THE BONDS ARE INITIALLY OFFERED ONLY TO (1) "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933) OR (2) "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933). SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

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

# \$4,500,000 <br> CITY OF AUSTIN, TEXAS, 

(a municipal corporation of the State of Texas located in Travis, Williamson and Hays Counties) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1)

Dated Date: April 1, 2019
Due: November 1, as shown on the inside cover
Interest to Accrue from Date of Delivery
The City of Austin, Texas, Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1) (the "Bonds"), are being issued by the City of Austin, Texas (the "City"). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $\$ 25,000$ of principal and any integral multiple of $\$ 5,000$ in excess thereof. The Bonds will bear interest from the Date of Delivery (as defined herein) 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 May 1 and November 1, commencing November 1, 2019, until maturity or earlier redemption. The Bonds will be registered in the name of Cede \& Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by U.S. Bank National Association, as trustee (the "Trustee"), to DTC as the registered owner thereof. See "BOOK-ENTRY ONLY SYSTEM."

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), an ordinance (the "Bond Ordinance") adopted by the City Council of the City (the "City Council") on March 28, 2019, and an Indenture of Trust, dated as of April 1, 2019 (the "Indenture"), entered into by and between the City and the Trustee.

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of local infrastructure benefitting Improvement Area \#1 (as defined herein) of the Whisper Valley Public Improvement District (the "District"), (ii) funding a reserve fund for the Bonds, (iii) paying capitalized interest on the Bonds, and (iv) paying the costs of issuance of the Bonds. See "THE IMPROVEMENT AREA \#1 IMPROVEMENTS" and "APPENDIX B - Form of Indenture." Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the Pledged Revenues (as defined herein), consisting primarily of Bond Assessments (as defined herein) levied against certain assessable properties in Improvement Area \#1 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 are not payable from funds raised or to be raised from taxation. See "SECURITY FOR THE BONDS." The Bonds are subject to redemption at the times, in the amounts, and at the redemption price more fully described herein under the subcaption "DESCRIPTION OF THE BONDS - Redemption Provisions."

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

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

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter (identified below), subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinion of Norton Rose Fulbright US LLP, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See "APPENDIX D - Form of Opinion of Bond Counsel." Certain legal matters will be passed upon for the City by its Assistant City Attorney and by McCall, Parkhurst \& Horton L.L.P. as Disclosure Counsel to the City, for the Underwriter by its counsel, Orrick, Herrington \& Sutcliffe LLP and for the Developer (as defined herein) by its counsel, Metcalfe Wolff Stuart \& Williams LLP. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about April 16, 2019 (the "Date of Delivery").

# MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS, AND CUSIP NUMBERS 

CUSIP Prefix: $052466^{(a)}$
\$4,500,000
CITY OF AUSTIN, TEXAS,
(a municipal corporation of the State of Texas located in Travis, Williamson and Hays Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019
(WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1)
$\$ 480,0004.000 \%$ Term Bonds, Due November 1, 2029, Priced to Yield 4.050\%; CUSIP No. 052466AV1 ${ }^{(\mathrm{a})}{ }^{(\mathrm{c})}$
$\$ 1,405,0004.625 \%$ Term Bonds, Due November 1, 2039, Priced to Yield 4.670\%; CUSIP No. 052466AW9 ${ }^{(\text {a) }}$ (b) (c)
\$2,615,000 4.750\% Term Bonds, Due November 1, 2048, Priced to Yield 4.800\%; CUSIP No. 052466AX7 ${ }^{(\mathrm{a})}{ }^{\text {(b) (c) }}$

[^0]
## CITY OF AUSTIN, TEXAS

## Elected Officials

|  |  | Term Expires January |
| :---: | :---: | :---: |
| Steve Adler | ... Mayor | 2023 |
| Natasha Harper-Madison. | Councilmember Place 1 | 2023 |
| Delia Garza, Mayor Pro Tem | .Councilmember Place 2 | 2021 |
| Sabino "Pio" Renteria. | .Councilmember Place 3 | 2023 |
| Gregorio "Greg" Casar. | ..Councilmember Place 4 | 2021 |
| Ann Kitchen | ..Councilmember Place 5 | 2023 |
| Jimmy Flannigan | .Councilmember Place 6 | 2021 |
| Leslie Pool. | ..Councilmember Place 7 | 2021 |
| Paige Ellis. | ..Councilmember Place 8 | 2023 |
| Kathryne B. Tovo . | ....Councilmember Place 9 | 2023 |
| Alison Alter | .Councilmember Place 10 | 2021 |

## Appointed Officials

| Spencer Cronk..... | City Manager |
| :---: | :---: |
| Elaine Hart, CPA $\qquad$ Deputy City Manager/Chief Financial Officer |  |
| Greg Canally .................................................. Deputy Chief Financial Officer |  |
| Ed Van Eenoo ................................................ Deputy Chief Financial Officer |  |
| Anne Morgan ......................................................................... City Attorney |  |
| Jannette S. Goo | City Clerk |

BOND COUNSEL
Norton Rose Fulbright US LLP
Austin and Dallas, Texas

DISCLOSURE COUNSEL FOR THE CITY
McCall, Parkhurst \& Horton L.L.P. Austin and Dallas, Texas

FINANCIAL ADVISOR<br>PFM Financial Advisors LLC Austin, Texas

For additional information regarding the City, please contact:

| Belinda Weaver | Dennis P. Waley |
| :--- | :--- |
| Interim Treasurer | PFM Financial Advisors LLC |
| City of Austin | 221 West 6th Street |
| PO Box 2106 | Suite 1900 |
| Austin, TX 78768 | Austin, TX 78701 |
| (512) 974-7885 | (512) 614-5323 |
| belinda.weaver@austintexas.gov | $\underline{\text { waleyd@pfm.com }}$ |



## MAP SHOWING LOCATION OF THE DISTRICT WITHIN METROPOLITAN AUSTIN AREA



MAP SHOWING CONCEPT PLAN OF THE DISTRICT


## MAP SHOWING SINGLE FAMILY RESIDENTIAL LOTS WITHIN IMPROVEMENT AREA \#1 OF THE DISTRICT



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

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

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

NEITHER THE CITY NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. 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.

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.
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## LIMITED OFFERING MEMORANDUM

# \$4,500,000 <br> CITY OF AUSTIN, TEXAS, (a municipal corporation of the State of Texas located in Travis, Williamson and Hays Counties) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1) 

## INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Austin, Texas (the "City"), of its \$4,500,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1) (the "Bonds").

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

The Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the "PID Act"), the ordinance authorizing the issuance of the Bonds adopted by the City Council of the City (the "City Council") on March 28, 2019 (the "Bond Ordinance"), and an Indenture of Trust, dated as of April 1, 2019 (the "Indenture"), entered into by and between the City and U.S. Bank National Association, as trustee (the "Trustee"). The City levied special assessments (the "Assessments") against all of the assessable property within Improvement Area \#1 (as defined below) of the Whisper Valley Public Improvement District (the "District"), pursuant to a separate ordinance adopted by the City Council on August 23, 2018, as ratified and confirmed pursuant to an ordinance adopted by the City Council on February 7, 2019 (collectively, the "Assessment Ordinance"). The Bonds are secured by the proceeds of the Assessments levied on assessable property within Improvement Area \#1, excluding the proceeds of the Assessments levied on the 42 parcels sold to third-party homebuyers prior to August 23, 2018 (the "Bond Assessments"). See "PLAN OF FINANCE Development Plan."

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

Set forth herein are brief descriptions of the City, the District, the Improvement Area \#1 Improvements (as defined herein), the Assessment Ordinance, the Bond Ordinance, the Service and Assessment Plan (as defined herein) (including the 2018 Addendum to the Service and Assessment Plan and the 2019 Amended and Restated Service and Assessment Plan (each as defined herein)), the Reimbursement Agreement (as defined herein), the Development Agreement (as defined herein), the Financing Agreement (as defined herein), Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership (the "Developer"), the Service and Assessment Plan Consultant (as defined herein), the Special Assessment Consultant (as defined herein), together with summaries of terms of the Bonds and the Indenture and certain provisions of the PID Act. All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, FMSbonds, Inc., 100 Crescent Court, Suite 700, Dallas, Texas 75201, telephone number (214) 302-2246. The form of Indenture appears in APPENDIX B and the form of 2019 Amended and Restated Service and Assessment Plan appears as APPENDIX C. The information provided under this caption "INTRODUCTION" is intended to provide a brief
overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

## PLAN OF FINANCE

## Development Plan

The Developer acquired approximately 2,066 acres within the District through two cash purchases in August and December of 2006 for a master planned, mixed use development known as Whisper Valley (the "Development"), which is zoned as a planned unit development (the "PUD") to allow mixed use clustered density residential (approximately 7,500 for sale and rental housing units) and approximately two million square feet of retail and commercial uses. The Developer's current development plan is divided into two major stages, "macro-structure" development followed by "micro-structure" or phased development. The macro-structure development began in November of 2011 and consists of the major infrastructure to serve the entire District, including: the construction of necessary water lines, a wastewater treatment plant and associated interceptor line, and the first phase of the primary arterial road Braker Lane, which includes two lanes of what will be a four-lane divided median road (the "Master Improvement Area Improvements"). The Developer anticipates that the phased development plan will consist of approximately seven "Villages" and that each Village will consist of several phases, with approximately 600-700 single family lots within each Village. The Developer began the phased development in 2014 with the development of the first phase in Village 1 of the District known as "Whisper Rising" ("Improvement Area \#1"), which was followed by the development of the second phase of Village 1 known as "Whisper Heights" ("Improvement Area \#2") beginning in February of 2019. The Developer anticipates that the development of the remaining Villages and phases therein (collectively, and together with Improvement Area \#2, the "Future Improvement Area") will continue through 2034. The concept plan for the District and a map showing Improvement Area \#1 are shown in the "MAP SHOWING CONCEPT PLAN OF THE DISTRICT" and "MAP SHOWING SINGLE FAMILY RESIDENTIAL LOTS WITHIN IMPROVEMENT AREA \#1 OF THE DISTRICT" on pages v and vi.

Upon completion, estimated to occur in 2034, the Development is expected to consist of approximately 5,018 attached and detached single family residential units, 2,482 rental apartments, 217.3 acres of commercial development, and 38 acres of mixed-use development. The Development is also planned to include approximately 700 acres for park and open space uses such as bike trails, dog parks, community gathering spaces and resort style amenity centers. The Developer also anticipates that the Development will include various yet-to-be determined civic uses, including schools, fire stations and libraries.

As of August 23, 2018, the date the Assessments were levied and the Assessment Lien (as defined herein) became effective, 42 parcels within Improvement Area \#1 were sold to third-party homeowners. These homeowners may have the ability to claim homestead rights under State law, which, if claimed, prohibits these properties from being foreclosed for purposes of collecting the Assessments allocable to such properties (the "Reimbursement Assessments"). As such, these 42 parcels, consisting of approximately 4 acres of assessed property (the "Previously Sold Assessed Parcels"), have been carved out and the revenues from the Reimbursement Assessments do not constitute security for the Bonds and are not part of the Pledged Revenues. The term "Bond Assessed Parcels" is used herein to describe the assessed property, other than the Previously Sold Assessed Parcels, which consists of 195 lots spread over approximately 50 acres within Improvement Area \#1. See "INTRODUCTION" and "SECURITY FOR THE BONDS - Pledged Revenues" and "- Pledged Revenue Fund."

## Status of Improvement Area \#1

In May of 2016, the Developer completed construction of the Master Improvement Area Improvements necessary to serve Improvement Area \#1 and the Improvement Area \#1 Improvements. Improvement Area \#1 includes 237 single family residential units and no multifamily housing or retail and commercial sites. Improvement Area \#1 also includes the Discovery Center (as defined herein) and approximately 26 acres of open space and parkland.

## Homebuilders and Status of Home Construction

Improvement Area \#1. The Developer has executed lot purchase and sale agreements for all 237 single family lots within Improvement Area \#1 with merchant homebuilders, including Homes by Avi (Texas) L.P. ("Avi"), Pacesetter Homes, LLC ("Pacesetter"), Aha Dream Homes, LLC ("Aha Dream"), GFO Home ("GFO") and

Buffington Texas Classic Homes, LLC ("Buffington" and together with Avi, Pacesetter, Aha Dream and GFO, the "Homebuilders"). As of February 15, 2019, Avi has purchased 50 completed lots, has finished construction of 11 homes and has sold 18 homes (including homes under contract, but not yet closed on) to third-party homeowners; Pacesetter has purchased 128 completed lots, has finished construction of 51 homes and has sold 58 homes (including homes under contract, but not yet closed on) to third-party homeowners; Buffington has purchased 8 completed lots and has sold 2 homes (not yet closed on) to third-party homeowners; Aha Dream has purchased 2 completed lots and has sold 1 home (not yet closed on) to a third-party homeowner; and GFO has purchased 4 completed lots and has not finished construction of any homes. See "THE DEVELOPMENT - Homebuilder Lot Purchase and Sale Agreements."

Improvement Area \#2. The Developer has executed lot purchase and sale agreements for 265 of the 267 planned single family lots within Improvement Area \#2 with merchant homebuilders, including Pacesetter, Aha Dream, GFO and Buffington. See "THE DEVELOPMENT - Homebuilder Lot Purchase and Sale Agreements."

## Prior Bond Financings

To finance the costs of the Master Improvement Area Improvements, the City previously issued its \$15,500,000 City of Austin, Texas, Special Assessment Revenue Bonds, Senior Series 2011 (Whisper Valley Public Improvement District) (the "Senior Master Improvement Bonds"). The Senior Master Improvement Bonds are secured by assessments on assessable property in the entire District, including Improvement Area \#1 ("Master Improvement Area Assessments"). On March 12, 2019, provisions were made for the payment of the total outstanding Master Improvement Area Assessments allocable to Improvement Area \#1. Such provisions include (i) a prepayment of Master Improvement Area Assessments allocable to Improvement Area \#1 and (ii) transfers of funds from the prepayment reserve account and the reserve account of the reserve fund established under the indenture applicable to the Senior Master Improvement Bonds. As a result of such prepayment, the land within Improvement Area \#1 will no longer be subject to the Master Improvement Area Assessments. The Master Improvement Area Assessments are not security for the Bonds.

Concurrent with the City's issuance of the Senior Master Improvement Bonds, the City issued its \$18,485,168.10 City of Austin, Texas, Special Assessment Revenue Bonds, Subordinate Series 2011 (Whisper Valley Public Improvement District) (the "Subordinate Master Improvement Bonds"). The Subordinate Master Improvement Bonds were secured by contract payments due to the Developer from the City pursuant to the Master Improvement Area Reimbursement Agreements (as defined herein) and the Master Improvement Area Assessments, subject to prior payment from such Master Improvement Area Assessments of debt service and other costs related to and the funding of required reserves established to secure the Senior Master Improvement Bonds. The Subordinate Master Improvement Bonds are no longer outstanding.

## The Bonds

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the local infrastructure benefitting Improvement Area \#1 (the "Improvement Area \#1 Improvements"), (ii) funding a reserve fund for the Bonds, (iii) paying capitalized interest on the Bonds, and (iv) paying the costs of issuance of the Bonds. See "THE IMPROVEMENT AREA \#1 IMPROVEMENTS," "APPENDIX B — Form of Indenture" and "SOURCES AND USES OF FUNDS."

Payment of the Bonds is secured by a pledge of and a lien upon the Pledged Revenues (as defined herein) and other funds comprising the Trust Estate, consisting primarily of Bond Assessments levied against the Bond Assessed Parcels within Improvement Area \#1 of the District, all to the extent and upon the conditions described herein and in the Indenture. The Reimbursement Assessments do not constitute security for the Bonds and are not part of the Pledged Revenues. See "SECURITY FOR THE BONDS" and "ASSESSMENT PROCEDURES." The Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Bonds are limited and special obligations of the City payable solely from the Trust Estate as provided in the Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Bonds.

## The Reimbursement Agreement

The City and the Developer expect to enter into the Whisper Valley Public Improvement District Improvement Area \#1 Reimbursement Agreement (the "Reimbursement Agreement") on April 16, 2019, the anticipated date of initial delivery of the Bonds to the Underwriter (the "Date of Delivery'), which will provide, in part, for the deposit of revenues from the Reimbursement Assessments and the reimbursement of a portion of the costs of the Improvement Area \#1 Improvements (as defined herein) heretofore constructed by the Developer. See "THE IMPROVEMENT AREA \#1 IMPROVEMENTS" and "THE DEVELOPMENT - Reimbursement Agreement."

## Phased Bonds

It is anticipated that the City will, but is under no obligation to, issue one or more series of phased bonds (collectively, the "Phased Bonds" and, together with the Bonds and the Senior Master Improvement Bonds, the "PID Bonds") to finance the cost of future internal improvements within the Future Improvement Area of the District (the "Future Improvements") as the development proceeds. The estimated costs of the Future Improvements benefiting each Future Improvement Area of the District will be determined as such Future Improvement Area of the District is developed, and the Service and Assessment Plan will be updated to identify the Future Improvements to be constructed within such Future Improvement Area of the District to be financed by each new series of Phased Bonds. Such Phased Bonds will be secured by separate assessments levied pursuant to the PID Act on assessable property within each Future Improvement Area of the District. The Developer anticipates that Phased Bonds will be issued over a period of approximately 15 years.

The Bonds, the Senior Master Improvement Bonds and any Phased Bonds issued by the City are separate and distinct issues of securities secured by separate assessments. The Phased Bonds are not offered pursuant to this Limited Offering Memorandum.

## LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

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

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

## DESCRIPTION OF THE BONDS

## General Description

Proceeds of the Bonds will be used to provide funds for (i) paying a portion of the costs of the local infrastructure benefitting Improvement Area \#1 (the "Improvement Area \#1 Improvements"), (ii) funding a reserve fund for the Bonds, (iii) paying capitalized interest on the Bonds, and (iv) paying the costs of issuance of the Bonds. See "APPENDIX B - Form of Indenture."

The Bonds will mature on the dates and in the amounts set forth in the inside cover page of this Limited Offering Memorandum. Interest on the Bonds will accrue from the Date of Delivery and will be computed on the basis of a 360-day year of twelve 30-day months payable on each May 1 and November 1, commencing November 1, 2019 (each an "Interest Payment Date"), until maturity or prior redemption. U.S. Bank National Association is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of $\$ 25,000$ of principal and any integral multiple of $\$ 5,000$ in excess thereof (or such smaller amount as authorized under the Indenture as a result of partial redemption) ("Authorized Denominations"). Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede \& Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

## Redemption Provisions

Optional Redemption. The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date on or after November 1, 2029, such redemption date or dates to be fixed by the City, at a price of $100 \%$ of the principal amount thereof, plus accrued interest to the date of redemption.

Extraordinary Optional Redemption. The Bonds are subject to extraordinary optional redemption prior to their respective scheduled maturity dates, in whole or in part, on the first day of any month, at $100 \%$ of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption, from amounts on deposit in the Redemption Fund as a result of Bond Prepayments (including related transfers to the Redemption Fund as provided in the Indenture), or as a result of unexpended amounts transferred from the Project Fund as provided in the Indenture. See "APPENDIX B - Form of Indenture."

Mandatory Sinking Fund Redemption. The Bonds maturing on November 1 in the years 2029, 2039 and 2048 are subject to mandatory sinking fund redemption prior to their stated maturities and will be redeemed by the City in part at a price of $100 \%$ of the principal amount thereof, plus accrued and unpaid interest to the date of redemption from money 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 principal amounts as set forth in the following schedule:
\$480,000 Term Bonds Maturing November 1, 2029

| $\frac{\text { Redemption Date }}{\text { November 1, 2020 }}$ | Principal Amount |  | Redemption Date |
| :---: | :---: | :---: | :---: |
| November 1, 2021 | $\$ 20,000$ |  | Principal Amount |
| November 1, 2022 | 25,000 |  | November 1, 2025 1, 2026 |

## \$1,405,000 Term Bonds Maturing November 1, 2039

| Redemption Date | Principal Amount | Redemption Date | Principal Amount |
| :---: | :---: | :---: | :---: |
| November 1, 2030 | \$90,000 | November 1, 2035 | \$145,000 |
| November 1, 2031 | 100,000 | November 1, 2036 | 155,000 |
| November 1, 2032 | 110,000 | November 1, 2037 | 170,000 |
| November 1, 2033 | 120,000 | November 1, 2038 | 185,000 |
| November 1, 2034 | 130,000 | November 1, 2039 $\dagger$ | 200,000 |

## \$2,615,000 Term Bonds Maturing November 1, 2048

| Redemption Date | Principal Amount |  | Redemption Date |
| :--- | :---: | :--- | :---: |
| November 1, 2040 | $\$ 215,000$ |  | Principal Amount |
| November 1, 2041 | 235,000 |  | November 1, 2045 1, 2046 |

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee will select a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, will call such Bonds for redemption on such sinking fund redemption date, and will give notice of such redemption, as provided in the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least forty-five (45) days prior to the sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 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 of the Indenture and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption. Notice of any redemption shall be given by the Trustee at least thirty (30) days prior to the redemption date by giving written notice to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register by first-class mail, postage prepaid. Any such notice shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. Notice of redemption having been given as provided in the Indenture, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption provided that funds for the payment of the principal amount plus accrued interest on such Bonds to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

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

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

Additional Provisions with Respect to Redemption. If less than all of the Bonds are to be redeemed, the Bonds shall be redeemed in minimum principal amounts of $\$ 5,000$ or any integral thereof by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $\$ 5,000$. A portion of a single Bond of an Authorized Denomination may be redeemed, but only in a principal amount equal to $\$ 5,000$ or any integral thereof. The Trustee shall treat each $\$ 5,000$ portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $\$ 5,000$, may be issued.

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

## BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## SECURITY FOR THE BONDS

## General

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

The principal of, premium, if any, and interest on the Bonds are secured by a pledge of and a lien upon the pledged revenues (the "Pledged Revenues"), consisting primarily of Bond Assessments levied against the Bond Assessed Parcels 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. See "APPENDIX B - Form of Indenture." Improvement Area \#1 contains approximately 50 acres subject to the Bond Assessments. In accordance with the PID Act, on November 3, 2011, the City Council approved and adopted a Service and Assessment Plan (as amended, including any annual updates and addenda, including, specifically, the 2018 Addendum to the Service and Assessment Plan and the 2019 Amended and Restated Service and Assessment Plan, the "Service and Assessment Plan"), which describes the special benefit received by the property within the District, provides the basis and justification for the determination of special benefit on such property and establishes the methodology for the levy of special assessments within the District. On August 23, 2018, the City Council approved and adopted the 2018 Addendum to the Service and Assessment Plan (the "2018 Addendum to the Service and Assessment Plan"), which describes the special benefit received by the property within Improvement Area \#1 of the District, provides the basis and justification for the determination of special benefit on such property and establishes the methodology for the levy of the Bond Assessments and Reimbursement Assessments. On March 28, 2019, the City Council approved the 2019 Amended and Restated Service and Assessment Plan (the "2019 Amended and Restated Service and Assessment Plan"), which will amend and restate the Service and Assessment Plan in its entirety for the purposes of (1) incorporating provisions of the Service and Assessment Plan and the 2018 Addendum to the Service and Assessment Plan into one document, (2) issuing the Bonds, including providing for the allocation of Pledged Revenues for payment of principal of, premium, if any, and interest on the Bonds, and (3) updating the assessment rolls therein, including the Bond Assessment Roll (as defined herein) and Reimbursement Assessment Roll (as defined herein). The revenues from the Reimbursement Assessments levied on the Previously Sold Assessed Parcels do not constitute security for the Bonds and are not part of the Pledged Revenues.

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 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 landowners within the District. See "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

## Pledged Revenues

The City is authorized by the PID Act, the Assessment Ordinance and other provisions of law to finance a portion of the Improvement Area \#1 Improvements by levying Bond Assessments upon properties in the Improvement Area \#1 of the District benefitted thereby. For a description of the assessment methodology and the amounts of

Assessments, including the Bond Assessments, levied in Improvement Area \#1 of the District, see "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

Pursuant to the Indenture, Pledged Revenues consist of (i) Assessment Revenue less the Annual Collection Costs, (ii) the money held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds. "Assessment Revenues" means money collected by or on behalf of the City from any one or more of the following: (i) a Bond Assessment levied against a Bond Assessed Parcel, or Annual Installment payment thereof, including any interest on such Bond Assessment or Annual Installment thereof during any period of delinquency, (ii) Bond Prepayments, and (iii) Foreclosure Proceeds. Any moneys collected by or on behalf of the City from any amounts levied on the Previously Sold Assessed Parcels shall not constitute Assessment Revenues. Under the Indenture, "Annual Installments" means, with respect to each Bond Assessed Parcel, each annual payment of: (i) the Bond Assessment as shown on the Bond Assessment Roll attached to the Service and Assessment Plan and related to the Bonds and the Improvement Area \#1 Improvements; (ii) administrative expenses; and (iii) the Additional Interest. "Bond Prepayment" means the prepayment of all or a portion of a Bond Assessment before the due date thereof. Under the Indenture, "Delinquent Collection Costs" means the costs related to the foreclosure on a Bond Assessed Parcel and the costs of collection of a delinquent Bond Assessment including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest. Under the Indenture, "Foreclosure Proceeds" means the proceeds, including interest and penalty interest, received by the City from the enforcement of the Bond Assessments against any Bond Assessed Parcel or Bond Assessed Parcels, whether by foreclosure of lien or otherwise, but excluding and net of all Delinquent Collection Costs. "Additional Interest" means the amount collected by application of the Additional Interest Rate (as defined below). The City will covenant in the Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Bond 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 2019 Amended and Restated Service and Assessment Plan."

