third party beneficiaries by entering into this Agreement.

13.8 Certificate of Interested Parties. For contracts greater than $50,000, Consultant agrees to comply with Texas Government Code section 2252.908 and complete Form 1295 Certificate of Interested Parties as part of this agreement. Form 1295 must be electronically filed with the Texas Ethics Commission at **https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm**. The form must then be printed, signed and filed with the City. For more information, please review the Texas Ethics Commission Rules at https://www.ethics.state.tx.us/legal/ch46.html.

13.9 Conflict of Interest. Consultant agrees, in compliance with Chapter 176 of the Texas Local Government Code, to complete and file Form CIQ with the City Secretary's Office.

13.10 Title VI Assurance. The Consultant shall prohibit discrimination in employment based upon race, color, religion, national origin, gender, disability or age.

13.11 Controlling Law. This Agreement is governed by the laws of the State of Texas without regard to its conflicts of laws. Venue for legal proceedings lies exclusively in Hays County, Texas.

13.12 Severability. If, for any reason, any one or more Articles and/or paragraphs of this Agreement are held invalid or unenforceable, such invalidity or unenforceability shall not impact, impair or invalidate the remaining Articles and/or paragraphs of this Agreement but shall be confined in its effect to the specific Article, sentences, clauses or parts of this Agreement held invalid or unenforceable, and the invalidity or unenforceability of any Article, sentence, clause or parts of this Agreement, in any one or more instance, shall not impact or prejudice in any way the validity of this Agreement in any other instance.

13.14 Conflict Resolution Between Documents. Consultant hereby agrees and acknowledges if anything contained in the Consultant-prepared Exhibit A, Consultant's Scope of Services, or in any other document prepared by Consultant and included herein, is in conflict with Articles I-XIII of this Agreement (Articles), the Articles shall take precedence and control to resolve said conflict.

CITY OF KYLE

_____

Bryan Langley Date
City Manager

Burditt Consultants, LLC

_____

J. Shane Howard Date
Senior Vice-President
Burditt Consultants, LLC
310 Longmire Road
Conroe, TX 77304
Phone: 409-656-0370
Email: jshanehoward@burditt.com

ATTEST

_____

City Secretary Date

Exhibit A

Scope of Work and Fees

PROJECT UNDERSTANDING

The City of Kyle is engaging this project to establish a guidance document which can help City staff and leaders plan and prepare for financing options related to potentially constructing a Multi-Use Facility The proposed Scope of Work This document will take the form of a Feasibility Study & Conceptual Plan.

The City's vision for the proposed Multi-Use Facility include the following:

- All-ages Recreation Center;
- Senior Center;
- City Library;
- Campus/Park like setting replete with trails and similar amenities.

The Feasibility Study & Conceptual Plan will include the following components to assist the City in its financial planning and decision making:

- Assess 2 potential sites for the proposed facility to include SWOT assessment of the sites and relevance to the desired program;
- Engage key stakeholders and the public to gauge needs and wants for programs and facilities related to the City's aspirations;
- Develop conceptual plan of space and scale for effective communication with stakeholders and City Council for development of bond ballot language and plan for development and design of the project upon receipt of capital funding;
- Market studies of comparable facilities and performance
- Development of both capital and operating budgets to effectively plan financing and future M&O budget planning as well as potential cost recovery targets of operating costs

We understand the goal is to provide City leadership with sufficient data and graphical information by late July to early August in anticipation of developing ballot language for a potential bond election in November of 2024.

SCOPE OF WORK & FEE PROPOSAL

I. ASSESSMENT & PROGRAMMING PHASE

1. Conduct initial Project Kickoff Meeting with City project team and Burditt Project Team. During this meeting, a recommended Project Schedule will be presented for consideration. Tasks will be addressed, and goals and objectives reaffirmed. Additionally, a recommended schedule for internal engagement of other City identified users will be developed between all team members.

2. Review applicable documents such as the City's Comprehensive Plan, current local development plans, prior feasibility studies, other relevant existing documentation, etc.

3. Initiate a preliminary review of relevant regulatory and current City code requirements.

4. Conduct a site assessment of the two subject properties, researching preliminary site attributes, such as topography, accessibility, transportation impacts, connectivity, preliminary site navigation and wayfinding, drainage, including vernacular for landscape features/vegetation, tree canopy, and suitability for additional plantings and establishment.