The PID Act provides that the Bond Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney's fees, if incurred) are a first and prior lien (the "Bond Assessment Lien") against the Bond Assessed Parcels, superior to all other liens or claims, except liens and claims by State of Texas, city, county, school district, or other political subdivisions 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 Bond Assessment Lien is effective from the approval of the Assessment Ordinance on August 23, 2018 until the Bond Assessments are paid 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 Bond Assessments

The Bond Assessments shown on the Bond Assessment Roll, together with the interest thereon, shall be applied to the payment of the principal of and interest on the Bonds and to pay Annual Collection Costs, relating to the Bond Assessments, as and to the extent provided in the Service and Assessment Plan and the Indenture.

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

A record of the Bond Assessments on each parcel, tract, or lot which are to be collected in each year during the term of the Bonds is shown on the Bond Assessment Roll. Sums received from the collection of the Bond Assessments to pay the debt service requirements (including delinquent installments, Foreclosure Proceeds and penalties and interest thereon) shall be deposited into the Pledged Revenue Fund. The Trustee shall deposit amounts received as Bond Prepayments in the Pledged Revenue Fund as soon as practicable after such deposit shall promptly transfer such amounts into the Redemption Fund. The Trustee shall deposit Foreclosure Proceeds in the Pledged Revenue Fund and as soon as practical after such deposit shall transfer the Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made to which the Bond Assessed Parcel or Bond Assessed Parcels to which the Foreclosure Proceeds relate, and second to the Redemption Fund.

After the deposit of the Bond Assessments in the Pledged Revenue Fund to pay principal of and interest on the Bonds and to fund any deficiency that may exist in account within the Reserve Fund, the Trustee, at the direction of the City, may apply Bond Assessments for any lawful purpose for which Bond Assessments may be used under the PID Act. See "— Pledged Revenue Fund." The portions of the Annual Installments of Bond Assessments collected to pay Annual Collection Costs relating to the Bonds shall be deposited in the Administrative Fund and shall not constitute Pledged Revenues.

## Unconditional Levy of Bond Assessments

The City has imposed Bond Assessments on the Bond Assessed Parcels within Improvement Area \#1 of the District to pay the principal of and interest on the Bonds scheduled for payment from Pledged Revenues as described in the Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Bond Assessment shall be effective on the date of, and strictly in accordance with the terms of, the Assessment Ordinance. Each Bond Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Bonds, which installments shall include interest on the Bond Assessments. Pursuant to the Assessment Ordinance, interest on the Bond Assessments will be calculated at the rate of interest on the Bonds plus the $0.50 \%$ additional interest charged on Bond Assessments pursuant to the PID Act (the "Additional Interest Rate") calculated on the basis of a 360-day year of twelve 30-day months. Such rate may be adjusted as described in the Service and Assessment Plan. Each Annual Installment, including the interest on the unpaid amount of a Bond Assessment, shall be calculated and billed in the same manner and at the same time that the City collects ad valorem taxes, and shall generally be billed beginning October 1 of each year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments of Bond Assessments will be delinquent if not paid prior to February 1, 2020.

As authorized by the PID Act, the City will calculate and collect each year while the Bonds are Outstanding and unpaid, commencing October 1, 2019, an Annual Installment of the Bond Assessment to pay the annual costs incurred by the City in the administration and operation of the District. The portion of each Annual Installment of a Bond Assessment used to pay such annual costs shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to the PID Act. The Annual Installments of the Bond Assessments to pay annual expenses shall be due in the manner set forth in the Assessment Ordinance when billed each year and shall be delinquent if not paid by February 1 of the following year. Such Annual Installments of the Bond Assessments to pay Annual Collection Costs do not secure repayment of the Bonds.

There will be no discount for the early payment of a Bond Assessment.
Bond Assessments together with interest, penalties, and expense of collection and reasonable attorneys' fees, as permitted by the Texas Tax Code, shall be first and prior lien against the property assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipal ad valorem taxes and shall be a personal liability of and charge against the owner of the property regardless of whether the owners are named. The lien for Bond Assessments and penalties and interest shall begin on the effective date of the Assessment Ordinance and continue until the Bond Assessments are paid or until all Bonds are finally paid.

Failure to pay an Annual Installment of Bond Assessments when due shall not accelerate the payment of the remaining Annual Installments of the Bond Assessment 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 Pledged Revenues shall be valid and binding and fully perfected from and after the Date of Delivery, which is the date of the delivery of the Indenture, without physical delivery or transfer of control of the Pledged Revenues, the filing of the Indenture or any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under the Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the City under the Indenture is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, then
in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur. See "APPENDIX B - Form of Indenture."

## Pledged Revenue Fund

The City created under the Indenture a Pledged Revenue Fund to be held by the Trustee. On or about March 10 of each year while the Bonds are Outstanding and beginning with the year when Bond Assessments are being collected, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited to the Pledged Revenue Fund, the City shall deposit or cause to be deposited Assessment Revenue as follows: (i) first, to the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Fund Requirement, (iii) third, to the Prepayment and Delinquency Reserve Account in an amount to cause the amount in the Prepayment and Delinquency Reserve Account to equal the Prepayment and Delinquency Reserve Requirement, and (iv) fourth, after satisfaction of the Prepayment and Delinquency Reserve Requirement, to the Redemption Fund. For the avoidance of doubt, any revenues derived from the Reimbursement Assessments levied on the Previously Sold Assessed Parcels shall not be deposited into the Pledged Revenue Fund, do not constitute Pledged Revenues, are not part of the Trust Estate and are not security for the Bonds.

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

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in (as described under the subcaptions "Reserve Account of the Reserve Fund" and "Delinquency and Prepayment Reserve Account of the Reserve Fund" below) there are insufficient funds to make the payments provided in the preceding paragraph, the Trustee will apply the available funds in the Principal and Interest Account of the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

The Trustee shall transfer Bond Prepayments to the Redemption Fund as soon as practicable after deposit of such amounts into the Pledged Revenue Fund.

The Trustee shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Bond Assessed Parcel(s) to which the Foreclosure Proceeds relate, and second, to the Redemption Fund, as soon as practicable after deposit of such amounts into the Pledged Revenue Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee, at the direction of the City, may apply Bond Assessments for any lawful purpose for which Bond Assessments may be used under the PID Act.

## Bond Fund

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

## Project Fund

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

Disbursements from the Costs of Issuance Account of the Project Fund will be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay costs of the Improvement Area \#1 Improvements will be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certificate for Payment. The disbursement of funds from the Project Fund pursuant to a Certificate for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement.

If the City Representative reasonably determines in his or her sole discretion that amounts then on deposit in the Improvement Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Improvement Area \#1 Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds 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 Improvements have been completed and that all costs of the Improvement Area \#1 Improvements have been paid, or that any such costs are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee (i) will transfer the amount, if any, remaining within the Project Fund to the Bond Fund and (ii) the Project Fund shall be closed.

## Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Reserve Account has been created within the Reserve Fund for the benefit of the Bonds and held by the Trustee and will be funded with proceeds of the Bonds in the amount of the Reserve Fund Requirement. Pursuant to the Indenture, the "Reserve Fund Requirement" for the Bonds shall be an amount equal to the least of (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) $125 \%$ of average Annual Debt Service on the Bonds as of the date of issuance, or (iii) $10 \%$ of the principal amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to the Indenture; and provided further that as a result of an optional redemption pursuant to the Indenture, the Reserve Fund Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Date of Delivery, the Reserve Fund Requirement is $\$ 379,057.52$, which is an amount equal to $125 \%$ of average Annual Debt Service on the Bonds as of the date of issuance.

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

Whenever Bonds are to be redeemed with the proceeds of Bond Prepayments pursuant to the Indenture, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the business day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Bond Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Bond Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Prepayment and Delinquency Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds. If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Fund 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.

## Delinquency and Prepayment Reserve Account of the Reserve Fund

Pursuant to the Indenture, a Prepayment and Delinquency Reserve Account has been created within the Reserve Fund and held by the Trustee for the benefit of the Bonds. The Trustee, if amounts are insufficient, will transfer from the Pledged Revenue Fund to the Prepayment and Delinquency Reserve Account on May 1 of each year, commencing May 1, 2020 an amount equal to the Additional Interest. Once the Prepayment and Delinquency Reserve Requirement has accumulated in the Prepayment and Delinquency Reserve Account, all amounts in excess of the Prepayment and Delinquency Reserve Requirement will be transferred by the Trustee to the Redemption Fund to redeem Bonds as provided in the Indenture; provided, however, that at any time the amount on deposit in the Prepayment and Delinquency Reserve Account is less than the Prepayment and Delinquency Reserve Requirement, the Trustee will resume depositing such amounts from the Pledged Revenue Fund into the Prepayment and Delinquency Reserve Account until the Prepayment and Delinquency Reserve Requirement has accumulated in the Prepayment and Delinquency Reserve Account. The Prepayment and Delinquency Reserve Requirement is an amount equal to $5.5 \%$ of the principal amount of the Outstanding Bonds. Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Prepayment and Delinquency Reserve Account exceeds the Prepayment and Delinquency Reserve Requirement, the Trustee will provide written notice to the City of the amount of the excess. The amount of such excess on deposit in the Prepayment and Delinquency Reserve Account will be transferred to the Redemption Fund. See "APPENDIX B - Form of Indenture" and "APPENDIX C - Form of 2019 Amended and Restated Service and Assessment Plan."

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

## Administrative Fund

The City has created under the Indenture an Administrative Fund to be held by the Trustee. Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Annual Installments allocated to the payment of Annual Collection Costs associated with the Bond Assessments, as set forth in the Service and Assessment Plan.

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

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

## Defeasance

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Indenture, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide money which, together with any money deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the money or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor money deposited with the Trustee 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.
"Defeasance Securities" means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. "Investment Securities" means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; 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. 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. 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 Pledged Revenue Fund;
(ii) the failure of the City to enforce the collection of the Bond Assessments including the prosecution of foreclosure proceedings;
(iii) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues and the Pledged Revenues must be available to the City to make any such 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 sixty (60) days after written notice to the City by the Trustee, or by the Owners of at least twenty-five percent $(25 \%)$ of the aggregate outstanding principal of the Bonds with a copy to the Trustee, specifying such default by the Owners of at least twentyfive percent $(25 \%)$ of the Bonds at the time Outstanding requesting that the failure be remedied.

## Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Owners of at least twenty-five percent ( $25 \%$ ) of the Bonds then Outstanding, may direct the Trustee to 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 in the Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or will be permitted.

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

If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, 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 Order, 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 an Event of Default, irrespective of whether other remedies authorized under the Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of the Indenture. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

## Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of 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 twenty-five percent ( $25 \%$ ) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Indenture, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers 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 sixty (60) day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Indenture by its, his or their action or to enforce any right thereunder except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Indenture and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of the Indenture and to any action or cause of action for the enforcement of the Indenture or for any other remedy 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 at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond 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.

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 with respect to Events of Default
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, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or redemption price then due on Bonds, as follows:
(i) FIRST: To the payment to the Owners entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or preference; and
(ii) SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal 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.

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

## Investment or Deposit of Funds

Money in any fund established pursuant to the Indenture will be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of 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, Chapter 2256 of the Texas Government Code, as amended (the "PFIA"), or any successor law, as in effect from time to time; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in the 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 permitted investments.

## Against Encumbrances

Other than bonds issued to refund all or a portion of the Bonds, the City will covenant in the Indenture not to create and, to the extent Pledged Revenues are received, not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues, other than that specified in the Indenture, or upon any other property pledged under the Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

So long as Bonds are Outstanding under the Indenture, the City will not issue any bonds, notes or other evidences of indebtedness other than the Bonds and bonds issued to refund all or a portion of the Bonds secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under the Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

## Additional Obligations or Other Liens

The City reserves the right to issue additional obligations ("Additional Obligations") under other indentures, assessment ordinances, or similar agreements or other obligations (which obligations may be secured by future assessments levied in accordance with the PID Act) which do not constitute or create a lien on the Trust Estate and are not payable from the Pledged Revenues for payment of the Bonds.

Other than bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of the Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with the Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds; provided, however, that nothing in the Indenture shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

## SOURCES AND USES OF FUNDS

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

| Sources of Funds: | $\$ 4,500,000.00$ |
| :--- | ---: |
| Principal Amount | $\frac{(30,992.25)}{}$Original Issue Discount $\$ 4,469,007.75$ <br> TOTAL SOURCES  <br>   <br> Use of Funds: $\$ 3,470,635.28$ <br> Deposit to Improvement Account of the Project Fund $371,435.00$ <br> Deposit to Costs of Issuance Account of the Project Fund $112,879.95$ <br> Deposit to Capitalized Interest Account of the Bond Fund $379,057.52$ <br> Deposit to Reserve Account of the Reserve Fund $135,000.00$ <br> Underwriter's Discount ${ }^{(1)}$ $\$ 4,469,007.75$ <br> TOTAL USES $.$(1) <br> Includes Underwriter's Counsel's fee of $\$ 45,000$. |

## DEBT SERVICE REQUIREMENTS

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

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## OVERLAPPING TAXES AND DEBT

Pursuant to the Whisper Valley and Indian Hills Annexation and Development Agreement (the "Development Agreement") effective as of June 18, 2009, by and among the City, the Developer and Club Deal 116 Indian Hills TX, Limited Partnership (the "Indian Hills Developer"), the City has agreed not to annex for full purposes or impose ad valorem taxes on all or a portion of the property in the District until (i) for property within the District for which PID Bonds have been issued to pay for public improvements, or for which the Developer has in good faith requested that the City issue PID Bonds to pay for public improvements, the earlier of (a) the date that all PID Bonds, relating to the portion of the property in the District to be annexed, are paid in full, or (b) forty-four (44) years and six (6) months after the effective date of the Development Agreement, and (ii) for property within the District for which PID Bonds have not been issued to pay for public improvements, or for which the Developer has not in good faith requested that the City issue PID Bonds to pay for public improvements, fifteen (15) years after the effective date of the Development Agreement. The land within Improvement Area \#1 has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Assessments.

## Overlapping Taxes and Assessments of Bond Assessed Parcels

In addition to the Bond Assessments, it is anticipated that each property owner of a Bond Assessed Parcel in Improvement Area \#1 of the District will pay an annual maintenance and operation fee and/or a property owner's association fee (the "General Owners' Association Fee") to Whisper Valley Master Community, Inc. (the "Owners' Association"), an owners' association formed by the Developer. Each property owner of a Bond Assessed Parcel in Improvement Area \#1 of the District may also be required to pay to the Owners' Association one or more additional annual maintenance and operation fee (the "Additional Owners' Association Fee" and together with the General Owners' Association Fee, the "Owners' Association Fees") for the operation and maintenance of any improvements or amenities specific to the property owner's lot. See "THE DEVELOPMENT - HOA Assessments." Each property owner of a Bond Assessed Parcel also will be required to pay a monthly geothermal service assessment (the "Geothermal Service Assessment") to defray the cost of providing geothermal service to a home, including the cost to maintain and repair the geothermal loop system and administrative expenses. See "THE DEVELOPMENT Utilities - Other Utilities." Travis County (the "County"), the Del Valle Independent School District ("Del Valle ISD"), the Austin Community College District, the Travis County Healthcare District ( $\mathrm{d} / \mathrm{b} / \mathrm{a}$ Central Health) and the Travis County Emergency Services District No. 12 (the "Travis County ESD No. 12") may each levy ad valorem taxes upon the Bond Assessed Parcels 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 special assessments levied by such other taxing authorities.

The following table reflects the overlapping ad valorem tax rates currently levied on the Bond Assessed Parcels within Improvement Area \#1 of the District.

## Overlapping Taxes on Bond Assessed Parcels

 Assessment in Improvement Area \#1 of the District as a tax rate equivalent ${ }^{(\mathbf{2})}$
${ }^{(1)}$ As reported by the taxing entities. Per $\$ 100$ of taxable assessed value.
${ }^{(2)}$ Derived from estimated home prices as provided in Exhibit U of the 2019 Amended and Restated Service and Assessment Plan and assumes an annual two percent ( $2 \%$ ) home value appreciation until final maturity of the Bonds. For each single family residential lot, the Financing Agreement establishes a Maximum Annual Assessment (as defined herein), for the first year of Bond Assessments, as an amount that does not exceed $125 \%$ of such lot's estimated buildout value times the City's tax rate in the fiscal year the initial Bond Assessment is determined, which Maximum Annual Assessment for such lot cannot increase by more than two percent ( $2 \%$ ) annually. See "OVERLAPPING TAXES AND DEBT - Selected Financial Information for Bond Assessment Parcels within Improvement Area \#1," "ASSESSMENT PROCEDURES - Assessment Amounts - Assessment Amounts" and "APPENDIX G — Financing Agreement and Form of First Amendment to the Financing Agreement." Does not include Improvement Area \#1's allocable share of the outstanding Master Improvement Area Assessments, which were prepaid on March 12, 2019. See "PLAN OF FINANCE — Prior Bond Financings." Source: Municipal Advisory Council of Texas and the 2019 Amended and Restated Service and Assessment Plan.

## Overlapping Debt of Bond Assessed Parcels

As noted above, the District includes territory located in other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to the Bond Assessed Parcels and City debt secured by the Bond Assessments:

## Overlapping Debt on Bond Assessed Parcels

| Taxing or Assessing Entity | Total <br> Outstanding Debt ${ }^{(1)}$ | Estimated \% Applicable ${ }^{(2)}$ | $\begin{gathered} \text { Direct and } \\ \text { Estimated } \\ \text { Overlapping Debt } \end{gathered}$ |
| :---: | :---: | :---: | :---: |
| The City (The Bond Assessments) ${ }^{(3)}$ | \$ 4,500,000 | 100.0000\% | \$4,500,000 |
| Travis County | 914,860,000 ${ }^{(4)}$ | 0.0099\% | 90,571 |
| Del Valle ISD | 192,014,999 | 0.3086\% | 592,558 |
| Austin Community College District | 418,335,000 | 0.0085\% | 35,558 |
| Travis County Healthcare District (d/b/a Central Health) | 8,350,000 | 0.0099\% | 827 |
| Travis County ESD No. 12 | 2,149,512 ${ }^{(5)}$ | 0.8544\% | 18,365 |
| Total | \$1,540,209,511 |  | \$5,237,880 |
| Ratio of Total Debt to Appraised Value of Bond Assessed Parcels within Improvement Area \#1 ${ }^{(6)}$ |  |  | 23.82\% |
| Ratio of Total Overlapping Debt to Appraised Value of Bond Assessed Parcels within Improvement Area \#1 ${ }^{(6)}$ |  |  |  |
| ${ }^{(1)}$ Outstanding debt for the City shown as of the date of issuance of the Bonds. Outstanding debt for other taxing entities, excluding Travis County ESD No. 12 as discussed below, shown as of April 1, 2019. |  |  |  |
| ${ }^{(2)}$ Based on the estimated value of the District as described in the Appraisal or, for the taxing entities, the certified valuations for Tax Year 2018 |  |  |  |
| ${ }^{(3)}$ Does not include Improvement Area \#1's allocable share of the outstanding Master Improvement Area Assessments, which were prepaid on March 12, 2019. See "PLAN OF FINANCE - Prior Bond Financings." |  |  |  |
| ${ }^{(4)}$ Includes the County's Certificates of Obligation, Series 2019A (Limited Tax) anticipated to close on or about April 8, 2019 |  |  |  |
| ${ }^{(5)}$ Represents outstanding amount of privately placed loans, as of November 30, 2018. Source: http://www.tcesd12.com/about-us.htm |  |  |  |
| Based on appraised value of Bond Assessed Parcels within Improvement Area \#1 as shown in the Appraisal. Sources: Travis Central Appraisal District, Municipal Advisory Council of Texas and the Appraisal. |  |  |  |

## Selected Financial Information for Bond Assessment Parcels within Improvement Area \#1

The City has levied the Bond Assessments on the Bond Assessed Parcels, which may be paid in Annual Installments, to pay debt service on the Bonds. The following tables and calculations relate to the Bonds and to single family homes or lots consisting of the Bond Assessed Parcels in Improvement Area \#1 as of February 15, 2019.


## ASSESSMENT PROCEDURES

## General

Capitalized terms used under this caption and not otherwise defined in this Limited Offering Memorandum shall have the meaning given to such terms in the 2019 Amended and Restated Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of the Improvement Area \#1 Improvements through Bond Assessments, it must adopt a resolution generally describing the Improvement Area \#1 Improvements and the land within Improvement Area \#1 of the District to be subject to Bond Assessments to pay the costs therefor. The City has caused assessment rolls to be prepared (the "Assessment Rolls," which consists of the "Bond Assessment Roll" and the "Reimbursement Assessment Roll"), which Assessment Rolls show the land within Improvement Area \#1 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 were filed with the City Clerk and made available for public inspection. Statutory notice was given to the owners of the property to be assessed and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Improvement Area \#1 Improvements and funding the same with Bond Assessments. The City levied the Bond Assessments and adopted the Assessment Ordinance on August 23, 2018, which actions were ratified and confirmed by the City Council on February 7, 2019. Upon adoption of the Assessment Ordinance, the Bond Assessments became legal, valid and binding liens upon the property against which the Bond Assessments are made.

Under the PID Act, the costs of Improvement Area \#1 Improvements to be defrayed through Bond Assessments may be assessed by the City against the Bond Assessed Parcels in Improvement Area \#1 of the District so long as the special benefit conferred upon the Bond Assessed Parcels by the Improvement Area \#1 Improvements equals or exceeds the Bond Assessments. The costs of the Improvement Area \#1 Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Properties (as defined herein) similarly benefited. The allocation of benefits and assessments to the benefitted land within Improvement Area \#1 of the District is presented in the Service and Assessment Plan, which should be read in its entirety. See "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

## Assessment Methodology

The Service and Assessment Plan describes the special benefit received by each Bond Assessed Parcel as a result of the Improvement Area \#1 Improvements, provides the basis and justification for the determination that such special benefit exceeds the Bond Assessments levied, and establishes the methodology by which the City allocated the special benefit of the Improvement Area \#1 Improvements to Bond Assessed Parcels in a manner that resulted in equal shares of costs being apportioned to Bond Assessed Parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Improvement Area \#1 Improvements are being funded with proceeds of the Bonds, which are payable from and secured by Pledged Revenues, including the Bond Assessments.

As set forth in the Service and Assessment Plan, the benefits received by the Improvement Area \#1 Improvements were spread among the benefitted parcels (the "Assessed Property") based on the ratio of the estimated build out value of each residential lot type to the total estimated build out value for all residential lots within Improvement Area \#1. As lots are subsequently divided, the Assessments will be further apportioned based on the ratio of the estimated build out values of the newly created lots.

The City has determined that allocating the Bond Assessments to the Bond Assessed Parcels based on the estimated average build out value of each residential lot will result in the imposition of equal shares of the Bond Assessments on lots similarly situated. The Assessments and the respective interest thereon are expected to be paid in annual installments as described in the Service and Assessment Plan (the "Annual Installments"). As defined in the Service and Assessment Plan, with respect to each Bond Assessed Parcel, an Annual Installment consists of: (i) the Bond Assessments as shown on the Bond Assessment Roll, (ii) Annual Collection Costs, and (iii) the Additional Interest. As defined in the Service and Assessment Plan, with respect to each Reimbursement Assessed Parcel, an Annual Installment consists of: (i) the Reimbursement Assessments as shown on the Reimbursement Assessment Roll, and (ii) Annual Collection Costs. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and
governmental powers and is conclusive and binding on the Developer and all future owners within Improvement Area \#1. See "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

## Collection and Enforcement of Bond Assessment Amounts

This section is a summary of collection and enforcement of Bond Assessment Amounts only and is not intended to cover the collection and enforcement of Reimbursement Assessment amounts. For further discussion of the Reimbursement Assessments see "THE DEVELOPMENT - The Reimbursement Agreement" and "APPENDIX C - Form of 2019 Amended and Restated Service and Assessment Plan."

Under the PID Act, the Annual Installments of Bond Assessments may be collected in the same manner and at the same time as regular ad valorem taxes of the City. The Bond 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 Bond Assessments incur interest, penalties and attorney's fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Bond Assessment Lien is a first and prior lien against all of the Bond Assessed Parcels within Improvement Area \#1, 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 has covenanted in the Indenture to collect, or cause to be collected, Bond 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 updated Assessment Rolls and a calculation of the Annual Installment for each Parcel. Annual Collection Costs shall be allocated among all Parcels in proportion to the amount of the Annual Installments for the Parcels.

The City has covenanted, agreed and warranted in the Indenture that, for so long as any Bonds are Outstanding, that it will take and pursue all actions permissible under Applicable Laws to cause the Bond 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 Bond Assessments.

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

The City will determine or cause to be determined, no later than March 10 of each year, whether or not any Annual Installment related to a Bond Assessment 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 of a Bond Assessment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment of Bond Assessment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of a delinquent Bond Assessment or the corresponding Bond Assessed Parcel.