5. Work closely with City to identify and engage key stakeholders, partner organizations, etc for interviews, initiate public outreach, and develop/distribute web-based public survey.

6. Conduct high level needs analysis, including identification of local patron wants/needs, and assess benchmarks of comparable facilities.

7. Develop Program Statement reflective of initial public engagement, specific stakeholder feedback, City goals and needs, site constraints/opportunities.

8. Present a draft of the Program Statement along with supporting data to City for review and comment.

II. CONCEPT DEVELOPMENT PHASE

1. Establish space requirements and scale for approved program.

2. Further develop more detailed space planning and prioritize adjacencies in the form of floor plans.

3. Develop renderings of potential exterior of proposed building(s) for scale and siting illustrative purposes.

4. Provide optional concepts of the Master Plan for selected site. The Master Plan is an overall vision of the site layout and potential development of the target property.

5. Prepare first Opinion of Probable Cost (OPC) of design concept(s) of the Master Plan and associated improvements.

6. Develop conceptual financial pro-forma to assess potential operating costs and pricing

of amenities for possible cost recovery as desired by the City.

7. Upon City direction, present conceptual Master Plan/Floor Plans and selected rendered illustrations of associated proposed improvements to Key Stakeholders.

8. Conduct Townhall-style presentation for public review.

9. Prepare Final Master Plan of proposed improvement concepts.

10. Prepare Final Feasibility Study document.

III. FEE PROPOSAL:

Based on the proposed 'Exhibit A' Scope of Work and general program currently understood, we propose the following lump sum fees:

A. **FEASBILITY STUDY SERVICES FEE $120,000**

   a. Notes:
      i. Burditt will be available for at least 3 Council workshops/meetings
      ii. Burditt will conduct at least 2 in-person public engagement events
      iii. This proposal anticipates as many as 12 hours of direct interviews with specific City-identified stakeholders as needed
      iv. There is no limit to staff meetings

B. DELIVERABLES
   a. Hard-bound copies; 8 ½ x 11 format – 10 copies
   b. An electronic copy (PDF) of the Final Feasibility Report will provided.

ADDITIONAL SERVICES:

Based on the proposed Basic Services and general requirements currently understood, **no subconsultants are anticipated for the study assignment**. However, if directed by City and upon approval and authorization, any subconsultants would be engaged at Cost Plus Ten Percent (10%). Proposals from recommended subconsultants would be provided to the City for review and approval.

CLIENT CHANGE OF PROJECT SCOPE:

Increases to Project Scope and Program beyond those addressed in PROJECT UNDERSTANDING may be considered Additional Services and require mutually agreed upon fee adjustments.

REIMBURSABLE EXPENESES:

The only reimbursable expense anticipated will be printing and binding of the Final Feasibility Study Document if the number requested exceeds 10. The City will advise of the number as to the number of copies required. Copies will be invoiced at cost plus ten percent (10%). No travel expenses will be charged to the City.

EXCLUSIONS TO BASIC SERVICES:

CLIENT requests for any of the following shall be considered Additional Services and compensation to CONSULTANT shall be made according to CONSULTANT's published 2024 hourly rates (attached) or fixed fees with prior approval by the CLIENT, or as an Additional Sub-Consultant service:

a. Architectural and Engineering Services for full Schematic Design, Design Development, Construction Documents, Specifications, Bidding/Contract Award, and Construction Contract Administration.
b. Archaeological Studies or Services.
c. Surveying by a licensed surveyor; metes & bounds, easements, utilities, existing improvements, etc. (to be provided by City).
d. Geotechnical engineering and report if determined to be necessary (to be provided by City).
e. Ecological/Environmental or Hazardous Assessment.
f. Studies for hazard remediation for Asbestos, Brownfield Sites, site contamination, and other hazardous elements.
g. Re-design of key elements of project after Owner Approval has been given.
h. Fire Alarm/Suppression System Design/Security Surveillance Design.
i. Lighting Protection Systems/Design.
j. Emergency Power Generation Systems/Design.
k. Design of off-site utility infrastructure improvements.
l. Drainage mitigation.
m. Preparation of easements by separate instrument.
n. Traffic impact analysis.
o. LEED Design or Application/Audit.
p. TDLR Fees for filing and recording of Architectural and Landscape Architectural Construction Documents with registration review and inspection for T.A.S. compliance.
q. USACE 404 Permitting or other Wetland and Endangered Species Mitigation.
r. Permits and/or fees as required by local authorities having jurisdiction.