The City has implemented the basic timeline and procedures for Bond Assessment collections and pursuit of delinquencies set forth in Exhibit C of the Continuing Disclosure Agreement of the Issuer set forth in APPENDIX E1 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 Bond Assessments.

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

Annual Installments of Bond Assessments will be paid to the City or its agent. Annual Installments of Bond Assessments are due when billed on or about October 1 each year and become delinquent on February 1 of the following year. In the event Bond Assessments are not timely paid, there are penalties and interest as set forth below:

| Date Payment <br> Received <br> February | Cumulative <br> Penalty | Cumulative <br> Interest |  |
| :---: | :---: | :---: | :---: |
| March | $6 \%$ |  | $1 \%$ |

After July, the penalty remains at twelve percent (12\%), and interest increases at the rate of one percent (1\%) each month. In addition, if an account is delinquent in July, a twenty percent ( $20 \%$ ) 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 Bond Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

## Assessment Amounts

Assessment Amounts. The amounts of the Assessments have been established by the methodology described in the Service and Assessment Plan. The Assessment Rolls set forth for each year the Annual Installment for each Parcel. The Annual Installments for Improvement Area \#1 may not exceed the amounts shown on the Assessment Rolls. The Assessments have been levied against the parcels comprising the Assessed Property in Improvement Area \#1 as indicated on the Assessment Rolls. See "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

Pursuant to the Financing Agreement, the City has established a maximum Assessment (the "Maximum Annual Assessment") for each parcel based on Lot Type. Under the Financing Agreement, the Maximum Annual Assessment for the first year the Assessments are levied is an amount that does not exceed $125 \%$ of the particular Lot Type's anticipated buildout value (as determined by a feasibility and market study analysis) times the City's tax rate in the fiscal year the Assessment is determined. For each subsequent year, the Maximum Annual Assessment for a particular Lot cannot increase by more than two percent (2\%) annually. See "APPENDIX G - Financing Agreement and Form of First Amendment to the Financing Agreement."

The Annual Installments of Bond Assessments shown on the Bond Assessment Roll will be reduced to equal the actual costs of repaying the Bonds, the Additional Interest and actual Annual Collection Costs, relating to the Bond Assessments (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 Annual Installments of Reimbursement Assessments shown on the Reimbursement Assessment Roll will be reduced to equal the actual costs of paying amounts owed under the Reimbursement Agreement and actual Annual Collection Costs, relating to the Reimbursement Assessments (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

Method of Apportionment of Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Assessments shall be allocated to the Assessed Properties according to estimated buildout value per residential lot type. If an Assessed Property is divided, the Assessment of such Assessed Property before the division shall be reallocated to the newly created Assessed Properties by City staff or by a third party consultant contracted by the City to administer the PID (the "PID Administrator") (and approved by the City Council in the next Annual Service Plan Update) based on the ratio of estimated build out value of each Assessed Property to estimated build out value of all newly-created Assessed Properties. If the division is by a recorded subdivision plat, the Assessment of such Parcel before the division shall be reallocated to the newly created Lots by the PID Administrator
(and approved by the City Council in the next Annual Service Plan Update) based on the ratio of estimated average build out value of each Lot Type to the estimated average build out value of all newly-created Lots. See "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan." The Assessments are allocated as follows:
$\underline{\text { Assessment Allocation by Single Family Lot Type in Improvement Area \#1 }{ }^{(\mathbf{1})}}$

| Lot Type | Number of Lots | Projected Average Buildout Value per Home ${ }^{(2)}$ | Assessment Per Lot | Total Assessments | Average Annual Installments per Lot ${ }^{(3)}$ | Average Equivalent Tax Rate per $\$ 100 \mathrm{AV}^{(4)}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |
| Lot Type 2 (25') | 27 | \$158,710 | \$13,600 | \$ 367,203 | \$1,106 | \$0.5229 |
| Lot Type 3 (35') | 12 | 210,000 | 17,995 | 215,944 | 1,463 | 0.5229 |
| Lot Type 4 (50') | 100 | 260,000 | 22,280 | 2,227,989 | 1,811 | 0.5229 |
| Lot Type 5 (60') | $\underline{98}$ | 304,804 | 26,119 | 2,559,683 | 2,123 | 0.5229 |
| Total ${ }^{(5)}$ | 237 |  |  | \$5,370,820 |  |  |

${ }^{(1)} \quad$ Derived from information obtained from the 2019 Amended and Restated Service and Assessment Plan, and from lot counts and values provided by the Developer.
(2) Derived from Exhibit U of the 2019 Amended and Restated Service and Assessment Plan.
(3) Based on the period from 2019 through 2048.
(4) Assumes an annual two percent (2\%) appreciation in the home values provided in Exhibit U of the 2019 Amended and Restated Service and Assessment Plan.
(5) Totals may not add due to rounding.

Lien to Value Analysis, Assessment Allocation, Equivalent Tax Rate and Leverage per Lot Type ${ }^{(1)}$

| Lot Type | Number of Lots | Projected Average Buildout <br> Value Per Lot ${ }^{(2)}$ | Projected Average Buildout Value per Home ${ }^{(3)}$ | Assessment Per Lot | Average Annual Installments per $\operatorname{Lot}^{(4)}$ | Ratio of Lot Value to Assessment | Ratio of Home Value to Assessment |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Lot Type 2 (25') | 27 | \$33,150 | \$158,710 | \$13,600 | \$1,106 | 2.44:1 | 11.67:1 |
| Lot Type 3 (35') | 12 | 40,555 | 210,000 | 17,995 | 1,463 | 2.25:1 | 11.67:1 |
| Lot Type 4 (50') | 100 | 51,500 | 260,000 | 22,280 | 1,811 | 2.31:1 | 11.67:1 |
| Lot Type 5 (60') | $\underline{98}$ | 61,800 | 304,804 | 26,119 | 2,123 | 2.37:1 | 11.67:1 |

Total
Derived from information obtained from the 2019 Amended and Restated Service and Assessment Plan, and from lot counts and values provided by the Developer.
${ }^{(2)}$ Derived from information obtained from the Appraisal and from Development Planning and Financing Group, Inc.
(3) Derived from Exhibit U of the 2019 Amended and Restated Service and Assessment Plan.
(4) Based on the period from 2019 through 2048.

The Bonds are secured by a first lien on and pledge of Pledged Revenues, including the Bond Assessments. See "SECURITY FOR THE BONDS" and "APPENDIX C - Form of 2019 Amended and Restated Service and Assessment Plan."

## Prepayment of Assessments

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

Mandatory Prepayments. If (i) Assessed Property is transferred to a party that is exempt from the payment of the Assessment under applicable law, or (ii) an owner of Assessed Property causes the Assessed Property to become Non-Benefited Property, the owner of such Assessed Property shall pay to the City the full amount of the Assessment,
plus all Prepayment Costs and Delinquent Collection Costs, if any, prior to any such transfer or act, in accordance with the Service and Assessment Plan; provided, however, that such mandatory prepayment of Assessments shall not be required for portions of a Parcel that are dedicated for use as internal roads, parks and other similar public improvements. At the time such public improvements are dedicated, the Assessment that was allocated to that certain Parcel in which the public improvement was located will be reallocated to similarly benefitted Parcels; provided, however, that reallocation of an Assessment for a Parcel that is a homestead under State law may not exceed the Assessment prior to reallocation.

## Reduction of Assessments

If after all Improvement Area \#1 Improvements have been completed and the Actual Costs for the Improvement Area \#1 Improvements are less than the costs used to calculate the Assessments, then the City may reduce the Assessment for each Parcel pro rata such that the sum of the resulting reduced Assessments for all Parcels equals the reduced Actual Costs. Additionally, if the City does not undertake some of the Improvement Area \#1 Improvements, the City may, at its discretion, reduce the Assessment for each Parcel pro rata to reflect only the Actual Costs that were expended. The Bond Assessments shall not, however, be reduced to an amount less than the applicable outstanding Bonds. Notwithstanding the foregoing, any reductions in Assessments shall be pro rata for each Parcel.

## 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 Assessed Property within Improvement Area \#1 (the "Assessment Lien"), superior to all other liens and claims except liens or claims for the State, county, school districts 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 of a Bond Assessment, except for unpaid Bond 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 of a Bond Assessment. In such action the real property subject to the delinquent Annual Installment of a Bond Assessment may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments of Bond Assessments, plus penalties and interest.

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

As of August 23, 2018, the date the Assessments were levied and the Assessment Lien became effective, 42 parcels within Improvement Area \#1 were sold to third-party homeowners. These homeowners may have the ability to claim homestead rights under State law, which, if claimed, prohibits these properties from being foreclosed for purposes of collecting the Reimbursement Assessments. The revenues from the Reimbursement Assessments do not constitute security for the Bonds and are not part of the Pledged Revenues. See "SECURITY FOR THE BONDS - Pledged Revenues" and "- Pledged Revenue Fund."

The City has covenanted in the Indenture to take and pursue all actions permissible under Applicable Laws to cause the Bond 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 Bond Assessments, provided that the City is not required to expend any funds for collection and enforcement of Bond 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 Bond Assessments.

The City will not be obligated to fund foreclosure proceedings relating to Bond Assessed Parcels out of any funds other than in the Administrative Fund. If Pledged Revenues are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See "APPENDIX B Form of Indenture" and "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

## THE CITY

## Administration

Incorporated in 1839, the City operates under a Council-Manager form of government under its home rule charter. As a result of an amendment to the Austin City Charter approved at an election held in November of 2012, the configuration of the City Council has changed from a seven-member council, comprised of a Mayor and six council members elected at large, to an eleven-member council, with the Mayor elected at large, and the remaining members elected from ten single member districts. The first council election held in accordance with the 2012 amendment to the City Charter was held November 4, 2014. See "APPENDIX A - General Information Regarding the City General Information."

By charter, the City Council appoints a City Manager for an indefinite term who acts as the chief administrative and executive officer of the City. The duties include, among others, the supervision of all City departments, the preparation and administration of an annual budget and the preparation of a report on the finances and administrative activities of the City.

City Manager - Spencer Cronk. Mr. Spencer Cronk joined the City as City Manager on February 12, 2018. Before joining the City of Austin, Mr. Cronk was Minneapolis City Coordinator (City Administrator). He directed the management of Minneapolis city government by assisting the Mayor and City Council in defining City policy and establishing priorities, mobilizing department heads and staff to implement the Mayor and Council's priorities, and working to strengthen the management and administrative systems of the City. Mr. Cronk previously served as Commissioner of the Minnesota Department of Administration, a role he was appointed to by Governor Mark Dayton in 2011. As Commissioner, Mr. Cronk led the state's real property, purchasing, fleet, demographic analysis and risk management divisions responsible for more than $\$ 2$ billion in State purchasing and the historic renovation of the Minnesota State Capitol. Additionally, Mr. Cronk also served as chair of the Minnesota Public Data Governance Advisory Committee, and as a member of the Environmental Quality Board and the Minnesota Indian Affairs Council. Before joining the State of Minnesota, Mr. Cronk served as executive director of organizational development and senior advisor for the Department of Small Business Services for the City of New York, under former Mayor Michael Bloomberg. His accomplishments there included the design and implementation of a comprehensive performancemanagement system and the development of a program for integrating new employees, which was used citywide as a best practice template for the City of New York's 300,000 employees. Mr. Cronk has served a number of community organizations and agencies, including as an Advisory Council member for Northern Spark, a member of the Minnesota Advisory Board of the Trust for Public Land, and a member of the Itasca Project Task Force on Socioeconomic Disparities in the Twin Cities. He was a recipient of the Minneapolis/St. Paul Business Journal's " 40 Under 40" Award in 2013. Mr. Cronk received his bachelor's degree with honors from the University of Wisconsin- Madison. He is a graduate of Harvard University's Senior Executives in State and Local Government Program and was a Public Affairs Fellow with the Coro New York Leadership Center.

Deputy City Manager/Chief Financial Officer - Elaine Hart, CPA. Ms. Elaine Hart received her B.B.A. in Accounting from The University of Texas at Arlington. Effective upon the adoption of the City's fiscal year 2019
budget, Ms. Hart became Deputy City Manager. Her career with the City spans more than 20 years, including over 10 years in public power. Ms. Hart served as Interim Chief Financial Officer for two months before being appointed to the position of Chief Financial Officer in April 2012. Prior to her appointment as Chief Financial Officer, she served as Senior Vice President of Finance and Corporate Services for Austin Energy, the municipally-owned electric utility. During her tenure at the City (service not continuous), she has also served in other financial capacities, including the City’s Chief Financial Officer in the late 1980s, Assistant Finance Director, City Controller and Deputy City Auditor. Ms. Hart also has private sector auditing, accounting and consulting experience.

Deputy Chief Financial Officer - Greg Canally. Mr. Greg Canally is the Deputy Chief Financial Officer for the City of Austin over the Treasury Office, Purchasing Office \& Capital Contract Office, and worked as the Finance lead on economic development, transportation initiatives, facility master planning, and a variety of information technology issues for the City. Mr. Canally has been with the City of Austin for 18 years, entirely in the Finance Department. From 2004 through 2008, he was the City's Budget Officer. He is a past member of Government Finance Officers Association's Committee on Economic Development and Capital Planning. Prior to his work in municipal government, Mr. Canally worked as a project manager/economist for HDR Engineering, working with all levels of government to implement Water Planning solutions in Texas. Mr. Canally holds a Bachelor of Science in Economics from Villanova University and a Master of Science in Economics from the University of Texas at Austin.

See "APPENDIX A - General Information Regarding the City" for more information.

## 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 the City in accordance with the PID Act by City of Austin Resolution No. 20100826-026 (the "Creation Resolution") for the purpose of, among others, funding the Improvement Area \#1 Improvements. The District is not a separate political subdivision of the State of Texas and is governed by the City Council. The District has been annexed for limited purposes and is located within the extraterritorial jurisdiction of the City and contains approximately 2,066 acres of land, and Improvement Area \#1 contains approximately 80 acres of which approximately 54 acres is subject to Assessments. Maps of the property within Improvement Area \#1 and the District are included on pages v and vi hereof. See "APPENDIX C - Form of 2019 Amended and Restated Service and Assessment Plan."

## Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake or reimburse a property owner or developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Assessments on property in Improvement Area \#1 of 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 property owner or developer for the costs of the financing, acquisition, construction or improvement of the Improvement Area \#1 Improvements. See "THE IMPROVEMENT AREA \#1 IMPROVEMENTS." Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction and acquisition, if applicable, of certain water, wastewater, drainage, and roadway public improvements within the District comprising the Improvement Area \#1 Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. The City has further determined to provide for the payment of debt service on the Bonds through Pledged Revenues. See "SECURITY FOR THE BONDS - Pledged Revenues," "ASSESSMENT PROCEDURES" and "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

## Collection and Delinquency History of Master Improvement Area Assessments

On November 3, 2011, the City levied the Master Improvement Area Assessments on assessable property in the District, including Improvement Area \#1, through the City Council's adoption of an assessment ordinance and
approval of the Service and Assessment Plan. Upon such adoption, the Master Improvement Area Assessments became legal, valid and binding liens upon the property against which the Master Improvement Area Assessments are made.

The annual installments of Master Improvement Area Assessments relating to the Senior Master Improvement Bonds are due and payable on or before January 31 of each year, commencing on January 31, 2012. On March 12, 2019, provisions were made for the payment of the total outstanding Master Improvement Area Assessments allocable to Improvement Area \#1. Such provisions include (i) a prepayment of Master Improvement Area Assessments allocable to Improvement Area \#1 and (ii) transfers of funds from the prepayment reserve account and the reserve account of the reserve fund established under the indenture applicable to the Senior Master Improvement Bonds. As a result of such prepayment, the land within Improvement Area \#1 will no longer be subject to the Master Improvement Area Assessments. The following table shows the collection and delinquency history of the Master Improvement Area Assessments relating to the Senior Master Improvement Bonds.

| Assessments Due 1/31 | Collection and Delinquency of Master Improvement Area Assessments |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Relating to the Senior Master Improvement Bonds ${ }^{(1)}$ |  |  |  |  |  |  |
|  | Annual Installments | Parcels <br> Levied | Delinquent Amount as of $3 / 1$ | Delinquent Percentage as of $3 / 1$ | Delinquent Amount as of $9 / 1$ | Delinquent Percentage as of $9 / 1$ | Annual Installments Collected ${ }^{(2)}$ |
| 2015 | \$1,859,960 | 10 | - | - | - | - | \$1,859,960 |
| 2016 | 1,630,896 | 9 | - | - | - | - | 1,630,896 |
| 2017 | 1,740,561 | 24 | - | - | - | - | 1,740,561 |
| 2018 | 2,111,881 | 246 | - | - | - | - | 2,111,881 |
| 2019 | 1,967,271 | 246 | \$419 | 0.02\% | - | N/A | $1,966,852^{(3)}$ |
| (1) The in <br>  Payme <br> (2) Exclu <br> (3) Collec | The interest payment dates for the Senior Master Improvement Bonds are each March 1 and September 1, which differs from the Interest Payment Dates for the Bonds of each May 1 and November 1. |  |  |  |  |  |  |

THE COLLECTION AND DELINQUENCY HISTORY OF THE MASTER IMPROVEMENT AREA ASSESSMENTS RELATING TO THE SENIOR MASTER IMPROVEMENT BONDS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE MASTER IMPROVEMENT AREA ASSESSMENTS RELATING TO THE SENIOR MASTER IMPROVEMENT BONDS. THE MASTER IMPROVEMENT AREA ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS.
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The following table shows the collection and delinquency history of the Master Improvement Area Assessments relating to the Subordinate Master Improvement Bonds. The Subordinate Master Improvement Bonds are no longer outstanding.

Collection and Delinquency of Master Improvement Area Assessments
Relating to the Subordinate Master Improvement Bonds ${ }^{(1)}$

| Assessments Due $7 / 1$ |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Annual Installments | Parcels Levied | Amount as of $9 / 1$ | Percentage as of 9/1 | Installments Collected ${ }^{(2)}$ |
| $2015{ }^{(3)}$ | \$ 6,090,000 | 10 | \$6,090,000 | 100\% | \$ 6,090,000 |
| $2016{ }^{(4)}$ | 14,958,154 | 9 | - | - | 14,958,154 |

${ }^{(1)} \quad$ The interest payment dates for the Subordinate Master Improvement Bonds were each December 1 and June 1, which differed from the Interest Payment Dates for the Bonds of each May 1 and November 1.
Excludes penalties and interest.
The 2011 Service and Assessment Plan provided a due date of November 1, 2015 for the initial annual installment. The 2015 assessment roll for the Master Improvement Area Assessments, adopted by the City Council on December 22, 2014, modified the due date for the initial annual installment to July 1, 2015. The only landowner responsible for the payment of the Master Improvement Area Assessments was the Developer. The Developer made a partial payment of the initial annual installment on October 29, 2015, which amount was sufficient to pay debt service due on December 1, 2015.
${ }^{(4)} \quad$ The 2011 Service and Assessment Plan provided a due date of November 1, 2016 for the second and final annual installment. The 2016 assessment roll for the Master Improvement Area Assessments, adopted by the City Council on December 17, 2015, modified the due date for the second annual installment to July 1, 2016.

# THE COLLECTION AND DELINQUENCY HISTORY OF THE MASTER IMPROVEMENT AREA ASSESSMENTS RELATING TO THE SUBORDINATE MASTER IMPROVEMENT BONDS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE COLLECTION OF THE ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY OF THE MASTER IMPROVEMENT AREA ASSESSMENTS RELATING TO THE SUBORDINATE MASTER IMPROVEMENT BONDS. THE MASTER IMPROVEMENT AREA ASSESSMENTS ARE NOT SECURITY FOR THE PAYMENT OF THE BONDS. 

## THE IMPROVEMENT AREA \#1 IMPROVEMENTS

## General

A portion of the cost of the Improvement Area \#1 Improvements will be funded with the proceeds of the Bonds. The Developer has completed construction of the Improvement Area \#1 Improvements and the Improvement Area \#1 Improvements have been dedicated to either the City or the County. From the proceeds of the Bonds, the City will reimburse the Developer for a portion of the project costs actually incurred in developing and constructing the Improvement Area \#1 Improvements within or serving Improvement Area \#1 of the District.

## Development Plan

The current development plan for the Authorized Improvements is divided into two major stages, consisting of the construction of the Master Improvement Area Improvements followed by development of the Improvement Areas. See "THE DEVELOPMENT - Development Plan" and "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan." The Developer has completed construction of all the Master Improvement Area Improvements and the Improvement Area \#1 Improvements, as described below. The Developer is currently constructing the internal infrastructure benefitting Improvement Area \#2 (the "Improvement Area \#2 Improvements"). The Developer expects that the construction of the Future Improvements for Future Improvement Area \#3 will occur after the construction of the Improvement Area \#2 Improvements.

## Improvement Area \#1 Improvements

Erosion and Sedimentation Control. The erosion and sedimentation controls (E\&S) installed for this site work consist of silt fence, inlet protection, tree protection, stabilized construction entrance, rip rap, and revegetation required to control sedimentation run-off from the site during site development and prevent erosion prior to
construction of Improvement Area \#1. The E\&S controls will be installed according to the City standards, determined in the City's sole discretion.

Clearing and Grading. The clearing and grading improvements consist of site clearing, soil remediation, grading within the right of way (ROW) for the installation of the internal roadway system, and for the installation of utilities and drainage controls outside of the ROW in order to serve Improvement Area \#1.

Drainage Improvements. The drainage improvements ("Drainage Improvements") consist of the construction and installation of storm sewer pipe, manholes and junction boxes, headwalls, drainage inlets and appurtenances necessary for the storm system that will service all of Improvement Area \#1.

Street Improvements. The street improvements ("Street Improvements") consist of installing lime treated sub-base, flexible base course, surface course, curb and gutters and sidewalks along non-frontage lots that will provide the basis of the roadway system within Improvement Area \#1.

Potable Water Improvements. The potable water improvements ("Water Improvements") consist of the construction and installation of water mains, domestic service connections, valves, fire hydrants and appurtenances, necessary for the water distribution system that will service all of Improvement Area \#1.

Wastewater Improvements. The wastewater improvements ("Wastewater Improvements") consist of construction and installation of wastewater mains, domestic service connections, manholes and appurtenances necessary to provide sanitary sewer service to all of Improvement Area \#1.

Demolition and Restoration. The demolition and restoration ("Demolition") for the site consist of tree removal to clear the site for the development of Improvement Area \#1.

Pond Improvements. The pond improvements ("Pond Improvements") consist of installing two (2) detention and water quality ponds which include establishing revegetation, storm headwalls and box culverts, maintenance access paths and make-up water sources necessary to support the Improvement Area \#1 drainage infrastructure system.

## Costs of Improvement Area \#1 Improvements

The City will pay projects costs for an Improvement Area \#1 Improvement (or completed segment or phase) upon approval of a Certification of Payment pursuant to the Reimbursement Agreement or Financing Agreement, as applicable. The Developer will be paid for costs actually incurred in developing and constructing the Improvement Area \#1 Improvements upon completion of such projects and dedication to, and acceptance by the City or County (as applicable). See "SECURITY FOR THE BONDS — Project Fund" and "THE DEVELOPMENT — Financing Agreement" and "- Reimbursement Agreement."

The following table reflects the actual costs of the Improvement Area \#1 Improvements.

| Improvement Area \#1 Improvements Actual Costs ${ }^{\mathbf{( 1 )}}$ |  |
| :--- | ---: |
| Type of Improvement | Total Cost |
| Erosion and Sedimentation Control | $\$ 802,773$ |
| Clearing and Grading | 543,220 |
| Drainage Improvements | $1,126,764$ |
| Street Improvements | $1,577,458$ |
| Potable Water Improvements | 993,770 |
| Wastewater Improvements | 834,535 |
| Demolition and Restoration | 14,300 |
| Pond Improvements | $\underline{482,028}$ |
| $\quad$ Total | $\underline{\mathbf{6 6 , 3 7 4 , 8 4 8}}$ |

The actual costs of the Improvement Area \#1 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 were
approved by the City Council as part of the 2018 Addendum to Service and Assessment Plan. See "APPENDIX C Form of 2019 Amended and Restated Service and Assessment Plan."

The cost of all the Improvement Area \#1 Improvements (excluding costs of issuance of the Bonds) was approximately $\$ 6,374,848$. Only a portion of the costs of the Improvement Area \#1 Improvements, in the approximate amount of $\$ 3,470,635$, is expected to be paid with proceeds of the Bonds. The balance of the costs of the Improvement Area \#1 Improvements, in the amount of $\$ 2,904,213$ was financed by the Developer with funds invested in the construction of the Improvement Area \#1 Improvements, which a portion of such funds will be reimbursed by the City with proceeds of the Reimbursement Assessments, pursuant to the Reimbursement Agreement. See "PLAN OF FINANCE - Development Plan," "SOURCES AND USES OF FUNDS" and "THE DEVELOPMENT Reimbursement Agreement."

The Appraisal (as defined below) estimates that the 195 vacant, improved and partially improved single family residential lots representing the Bond Assessed Parcels within Improvement Area \#1 is $\$ 18,888,925$. See "APPRAISAL OF BOND ASSESSED PARCELS." Based on value of the property provided in the Appraisal and the principal amount of the Bonds, the ratio of the value to lien across the Bond Assessed Parcels is approximately 4.20:1. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety in order to understand the meaning and basis of the information set forth therein. The Appraisal is addressed to the City and the Underwriter. The estimates of value presented in the Appraisal are no indication of the appraised property's actual market value. Investors should not assume that the disposition of the lots in the appraised property, consisting of the Bond Assessed Parcels within Improvement Area \#1 in the event of default would provide sufficient funds to pay the principal of Bonds outstanding at that time. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth in the Appraisal. See "APPRAISAL OF BOND ASSESSED PARCELS" for further information regarding the Appraisal, including with respect to such assumptions, hypothetical conditions and qualifications.

## Ownership and Maintenance of Improvement Area \#1 Improvements

The Improvement Area \#1 Improvements have been dedicated to and accepted by the City or the County and will constitute a portion of either the City's or the County's infrastructure improvements, as applicable. The City or the County will provide for the ongoing maintenance and repair of their respective Improvement Area \#1 Improvements.

## THE DEVELOPMENT

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

## Overview

The Development is located in the limited purpose annexation and extraterritorial jurisdiction of the City. The boundaries of the Development are coterminous with the District as described in "THE DISTRICT." The Development contains approximately 2,066 acres, of which approximately 1,429 is planned to be developed as a master-planned residential community with supporting retail and office/commercial components as further described below. A boundary map of the Development is included on page vi.

The Development is located on the east side of SH-130, at FM 973, and south of US-290 East in east central Travis County. The east boundary of the parent tract has over 9,400 feet of frontage along the west side of Taylor Lane and over 2,900 feet of frontage on Taylor Lane's east side. The northeast section is isolated from the main tract by Taylor Lane. There is access from Wells Trace near the tract's southwest corner. Wells Trace is a two-lane residential street that connects the tract's south boundary to Nez Pierce Road and Decker Lake Road. Decker Lake Road in this area is a secondary local access road and the section from Nez Pierce to Taylor Lane is actually a dirt path.

## Development Plan

The Development. In 2006, the Developer acquired the property comprising the District with the plan to develop it as a master-planned mixed-use community. The property constituting the Development was purchased by the Developer with cash in two pieces in August and December 2006. The total acquisition price was $\$ 28,550,000$. At the time, the land was in its current raw state with no improvements or infrastructure. To date the Developer has invested substantial additional funds to achieve the limited purpose annexation, Planned Unit Development ("PUD") zoning entitlements, and creation of the District and construction of the Master Improvement Area Improvements, the Improvement Area \#1 Improvements and the Improvement Area \#2 Improvements.

At completion, the Development is expected to consist of approximately 5,018 single family residential units, of which approximately 3,793 will be detached single family residential units and approximately 1,225 will be attached single family residential units, 2,482 multifamily units, 217.3 acres of commercial development, and 38 acres of mixed-use development. The Development will also contain approximately 700 acres of open space/parkland. It is anticipated that the Development will include various yet-to-be determined civic uses including schools, fire stations, libraries, as well as parks, entry monuments, associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities and a transportation node in connection with the Capital Area Metropolitan Planning Organization's regional active transportation plan. The current development plan is divided into two major steps, "macro-structure" development followed by "micro-structure," or development of the individual Improvement Areas.

Macro-structure. The macro-structure development consists of the Master Improvement Area Improvements necessary to serve the entire District, including the construction of necessary water lines, a wastewater treatment plant and associated interceptor line, and the first phase of the primary arterial road Braker Lane, which includes two lanes of what will be a four-lane divided median road from FM973 to Petrichor Boulevard. The proceeds of the Master Improvement Area Senior Bonds and the Master Improvement Area Subordinate Bonds were used to reimburse the Developer for a portion of the costs of the Master Improvement Area Improvements. See "APPENDIX C — Form of 2019 Amended and Restated Service and Assessment Plan."

The Developer began construction of the Master Improvement Area Improvements in November of 2011 and completed the construction of all of the Master Improvement Area Improvements in early 2018.

Micro-structure. The Developer anticipates that the District will be divided into approximately seven Villages and that each Village will consist of several phases, with approximately $600-700$ lots within each Village. The Developer expects that the phases will further be developed as separate Future Improvement Areas and that the micro-structure development of such Future Improvement Areas will occur based on market demand and will consist of certain internal public improvements, including local streets, water, wastewater, drainage structures and landscaping, that benefit each individual Future Improvement Area.

The Developer began the phased development in November of 2014 with the construction of the Improvement Area \#1 Improvements benefitting Improvement Area \#1. The Developer has completed all the Improvement Area \#1 Improvements, which have been accepted by either the City or the County, as applicable. The Developer began construction of the Improvement Area \#2 Improvements benefiting Improvement Area \#2 in February of 2019. The Developer anticipates that the development of the remaining Villages and Future Improvement Areas therein will continue through 2034. The Developer currently has preliminary concept plans for construction of phases 3 and 4, which may either be developed as one or two separate Future Improvement Areas. Additionally, the Developer has begun the entitlement process for construction of phase 6 .

The Developer anticipates that Future Improvements will be financed by private developers and Phased Bonds expected to be issued by the City and secured by additional assessments levied and collected in connection therewith. The Developer anticipates that Phased Bonds will need to be issued over a 15 -year period. The total cost of the infrastructure improvements is forecasted to be approximately $\$ 270$ million.

Improvement Area \#1 includes approximately 54 acres subject to the Assessments, which is expected to consist of 237 single family residential units. Improvement Area \#2 includes approximately 54 acres and is anticipated to consist of approximately 267 single family residential units. The Developer anticipates that the Future Improvement Areas will consist of the remaining 6,996 housing units along with mixed-use and commercial development. Of the

5,018 anticipated single family residential units, the Developer expects to include five different product types: 20' Lots ("Lot Type 1"), which will consist of detached single family units, 25 ' Lots ("Lot Type 2"), which will consist of attached single family units, $35^{\prime}$ Lots ("Lot Type 3"), 50' Lots ("Lot Type 4") and 60' Lots ("Lot Type 5"), all of which will consist of detached single family units.

The actual and estimated number of single family residential units within Improvement Area \#1, Improvement Area \#2 and the Future Improvement Area by Lot Type is shown in the following table.

| Actual and Expected Single Family Residential Units Within the District |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Lot Type | Improvement | Improvement | Future | Total number |  |
| Lot Type 1 (20') | $\underline{\text { Area \#1 }}$ | - | $\underline{\text { Area \#2 }}$ |  | Improvement Area |$\quad$| of Lots |
| :---: |
| Lot Type 2 (25') |

(1) Of the 136 Lot Type 4 in Improvement Area \#2, 6 are reserved for model homes.
(2) $\quad$ Of the 98 Lot Type 5 in Improvement Area \#1, 8 are reserved for model homes. There are currently two model homes furnished and staffed and two model homes under construction.

The previously completed build-out of the single family lots within Improvement Area \#1 of the District and the Developer's current expectations regarding the build-out of the single family lots within Improvement Area \#2 and future phases 3 and 4 of the District and sale of single family lots to homebuilders therein are shown in the following table.

Actual and Expected Build-Out Schedule of Single Family Units
within Improvement Area \#1, Improvement Area \#2 and Future Phases 3 and 4

| Improvement Area |  |  |  | Expected Final Sale Date of Single Family <br> Units to Homebuilders ${ }^{(2)}$ |
| :---: | :---: | :---: | :---: | :---: |
|  | Single <br> Family Units ${ }^{(1)}$ | Actual/Expected Micro Infrastructure Completion Date | Actual/Expected Initial Sale Date of Single Family Units to Homebuilders ${ }^{(2)}$ |  |
| 1 | 237 | May 2016 | August 2016 | March 2020 |
| 2 | 267 | December 2019 | December 2019 | June 2021 |
| $3 / 4^{(3)}$ | 373 | June 2021 | June 2021 | December 2022 |
| Total | 877 |  |  |  |
| (1) Numbers include model homes. |  |  |  |  |
| (2) Expected Initial and Final Sale Dates provided by the Developer. |  |  |  |  |
| (3) Inform | ion has been provided pated 373 lots within | $y$ the Developer from prelin fure phases 3 and 4 will be | ry concept plans filed with the City. structed as one or two separate Imp | has yet to be determined whethe vement Areas. |

## Development in Improvement Area \#1

The Developer completed all of Master Improvement Area Improvements necessary to serve Improvement Area \#1 and the Improvement Area \#1 Improvements in 2016. Upon completion of such improvements, the Homebuilders within Improvement Area \#1 began to take down their respective lots and begin home construction, as described below.

Homebuilder Lot Purchase Agreements within Improvement Area \#1. The Developer has executed lot purchase and sale agreements for all 237 single family lots within Improvement Area \#1 (the "Improvement Area \#1 Lot Purchase Agreements") with merchant homebuilders, including Avi, Pacesetter, Aha Dream, GFO and Buffington. The following table provides the number of lots on which the foregoing Homebuilders plan to construct homes within Improvement Area \#1, pursuant to the Improvement Area \#1 Lot Purchase Agreements:

| Homebuilder | Lot Type 2 | Lot Type 3 | Lot Type 4 | Lot Type 5 | Total Units |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Avi | - | - | 33 | 17 | 50 |
| Pacesetter | 27 | 12 | 51 | 43 | 133 |
| Aha Dream | - | - | - | 6 | 6 |
| Buffington | - | - | 16 | 17 | 33 |
| GFO | - | - | - | 15 | 15 |
| Total | 27 | 12 | 100 | 98 | 237 |

Build-Out and Sale Schedule of Lots within Improvement Area \#1. The actual and anticipated schedule for sale of single family lots to homebuilders within Improvement Area \#1 by Lot Type, pursuant to the Improvement Area \#1 Lot Purchase Agreements, is shown in the following table.

|  |  | by Lot Type in Improvement Area \#1 ${ }^{(1)}$ |  |  |  | Total Units |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Year | Lot Type 2 | Lot Type 3 | Lot Type 4 | Lot Type 5 |  |
|  | 2016 | 9 | 12 | 15 | 3 | 39 |
|  | 2017 | 5 | - | 42 | 6 | 53 |
|  | 2018 | 13 | - | 26 | 55 | 94 |
|  | 2019 | - | - | 12 | 25 | 37 |
|  | 2020 | - | - | 5 | 9 | $\underline{14}$ |
| Total |  | 27 | 12 | 100 | 98 | 237 |

The actual and anticipated schedule for sale of single family homes to residents within Improvement Area \#1 by Lot Type is shown in the following table.

## Actual and Expected Sale of Single Family Homes to Residents by Lot Type in Improvement Area \#1 ${ }^{(1)}$

|  | Year | Lot Type 2 | Lot Type 3 | Lot Type 4 | Lot Type 5 | Total Units |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2016 | - | - | 1 | - | 1 |
|  | 2017 | - | 6 | 30 | - | 36 |
|  | 2018 | 3 | 6 | - | 8 | 17 |
|  | 2019 | 6 | - | 33 | 30 | 69 |
|  | 2020 | 18 | - | 36 | 30 | 84 |
|  | 2021 | - | - | - | $\underline{30}$ | $\underline{30}$ |
| Total |  | 27 | 12 | 100 | 98 | 237 |

Lot and Home Construction in Improvement Area \#1. As of February 15, 2019, Avi has purchased 50 completed lots, has finished construction of 11 homes and has sold 18 homes (including homes under contract, but not yet closed on) to third-party homeowners; Pacesetter has purchased 128 completed lots, has finished construction of 51 homes and has sold 58 homes (including homes under contract, but not yet closed on) to third-party homeowners; Buffington has purchased 8 completed lots and has sold 2 homes (not yet closed on) to third-party homeowners; Aha

Dream has purchased 2 completed lots and has sold 1 home (not yet closed on) to a third-party homeowner; and GFO has purchased 4 completed lots and has not finished construction of any homes. The following table shows the status of lot and home construction within Improvement Area \#1, as of February 15, 2019.

Status of Single Family Lot and Home Construction in Improvement Area \#1 ${ }^{(1)}$

| Lot Type | Total No of Lots | Total Builder |  |  |  |  |  |  | Expected final Sale Date to |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Builder | Homes | Completed Homes Not | Homes Under | Homes Closed on by |  |
|  |  | Completed | Contracted | Contracted Lots | Under | Sold to | Contract with |  |  |
|  |  | Lots | Lots ${ }^{(2)}$ | Taken-down ${ }^{(2)}$ | Construction | Residents | Residents | Residents | Residents |
| Lot Type $2\left(25^{\prime}\right)$ | 27 | 27 | 27 | 27 | - | 6 | - | 3 | June 2020 |
| $\begin{aligned} & \text { Lot Type } \\ & 3 \text { (35') } \end{aligned}$ | 12 | 12 | 12 | 12 | - | - | - | 12 | June 2018 |
| Lot Type $4\left(50^{\prime}\right)$ | 100 | 100 | 100 | 84 | 15 | 6 | 13 | 31 | December 2020 |
| Lot Type 5 (60’) | $\underline{98}$ | 98 | 98 | 69 | $\underline{14}$ | 3 | 9 | 11 | June 2021 |
| Total | 237 | 237 | 237 | 192 | 29 | 15 | 22 | 57 |  |

(2) Lot totals include model homes.

The single family residential lot and home prices in Improvement Area \#1 as of February 15, 2019 are as follows:

| Lot Type |  |  | Average | Estimated Absorption |
| :---: | :---: | :---: | :---: | :---: |
|  | Quantity | Base Lot Price | Home Price | Period (Months) |
| Lot Type 2 (25') | 27 | \$30,000 | \$236,900 | 44 |
| Lot Type 3 (35') | 12 | 39,500 | 233,067 | 24 |
| Lot Type 4 (50') | 100 | 47,500 | 303,177 | 52 |
| Lot Type 5 (60') | 98 | 57,000 | 367,534 | 56 |

## Development in Improvement Area \#2

The Developer has completed all of Master Improvement Area Improvements necessary to serve Improvement Area \#2 and began construction of the Improvement Area \#2 Improvements in February of 2019. The Developer expects to complete the Improvement Area \#2 Improvements in December of 2019. Upon completion of the Improvement Area \#2 Improvements, the Developer anticipates that the homebuilders within Improvement Area \#2 will begin to take down lots, pursuant to the Improvement Area \#2 Lot Purchase Agreements (as defined below).

Homebuilder Lot Purchase Agreements within Improvement Area \#2. The Developer has executed lot purchase and sale agreements for 265 of the 267 planned single family lots within Improvement Area \#2 (the "Improvement Area \#2 Lot Purchase Agreements") with merchant homebuilders, including Pacesetter, Buffington Aha Dream and GFO. The following table provides the number of lots on which the foregoing homebuilders plan to construct homes within Improvement Area \#2, pursuant to the Improvement Area \#2 Lot Purchase Agreements:

| Homebuilders and Lot Purchase and Sale Agreements ${ }^{(1)}$ |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Homebuilder | Lot Type 2 | Lot Type 3 | Lot Type 4 | Total Units |
| Pacesetter | 44 | 87 | - | 131 |
| Buffington | - | - | 65 | 65 |
| Aha Dream | - | - | 5 | 5 |
| GFO | - | - | 64 | 64 |
| Total | 44 | 87 | 134 | 265 |

Estimated Lot and Home Prices and Absorption in Improvement Area \#2. The Developer's current expectations regarding single family residential lot and home prices in Improvement Area \#2 are as follows:

Estimated Single Family Lot and Home Prices in Improvement Area \#2

| Lot Type | Quantity | Base Lot Price ${ }^{(1)}$ | Estimated Average Base Home Price | Estimated Absorption Period (Months) |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
| Lot Type 2 (25') | 44 | \$34,500 | \$260,590 | 19 |
| Lot Type 3 (35') | 87 | \$44,500 | 256,374 | 19 |
| Lot Type 4 (50') | $\underline{136}$ | \$54,500 | 333,494 | 24 |
| Total | 267 |  |  |  |

(1) Base lot prices derived from Improvement Area \#2 Lot Purchase Agreements.

## Photographs of the Development

The photograph below depicts development within Improvement Area \#1 of the District with Braker Lane running east to west along the top right-hand corner of the photograph.

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The photograph below depicts $35^{\prime}$ Lots within Improvement Area \#1.


The photograph below depicts a model home by Avi on a $60^{\prime}$ Lot.


The photograph below depicts a model home by Pacesetter on a $60^{\prime}$ Lot.


## The Financing Agreement

The Developer and the City entered into the Whisper Valley Public Improvement District Financing Agreement, dated as of November 1, 2011 (as amended, the "Financing Agreement") and entered into the First Amendment to the Whisper Valley Public Improvement District Financing Agreement on March 28, 2019 (the "First Amendment to the Financing Agreement"). Pursuant to the Financing Agreement, the Developer has the right to construct public improvements for the District including the Improvement Area \#1 Improvements, according to certain rules and regulations of the City, and to be paid by the City for a portion of the costs of such construction through assessments and/or the proceeds of bonds. The Financing Agreement provides in part the procedures for the disbursement of funds from the applicable Funds under the Indenture for the payment of costs already expended on the Improvement Area \#1 Improvements. The Financing Agreement provides that the Developer may assign such Financing Agreement to any party so long as the assignee has demonstrated to the City's satisfaction that the assignee has the financial, technical, and managerial capacity, the experience, and expertise to perform any duties or obligations so assigned and so long as the assigned rights and obligations are assumed without modification to the Financing Agreement. See "APPENDIX G - Financing Agreement and Form of First Amendment to the Financing Agreement."

## The Reimbursement Agreement

The City and the Developer expect to enter into the Whisper Valley Public Improvement District Improvement Area \#1 Reimbursement Agreement on April 16, 2019, which will provide, in part, for the deposit of revenues from the Reimbursement Assessments. Pursuant to the Reimbursement Agreement, the City will agree to pay the Developer for a portion of costs of the Improvement Area \#1 Improvements not paid with proceeds of the Bonds from the Reimbursement Assessments. The City's obligations under the Reimbursement Agreement are payable solely from Reimbursement Assessments and are not a debt or other obligation of the City payable from any other City revenues, taxes, income or property. The revenues from the Reimbursement Assessments do not constitute security for the Bonds and are not part of the Pledged Revenues. See "THE IMPROVEMENT AREA \#1 IMPROVEMENTS."

## Zoning/Permitting

Pursuant to the Development Agreement, the Developer secured PUD zoning. The PUD zoning was accomplished in the fall of 2010 and allows flexibility for each phase of the Development to be developed in a manner to meet market demand at the time of development of such phase, including a mixture of residential, mixed-use, commercial, industrial and open space uses within the Development in conformity with the limitations and conditions set forth in the Creation Resolution. In addition, the PUD zoning provides for tailored design regulations within the Development and special waivers from standard City Code requirements.

## Education

The Development is located in the Del Valle ISD. Del Valle ISD operates two specialty campuses, nine elementary schools, three middle schools and three high schools. Joseph Gilbert Elementary School, which is approximately 3 miles from the District, Dailey Middle School, which is approximately 4 miles from the District, and Del Valle High School, which is approximately 7 miles from the District, are expected to serve residents in the District. Joseph Gilbert Elementary, Dailey Middle School and Del Valle High School are all rated "below average" by GreatSchools.org. According to the Texas Education Agency annual school report cards, Del Valle ISD, Joseph Gilbert Elementary School, Dailey Middle School and Del Valle High School were all rated as "Met Standard" (The categories for public school districts and public schools are Met Standard, Improvement Required or Not Rated).

The land plan for the Development reserves two school sites on which Del Valle ISD may build a middle school and an elementary school. Del Valle ISD will acquire school sites and build facilities through local bond elections. As the development of the residential portion of the Development takes place, the Developer will work closely with Del Valle ISD to make the school sites available.

## Community Amenities

Parks and Trails. The primary theme of the Development will revolve around the park system. There will be approximately 700 acres of community park land. The primary park (the "Signature Park"), which will be developed on a phase by phase basis, will include approximately 600 acres and will be one of the largest public parks in the Austin area. Gilleland Creek is a natural amenity that runs through the park. An additional 100 acres of neighborhood parks and pedestrian trails will support the Signature Park.

The Developer has entered into a Master Parkland Agreement with the City (the "Parks Agreement") whereby the Developer will maintain and dedicate the Signature Park to the City. It is intended that the Signature Park will contain both programmed and non-programmed areas. Examples of park improvements that may be constructed within the programmed areas of the Signature Park include pedestrian trails, paths and bridges, sports fields, community swimming pools and related facilities, playgrounds and community centers. Non-programmed areas within the Signature Park are intended to be open space areas left undisturbed and in their natural condition.

Amenities such as pedestrian trails, activity fields, community gardens, a community center and overall landscaping will be built on a phase-by-phase basis throughout the 20 to 25 -year life of the Development. Initially, amenities will center around the initial entry and road landscaping, pedestrian trails and neighborhood parks, including playgrounds and local pools.

Additionally, residents of the Development will also have access to the Northeast Metropolitan Park which adjoins the Development on its northeast side. This facility includes 240 acres with activity fields, swim club, picnic pavilions and numerous bike and pedestrian trails.

Discovery Center. The Development includes a 5,000 square foot facility, known as the "Discovery Center," which consists of a marketing center, geothermal heated pool, fitness center, creative play areas, conference room, Bosh/Rehau Geothermal presentation areas, Bosch Appliance show kitchen, Google Nest Smart Home center and electric vehicle stations. The Discovery Center is located in the southeast corner of Improvement Area \#1 of the District and is currently owned and operated by the Developer. The Developer anticipates that the Discover Center will be dedicated to and accepted by the Owners' Association within the next four to five years. The Owners' Association will provide for the ongoing operation, maintenance and repair of the Discovery Center through the administration of an Owners' Association Fee to be paid by each single family residential and multifamily residential
lot owner within the District. The Discovery Center opened in September of 2017 and is available for use by all single family and multifamily unit residents. The Developer spent approximately $\$ 4,000,000$ on the construction of the Discovery Center, which was financed through internal corporate funding.

The photographs below show the amenities offered at the Discovery Center.



## Environmental

Site Evaluation. Several environmental studies of the Development have been prepared, including a Phase 1 Environmental Site Assessment and City of Austin Environmental Assessment (together, the "Phase 1 - ESA"). The Development, as planned, provides for a superior environmental project by providing enhanced water quality facilities, preserving the headwaters of several tributaries and preserving open space.

Based on the information as presented in the Phase 1 - ESA there is no evidence that the Development or adjacent properties are currently under environmental regulatory review or enforcement action. The site reconnaissance, regulatory database review and historical source review identified eleven critical environmental features, including nine stock ponds with wetland vegetation and two emergent wetlands. The Developer has accounted for standard setbacks in the wetland areas, which conform to the guidelines of the City.

Endangered Species. According to the website for the United States Fish and Wildlife Service, the following endangered species are known or believed to occur in Travis County: Whooping Crane, Golden-cheeked warbler, Barton Springs salamander, Austin Blind Salamander, Bee Creek Cave harvestman, Bone Cave harvestman, Tooth Cave pseudoscorpion, Tooth Cave Spider, Kretschmarr Cave mold beetle, and Tooth Cave ground beetle. According to the website for the United States Fish and Wildlife Service, the following threatened species are known or believed to occur in Travis County: Piping Plover, Red Knot, Georgetown Salamander, and Jollyville Plateau Salamander. The Landowner is not aware of any endangered or threatened species located on District property.

## Mineral Rights and Easement Rights

There are certain mineral rights reservations of prior owners of real property within the District, including within Improvement Area \#1 (the "Mineral Owners"), pursuant to one or more deeds in the chain of title for the property in the District. The reservations of mineral rights include a waiver (the "Surface Waiver") by the Mineral Owners of their right to enter onto the surface of the property to explore, develop, drill, produce or extract minerals within the District. However, the Mineral Owners have reserved the right to establish no more than two drill sites for the production and exploration of oil, gas and other minerals within the area of the District designated the "Drill Site Zone." The Drill Site Zone consists of the property within the District, save and except Improvement Area \#1, Improvement Area \#2 and 147 acres within the remaining Future Improvement Area, as further described in the Surface Waiver. The Mineral Owners have not yet designated any drill sites within the Drill Site Zone.

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 is not aware of any real property (including mineral rights) owned by the Mineral Owners adjacent to the District. Certain rules and regulations of the Texas Railroad Commission may restrict the ability of the Mineral Owners to explore or develop the property due to well density, acreage, or location issues.

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

## Geotechnical Exploration

A Geotechnical Data Report (the "Geotech") was prepared for the Improvement Area \#1 Improvements by Raba Kistner, dated March 4, 2014. The Geotech made recommendations for subgrade and foundation soil preparation and pavement thickness. The Developer followed all such recommendations.

## Utilities

Water and Wastewater. The City will provide both water and wastewater service to the Development. Pursuant to certain cost reimbursement agreements, the Developer was required to construct certain facilities within the District necessary for the City to provide water and wastewater service, a portion of which facilities are Master Improvement Area Improvements. The Developer has completed such facilities. The City currently has sufficient capacity to provide water and wastewater service to the Development, including Improvement Area \#1.