BURDITT CONSULTANTS,
LLC 2024 HOURLY RATES*

HOURLY RATES APPLY ONLY TO ADDITIONAL SERVICES OR FOR REQUESTS MADE OUTSIDE OF BASIC SERVICES.

DIVISION	CLASSIFICATION	RATE
DESIGN	Principal	$250
	Program Manager	$225
	Project Manager	$200
	Project Architect	$180
	Project Landscape Architect	$180
	Licensed Irrigator	$160
	Architect Associate	$125
	Landscape Architect Associate	$125
	CAD Design II	$100
	CAD Design I	$85
PLANNING	Senior Planner	$180
	Planning Associate	$150
	Geographic Information Systems (GIS) Planner	$135
NATURAL RESOURCES	Natural Resource Planner/Forester	$180
	Wildlife Biologist	$180
	Wetland Scientist	$180
URBAN FORESTRY	Senior Urban Forester	$175
ADMINISTRATION	Administrative Assistant II	$90
	Administration Assistant I	$75

Invoices are prepared monthly with payments due 30 days of receipt. Interest at the rate of 1 ½ % per month will be charged on all accounts not paid by the 30th day following the billing date. Reimbursable expenses and necessary sub-consultants not currently required by project Requested and Approved by Owner shall be invoiced at cost plus ten percent (10%).

EXHIBIT B

Sample form for:
Payment Request

COMPLETE PROJECT NAME
Project No. XXXX
Invoice No. 12345
Invoice Date:

Basic Services:	**Contract**	**Amd No. 1**	**Amd No. 2**	**Total Contract**	**Amount Invoiced**	**Previous Invoice**	**Total Invoice**	**Percent Complete**
Preliminary Phase	$1,000	$0	$0	**$1,000**	$0	$1,000	$1,000	100%
Design Phase	2,000	1,000	0	**3,000**	1,000	500	1,500	50%
Bid Phase	500	0	250	**750**	0	0	0	0%
Construction Phase	2,500	0	1,000	**3,500**	0	0	0	0%
Subtotal Basic Services	$6,000	$1,000	$1,250	**$8,250**	$750	$1,500	$2,500	30%
Additional Services:								
Permitting	$2,000	$0	$0	**$2,000**	$500	$0	$500	25%
Warranty Phase	0	1,120	0	**1,120**	0	0	0	0%
Inspection	0	0	1,627	**1,627**	0	0	0	0%
Platting Survey	TBD	TBD	TBD	**TBD**	TBD	TBD	TBD	0%
O & M Manuals	TBD	TBD	TBD	**TBD**	TBD	TBD	TBD	0%
SCADA	TBD	TBD	TBD	**TBD**	TBD	TBD	TBD	0%
Subtotal Additional Services	$2,000	$1,120	$1,627	**$4,747**	$500	$0	$500	11%
Summary of Fees								
Basic Services Fees	$6,000	$1,000	$1,250	**$8,250**	$750	$1,500	$2,500	30%
Additional Services Fees	2,000	1,120	1,627	**4,747**	500	0	500	11%
Total of Fees	$8,000	$2,120	$2,877	**$12,997**	$1,250	$1,500	$3,000	23%

SCHEDULE B

Insurance Requirements

1.1 Consultant must not commence work under this agreement until all required insurance has been obtained and such insurance has been approved by the City. Consultant must not allow any subcontractor to commence work until all similar insurance required of any subcontractor has been obtained.

1.2 Consultant must furnish to the City Attorney a copy of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City Attorney. **The City must be listed as an additional insured on the General liability and Auto Liability policies, and a waiver of subrogation is required on all applicable policies. Endorsements must be provided with COI. Project name and or number must be listed in Description Box of COI.**

TYPE OF INSURANCE	**MINIMUM INSURANCE COVERAGE**
30-written day notice of cancellation, required on all certificates or by applicable policy endorsements	**Bodily Injury and Property Damage** Per occurrence - aggregate
Commercial General Liability including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	$1,000,000 Per Occurrence $2,000,000 Aggregate
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	$500,000 Combined Single Limit
WORKERS' COMPENSATION EMPLOYER'S LIABILITY	Statutory Requirements $500,000/$500,000/$500,000

PROFESSIONAL LIABILITY (Errors and Omissions)	$1,000,000 Per Claim If claims made policy, retro date must be prior to inception of agreement, have 3-year reporting period provisions and identify any limitations regarding who is insured.