Other Utilities. The Development offers multiple sustainable and energy-saving options for its residents, including Ecosmart technology. Ecosmart is an integrated technology package engineered to provide a clean and zeroenergy capable solution to entire communities like the Development. Each single family residential home in Improvement Area \#1 will be equipped with Ecosmart technology, which includes a geothermal heating and cooling system, and may also include photovoltaic solar panels, high-efficient kitchen appliances and smart home technology. The geothermal heating and cooling system uses thermal properties of the earth beneath the home to heat and cool each home. Upon installation, each single family residential owner will be responsible for the payment of an Ecosmart Product Package and the monthly Geothermal Service Assessment. The Geothermal Service Assessment was set at $\$ 60$ per month in 2017 and adjustments, if any, to the Geothermal Service Assessment are reviewed annually on January 1 of each year based on changes in the consumer price index, provided that the Geothermal Service Assessment may never be less than $\$ 60$. The total amount of such Geothermal Service Assessment for 2019 is $\$ 60$ per month.

In addition to the Ecosmart technology, the Developer anticipates additional utilities to be provided by the following entities:

| Gas $^{(1)}$ | Texas Gas Service |
| :--- | :--- |
| Phone/Data | AT\&T |
| Electric | Austin Energy \& Bluebonnet Electric Cooperative |
| Cable | Google Fiber |
| Texas Gas Service is the supplier of gas to the land within the Development, however, the Developer does not anticipate that gas will |  |
| be used in the Development due to the self-supporting nature of the Ecosmart technology. |  |

## HOA Assessments

The Developer anticipates that each property owner of an Assessed Property in Improvement Area \#1 of the District will pay both an annual General Owners' Association Fee and an annual Additional Owners' Association Fee to the Owners' Association related to the operation and maintenance of improvements or amenities within the District or specific to the property owner's lot. All Owners' Association Fees will be calculated annually based on the estimated expenses to be incurred by the Owners' Association in performing its functions to, among other things, maintain, repair and manage the improvements or amenities covered by the respective Owners' Association Fee. The
total amount of such Owners' Association Fees for property owners of an Assessed Property within Improvement Area \#1 are expected to be approximately $\$ 50$ per month.

## Awards

The Development and EcoSmart Solution LLC, a subsidiary of Taurus Investment Holdings, LLC (described below) that designs, builds and operates the Ecosmart technology within the Development have received numerous awards relating to the marketing of and sustainable building practices within the Development, including the following:

- 2017 Community of the Year - Green Home Builder
- 2018 Best Sales Welcome Center Silver Award - National Association of Home Builders, The Nationals
- 2018 Best New Community - Home Builders Association Greater Austin, MAX Awards
- 2018 Best Print Ad - Home Builders Association Greater Austin, MAX Awards
- 2018 Best Overall Ad Campaign - Home Builders Association Greater Austin, MAX Awards
- 2018 Best Innovative Energy Design Merit Award - PCBC, Gold Nugget Awards
- 2018 Best Social Media Marketing Program - Texas Association of Builders, Texas Star Awards
- 2018 Overall Winner - Green Home Builder, Sustainable Innovation Awards
- 2018 Best Sustainable Project - Green Home Builder, Sustainable Innovation Awards


## THE DEVELOPER

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

## General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as 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 revenue bonds, such as the 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 primary tax and assessment payer within a district during its development.

## Taurus Investment Holdings, LLC - History and Deal Structure

For over 40 years, Taurus Investment Holdings, LLC ("TIH"), an affiliate of the Developer, has been sourcing real estate investments and developments on a global scale. The company has developed a successful "Club Deal" investment template based upon a three-part strategy.

1. Develop a network of high net worth individuals that are knowledgeable investors. The network includes several hundred German investors, U.S. investors, and additional investors from various other parts of the world such as Israel and South America. Many of these investors have been involved in the TIH real estate program for decades.
2. Apply expert deal underwriting standards supervised by the key TIH partners: Lorenz Reibling (Partner and Chairman), Guenther Reibling (Partner and COO), and Peter Merrigan (Partner and CEO). Each Club Deal receives critical underwriting by this group in conjunction with input from the sourcing local partner (such as the Developer). Once an acquisition decision has been made, the senior partners present the Club Deal opportunity to the network of high net worth investors to fund capital into the deals. The acquisitions are generally structured into single asset Limited Partnerships and Limited Liability Companies. Senior management partners and local partners provide the General Partnership function, and investors provide capital as Limited Partners. Each individual limited partner's risk is limited to the funds they invest. In most cases, the land acquisitions are made with cash investments. In those cases, no bank financing is used which reduces the risk of holding the land during the project development. (This is the case with Whisper Valley.) Additional funds are typically raised to obtain entitlements, market research, and preliminary engineering. (This is also the case with Whisper Valley.) Once the projects have begun, management is conducted by the local partners, and an extensive reporting system is provided to the investors. Reports are supervised by the senior management team and by Linda Kassof (Senior Vice President and CFO). When development of infrastructure and improvements begins, funds often are borrowed from banks. (This is the case with the Development). These funds are repaid from revenues that are generated from the sale of lots, or land as it is developed. See "THE DEVELOPER - History and Financing of the Development."
3. Day-to-day management of the projects is conducted by local partners. Local partners are experienced development partners who are knowledgeable about local conditions surrounding the specific projects. Local partners are located in several US offices, Canada, South America and Europe. These management members work through the acquisition, entitlement, development, property management and sales of the Club Deals until the project is fully liquidated. They provide frequent reports to the senior management team and investors.

Currently, nearly two billion dollars in asset value are managed in the TIH network, and there is over six hundred million dollars in capital invested. TIH has purchased and sold over 20 million square feet of office, residential, industrial, retail, hotel and other commercial real estate assets. Over the past 40 years, TIH has successfully acquired, managed, developed and sold almost 200 real estate investments. It has managed through many real estate cycles both good and bad. When markets have declined, and investors have been asked to make additional capital calls to cover the costs of operation, they have responded. During the most recent recession, they have been asked to make a number of capital calls and have remained very supportive. Within the TIH operation, they have remained supportive in all of the programs without exception.

There are 10 Club Deals that are or have been managed by Taurus of Texas Holdings, L.P. a Texas limited partnership ("TOT"), an affiliate of TIH and the parent company of the Developer. See "ONGOING TAURUS OF TEXAS HOLDINGS, L.P. PROJECTS." In all of these ventures, the limited partners have performed as requested. In the Whisper Valley Club Deal partnership, there are approximately 50 Limited Partners, some of which have a net worth of over a billion dollars. These limited partners have invested combined almost $\$ 40$ million in the development of the Whisper Valley project to date. They have steadfastly provided capital calls when requested. See "THE DEVELOPER - History and Financing of the Development."

## Senior Management Biography of TIH

Peter Merrigan. As CEO of TIH, Peter Merrigan oversees the daily operations of TIH worldwide. Peter has negotiated, structured and closed more than $\$ 3$ billion worth of complex real estate transactions, spanning over 20 years in numerous U.S. states and 7 countries. Peter is a partner of TIH, along with Lorenz Reibling and Guenther Reibling. Among other board positions, Peter is the former Chairman of the Alumni Association of the MIT Center for Real Estate. His formal education includes a BA from the College of the Holy Cross and an MS from Massachusetts Institute of Technology.

Guenther Reibling. Guenther Reibling is the COO and a partner of TIH. Guenther oversees origination and development activities of new projects, including underwriting and acquisition. He also directs the ongoing overall management of current projects. Guenther has managed real estate construction, development, and sales since 1971. While at Derag, he directed the sales coordination of real estate collectively valued at $\$ 100$ million that included parts of the Olympic Village. In 1976, Guenther and partners formed TBG Taurus Bau GmbH, a Munich-based development
company. In 1979, Guenther was the first of the TIH group to come to the US to explore development opportunities. He is a former Special Advisor to the Secretary of Commerce of the State of Florida.

Lorenz Reibling. As Chairman of TIH, Lorenz Reibling is focused on the development and nourishment of international relationships with investors and product sources predominantly in TIH's non-US related businesses. He is a frequent speaker at real estate conferences, and an advisor to and board member of the renowned MIT/CRE (Massachusetts Institute of Technology/Center for Real Estate) in Cambridge, Massachusetts. As Chairman of TIH, Lorenz also acts as a spokesperson for the firm. Lorenz is a partner of TIH and has been involved in hundreds of commercial real estate transactions since 1979. His education includes Munchen-Kolleg; Technische Universitat; Ludwigs-Maximilians Universitat; and an MS from Boston College.

## Local Partner Biography of TOT

Douglas Gilliland. As President of CD 120 GP, LLC, a Delaware limited liability company, the General Partner of the Developer, Douglas Gilliland is responsible for deal sourcing, permitting, development, disposition and financing of high quality residential and commercial communities. Douglas brings over 30 years of development and marketing experience and has been involved in a number of large and distinctive residential and mixed-use land developments in Texas, Colorado, and Kansas. See "SAMPLING OF PROJECTS BY DOUGLAS GILLILAND PRIOR TO JOINING TAURUS OF TEXAS HOLDINGS, L.P." He is a past President of the Texas Association of Builders, Greater Fort Worth Home Builder Association, and a former National Vice President of the National Association of Home Builders. He also is a former Director of the Greater Dallas Builder's Association. In 2005 he received the Herman J. Smith Legend Award from the Greater Fort Worth Home Builder Association. His education includes one year at Southern Methodist University in Dallas, and a BS degree from the University of Missouri at Kansas City. Douglas is currently serving as a Director of "The Bank, Arlington" in Texas and also holds a real estate broker's license for the State.

A snapshot of some of the communities TOT has developed or is currently developing is presented below.
TAURUS OF TEXAS HOLDINGS, L.P. PROJECTS

| Project Name | Project Location | Project <br> Status | Percent <br> Complete | Total <br> Project Budget | Anticipated/Actual <br> Completion Date | Project Description |
| :--- | :--- | :---: | :---: | :---: | :---: | :---: |

A snapshot of some of the communities local partner, Douglas Gilliland, has developed prior to joining TOT is presented below.
SAMPLING OF PROJECTS BY DOUGLAS GILLILAND PRIOR TO JOINING TAURUS OF TEXAS HOLDINGS, L.P.

| Name of Project | Type of Community | Number of Lots | Price Point | Approximate <br> Year Started | Disposition |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Quail Valley Estates | Single Family Residential | 240 | \$150-275 | 1986 | Sold all lots to 10-15 Custom Builders |
| Spring Lake Estates | Single Family Residential | 600 | \$100-300 | 1995 | Sold all lots to Merchant Builders |
| Ashwood Park | Single Family Residential | 143 | \$90-150 | 2004 | Sold lots to Custom Builders and Investors |
| The Commons | Single Family Residential | 220 | \$150-250 | 2000 | Sold all lots to Custom and Merchant Builders |
| Willow Creek | Single Family Residential | 225 | \$150-250 | 1998 | Sold all lots to Custom and Merchant Builders |
| The Manors of Waterford | Single Family Residential | 64 | \$900-2,200 | 2001 | Sold all Lots to Custom Builders |
| Wyndham Village | Mixed Use Patio Homes | 60 | \$175-250 | 1996 | Sold all Lots to Custom Builders Sold Office Bldg Lots to Commercial Builders |
| Carriage Gate | Single Family Residential | 300 | \$120-225 | 1991 | Sold all lots to Merchant Builders |
| Williamsburg Estates | Single Family Residential | 90 | \$225-400 | 1989 | Sold all lots to Custom Builders |
| Keller Town Center | Mixed Use | 130 acres | N/A | 2000 | Commercial/Multifamily/Office/ Patio Homes/ Municipal Uses |

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## History and Financing of the Development

Whisper Valley. The Developer purchased the property within the Development for a purchase price of approximately $\$ 28,550,000$. The Developer's acquisition was made on a cash basis through investor funding, and no third-party financing was used to acquire the property.

Improvement Area \#1. In order to finance its development activities within the Development, including within Improvement Area \#1, on June 14, 2018 the Developer entered into a loan (the "Development Loan") for $\$ 3,650,000$ with PlainsCapital Bank (the "Development Lender"), which, as of February 4, 2019, is secured by a lien on all of the real property within Improvement Area \#1 and Improvement Area \#2 thereon owned by the Developer, including the Discovery Center. The Development Loan matures on June 14, 2021. As of February 15, 2019, there is an outstanding balance of approximately $\$ 1,541,456$.

The PID Act provides that the Assessment Lien is a first and prior lien against the assessed property within the District and is superior to all other liens and claims except liens or claims for State, county, school district, or municipality ad valorem taxes. Additionally, at or prior to delivery of the Bonds, the Development Lender shall consent to and acknowledge the creation of the District, the levy of the Assessments and the subordination of the lien securing the Loan to the assessment liens on property within the District securing payment of the Assessments. As a result, the lien on the property within the District securing the Assessments will have priority over any liens on the property within the District securing the Loan.

## THE SPECIAL ASSESSMENT CONSULTANT

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

In its role as Special Assessment Consultant to the Developer, Development Planning \& Financing Group, Inc. ("DPFG") (www.dpfg.com) has been primarily responsible for drafting, on behalf of the City, the Service and Assessment Plan, including any annual updates, supplements and amendments thereto prior to 2018, and assisting in the preparation of the 2018 Addendum to the Service and Assessment Plan and the 2019 Amended and Restated Service and Assessment Plan. DPFG is a national real estate consulting firm with 9 offices in six states (California, Colorado, Nevada, Texas, Florida and North Carolina). Since its inception in 1991, it has focused on providing real estate and financial consulting services principally to residential and commercial real estate developers as well as lenders, public agencies and other institutional investors. A key emphasis is identifying the lowest cost and the lowest risk manner of financing and funding public improvements and infrastructure such as roadways, utilities, etc., as well as the vertical improvements of a project.

To accomplish this, DPFG typically provides, among others, the following services:

- Preparation of financial analyses and projections;
- Preparation of financial feasibility studies, including compliance analyses with debt covenants;
- Identification of available and applicable public/private financing alternatives;
- Preparation of fiscal and economic impact studies;
- Negotiation of development agreements;
- Evaluation of development impact fee arrangements;
- Tracking of reimbursable development costs; and
- Structuring of reimbursement agreements.

The financing programs that are involved usually include some type of public financing and/or public/private partnerships. These have included land secured financings such as public improvement districts (PIDs), municipal utility districts (MUDs), tax increment reinvestment zones (TIRZs), community facility districts (CFDs), as well as
general obligation, revenue and assessment bonds. The firm has been involved in the formation, structuring, feasibility analysis and issuance of more than $\$ 16.0$ billion of bonds for more than 2,500 special taxing districts (or their equivalents) since 1991.

## THE SERVICE AND ASSESSMENT PLAN CONSULTANT

P3Works, LLC has been engaged by PFM Financial Advisors, LLC, Financial Advisor to the City, as the "Service and Assessment Plan Consultant." P3Works, LLC prepared the 2018 Addendum to the Service and Assessment Plan and the 2019 Amended and Restated Service and Assessment Plan to be adopted by the City. P3Works, LLC was not engaged to prepare any updates to the Service and Assessment Plan prior to the 2018 Addendum to the Service and Assessment Plan, nor has P3Works, LLC been engaged by the City to provide updates to the Service and Assessment Plan in the future or to provide ongoing PID administration services. The Service and Assessment Plan Consultant is a consulting firm focused on providing municipalities throughout Texas services relating to the formation and administration of public improvement districts, and has offices in Austin, Texas and Keller, Texas.

## APPRAISAL OF BOND ASSESSED PARCELS

General. Paul Hornsby \& Company, Austin, Texas (the "Appraiser") prepared an appraisal report for Improvement Area \#1 of the District, dated November 2, 2018, based upon a physical inspection of the Improvement Area \#1 on September 27, 2018 (the "Appraisal"). The Appraisal was prepared at the request of the City. The Appraisal is attached hereto as APPENDIX F and should be read in its entirety. The conclusions reached in the Appraisal are subject to certain assumptions, hypothetical conditions and qualifications, which are set forth therein. See "APPENDIX F - Appraisal of Improvement Area \#1."

Value Estimates. The Appraiser estimated the market value of the fee simple interest in the 195 vacant, improved and partially improved single family residential lots representing the Bond Assessed Parcels within Improvement Area \#1. The Appraisal did not include the Previously Sold Assessed Parcels, which consist of the 42 single family residential lots owned by individual homeowners as of August 23, 2018. See "PLAN OF FINANCE Development Plan" and "THE DEVELOPMENT." The Appraisal does not reflect the value of the property as if sold to a single purchaser in a single transaction. See "APPENDIX E - Appraisal of Bond Assessed Parcels."

The cumulative retail value estimate for the 195 vacant, improved and partially improved single family lots within Improvement Area \#1 of the District using the methodologies described in the Appraisal and subject to the limiting conditions and assumptions set forth in the Appraisal as of September 4, 2018, is $\$ 18,888,925$. None of the City, the Developer, the Financial Advisor nor the Underwriter makes any representation as to the accuracy, completeness, assumptions or information contained in the Appraisal. The assumptions or qualifications with respect to the Appraisal are contained therein. There can be no assurance that any such assumptions will be realized, and the City, the Developer, the Financial Advisor and the Underwriter make no representation as to the reasonableness of such assumptions.

## THE MARKET STUDY

Economic \& Planning Systems, Inc. ("EPS") was engaged by PFM Financial Advisors, LLC to review the market assumptions being used by the Developer for Improvement Area \#1 of the District. In a report dated November 6, 2018 (the "Market Study"), EPS reviewed the development plans for Improvement Area \#1, and concluded that, among other conclusions, (1) based on the Appraisal, the anticipated amount of the Bonds is appropriately scaled to the value of the land, and (2) the currently estimated District tax burden appears to be supportable based on project value assumptions and comparisons to other communities. The Market Study is attached as APPENDIX H and should be read in its entirety. None of the City, the Developer, the Financial Advisor nor the Underwriter make any representation as to the accuracy, completeness, assumptions or information contained in the Market Study. The assumptions or qualifications with respect to the Market Study are contained therein. There can be no assurance that any such assumptions will be realized, and none of the City, the Developer, the Financial Advisor and the Underwriter make any representation as to the reasonableness of such assumptions.

## BONDHOLDERS' RISKS

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

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

The ability of the City to pay debt service on the Bonds as due is subject to various factors that are beyond the City's control. These factors include, among others, (a) the ability or willingness of property owners within Improvement Area \#1 of the District to pay Bond Assessments levied by the City, (b) cash flow delays associated with the institution of foreclosure and enforcement proceedings against the Bond Assessed Parcels within Improvement Area \#1 of the District, (c) general and local economic conditions which may impact real property values, the ability to liquidate real property holdings and the overall value of real property development projects, and (d) general economic conditions which may impact the general ability to market and sell the lots within the District, it being understood that poor economic conditions within the City, State and region may slow the assumed pace of sales of such lots.


#### Abstract

The rate of development of the property in the District is directly related to the vitality of the residential housing industry. In the event that the sale of the lands within the District should proceed more slowly than expected and the Developer is unable to pay the Bond Assessments, only the value of the Bond Assessed Parcels, with improvements, will be available for payment of the debt service on the Bonds, and such value can only be realized through the foreclosure or expeditious liquidation of the Bond Assessed Parcels. There is no assurance that the value of such lands will be sufficient for that purpose and the expeditious liquidation of real property through foreclosure or similar means is generally considered to yield sales proceeds in a lesser sum than might otherwise be received through the orderly marketing of such real property.

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


## No Credit Rating

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

## Assessment Limitations

Annual Installments of Bond Assessments are billed to property owners of Bond Assessed Parcels in the District. Annual Installments of Bond Assessments 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 of Bond Assessments established by the 2019 Amended and Restated Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of Bonds maturing in each year and the annual collection costs for such year. See "ASSESSMENT PROCEDURES" herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Annual Installments of Bond Assessment payments in the future.

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

Upon an ad valorem tax lien foreclosure event of a Bond Assessed Property, any Bond 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 Bond Assessments, the liens securing such delinquent ad valorem taxes and delinquent Bond Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Bond 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 Bond 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 $\S 372.018(\mathrm{~d})$ supports this position, stating that a Bond 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 Bond Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinance. However, a Bond 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 Bond Assessment Lien from attaching to such homestead property or instead cause the Bond 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 individual homeowners had the ability to claim homestead rights on Bond Assessed Parcels. Furthermore, the Developer and the Homebuilders are not eligible to claim homestead rights. Consequently, there are and can be no homestead rights on the Bond Assessed Parcels superior to the Bond Assessment Lien and, therefore, the Bond Assessment Lien may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments of Bond Assessments 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 Bond Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE 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.

## Effects of Future Legislation

In October 2017, the Texas House and the Texas Senate issued interim charges to the Committee on Special Purpose Districts and the Intergovernmental Relations Committee (collectively, the "Interim Committees"), respectively, requesting the study of special purpose districts and public improvement districts and potential bond issuance reforms. The charges to the Interim Committees included review, hearings and testimony related to changes to and oversight of bonds secured by special assessments. Prior to the 2019 Texas legislative session, the Interim Committees made recommendations to the Legislature on how to regulate special assessment revenue bonds, and possibly establish parameters on the use of public improvement districts as financing vehicles.

The 2019 Texas legislative session convened on January 8, 2019 and will end on May 27, 2019. It is impossible to predict what bills may be introduced during the 2019 Texas legislative session or any other upcoming legislative sessions, whether such new proposals or any previous proposals will be recommended by the Interim Committees or new bills regarding the same will be passed by the Texas Senate and House of Representatives and signed by the Governor, and, if enacted, the form thereof. It is impossible to predict with certainty the impact that any such future legislation will or may have on the City's ability to operate and maintain the District or to issue Phased Bonds.

## Risks Related to the Current Real Estate Market

In the past, the real estate market has experienced significant slowing of new home sales and new home closings due in part to the subprime mortgage crisis involving adjustable rate mortgages and other creative mortgage financing tools that allowed persons with higher credit risk to buy homes. The economic crisis that resulted from higher interest rates, at a time when many subprime mortgages were due to reset their interest rates, has served to reduce the availability of mortgages to many potential home buyers, making entry into the real estate market more difficult. Downturns in the real estate market and other factors beyond the control of the Developer, including general economic conditions, may impact the timing of parcel, lot and home sales within the District.

## Competition

The housing industry in the Austin area is very competitive, and none of the Developer, the City, the City's Financial Advisor nor the Underwriter can give any assurance that the building programs which are planned will ever commence. The competitive position of the Developer or of any other home builder in the sale of developed lots or the construction and sale of single family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

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.

## Loss of Tax Exemption

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

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

## Bankruptcy

The payment of Bond Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Bond 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 Bond Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay in prosecuting foreclosure proceedings relating to the Bond Assessments, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Bond Assessments might not be paid in full. See "BONDHOLDERS' RISKS - Bondholders' Remedies and Bankruptcy."

## Direct and Overlapping Indebtedness, Assessments and Taxes

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

Pursuant to the Development Agreement, the City has agreed not to annex for full purposes or impose ad valorem taxes on all or a portion of the property in the District until (i) for property within the District for which PID Bonds have been issued to pay for public improvements, or for which the Developer has in good faith requested that the City issue PID Bonds to pay for public improvements, the earlier of (a) the date that all PID Bonds, relating to the portion of the property in the District to be annexed, are paid in full, or (b) forty-four (44) years and six (6) months after the effective date of the Development Agreement (June 18, 2009), and (ii) for property within the District for which PID Bonds have not been issued to pay for public improvements, or for which the Developer has not in good faith requested that the City issue PID Bonds to pay for public improvements, fifteen (15) years after the effective date of the Development Agreement. See "OVERLAPPING TAXES AND DEBT."

## Depletion of Reserve Account of the Reserve Fund

Failure of the owners of property within the District to pay the Bond Assessments when due could result in the rapid, total depletion of the Reserve Fund prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in the Reserve Account of the Reserve Fund. The Indenture provides that if, after a withdrawal from the Reserve 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 - Reserve Account of the Reserve Fund" herein.

## Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized 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 1 - 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.

## 100-Year Flood Plain

Approximately 600 acres within the District, none of which are within Improvement Area \#1, are located within an official FEMA 100-year flood plain as shown on the current Federal Emergency Management Agency's Flood Insurance Rate Map Panels 48453C0490J and 48453C0495J. All the lands identified to be within the developed floodplain will be located within dedicated open space, park or drainage easements. As the project is developed the final location of the floodplain will be determined and will be contained within drainage easements or dedicated lots. The City will not allow occupied structures to be developed within the floodplain. Minor park facilities have been approved to be placed in the floodplain by the City.

## 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 weather events that include strong winds, flooding and heavy rains. It is impossible to predict such weather events and the impact they may have on the City, including land within the District.

## Exercise of Mineral Rights

As described herein under "THE DEVELOPMENT- Mineral Rights and Easement Rights," there are certain mineral rights reservations located within the District and not owned by the Developer. There may also be additional mineral rights and related real property rights reflected in the chain of title for the real property within the District recorded in the real property records of Travis County.

The Developer does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Bond Assessments. However, none of the City, the Financial Advisor, or the Underwriter provide any assurances as to such Developer expectations.

## Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under the Indenture, and upon the written request of at least twenty-five percent ( $25 \%$ ) of the owners of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or the Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds 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. 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 Bond Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge and the rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

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 Bond Assessments, or delinquent ad valorem taxes, against such property owner.