1.3 In the event of accidents of any kind related to this agreement, Consultant must furnish the City with copies of all reports of any accidents within 10 days of the accident.

1.4 Consultant shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Consultant's sole expense, insurance coverage written on an occurrence basis, with the exception of professional liability, which may be on a per claims made basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A-VII. **Consultant is required to provide City with renewal Certificates.**

1.5 Consultant is required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Consultant shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Kyle
Attn: City Attorney
1700 Kohlers Crossing
Kyle, TX 78640

1.6 **Consultant agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**

1.6.1 List the City and its officers, officials, employees and elected representatives as additional insured by endorsement, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City with the exception of the professional liability/Errors & Omissions policy;

1.6.2 Provide for an endorsement that the "other insurance" clause shall not apply to the City of Kyle where the City is an additional insured shown on the policy;

1.6.3 Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation or non-renewal of coverage, and not less

than ten (10) calendar days advance written notice for nonpayment of premium.

1.7 Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, Consultant shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Consultant's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.

1.8 In addition to any other remedies the City may have upon Consultant's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to withhold any payment(s), if any, which become due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof.

1.9 Nothing herein contained shall be construed as limiting in any way the extent to which Consultant may be held responsible for payments of damages to persons or property resulting from Consultant's or its subcontractor's performance of the work covered under this agreement.

1.10 It is agreed that Consultant's insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by the City of Kyle for liability arising out of operations under this agreement.

1.11 It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

Department Memo

City Council Regular Meeting

DEPARTMENT: Communications Department

FROM: Communications Director Rachel Sonnier

MEETING: Tuesday, April 16, 2024

SUBJECT:

Consider approval of a resolution authorizing City Fest featuring the annual State of the City and setting the estimated budget.

SUMMARY:

The City of Kyle would like to create a State of the City event that will serve all residents by being free and at a time that allows more residents to attend. The goals of this event will be to connect and Engage residents with city departments and resources, informs residents about city Initiatives and goals and celebrates our community.

The proposed event would take place on Saturday, October 19, 2024, from 2 p.m.- 6 p.m. at La Verde Park, 3901 Burnham, with overflow parking at the Hays Performing Arts Center, 979 Kohlers Crossing.

The event would feature a State of the City Presentation by the Mayor, City Department Booths with games and prizes, Live Music and a DJ, Face Painting, Pumpkin Decorating, Fall-Themed Photo Opps, a Chili-Cook Off, a Corn Hole Tournament, Food Vendors, a Beer Tent, Football on Large LED Screen and Hayride Shuttles from the Hays PAC.

The estimated total cost for this event would be between $31,950 - $46,950, dependent upon Entertainment and Food Options. The City of Kyle Economic Development Department will also be seeking sponsorships from businesses to offset cost and gain community buy in for the event.

OPTIONS:

- **Option 1:** Approve budget of **$46,950**
    - Food Vender Guarantee - $10,000+
    - Premium Entertainment Package - $15,750
- **Option 2:** Approve budget of **$41,950**
    - Food Vender Guarantee - $10,000+
    - Standard Entertainment Package - $10,750
- **Option 3:** Approve budget of **$36,950** – *Staff Recommendation*

  - Vendor Paid Spots - $0
  - Premium Entertainment Package - $15,750

- **Option 4:** Approve budget of **$31,950**
  - Vendor Paid Spots - $0
  - Standard Entertainment Package - $10,750

RECOMMENDATION:

Staff Recommends Option 3 for $36,950. We believe food vendors having paid spots will allow attendees more and better food options and will allow staff to recruit better food vendors. And we would like to bring first-class entertainment to this event.

FISCAL IMPACT:

The estimated total cost for this event would be between $31,950 - $46,950, dependent upon Entertainment and Food Options.