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

In Wasson Interests, Ltd. v. City of Jacksonville, 489 S.W.3d 427 (Tex. 2016) ("Wasson"), the Texas Supreme Court (the "Court") addressed whether the distinction between governmental and proprietary acts (as found in tortbased causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that "a city's proprietary functions are not done pursuant to the 'will of the people"" and protecting such municipalities "via the [S]tate's immunity is not an efficient way to ensure efficient allocation of [S]tate resources". While the Court recognized that the distinction between governmental and proprietary functions is not clear, the Wasson opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed Wasson for a second time and issued an opinion
on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory guidance at the time of inception of the contractual relationship. 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.

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

## Judicial Foreclosures

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

## Limited Secondary Market for the Bonds

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

## Management and Ownership

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

## General Risks of Residential Home Sales

The ability of the Homebuilders to sell residential units within Improvement Area \#1 may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market, changes in long and short-term interest rates, changes in market preferences and architectural trends, the adverse use of adjacent and neighboring real estate, and other unknown contingencies and factors beyond the control of the Developer. In the event that a large number of residential 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.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the Developer and any subsequent owners to pay the Bond Assessments when due. Any or all the foregoing could reduce the willingness and ability of such owners to pay the Bond Assessments and could greatly reduce the value of the property within Improvement Area \#1 of the District in the event such property has to be foreclosed. If Annual Installments of Bond 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.

## Use of Appraisal

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

In performing its analyses, an appraiser makes numerous assumptions with respect to general business, economic and regulatory conditions and other matters, many of which are beyond the appraiser's, underwriter's and City's control, as well as to certain factual matters. Furthermore, the appraiser's analysis, opinions and conclusions are necessarily based upon market, economic, financial and other circumstances and conditions existing prior to the valuation.

## Dependence Upon Developer and Homebuilders

The Developer and the Homebuilders, as the owners of a majority of the Bond Assessed Parcels in Improvement Area \#1 of the District, as of February 15, 2019, have the obligation for payment of approximately $22.28 \%$ and $69.63 \%$, respectively, of the total Bond Assessments. The ability of the Developer and the Homebuilders to make full and timely payment of the Bond Assessments will directly affect the ability of the City to meet its debt service obligations with respect to the Bonds. The sole assets of the Developer are land within the District, related permits and development rights and minor operating accounts. The source of funding for future land development activities and infrastructure within the District also consists of proceeds from Phased Bonds and proceeds of parcel sales, as well as possible bank financing and equity contributions by the Developer and its partners. 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 Bond Assessments if necessary, or as to whether the Developer will advance such funds.

## TAX MATTERS

## Tax Exemption

The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative
minimum taxable income of the owners thereof. 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 Date of Delivery pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Order subsequent to the issuance of the Bonds. The Order contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

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

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, 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.

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

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

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

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, $S$ corporations with subchapter $C$ earnings and profits, 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 initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial 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 which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

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.

## LEGAL MATTERS

## Legal Proceedings

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

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

## Legal Opinions

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

Except as noted below, Bond Counsel did not take part in the preparation of the Limited Offering Memorandum, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Limited Offering Memorandum under the captions or subcaptions "PLAN OF FINANCE - The Bonds" (second paragraph only) "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts"), "THE DISTRICT" (except for the subcaption "Collection and Delinquency History of Master Improvement Area Assessments"), "TAX MATTERS," "LEGAL MATTERS - Legal Proceedings" (except for the final paragraph thereof) "LEGAL MATTERS - Legal Opinions" (except for the final paragraph thereof), "CONTINUING DISCLOSURE - The City," "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "INVESTMENTS," "LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinance, the Assessment Ordinance and the Indenture contained therein fairly and accurately describes the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance and the Indenture.

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

## Litigation - The City

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

## Litigation - The Developer

At the time of delivery and payment for the Bonds, Developer will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory body, public board or body pending, or, to the best knowledge of Developer, threatened against or affecting Developer wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of Developer or its general partner or would adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Bonds, the Indenture, the Bond Ordinance, the Service and Assessment Plan, the Financing Agreement, the Reimbursement Agreement or the Bond Purchase Agreement, or otherwise described in this Limited Offering Memorandum, or (2) the tax-exempt status of interest on the Bonds (individually or in the aggregate, a "Material Adverse Effect"). Additionally, principals of Developer and their affiliated entities have been (but are not currently) parties to pending and threatened litigation related to their commercial and 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 Bonds poses certain economic risks. See "BONDHOLDERS' RISKS." The Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

## ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See "BONDHOLDERS' RISKS - Bondholders' Remedies and Bankruptcy." Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indenture and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by 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 of the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

## CONTINUING DISCLOSURE

## The City

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

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

## The City Compliance with Prior Undertakings

With respect to the City's continuing disclosure agreement regarding the Rental Car Special Facility Revenue Bonds, the City failed to file rating upgrades from Moody's Investors Service and Fitch Ratings within the ten day
window which started on July 10, 2015 and August 17, 2016, respectively. The City filed the event notices with respect to the ratings upgrade on December 14, 2016. The failure to file the ratings upgrade in a timely manner was also filed on the same date. With respect to the continuing disclosure agreement entered into by Austin Bergstrom Landhost Enterprise, Inc. ("ABLE"), a non-profit corporation created by and under the control of the City, with respect to ABLE's Series 1999A \& 1999B Bonds, ABLE did not file its financial statements by the June 30 deadline for Fiscal Year December 31, 2015. The financial statements were filed on July 19, 2016 and the failure to file notice was posted on September 1, 2017. The referenced ABLE bonds are no longer outstanding. With respect to the City's continuing disclosure reports regarding its outstanding Airport System Revenue Bonds, the City determined that a table had transposed years in the presentation of data in such report that was filed in 2015, and the City filed corrected information for such table on May 8, 2015. With respect to the City's continuing disclosure reports regarding its outstanding Combined Utility Revenue Bonds, Water and Waste water System Revenue Bonds, and Electric Utility System Revenue Bonds, on April 25, 2016, the City filed updated financial information and operating data to reflect audited financial information as well as updated information in the "Comparative Analysis of Electric Utility System and Water and Wastewater System Operations," "Operating Statement Electric Utility System and Water and Wastewater System" and "The Electric Utility System and Water and Wastewater System (Plant Cost and Equity in Utility Systems)" tables previously filed. On February 3, 2017, the City filed a ratings upgrade notice for the Prior First-Lien Combined Electric, Water and Wastewater Revenue Bonds, which took place on July 1, 2015. The failure to file the ratings upgrade in a timely manner was also filed on the same date. On June 30, 2017, the City filed updated financial information and operating data to reflect Fiscal Year 2016 information on the first page of the "Water Service Rates" table. Also, the City inadvertently omitted several tables from the annual financial information and operating data filing for the March 31, 2013 continuing disclosure report relating to certain obligations of the City, including the Master Improvement Area Senior Bonds and the Master Improvement Area Subordinate Bonds. The City filed the omitted information on May 14, 2014. The City has adopted policies and procedures to ensure timely filing of all future financial information and event notices and will continue to provide updates to the financial information and operating data as changes occur.

## The Developer

The Developer and the Dissemination Agent will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement of the Developer") for the benefit of the Owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the Disclosure Agreement of the Developer, certain information regarding the Development and the Improvement Area \#1 Improvements (collectively, the "Developer Reports"). The specific nature of the information to be contained in the Developer Reports is set forth in "APPENDIX E-2 - Form of Disclosure Agreement of the Developer." Under certain circumstances, the failure of the Developer 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 Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The Developer has agreed to (i) prepare and provide certain updated information in report form to the Dissemination Agent and (ii) provide notices of certain specified events, only as provided in the Disclosure Agreement of the Developer. The Developer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Limited Offering Memorandum, except as provided in the Disclosure Agreement of the Developer. The Developer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The Developer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the Disclosure Agreement of the Developer or from any statement made pursuant to the Disclosure Agreement of the Developer. Concurrently with issuance of the Bonds, the Developer will enter into a continuing disclosure agreement related to the Improvement Area \#1 Bonds.

## The Developer's Compliance With Prior Undertakings

The Developer entered into continuing disclosure agreements relating to the Master Improvement Area Senior Bonds and the Master Improvement Area Subordinate Bonds (the "Master Improvement Area Disclosure Agreements"), pursuant to which the Developer agreed to provide certain information regarding the Development and the Master Improvement Area Improvements (the "Master Improvement Area Reports") to the Dissemination Agent
on a quarterly basis no later than thirty (30) days after each January 1, April 1, July 1 and October 1 (each January 31, May 1, July 31 and October 31, respectively). Upon receipt from the Developer, the Dissemination Agent is required to promptly file such Master Improvement Area Reports with the MSRB. During the last five years, the Developer has timely filed its Master Improvement Area Reports with the Dissemination Agent. During the last five years, the Dissemination Agent has, upon receipt from the Developer, promptly filed the Master Improvement Area Reports with the MSRB with the following exceptions. For the period ending April 1, 2017, the Dissemination Agent filed the applicable Master Improvement Area Report on June 5, 2017. For the period ending April 1, 2018, the Dissemination Agent filed the applicable Master Improvement Area Report on May 15, 2018. The Dissemination Agent has implemented internal procedures to ensure the timely filing of all future Master Improvement Area Reports.

## UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Bonds from the City at a purchase price of $\$ 4,334,007.75$ (the par amount of the Bonds, less an original issue discount of $\$ 30,992.25$ and less an underwriting discount of $\$ 135,000.00$, which includes Underwriter's Counsel fee of $\$ 45,000.00$ ). The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Bonds the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the cover hereof, and such initial offering prices may be changed from time to time by the Underwriter.

## REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

## LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The PID Act and Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code, as amended) provide that the Bonds are negotiable instruments and investment securities governed by Chapter 8, Texas Business and Commerce Code, as amended, and are legal and authorized investments for insurance companies, fiduciaries, trustees, or for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of at least " A " or its equivalent as to investment quality by a national rating agency. See "NO RATING" above. In addition, the PID Act and various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states. No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

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

## INVESTMENTS

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

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than " A " or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity 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 investing entity 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 investing entity'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 investing entity appoints as the entity's custodian of the banking deposits issued for the entity'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 Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission 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), 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 shortterm 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 270 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 Securities and Exchange Commission that provide the investing entity with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal Securities and Exchange Commission 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, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the City's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period by the type of asset and fund type invested, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment 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 a written instrument by rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships
or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of business organization offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than $15 \%$ of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

## INFORMATION RELATING TO THE TRUSTEE

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

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

## 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 Improvements generally and, in particular, the information included in the sections captioned "PLAN OF FINANCE - Development Plan," "- Status of Improvement Area \#1,""- Homebuilders and Status of Home Construction," "- The Reimbursement Agreement," and "- Phased Bonds," "THE IMPROVEMENT AREA \#1 IMPROVEMENTS," "THE DEVELOPMENT," "THE DEVELOPER," "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the Improvement Area \#1 Improvements and the Development), "LEGAL MATTERS Litigation - The Developer," "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 the light of the circumstances under which they were made, not misleading. At the time of delivery of the Bonds to the Underwriter, the Developer will deliver a certificate to this effect to the City and the Underwriter.

## Experts

The 2019 Amended and Restated Service and Assessment Plan in this Limited Offering Memorandum was prepared 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.

DPFG, as Special Assessment Consultant, has been primarily responsible for drafting, on behalf of the City, the Service and Assessment Plan, including any annual updates, supplements and amendments thereto prior to 2018, and assisting in the preparation of the 2018 Addendum to the Service and Assessment Plan and the 2019 Amended and Restated Service and Assessment Plan, and the information regarding the 2019 Amended and Restated Service and Assessment Plan in this Limited Offering Memorandum has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

The information regarding the Appraisal in this Limited Offering Memorandum has been provided by Paul Hornsby \& Company, and has been included in reliance upon the authority of such firm as experts in the field of the appraisal of real property. Paul Hornsby \& Company has consented to the inclusion of the Appraisal herein.

The information regarding the Market Study in this Limited Offering Memorandum, which is subject to the assumptions, hypothetical conditions and qualifications set forth therein, has been provided by Economic \& Planning Systems, Inc., and has been included in reliance upon the authority of such firm as experts in the field of real estate market studies. Economic \& Planning Systems, Inc. has consented to the inclusion of the Market Study herein.

## Updating of Limited Offering Memorandum

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

## FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities

Act. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY does not plan to issue any updates or revisions to those forward-iooking STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

## AUTHORIZATION AND APPROVAL

The City Council has approved by ordinance the form and content of this Limited Offering Memorandum and has authorized this Limited Offering Memorandum to be used by the Underwriter in connection with the marketing and sale of the Bonds.

CITY OF AUSTIN, TEXAS
/s/ Steve Adler
Mayor

ATTEST:
/s/ Jannette S. Goodall
City Clerk

## APPENDIX A

## GENERAL INFORMATION REGARDING THE CITY

The following information has been provided for informational purposes only.

## General Information

The City of Austin (the "City"), chartered in 1839, has a Council-Manager form of government under its home rule charter. The City Council is composed of a Mayor who is elected at large and 10 Councilmembers who are elected by geographic districts, all of whom serve four-year staggered terms subject to a maximum of two terms. A petition signed by $5 \%$ of the registered voters will waive the term limit for a member of the City Council. The City Manager, appointed by the City Council, is responsible to the City Council for the management of all City employees and administration of all City affairs.

The City, which is the capital of Texas, is the fourth largest city in the state (behind Houston, Dallas, and San Antonio) and the eleventh largest in the nation, with, according to the City's estimates, a September 2018 population of 963,797 . Over the past ten years, Austin's population has increased by approximately $25.1 \%$, or 193,501 residents. Geographically, the City consists of approximately 326 square miles. The current estimated median household income for residents of the City is $\$ 63,191$ according to Nielsen Site Reports. The City's per capita income is estimated to be $\$ 57,600$ based on analysis of the Bureau of Economic Analysis information.

The City offers several broad-ranged educational opportunities for those individuals with a desire to learn. Austin is a highly educated city, with $49 \%$ of adults twenty-five years or older holding a bachelor's or advanced degree, compared to $29 \%$ for Texas and $31 \%$ for the U.S. as a whole. Higher education is a significant aspect of life in the Austin area, which is host to six universities, a robust community college system, and numerous other institutions of higher learning. The University of Texas at Austin (UT), the seventh largest public university in the nation, is known as a world-class center of education and research and was ranked 15 th among public universities in the 2018 U.S. News and World Report Best Colleges survey of undergraduate programs.

The City is nationally recognized as a great place to live due in part to its diverse, educated and eclectic population, as well as its promotion of a year-round outdoor active lifestyle. The City draws its special character from its physical setting along the Balcones Escarpment, wedged between coastal plains and dramatic cliffs, canyons, and juniper-carpeted rolling hills. Austin's quality of life has become a critical economic development engine, and the City's diverse demographic structure serves to support and enrich its quality of life.

## Historical Employment in the City (Average Annual)

The City of Austin

|  | Average Annual |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2018 | 2017 | 2016 | 2015 | 2014 |
| Civilian Labor Force | 599,854 | 572,348 | 554,495 | 536,573 | 527,919 |
| Total Employed | 584,814 | 555,738 | 537,404 | 520,552 | 508,331 |
| Total Unemployed | 15,040 | 16,610 | 17,091 | 16,021 | 19,588 |
| Unemployment Rate | 2.5\% | 2.9\% | 3.1\% | 3.0\% | 3.7\% |

[^1]
## Ten Largest Employers in the City (As of September 30, 2018)

The ten largest employers in the City are set forth in the table below.

| Employer | Product or Service |  | Employees |
| :--- | :--- | :--- | :---: |
|  | Government | 37,890 |  |
| The University of Texas at Austin | Education | 23,925 |  |
| City of Austin | Government | 14,038 |  |
| HEB Grocery | Grocery/Retail | 13,756 |  |
| Dell Computer Corporation | Computers | 13,000 |  |
| Federal Government | Government | 13,000 |  |
| Austin Independent School District | Education | 11,379 |  |
| St. David's Healthcare Partnership | Healthcare | 10,309 |  |
| Seton Healthcare Network | Healthcare | 9,947 |  |
| Samsung Austin Semiconductor | Semiconductor | 8,935 |  |

Source: The City's 2018 Comprehensive Annual Financial Report.

APPENDIX B
FORM OF INDENTURE
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# INDENTURE OF TRUST 

By and Between

CITY OF AUSTIN, TEXAS
and
U.S. BANK NATIONAL ASSOCIATION, as Trustee

DATED AS OF APRIL 1, 2019

## SECURING

\$4,500,000
CITY OF AUSTIN, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1)

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## INDENTURE OF TRUST

THIS INDENTURE, dated as of April 1, 2019 is by and between the City of Austin, Texas (the "City"), and U.S. Bank National Association, as trustee (together with its successors, the "Trustee"). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition was submitted by the Developer and filed with the City Clerk of the City (the "City Clerk") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (the "PID Act"), requesting the creation of a public improvement district located in the extraterritorial jurisdiction of the City to be known as Whisper Valley Public Improvement District (the "District"); and


#### Abstract

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

WHEREAS, on August 5, 2010, after due notice, the City Council of the City (the "City Council") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the petition as required by Sec. 372.009 of the PID Act and on August 26, 2010, the City Council made the findings required by Sec. 372.009(b) of the PID Act and, by Resolution No. 20100826-026, adopted by a majority of the members of the City Council, authorized the District in accordance with its finding as to the advisability of the improvement projects and services; and


WHEREAS, on September 7, 2010, the City published notice of its authorization of the District in the Austin American Statesman, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Clerk within 20 days after September 7, 2010; and

WHEREAS, on June 28, 2018, the City Council by Ordinance No. 20180628-013 made findings and determinations relating to the proposed update to the 2018 Master Improvement Area Assessment Roll, the proposed assessment roll for Improvement Area \#1, and the preliminary 2018 Addendum to the Service and Assessment Plan pertaining to the Costs of certain Improvement Area \#1 Improvements, called a public hearing for August 23, 2018 and directed City staff to (i) file said proposed assessment roll with the City Clerk and to make it available for public inspection as required by Section 372.016(b) of the PID Act and (ii) publish such notice as required by Section 372.016(b) of the PID Act relating to the August 23, 2018 hearing; and

WHEREAS, on August 9, 2018, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing in the Austin American-Statesman, a newspaper of general circulation in the City and its extraterritorial jurisdiction, to consider the proposed assessment roll for Improvement Area \#1 and the preliminary 2018 Addendum to the Service and Assessment Plan and the levy of the "Assessments" on certain property in 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 Assessments in Improvement Area \#1 and the preliminary 2018 Addendum to the Service and Assessment Plan and the levy of Assessments on property within 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 convened the hearing on August 23, 2018, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed assessment roll and the Assessments pertaining to Improvement Area \#1, and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of Costs of certain of the Improvement Area \#1 Improvements, the purposes of the Assessments, the special benefits the Assessments have on Improvement Area \#1, 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 Clerk in opposition to the 2018 Addendum to the Service and Assessment Plan, the allocation of Costs of certain of the Improvement Area \#1 Improvements, the 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; and

WHEREAS, on August 23, 2018, the City approved and accepted the 2018 Addendum to the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance for Improvement Area \#1 and therein levied the Assessments; and

WHEREAS, the City Council found and determined that the Assessments and the 2018 Addendum to the Service and Assessment Plan should be approved and that the Assessments should be levied as provided in the 2018 Addendum to the Service and Assessment Plan and the assessment roll; and

WHEREAS, on February 7, 2019, the City Council ratified and confirmed the prior levy of Assessments on land within Improvement Area \#1; and

WHEREAS, the City Council desires to amend and restate the Service and Assessment Plan, as adopted on November 3, 2011, to incorporate and consolidate the provisions of the Service and Assessment Plan, as adopted on November 3, 2011, and the 2018 Addendum to the Service and Assessment Plan into one document; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Bond Assessments and from other revenue to be received from the Developer for the purpose of (i) paying the Costs of the Improvement Area \#1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the revenue bonds and for funding other funds as provided in this Indenture, and (iii) paying capitalized interest on the Bonds; and

WHEREAS, the City Council now desires to issue revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Austin, Texas Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1)" (the "Bonds"), such Bonds being payable solely from the Assessment Revenue and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

WHEREAS, the Trustee has agreed to accept the trusts herein created upon the terms set forth in this Indenture; and

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 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 money, 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 money and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such money 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 from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

PROVIDED, HOWEVER, that if and to the extent the Bond Assessments have been prepaid, the real property associated with such Bond Prepayment shall be released from the Trust Estate and shall no longer constitute a part of the Trust Estate;

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 at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds 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 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:
"2018 Addendum to the Service and Assessment Plan" means the addendum to the Service and Assessment Plan as approved by the City Council on August 23, 2018.
"2019 Amended and Restated Service and Assessment Plan" means the 2019 Amended and Restated Service and Assessment Plan, which incorporates provisions of the original Service and Assessment Plan and the 2018 Addendum to the Service and Assessment Plan into one document, as it may be modified and updated from time to time.
"Account" means any of the accounts established pursuant to Section 6.1 of this Indenture.
"Administrative Fund" means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.
"Administrator" means an employee or 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.
"Annual Collection Costs" mean the following actual or budgeted costs, as applicable, related to the operation of the District, the issuance and sale of Bonds, and the construction, operation, and maintenance of the Improvement Area \#1 Improvements, including, but not limited to, costs and expenses for: (i) the Administrator; (ii) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (iii) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (iv) preparing and maintaining records with respect to the Bond Assessment Roll and Reimbursement Assessment Roll and annual updates to the Service and Assessment Plan; (v) issuing, paying, and redeeming Bonds; (vi) investing or depositing Assessments and Annual Installments; (vii) complying with the Service and Assessment Plan and the PID Act with respect to the issuance and sale of Bonds, including continuing disclosure requirements; (viii) the paying agent/registrar and Trustee in connection with Bonds, including their respective legal counsel; and (ix) administering the construction of the Improvement Area \#1 Improvements. Annual Collection Costs collected and not expended for actual Annual Collection Costs shall be carried forward and applied to reduce Annual Collection Costs in subsequent years to avoid the overcollection of Annual Collection Costs.
"Annual Debt Service" means, for each Bond Year, the sum of (i) the interest due on the on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of Sinking Fund Installments), and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any Sinking Fund Installments due in such Bond Year).
"Annual Installment" means, with respect to each Bond Assessed Parcel, each annual payment of (i) the Bond Assessment as shown on the Bond Assessment Roll attached to the

Service and Assessment Plan as Appendix K and related to the Bonds and the Improvement Area \#1 Improvements; (ii) administrative expenses; and (iii) the additional per annum interest payment equivalent to $.50 \%$ higher than the rate on the Bonds which amount is used to fund the Prepayment and Delinquency Reserve Account.
"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.
"Assessments" means the Bond Assessments and Reimbursement Assessments, collectively.
"Assessment Ordinance" means Ordinance No. 20180823-073 adopted by the City Council on August 23, 2018, that levied the Bond Assessments on the Bond Assessed Parcels and the Reimbursement Assessments on the Previously Sold Assessed Parcels, as ratified and confirmed on February 7, 2019.
"Assessment Revenue" means money collected by or on behalf of the City from any one or more of the following: (i) a Bond Assessment levied against a Bond Assessed Parcel, or Annual Installment payment thereof, including any interest on such Bond Assessment or Annual Installment thereof during any period of delinquency, (ii) a Bond Prepayment, and (iii) Foreclosure Proceeds. Any moneys collected by or on behalf of the City from the Reimbursement Assessments shall not constitute Assessment Revenue.
"Authorized Denomination" means $\$ 25,000$ and any integral multiple of $\$ 5,000$ in excess thereof.
"Bond" means any of the Bonds.
"Bond Assessed Parcel" means each respective parcel of land located within Improvement Area \#1 of the District, other than each Previously Sold Assessed Parcel, against which a Bond Assessment is levied by the Assessment Ordinance in accordance with the Service and Assessment Plan.
"Bond Assessment" means the assessments levied against the Bond Assessed Parcels.
"Bond Assessment Roll" means the Bond Assessment Rolls pertaining to the Bond Assessed Parcels in Improvement Area \#1 attached as Appendix K to the Service and Assessment Plan or any other Bond Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Bond Assessment against each Bond Assessed Parcel related to the Improvement Area \#1 Improvements, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.
"Bond Counsel" means Norton Rose Fulbright US LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.
"Bond Date" means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.
"Bond Fund" means the Fund established pursuant to Section 6.1 and administered as provided in Section 6.4.
"Bond Ordinance" means Ordinance No. 20190328-008 adopted by the City Council on March 28, 2019 authorizing the issuance of the Bonds pursuant to this Indenture.
"Bond Prepayment" means the payment of all or a portion of a Bond Assessment before the due date thereof.
"Bond Year" means the one-year period beginning on October 1 in each year and ending on September 30 in the following year.
"Bonds" means the City's bonds authorized to be issued by Section 3.1(a) of this Indenture entitled "City of Austin, Texas Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1)".
"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.
"Certification for Payment" means a certificate executed by an engineer, construction manager or other person or entity acceptable to the City, as evidenced by the signature of a City Representative, specifying the amount of work performed and the cost thereof, presented to the Trustee to request funding for Costs from money on deposit in the Project Fund.
"City Certificate" means a certificate signed by a City Representative and delivered to the Trustee.
"City Order" means written instructions by the City, executed by a City Representative.
"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 the Bonds.
"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.
"Costs" means the costs of the Improvement Area \#1 Improvements.
"Costs of Issuance Account" means the Account 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 the costs related to the foreclosure on a Bond Assessed Parcel and the costs of collection of a delinquent Bond Assessment, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.
"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named in this Indenture, the transfer/payment office located in Dallas, 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 Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership.
"DTC" shall mean The Depository Trust Company located in 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 such Persons.
"Financing Agreement" means the Whisper Valley Public Improvement District Financing Agreement between the City and the Developer originally dated as of November 1, 2011, as amended on March 28, 2019 and as further amended from time to time, which provides for the appointment, levying, and collection of Bond Assessments, the construction of the Improvement Area \#1 Improvements, the maintenance of the Improvement Area \#1 Improvements, 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 Bond Assessments against any Bond Assessed Parcel or Bond Assessed Parcels, 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" has the meaning given to it in the Service and Assessment Plan.
"Improvement Area \#1 Improvements" means the costs of the local infrastructure benefitting Improvement Area \#1 only, as further described in the Service and Assessment Plan.
"Indenture" means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.
"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the City who, or each of whom: (i) is judged by the City, as the case may be, to have experience in matters relating to the issuance and/or administration of the Bonds; (ii) is in fact independent and not under the domination of the City; (iii) does not have any substantial interest, direct or indirect, with or in the City, or any owner of real property in the District, or any
real property in the District; and (iv) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.
"Initial Bond" means the Initial Bond in the form set forth in Exhibit A to this Indenture.
"Interest Payment Date" means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on May 1 and November 1 of each year, commencing November 1, 2019.
"Investment Securities" means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; provided that such investments are at the time made, included in and authorized by the City's official investment policy as approved by the City Council from time to time.
"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.
"Outstanding" means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or redemption price of and interest on such Bond shall have been made as provided in Article IV, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.10 herein.
"Owner" means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede \& Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.11 herein.
"Paying Agent/Registrar" means initially the Trustee, or any successor thereto as provided in this Indenture.
"Person" or "Persons" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.
"PID Act" means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.
"Pledged Funds" means the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.
"Pledged Revenue Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 herein.
"Pledged Revenues" means the sum of (i) Assessment Revenue less the Annual Collection Costs, (ii) the money held in any of the Pledged Funds, and (iii) any additional revenues that the City may pledge to the payment of Bonds.
"Prepayment and Delinquency Reserve Account" means the Account of such name established pursuant to Section 6.1.
"Prepayment and Delinquency Reserve Requirement" means an amount equal to 5.5\% of the principal amount of the Outstanding Bonds which will be funded from revenues received from the payment of Bond Assessments deposited to the Pledged Revenue Fund.
"Previously Sold Assessed Parcels" means the forty-two parcels within Improvement Area \#1 that were sold to third-party homebuyers prior to August 23, 2018, the Reimbursement Assessment on which are not included as Assessment Revenues or Pledged Revenues.
"Principal and Interest Account" means the Account of such name established pursuant to Section 6.1.
"Project Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein.
"Purchaser" means the initial purchaser of the Bonds.
"Rebate Amount" has the meaning set forth in section 1.148-1(b) of the Regulations.
"Rebate Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8 herein.
"Record Date" means the close of business on the fifteenth (whether or not a Business Day) day of the month next preceding an Interest Payment Date.
"Redemption Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6 herein.
"Register" means the register specified in Article III of this Indenture.
"Reimbursement Agreement" means that certain "Reimbursement Agreement" effective April 16, 2019, by and between the City and the Developer, as the developer of the Improvement Area \#1 Improvements, in which the City agrees to reimburse the Developer from revenues derived from the Reimbursement Assessments levied on the Previously Sold Assessed Parcels for actual costs paid by the Developer to develop certain of the Improvement Area \#1 Improvements, in accordance with Section 6.12.
"Reimbursement Assessment" means the assessments levied against the Previously Sold Assessed Parcels.
"Reimbursement Assessment Roll" means the Reimbursement Assessment Rolls pertaining to the Previously Sold Assessed Parcels in Improvement Area \#1 attached as Appendix N to the Service and Assessment Plan or any other Reimbursement Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Reimbursement Assessment against each Previously Sold Assessed Parcel related to the Improvement Area \#1 Improvements, as updated, modified, or amended from time to time in accordance with the terms of the Service and Assessment Plan and the PID Act.
"Reimbursement Fund" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.12 herein.
"Reimbursement Prepayment" means the payment of all or a portion of a Reimbursement Assessment before the due date thereof.
"Reserve Fund" means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.
"Reserve Fund Obligations" means cash or Investment Securities.
"Reserve Fund Requirement" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) $125 \%$ of average Annual Debt Service on the Bonds as of the date of issuance, or (iii) $10 \%$ of the principal amount of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Fund Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Fund Requirement is $\$ 379,057.52$ which is an amount equal to $125 \%$ of average Annual Debt Service on the Bonds as of the date of issuance and the City shall promptly notify the Trustee in writing to establish any necessary reduction to the Reserve Fund Requirement.
"Service and Assessment Plan" means the Service and Assessment Plan for the District, including the assessment rolls for Improvement Area \#1, as amended, including any annual updates and addenda (including, specifically, the 2018 Addendum to the Service and Assessment Plan and the 2019 Amended and Restated Service and Assessment Plan) thereto.
"Sinking Fund Installment" means the amount of money to redeem or pay at maturity the portion of the principal of Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.
"Stated Maturity" means the date the Bonds, or any portion of the Bonds, as applicable, are scheduled to mature without regard to any redemption or prepayment.
"Supplemental Indenture" means an indenture which has been duly executed by the 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 or permitted hereunder.
"Tax Certificate" means the Certificate as to Tax Exemption delivered by the City on the Closing Date for the Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes.
"Trust Estate" means the Trust Estate described in the granting clauses of this Indenture.
"Trustee" means U.S. Bank National Association, Dallas, Texas, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

## 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) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.
(c) References to any office shall include the Person holding the office in an interim, temporary or permanent capacity.
(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

## Section 2.1. Security for the Bonds.

The Bonds, as to 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 Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of this Indenture, without physical delivery or transfer of control of the Pledged Revenues, 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 and the pledge of the Pledged Revenues granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues 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 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 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 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 and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

## Section 2.4. Purpose.

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

## ARTICLE III

## AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

## Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of $\$ 4,500,000$ for the purpose of (i) paying a portion of the Costs of the Improvement Area \#1 Improvements, (ii) funding a reserve fund for the Bonds, (iii) paying capitalized interest on the Bonds, and (iv) paying the costs of issuing the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.
(a) The Bonds shall be dated April 1, 2019 (the "Bond Date") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons. The Bonds shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.
(b) The Bonds shall be issued in the original principal amount of $\$ 4,500,000$. Interest shall accrue and be paid on each Bond from the later of the date of initial delivery 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 May 1 and November 1 of each year, commencing November 1, 2019 computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall mature on November 1 in the years and in the principal amounts and shall bear interest as set forth below:

| $\$ 480,000$ | 4.000\% Term Bond | Due November 1, 2029 |
| :---: | :---: | :---: |
| $\$ 1,405,000$ | 4.625\% Term Bond | Due November 1, 2039 |
| \$2,615,000 | 4.750\% Term Bond | Due November 1, 2048 |

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

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

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:
(a) a certified copy of the Assessment Ordinance, as ratified and confirmed;
(b) a certified copy of the Bond Ordinance;
(c) a copy of this Indenture executed by the Trustee and the City; and
(d) 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 shall be paid in lawful money of the United States of America, as provided in this Section.
(b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from 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.
(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.
(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State 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 thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed money or on account of any such Bonds, subject to any applicable escheat law or similar law of the State of Texas.

## Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Clerk, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and
such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.
(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.
(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller 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, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Clerk, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede \& Co., as nominee of DTC.

Section 3.6. Ownership.
(a) The City, the Trustee the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond 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 shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

## Section 3.7. Registration, Transfer and Exchange.

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

## Section 3.8. Cancellation.

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

## Section 3.9. Temporary Bonds.

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

## Section 3.10. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.
(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:
(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;
(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;
(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and
(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.
(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.
(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.
(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

## Section 3.11. Book-Entry Only System.

The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On the Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede \& Co., as nominee for DTC.

With respect to Bonds registered in the name of Cede \& Co., as nominee of DTC, the City, the Trustee and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City, the Trustee and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede \& Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City, the Trustee and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede \& Co., and subject to the provisions in this Indenture with
respect to interest checks or drafts being mailed to the registered owner at the close of business on the 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 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede \& Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

## Section 3.13. Payments to Cede \& Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bonds are registered in the name of Cede \& Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the rules and procedures of DTC or in the blanket letter of representations from the City to DTC.

## ARTICLE IV

## REDEMPTION OF BONDS BEFORE MATURITY

## Section 4.1. Limitation on Redemption.

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

## Section 4.2. Mandatory Sinking Fund Redemption.

(a) The Bonds are subject to mandatory sinking fund redemption prior to their stated maturity and will be redeemed by the City in part at the price of par plus accrued and unpaid interest to the date of redemption from money available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the principal amounts as set forth in the following schedule:
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Term Bonds Maturing November 1, 2029

| Redemption Date | Principal Amount |
| :--- | :---: |
| November 1, 2020 | $\$ 20,000$ |
| November 1, 2021 | $\$ 25,000$ |
| November 1, 2022 | $\$ 30,000$ |
| November 1, 2023 | $\$ 35,000$ |
| November 1, 2024 | $\$ 45,000$ |
| November 1, 2025 | $\$ 50,000$ |
| November 1, 2026 | $\$ 55,000$ |
| November 1, 2027 | $\$ 65,000$ |
| November 1, 2028 (maturity) | $\$ 75,000$ |
| November 1, 2029 (man | $\$ 80,000$ |

Term Bonds Maturing November 1, 2039

Redemption Date
November 1, 2030
November 1, 2031
November 1, 2032
November 1, 2033
November 1, 2034
November 1, 2035
November 1, 2036
November 1, 2037
November 1, 2038
November 1, 2039 (maturity)

Principal Amount
\$90,000
\$100,000
\$110,000
\$120,000
\$130,000
\$145,000
\$155,000
\$170,000
\$185,000
\$200,000

Term Bonds Maturing November 1, 2048

| Redemption Date |  |
| :--- | :---: |
| November 1, 2040 | $\$ 215,000$ |
| November 1, 2041 | $\$ 235,000$ |
| November 1, 2042 | $\$ 245,000$ |
| November 1, 2043 | $\$ 265,000$ |
| November 1, 2044 | $\$ 285,000$ |
| November 1, 2045 | $\$ 305,000$ |
| November 1, 2046 | $\$ 330,000$ |
| November 1, 2047 (maturity) | $\$ 355,000$ |
| November 1, 2048 (mand | $\$ 380,000$ |

(b) At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6.
(c) The principal amount of Bonds required to be redeemed on any sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the
option of the City, by the principal amount of any Bonds of such maturity which, at least fortyfive (45) days prior to the sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.
(d) The principal amount of Bonds required to be redeemed on any sinking fund redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 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.

## Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date on or after November 1, 2029, such redemption date or dates to be fixed by the City, at the price of par, plus accrued interest to the date of redemption.

## Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on the first day of any month, at $100 \%$ of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Fund as a result of Bond Prepayments (including related transfers to the Redemption Fund made pursuant to Sections 6.3(d), 6.3(e), 6.7(a), 6.7(c), 6.7(e), 6.7(g), or 6.7(i) hereof, or as a result of unexpended amounts transferred from the Project Fund as provided in Section 6.5(d)).

## Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4 , Bonds shall be redeemed in minimum principal amounts of $\$ 5,000$ or any integral thereof by any method selected by the Trustee that results in a pro rata reduction of the outstanding maturities. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by $\$ 5,000$.
(b) A portion of a single Bond of an Authorized Denomination may be redeemed, but only in a principal amount equal to $\$ 5,000$ or any integral thereof. The Trustee shall treat each $\$ 5,000$ portion of such Bond as though it were a single bond for purposes of selection for redemption. No redemption shall result in a Bond in a denomination of less than an Authorized Denomination; provided, however, if the amount of Outstanding Bonds is less than an Authorized Denomination after giving effect to such partial redemption, a Bond in the principal amount equal to the unredeemed portion, but not less than $\$ 5,000$, may be issued.
(c) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver and exchange the Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.
(a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register. So long as the Bonds are in book-entry only form and held by DTC as securities depository, Owner means Cede \&Co., as nominee for DTC.
(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.
(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.
(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.
(e) With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

## Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the redemption price on the Bonds being redeemed.
(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the redemption price on such Bond to the date of redemption from the money set aside for such purpose.

## Section 4.8. Effect of Redemption.

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

## ARTICLE V

## FORM OF THE BONDS

## Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.
(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.
(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.
(d) The Initial Bond submitted to the Attorney General 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. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the City, the Trustee or the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

## Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Clerk 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; and
(viii) Reimbursement Fund.
(b) Creation of Accounts.
(i) The following Accounts are hereby created and established under the Bond Fund:
(A) Capitalized Interest Account; and
(B) Principal and Interest Account;
(ii) The following Accounts are hereby created and established under the Reserve Fund:
(A) Reserve Account; and
(B) Prepayment and Delinquency Reserve Account;
(iii) The following Accounts are hereby created and established under the Project Fund:
(A) Improvement Account; and
(B) Costs of Issuance Account;
(c) Each Fund and Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of 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.
(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.
(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: $\$ 112,879.95$;
(ii) to the Reserve Account of the Reserve Fund: $\$ 379,057.52$;
(iii) to the Costs of Issuance Account of the Project Fund: \$371,435.00; and
(iv) to the Improvement Account of the Project Fund: $\$ 3,470,635.28$.

Section 6.3. Pledged Revenue Fund.
(a) On or about March 10 of each year while the Bonds are Outstanding and beginning with the year when Bond Assessments are being collected, the City shall deposit or cause to be deposited the Pledged Revenues into the Pledged Revenue Fund. From amounts deposited to the Pledged Revenue Fund, the City shall deposit or cause to be deposited Assessment Revenue as follows: (i) first, to the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Fund Requirement, (iii) third, to the Prepayment and Delinquency Reserve Account in an amount to cause the amount in the Prepayment and Delinquency Reserve Account to equal the Prepayment and Delinquency Reserve Requirement, and (iv) fourth, after satisfaction of the Prepayment and Delinquency Reserve Requirement, to the Redemption Fund. For the avoidance of doubt, any revenues derived from the Reimbursement Assessments levied on the Previously Sold Assessed Parcels shall not be deposited into the Pledged Revenue Fund, do not constitute Pledged Revenues, are not part of the Trust Estate and are not security for the Bonds.
(b) From time to time as needed to pay the obligations relating to the Bonds, but no later than five (5) Business Days before each Interest Payment Date, the Trustee shall withdraw from the Pledged Revenue Fund and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account 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 on the next Interest Payment Date.
(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest

Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.
(d) The Trustee shall deposit Bond Prepayments to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such prepayments to the Redemption Fund.
(e) The Trustee shall deposit Foreclosure Proceeds to the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Bond Assessed Parcel or Bond Assessed Parcels to which the Foreclosure Proceeds relate, and second, to the Redemption Fund.
(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee, at the direction of the City, may apply Bond Assessments for any lawful purposes permitted by the PID Act for which Bond Assessments may be paid.
(g) Any Bond Assessments remaining after satisfying the foregoing payments may be used, at the direction of the City, for any lawful purpose for which Bond Assessments may be used under the PID Act.

## Section 6.4. Bond Fund.

(a) On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Bonds less any amount to be used to pay interest on the Bonds on such Interest Payment Date from the Capitalized Interest Account as provided below..
(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be withdrawn in accordance with the provisions of Section 6.7(f) hereof and 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 date(s) and in the following amount(s):

## Date

November 1, 2019
\$112,879.95
Any amounts on deposit to the Capitalized Interest Account after the payment of interest on the date and in the amount listed above shall be transferred to the Improvement Account of the Project Fund, or if the Project Fund has been closed as provided in Section 6.5(e) herein, such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds 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.
(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from all other Accounts of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of a properly executed and completed Certification for Payment. The disbursement of funds from the Project Fund pursuant to a Certification for Payment shall be pursuant to and in accordance with the disbursement procedures described in the Financing Agreement; provided that the Trustee may rely solely and conclusively on a Certificate of Payment in making a disbursement from the Project Fund. Such provisions and procedures related to such disbursement contained in the Financing Agreement, and no other provisions of 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 Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Improvement Area \#1 Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Account of the Project Fund will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvement Account of the Project Fund that are not expected to be used for purposes of the Project Fund. If such City Certificate is so filed, the amounts on deposit in the Improvement Account of the Project Fund shall be transferred to the Redemption Fund to redeem Bonds 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 Improvements have been completed and that all Costs of the Improvement Area \#1 Improvements have been paid, or that any such Costs are not required to be paid from the Improvement Account of the Project Fund pursuant to a Certification for Payment, the Trustee (i) shall transfer the amount, if any, remaining within the Project Fund to the Bond Fund and (ii) the Project Fund shall be closed.
(f) Not later than six months following the Closing Date, upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to another Account in the Project Fund and used to pay Costs or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, 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 Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and
4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Bonds as provided in Article IV.

Section 6.7. Reserve Fund.
(a) The City agrees with the Owners of the Bonds to accumulate, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Fund Requirement. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture. The Trustee, if amounts are insufficient, will transfer from the Pledged Revenue Fund to the Prepayment and Delinquency Reserve Account on May 1 of each year, commencing May 1, 2020, an amount equal to $.50 \%$ of the interest rate component of the Annual Installments. Once the Prepayment and Delinquency Reserve Requirement has accumulated in the Prepayment and Delinquency Reserve Account, all amounts in excess of the Prepayment and Delinquency Reserve Requirement shall be transferred by the Trustee to the Redemption Fund to redeem Bonds as provided in Article IV; provided, however, that at any time the amount on deposit in the Prepayment and Delinquency Reserve Account is less than Prepayment and Delinquency Reserve Requirement, the Trustee shall resume depositing such amounts from the Pledged Revenue Fund into the Prepayment and Delinquency Reserve Account until the Prepayment and Delinquency Reserve Requirement has accumulated in the Prepayment and Delinquency Reserve Account.
(b) Whenever a transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.
(c) Whenever Bonds are to be redeemed with the proceeds of Bond Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Fund to be applied to the redemption of the Bonds. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to a percentage of the amount of the Bonds redeemed with such percentage equal to the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund, as a percentage of the Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Bond Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Bond Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Prepayment and Delinquency Reserve Account to the Redemption Fund to be applied to the redemption of the Bonds.
(d) 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 Fund Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within thirty (30) days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess:
(i) to pay amounts due under Section 6.8 hereof, (ii) to the Administrative Fund in an amount not more than the Annual Collection Costs for the Bonds, or (iii) to the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.
(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount in the Prepayment and Delinquency Reserve Account exceeds the Prepayment and Delinquency Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess. The amount of such excess on deposit in the Prepayment and Delinquency Reserve Account shall be transferred to the Redemption Fund.
(f) Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Bonds due on such date, the Trustee shall transfer first from the Prepayment and Delinquency Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. The Trustee shall determine the value of cash and investments on deposit in the Prepayment and Delinquency Reserve Account as of September 30 of each year. So long as no Event of Default under this Indenture shall have occurred and be continuing, if as of the date of such determination the value of cash and investments on deposit in the Prepayment and Delinquency Reserve Account exceeds the Prepayment and Delinquency Reserve Fund Requirement for the Bonds, the Trustee shall transfer such excess at the written direction of the City.
(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Prepayment and Delinquency Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Bonds.
(h) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Fund 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 of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the money shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds 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 Austin, 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 due the United States Government in accordance with the Code.
(b) In order to assure the Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate.
(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 (including investment of amounts in the Rebate Fund) 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 Order, to transfer the amount in excess of the Rebate Amount to the Bond Fund.

Section 6.9. Administrative Fund.
(a) The City shall deposit or cause to be deposited to the Administrative Fund the amounts collected each year to pay the Annual Collection Costs associated with the Bond Assessments.
(b) Money in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the Service and Assessment Plan.

Section 6.10. Investment of Funds.
(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment. Such investments shall be (i) in time deposits or certificates of deposit secured in the manner required by law for public funds, (ii) in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, (iii) in obligations of any agencies or instrumentalities thereof, or (iv) 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 directed by the City to 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. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such 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 are held by or on behalf of each such Fund. Such investments may be sold by the Trustee to prevent any Event of Default.
(b) Obligations purchased as an investment of moneys in any Fund 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 and may receive compensation in connection with any investment. The Trustee shall have no investment discretion and the Trustee's only responsibility for investments shall be to follow the written instructions of the City Order. The Trustee shall have no responsibility to insure the investment directed is a permitted investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments and may conclusively rely on the related City Order as to such matters.
(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 monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder; and, unless the Trustee receives a written request, the Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such monthly cash transaction statements.

## Section 6.11. Security of Funds.

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

## Section 6.12. Reimbursement Fund.

On or about March 10 of each year while the Bonds are Outstanding and beginning with the year when Reimbursement Assessments are being collected, the City shall deposit or cause to be deposited the Reimbursement Assessments levied on the Previously Sold Assessed Parcels and Reimbursement Prepayments, if any, into the Reimbursement Fund. The revenues derived from the Reimbursement Assessments levied on the Previously Sold Assessed Parcels, including Reimbursement Prepayments, if any, shall be used and withdrawn by the Trustee to pay to the Developer amounts owed under the Reimbursement Agreement. The withdrawal of funds from the Reimbursement Agreement shall be made in accordance with the provisions of the Reimbursement Agreement.

## ARTICLE VII

## COVENANTS

## Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Bond Assessments and Reimbursement Assessments against the respective Bond Assessed Parcels and Previously Sold Assessed Parcels from which the Pledged Revenues and other special assessment revenues will be collected and received.

Section 7.2. Collection and Enforcement of Assessments.
(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Bond Assessments and Reimbursement 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 Bond Assessments or Reimbursement 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 Bond Assessment or Reimbursement Assessment or the corresponding Bond Assessed Parcel or Previously Sold Assessed Parcel. 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) The City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Pledged Revenues, other than that specified in Section 9.6 of this Indenture, or upon any other property pledged under this Indenture, except the pledge created for the security of the Bonds, and other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.
(b) So long as Bonds are Outstanding hereunder, the City shall not issue any bonds, notes or other evidences of indebtedness other than the Bonds and bonds issued to refund all or a portion of the Bonds secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

## Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or Outstanding Bonds or any interest thereon remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Assessments. The Trustee and holder or holders of any Bonds 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, such holder or duly authorized representative, as applicable. The City shall provide the Trustee, such holder or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds 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 the Bonds are first authenticated and delivered to the Purchaser 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 1.1481(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 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 Bonds:
(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, 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 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 the Bonds 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 $1.141-5(\mathrm{~d})$ of the Regulations on the date the Bonds are delivered and will ensure that the Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.
(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 the Bonds 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 the Bonds.
(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 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.
(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 is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds 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, the City shall calculate the Rebate Amount 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 the Bonds until six years after the final Computation Date.
(iii) As additional consideration for the purchase of the Bonds by the Purchaser 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 Order, direct the Trustee to transfer to the Rebate Fund from the funds or subaccounts designated in such City Order 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 the Bonds 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, 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 not been relevant to either party.
(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Deputy City Manager, Assistant City Manager, Chief Financial Officer, any Deputy Chief Financial Officer, City Treasurer, or City Clerk, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

## ARTICLE VIII

## LIABILITY OF CITY

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. 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, 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, 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 (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 Pledged Revenues and the Annual Collection Costs attributable to the Bond Assessments) 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 Pledged Revenues or the Annual Collection Costs attributable to the Bond Assessments. 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 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 Paying Agent/Registrar for and in respect to the Bonds.

## Section 9.2. Trustee Entitled to Indemnity

The Trustee shall be under no obligation to institute any suit, or to undertake any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own negligence or willful misconduct. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else appropriate 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 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 Outstanding hereunder.

## Section 9.3. Responsibilities of the Trustee.

The recitals contained in this Indenture and in the Bonds shall be taken as the statements of 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 the offering documents, this Indenture or the Bonds or with respect to the security afforded by this Indenture, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any money paid to the City or others in accordance with this Indenture, except as to the application of any money paid to it in its capacity as Trustee; or (iv) any calculation of arbitrage or rebate under the Code. The Trustee has the right to act through agents and attorneys and shall have no liability for the negligence or willful misconduct of the agents and attorneys appointed with due care.

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. No implied covenants or obligations shall be read into this Indenture against the Trustee. 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, both before and after default by the City.

## Section 9.4. Property Held in Trust.

All money and securities held by the Trustee at any time pursuant to the terms of this Indenture shall be held by the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

## Section 9.5. $\quad$ Rights of the Trustee.

The Trustee may rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture that it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or upon the written opinion of any counsel, architect, engineer, insurance consultant, management consultant, or accountant believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

The Trustee may execute any of the trusts or powers hereunder or perform any of its duties hereunder through agents and attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter may be deemed to be conclusively proved and established by a City Certificate, unless other evidence in respect thereof be hereby specifically prescribed. Such City Certificate shall be full warrant for any action taken or suffered in good faith under the provisions hereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice, or other direction required or permitted to be furnished pursuant to any provision hereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by the City Representative.