STAFF CONTACT:

Name: Rachel Sonnier
Title: Communications Director
Email: rsonnier@cityofkyle.com
Phone: 512-813-9976

City Fest

Featuring the State of the City

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Goal

To provide a State of the City Event that:

- Serves ALL residents
- Connects and Engages residents with City Departments and Resources
- Informs residents about City Initiatives and Goals
- Celebrates our community

Overview

Date: Saturday, October 19, 2024

Time: 2:00 p.m. - 6:00 p.m.

Location: La Verde Park, 3901 Burnham

Parking: Hays Performing Arts Center, 979 Kohlers Crossing

Overview

- State of the City Presentation
- City Department Booths with games and prizes
- Live Music and DJ
- Face Painting
- Pumpkin Decorating
- Fall-Themed Photo Opps
- Chili-Cook Off
- Corn Hole Tournament
- Food Vendors
- Beer Tent
- College Football on Large LED Screen
- Hayride Shuttles from the Hays PAC

Tentative Schedule

- **Friday, October 18:**
  - 3:00 p.m. - Street Closure on Burnham Street starts
- **Saturday, October 19:**
  - 9:00 a.m. - PARD sets up tent
  - 11:30 a.m. - 1:30 p.m. - Vendor/Chili/Cornhole Load In
  - 2:00 p.m. - Event Begins
  - 2:00 - 3:00 p.m. - DJ (Will also play in between acts, as needed)
  - 3:00 - 4:00 p.m. - Community Performer #1
  - 4:00 - 5:00 p.m. - State of the City
  - 5:00 - 6:00 p.m. - Headliner

Entertainment Options

- **Option #1: Premium**
  - Band with large draw like Spazmatics - $10,000
  - Regional Band - $5,000
  - DJ: $750
  - **Total Estimated Cost:** $15,750
- **Option #2: Standard**
  - 2 Regional Bands - $10,000
  - DJ: $750
  - **Total Estimated Cost:** $10,750

Food Options

- **Option #1: Vendor Paid Spots** – *Staff Recommendation*
  - Charge $150 for Beer Tent
  - Charge $75 for food truck (10x25) spaces and vendor keeps profits
  - Charge $50 for food tents (10x10) spaces and vendor keeps profits
  - Vendors would offer 4 items to accommodate larger lines
  - **Total Estimated Cost:** $0
- **Option #2: Vendor Guarantee**
  - Guarantee for 2-3 food vendors for 4 hours with an estimated 500-1,000 attendance
  - Vendors would offer 1-2 items to accommodate guarantee
  - $10 per person is estimated cost
  - **Total Estimated Cost:** $10,000+

Estimated Costs

- Audio and Video - $22,985.17
- Rental Generator - $500
- Tents - $2,500
- Overflow Parking - $500
- AC 10 Stall Restrooms - $4,500
- Food Vendors - $0 - $10,000
- Entertainment - $10,750 - $15,750
- Fall Décor - $3,000
- Activities (Hay Rides, Contests and Face Painting, etc.) - $4,450
- ADA Golf Carts - $750
- Commemorative T-shirts and stickers - $5,000

The City of Kyle Economic Development Department will be seeking sponsorships from businesses to offset cost and gain community buy in for the event.

Estimated Total Costs: $31,950 - $46,950

Dependent upon Entertainment and Food Options

Options

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Questions?

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AUTHORIZING CITY FEST FEATURING THE ANNUAL STATE OF THE CITY AND SETTING THE ESTIMATED BUDGET AND DECLARING AN EFFECTIVE DATE

WHEREAS, the City of Kyle desires to create an annual State of the City Event that serves all residents; and

WHEREAS, the City of Kyle desires to create an event that connects and engages residents with city departments and resources; and

WHEREAS, the City of Kyle desires to create an event that informs residents about city initiatives and goals; and

WHEREAS, the City of Kyle desires to create an event that celebrates our community.

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

Section 1. The Annual State of the City event and budget of (Insert Amount) is hereby approved.

Section 2. Open Meetings. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

Section 3. Effective Date. This resolution will become effective immediately upon its passage by the Kyle City Council.

PASSED AND ADOPTED this _____ day of _____, 2024.

THE CITY OF KYLE, TEXAS

_____
Travis Mitchell, Mayor

ATTEST:

_____
Jennifer Kirkland, City Secretary