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

The Trustee shall not be deemed to have knowledge of any default or Event of Default (other than the failure of the City to deposit the Bond Assessments) unless it has been given written notice thereof.

## Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, from time to time, reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all its reasonable expenses, charges, and other disbursements and those of its counsel, agents and employees, incurred in and about the administration and execution of the trusts hereby created and the exercise of its powers and the performance of its duties hereunder, subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by specific agreement, and the Trustee shall have a lien therefor on any and all funds at any time held by it hereunder prior to any Bonds Outstanding. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if in the judgment of the Trustee there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it. If the City shall fail to make any payment required by this Section, the Trustee may make such payment from any money in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any Bonds Outstanding hereunder.

To the extent permitted by law, the City agrees to indemnify the Trustee for, and hold it harmless against, any loss, liability, cost, claim or expenses (including fees, costs, and expenses of counsel) incurred by it without negligence or willful misconduct, arising out of or in connection with acting as Trustee hereunder.

## Section 9.7. Permitted Acts.

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

## Section 9.8. Resignation of Trustee.

The Trustee may at any time resign and be discharged of its duties and obligations hereunder by giving not fewer than thirty (30) days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor.

## Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority of the aggregate outstanding principal of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or by their attorneys-in-fact, duly authorized and delivered to the City, or (ii) so long as the City is not in default under this Indenture, the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor thereof. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the City or the Owners of not less than ten percent (10\%) of the aggregate outstanding principal of the Bonds.

## Section 9.10. Successor Trustee.

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

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

Until such successor Trustee shall have been appointed by the Owners of the Bonds, 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
and to the predecessor Trustee. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within thirty (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.

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

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

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

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

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all money, 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 money 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 money, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

## Section 9.12. Merger, Conversion or Consolidation of Trustee.

Any corporation or association into which the Trustee may be merged or with which it may be consolidated or any corporation or association resulting from any merger, conversion or consolidation to which it shall be a party or any corporation or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee hereunder, without any further act, deed or conveyance, provided that such
corporation or association shall be a commercial bank or trust company or national banking association qualified to be a successor to such Trustee under the provisions of Section 9.10, or a trust company that is a wholly-owned subsidiary of any of the foregoing.

## Section 9.13. Trustee To File Continuation Statements Only.

The Trustee shall have no duty or obligation to file or record any financing statements pursuant to the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"). If necessary and upon receipt of a copy of a filed financing statement, the Trustee shall file or cause to be filed, such continuation statements as may be required by the UCC in order to continue perfection of the security interest of the Trustee in such items of tangible or intangible personal property and any fixtures as may have been granted to the Trustee pursuant to this Indenture in the time, place and manner required by the UCC.

## Section 9.14. Construction of Indenture.

The Trustee may construe any of the provisions of this Indenture insofar as the same may appear to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provisions hereof by the Trustee in good faith shall be binding upon the Owners of the Bonds. Permissive rights of the Trustee are not to be construed as duties.

## ARTICLE X

## MODIFICATION OR AMENDMENT OF THIS INDENTURE

## Section 10.1. Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds 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, or with the written consent without a meeting, of the Owners of at least sixty-six and two-thirds percent (66-2/3\%) of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the 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, without the express consent of the Owner of such Bond, or (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

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 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; and
(iv) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds. The Trustee must receive an opinion of Bond Counsel to the effect that the Supplemental Indenture is authorized or permitted by the terms of the Indenture.

## Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. 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 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 from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

Such Supplemental Indenture shall not become effective unless there shall be filed with the Trustee the written consents of the Owners as required by this Indenture and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 11.6 herein. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof), unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, 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 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 at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

## Section 10.4. Effect of Supplemental Indenture.

From and after the time any Supplemental Indenture becomes effective pursuant to this Article X, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties, and obligations under this Indenture of the City, the Trustee, and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

## Section 10.5. Endorsement or Replacement of Bonds Issued After Amendments.

The City may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article $X$ shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the designated office of the Trustee or at such other office as the City may select and designate for that purpose, a suitable notation shall be made on such Bond. The City may determine that new Bonds, 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 then Outstanding, such new Bonds shall be exchanged at the designated office of the Trustee without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

## Section 10.6. Amendatory Endorsement of Bonds.

The provisions of this Article $X$ shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

## 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 Pledged Revenue Fund;
(ii) The failure of the City to enforce the collection of the Bond Assessments including the prosecution of foreclosure proceedings;
(iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days; provided, however, that the payments are to be made only from Pledged Revenues and the Pledged Revenues must be available to the City to make any such 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 twenty-five percent (25\%) of the aggregate outstanding principal of the Bonds with a copy to the Trustee, specifying such default by the Owners of at least twenty-five percent $(25 \%)$ of the Bonds at the time Outstanding requesting that the failure be remedied.
(b) Nothing in Section 11.1(a) will be viewed to be an Event of Default if such provision 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 Owners of at least twenty-five percent $(25 \%)$ of the Bonds then Outstanding, may direct the Trustee to 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.
(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.
(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, 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 Order, 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 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 at least twenty-five percent (25\%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for sixty (60) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his, her or their action or to enforce any right hereunder except in the manner provided herein, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided herein and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of indemnity set forth above shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action or cause of action for the enforcement of this Indenture or for any other remedy hereunder.
(b) Subject to Article VIII, nothing in this Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Bond issued hereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed herein and in the Bonds.
(c) In case the Trustee or any Owners shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case 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 Money After Default.

(a) All money, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the
collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, the Trustee, on behalf of the City, notwithstanding Section 11.2 hereof, be applied by the Trustee to the payment of interest and principal or redemption price then due on Bonds, as follows:

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

SECOND: To the payment to the Owners entitled thereto of the unpaid principal of Outstanding Bonds, or redemption price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal 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 that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.
(c) The restoration of 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.

(a) No delay or omission of the Trustee, or any Owner, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Indenture to the Trustee or the Owners, respectively, may be exercised from time to time and as often as may be deemed expedient.

## Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:
(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.
(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.
(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bond in respect of anything done or suffered to be done by 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.

Bonds 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 provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

## Section 11.10. Waiver of Default

With the written consent of at least sixty-six and two-thirds percent (66-2/3\%) in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

## ARTICLE XII

## GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.
(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues 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 Pledged Revenues 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 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. Books of Record - Accounts.

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 ten percent (10\%) in principal amount of any Bonds 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.

(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 Pledged Revenues.
(b) Other than bonds issued to refund all or a portion of the Bonds, the City will not create or voluntarily permit to be created any debt, lien or charge on the Trust Estate, and will not do or omit to do or suffer to be or omitted to be done any matter or things whatsoever whereby the lien of this Indenture or the priority hereof might or could be lost or impaired; and further covenants that it will pay or cause to be paid or will make adequate provisions for the satisfaction and discharge of all lawful claims and demands which if unpaid might by law be given precedence over or any equality with this Indenture as a lien or charge upon the Pledged Revenues or Pledged Funds; provided, however, that nothing in this Section shall require the City to apply, discharge, or make provision for any such lien, charge, claim, or demand so long as the validity thereof shall be contested by it in good faith, unless thereby, in the opinion of Bond Counsel or counsel to the Trustee, the same would endanger the security for the Bonds.

## Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds which books can be inspected by the Trustee during regular business hours of a Business Day upon request.
(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 <br> PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE 

## Section 14.1. Trust Irrevocable.

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds 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 of all of the Bonds, at the times and in the manner stipulated in this Indenture, and all amounts due and owing with respect to the Bonds have been paid or provided for, then the pledge of the Trust Estate and all covenants, agreements, and other obligations of the City to the Owners of such Bonds, shall thereupon cease, terminate, and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the City copies of all such documents as it may have evidencing that the principal of and interest on of the Bonds has been paid so that the City may determine if the Indenture is satisfied; if so, the Trustee shall pay over or deliver all money held by it in the Funds and Accounts held hereunder to the Person entitled hereunder to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

## Section 14.3. Bonds Deemed Paid.

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either money in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide money which, together with any money deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on of the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the money or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor money deposited with the Trustee pursuant to this Section nor principal or interest payments on of 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.

## ARTICLE XV <br> 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 and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by 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; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.
(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate or City

Order, shall be in writing and shall be delivered by hand or by overnight delivery service, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail (subject to paragraph (c) below) and addressed as follows:

If to the City:<br>City of Austin, Texas<br>P.O. Box 2106<br>Austin, Texas 78768<br>Attn: City Treasurer<br>U.S. Bank National Association<br>13737 Noel Road, Suite 800<br>Dallas, Texas 75240<br>Attn: Brian Jensen

Any such notice, demand, or request may also be transmitted to the appropriate party by telegram or 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 notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.
(c) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the 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 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, principal of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Indenture is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day that is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period from and after such date.

## Section 15.9. Counterparts.

This Indenture may be executed in counterparts, each of which shall be deemed an original.

Section 15.10. Contracts with Companies Engaged in Business with Iran, Sudan, or Foreign Terrorist Organization Prohibited (S.B. 252 85 ${ }^{\text {th }}$ Texas Legislature).

The Trustee represents that neither it nor any of its parent company, wholly- or majorityowned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:
https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf, https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.

## Section 15.11. 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, to the extent this Indenture is a contract for goods or services, will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee and exists to make a profit.
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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 AUSTIN, TEXAS
$\qquad$
STEVE ADLER, Mayor
Attest:

JANNETTE S. GOODALL, City Clerk
[CITY SEAL]
U.S. BANK NATIONAL ASSOCIATION, as Trustee

By:
Authorized Officer

Signature Page to Indenture of Trust

## EXHIBIT A

(a) Form of Bond.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND.

REGISTERED
No. $\qquad$

REGISTERED
\$ $\qquad$

United States of America
State of Texas
CITY OF AUSTIN, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019
(WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1)
INTEREST RATE MATURITY DATE DATE OF DELIVERY CUSIP NUMBER
$\qquad$ \%
The City of Austin, Texas (the "City"), for value received, hereby promises to pay, solely from the Pledged Revenues, 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 May 1 and November 1 of each year, commencing November 1, 2019, 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 designated corporate trust office (the "Designated Payment/Transfer Office"), of U.S. Bank National Association, Dallas, Texas, as trustee and paying agent/registrar (the "Trustee", which term includes any successor trustee under the Indenture), or, with respect to a successor
trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Trustee, if and when funds for the payment of such interest have been received from 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 April 1, 2019 and issued in the aggregate principal amount of $\$ 4,500,000$ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of April 1, 2019 (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 Costs of the Improvement Area \#1 Improvements, (ii) funding a reserve fund for the Bonds, (iii) paying capitalized interest on the Bonds, and (iv) paying the costs of issuing the Bonds.

The Bonds are limited obligations of the City payable solely from the Pledged Revenues 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 principal amounts of $\$ 5,000$ and any multiple 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 money 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 principal amounts as set forth in the following schedule:

Term Bonds Maturing November 1, 2029

## Redemption Date

November 1, 2020
November 1, 2021
November 1, 2022
November 1, 2023
November 1, 2024
November 1, 2025
November 1, 2026
November 1, 2027
November 1, 2028
November 1, 2029 (maturity)

Principal Amount
\$20,000
\$25,000
\$30,000
\$35,000
\$45,000
\$50,000
\$55,000
\$65,000
\$75,000
\$80,000

Term Bonds Maturing November 1, 2039

## Redemption Date

November 1, 2030
November 1, 2031
November 1, 2032
November 1, 2033
November 1, 2034
November 1, 2035
November 1, 2036
November 1, 2037
November 1, 2038
November 1, 2039 (maturity)

Principal Amount
\$90,000
\$100,000
\$110,000
\$120,000
\$130,000
\$145,000
\$155,000
\$170,000
\$185,000
\$200,000

Term Bonds Maturing November 1, 2048

Redemption Date
November 1, 2040
November 1, 2041
November 1, 2042
November 1, 2043
November 1, 2044
November 1, 2045
November 1, 2046
November 1, 2047
November 1, 2048 (maturity)

Principal Amount
\$215,000
\$235,000
\$245,000
\$265,000
\$285,000
\$305,000
\$330,000
\$355,000
\$380,000

At least forty-five (45) days prior to each sinking fund redemption date, the Trustee shall select a principal amount of Bonds of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced, at the option of the City, by the principal amount of any Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The principal amount of Bonds required to be redeemed on any sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 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.

The City reserves the right and option to redeem Bonds before their scheduled maturity dates, in whole or in part, on any date on or after November 1, 2029, such redemption date or dates to be fixed by the City, at the price of par, plus accrued interest to the date of redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on the first day of any month, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from amounts on deposit in the Redemption Fund as a result of Bond Prepayments.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of the Bonds under the Indenture at any time Outstanding affected by such modification. The Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the holders of all the Bonds, to waive compliance by the City with certain past defaults under the Bond Ordinance or the Indenture and their consequences. Any such consent or waiver by the holder of this Bond or any predecessor Bond evidencing the same debt shall be conclusive and binding upon such holder and upon all future holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this Bond. Upon satisfaction of such requirements, one or more new fully registered Bonds of the same Stated Maturity, of Authorized Denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Trustee shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the Person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City has reserved the right to issue additional obligations on the terms and conditions specified in the Indenture.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF AUSTIN, TEXAS, TRAVIS COUNTY, TEXAS OR THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

Mayor, City of Austin, Texas

City Clerk, City of Austin, Texas
[City Seal]
(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bond:

## REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS §

THE STATE OF TEXAS
§
§

REGISTER NO. $\qquad$

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 $\qquad$

Comptroller of Public Accounts of the State of Texas
[SEAL]

## (c) Form of Certificate of Trustee.

The following Certificate of Trustee shall appear on the definitive Bonds:

## 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.
U.S. Bank National Association, as Trustee

DATED: $\qquad$

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: $\qquad$ ) 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: $\qquad$
Signature Guaranteed By:
NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Trustee.

## Authorized Signatory

(e) The Initial Bond shall be in the form set forth in paragraphs (a) 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 $\qquad$ DOLLARS" shall be deleted and the following will be inserted: "on November 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 Installments Interest Rates"

(Information to be inserted from Section 3.2(b) hereof); and
(iii) the Initial Bond shall be numbered T-1.
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## APPENDIX C

FORM OF 2019 AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN
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## INTRODUCTION

Capitalized terms used in this 2019 Amended and Restated Service and Assessment Plan shall have the meanings given to them in Section I unless otherwise defined in this 2019 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 2019 Amended and Restated Service and Assessment Plan or an Exhibit attached to and made a part of this 2019 Amended and Restated Service and Assessment Plan for all purposes.

On August 26, 2010, the City Council approved that certain "Petition for the Creation of a Public Improvement District to Finance Improvements for Whisper Valley Subdivision" which authorized the creation of the Whisper Valley Public Improvement District to finance the Actual Costs of the Authorized Improvements benefitting certain property located within the District, all of which is located in the limited purpose annexed jurisdiction of the City, but not within its corporate limits.

On November 3, 2011, the City Council approved the Master Improvement Area Assessment Ordinance, which approved a Service and Assessment Plan, made a finding of special benefit to property located within the District, and levied the Master Improvement Area Assessments on property located within the District.

On August 23, 2018, the City Council approved the Improvement Area \#1 Assessment Ordinance, which levied the Improvement Area \#1 Assessments on the Improvement Area \#1 Assessed Parcels. The Improvement Area \#1 Assessments were ratified and confirmed by City Council action on February 7, 2019.

On March 12, 2019, the City received a Prepayment that, when combined with moneys which will be transferred from certain funds currently held pursuant to the terms of the indenture for the Master Improvement Area Bonds, will pay in full all Master Improvement Area Assessments levied against Parcels within Improvement Area \#1.

The Improvement Area \#1 Assessment Ordinance levied \$5,975,000 against Improvement Area \#1 Assessed Parcels. The City Council determined the Improvement Area \#1 Assessment should be reduced to a total of $\$ 5,370,820.33$, comprised of the Improvement Area \#1 Bond Assessments and the Improvement Area \#1 Reimbursement Assessments, as reflected in the Improvement Area \#1 Bond Assessment Roll on Exhibit K and the Improvement Area \#1 Reimbursement Assessment Roll on Exhibit N, respectively.

Pursuant to the Act, a service and assessment plan must be reviewed and updated at least annually. This document is the 2019 Amended and Restated Service and Assessment Plan which serves to amend and restate the Service and Assessment Plan in its entirety for the purposes of (1) incorporating the provisions of the Service and Assessment Plan and the 2018 Addendum to the Service and Assessment Plan into one document, (2) issuing PID Bonds, and (3) updating the Assessment Rolls.

The Act requires a service plan covering a period of at least five years and defining the annual indebtedness and projected cost of the authorized improvements. The Service Plan is contained in Section IV.

The Act requires that the service plan include an assessment plan that assesses the actual costs of the authorized improvements against property in a public improvement district based on the special benefits conferred on the public improvement district by the authorized improvements. The Assessment Plan is contained in Section V.

## SECTION I: DEFINITIONS

"2018 Addendum to the Service and Assessment Plan" means the 2018 Addendum to the Service and Assessment Plan adopted by the City by Ordinance No. 20180823-073 on August 23, 2018.
"2019 Amended and Restated Service and Assessment Plan" means this 2019 Amended and Restated Service and Assessment Plan which serves to amend and restate the Service and Assessment Plan in its entirety for the purposes of (1) incorporating the provisions of the Service and Assessment Plan and the 2018 Addendum to the Service and Assessment Plan into one document, (2) issuing PID Bonds, and (3) updating the Assessment Rolls, as it may be modified and updated from time to time.
"Act" means Chapter 372, as amended, Texas Local Government Code.
"Actual Costs" mean, with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of owners and developers of the District: (1) to plan, finance, design, acquire, construct, install, and dedicate such improvements to the City, County or TXDOT; (2) to prepare plans, specifications (including bid packages), contracts, and as-built drawings; (3) to obtain zoning, licenses, plan approvals, permits, inspections, and other governmental approvals; (4) to acquire easements and other right-of-way; (5) for third-party professional consulting services including, but not limited to, engineering, surveying, geotechnical, land planning, architectural, landscaping, legal, accounting, and appraisals; (6) of labor, materials, equipment, fixtures, payment and performance bonds and other construction security, and insurance premiums; (7) of fees charged by the City or any other political subdivision or governmental authority; (8) a construction management fee of $4 \%$ of the costs incurred by or on behalf of the Owner for the construction of such Authorized Improvement (excluding legal costs, taxes, governmental fees, insurance premiums, permits, financing costs, and appraisal costs) if the Owner is serving as the construction manager.
"Additional Interest" means the amount collected by application of the Additional Interest Rate.
"Additional Interest Rate" means the 0.50\% additional interest charged on Assessments securing PID Bonds pursuant to Section 372.018 of the Act and the applicable Indenture.
"Administrator" means the person or independent firm designated by the City Council to perform the duties and obligations of the "Administrator" in this 2019 Amended and Restated Service and Assessment Plan. If no Administrator is appointed by the City, the City shall serve as the Administrator. As of the date of this 2019 Amended and Restated Service and Assessment Plan, the City is the Administrator.
"Annual Collection Costs" mean the actual or budgeted costs and expenses related to the operation of the District, the issuance and sale of PID Bonds, and the construction, operation, and maintenance of the Authorized Improvements, including, but not limited to, costs and expenses for: (1) the Administrator; (2) legal counsel, engineers, accountants, financial advisors, and other consultants engaged by the City; (3) calculating, collecting, and maintaining records with respect to Assessments and Annual Installments; (4) preparing and maintaining records with respect to Assessment Rolls and Annual Service Plan Updates; (5) issuing, paying, and redeeming PID Bonds; (6) investing or depositing Assessments and Annual Installments; (7) complying with this 2019 Amended and Restated Service and Assessment Plan and the Act with respect to the issuance and sale of PID Bonds, including continuing disclosure requirements; (8) the paying agent/registrar and Trustee in connection with PID Bonds, including their respective legal counsel; and (9) administering the construction of the Authorized Improvements. 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 any.
"Annual Service Plan Update" means an update to the 2019 Amended and Restated Service and Assessment Plan prepared no less frequently than annually by the Administrator and approved by the City Council.
"Assessed Parcels" mean any Parcel within the District against which an Assessment is levied.
"Assessment" means an assessment levied against a Parcel imposed pursuant to an Assessment Ordinance and the provisions herein, as shown on any Assessment Roll, subject to reallocation upon the subdivision of such Parcel or reduction according to the provisions herein and in the Act.
"Assessment Ordinance" means any Assessment Ordinance adopted by the City Council in accordance with the Act that levied Assessments within the District, including the Master Improvement Area Assessment Ordinance and the Improvement Area \#1 Assessment Ordinance.
"Assessment Plan" assesses the Actual Costs of the Authorized Improvements against the Assessed Parcels based on the special benefits conferred on the Assessed Parcels by the Authorized Improvements, more specifically described in Section V.
"Assessment Roll" means any assessment roll for Assessed Parcels within the District.
"Authorized Improvements" mean improvements authorized by Section 372.003 of the Act 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, direct City costs, capitalized interest, reserve fund requirements, first year Annual Collection Costs, underwriter's 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 Austin, Texas.
"City Council" means the duly elected governing body and council of the City.
"County" means Travis County, Texas.
"Delinquent Collection Costs" mean, for any Assessed Parcel, interest, penalties, and other costs and expenses authorized by the Act that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under this 2019 Amended and Restated Service and Assessment Plan, including costs and expenses to foreclose liens.
"District" means approximately 2,066 acres located within the limited purpose annexed jurisdiction of the City, as shown on Exhibit B and as more specifically described on Exhibit A.
"Improvement Area \#1" means the area within Whisper Valley Village 1, Phase 1 Final Plat of the District, as shown on Exhibit C.
"Improvement Area \#1 Assessed Parcels" means collectively the Improvement Area \#1 Bond Assessed Parcels and the Improvement Area \#1 Reimbursement Assessed Parcels.
"Improvement Area \#1 Assessment Ordinance" means Ordinance No. 20180823-073 adopted by the City Council on August 23, 2018 in accordance with the Act that levied Assessments on Parcels within Improvement Area \#1 for financing the Actual Costs of the Improvement Area \#1 Projects, as ratified and confirmed by Ordinance No. 20190207-02 adopted by the City Council on February 7, 2019.
"Improvement Area \#1 Assessments" mean the Assessments levied on Parcels within Improvement Area \#1 for financing the Actual Costs of the Improvement Area \#1 Projects, including the Improvement Area \#1 Bond Assessments and the Improvement Area \#1 Reimbursement Assessments as shown on the Improvement Area \#1 Bond Assessment Roll on Exhibit K and the Improvement Area \#1 Reimbursement Assessment Roll on Exhibit N, respectively.
"Improvement Area \#1 Bond Assessed Parcels" means any and all Parcels within Improvement Area \#1 against which an Improvement Area \#1 Assessment is levied, excluding the Previously Sold Assessed Parcels.
"Improvement Area \#1 Bond Assessment Roll" means the Assessment Roll for the Improvement Area \#1 Bond Assessed Parcels, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update. The Improvement Area \#1 Bond Assessment Roll is included in this 2019 Amended and Restated Service and Assessment Plan on Exhibit K, the projected Annual Installments for all Improvement Area \#1 Bond Assessed Parcels is shown on Exhibit L.
"Improvement Area \#1 Bond Assessments" mean the Assessments levied on all Improvement Area \#1 Bond Assessed Parcels.
"Improvement Area \#1 Bonds" mean those certain City of Austin, Texas Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1) that are secured by the revenues from the Improvement Area \#1 Bond Assessments.
"Improvement Area \#1 Improvements" mean the Authorized Improvements which provide a special benefit only to the Improvement Area \#1 Assessed Parcels and are described in Section III.B hereto.
"Improvement Area \#1 Projects" mean the Improvement Area \#1 Improvements and Improvement Area \#1's allocable share of the Master Improvements.
"Improvement Area \#1 Reimbursement Agreement" means that certain "Whisper Valley Public Improvement District Improvement Area \#1 Reimbursement Agreement" effective $\qquad$ 2019, by and between the City and the Owner, in which the City agrees to pay the Owner for Actual Costs of the Improvement Area \#1 Improvements solely from Improvement Area \#1 Reimbursement Assessments, including Annual Installments thereof.
"Improvement Area \#1 Reimbursement Assessed Parcels" means any and all Previously Sold Assessed Parcels within Improvement Area \#1 against which an Improvement Area \#1 Assessment is levied.
"Improvement Area \#1 Reimbursement Assessment Roll" means the Assessment Roll for the Improvement Area \#1 Reimbursement Assessed Parcels within the Improvement Area \#1, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the Act, including updates in connection with any Annual Service Plan Update. The Improvement Area \#1 Reimbursement Assessment Roll is included in this 2019 Amended and Restated Service and Assessment Plan on Exhibit N, and the projected Annual Installments for all Improvement Area \#1 Reimbursement Assessed Parcels are shown on Exhibit O.
"Improvement Area \#1 Reimbursement Assessments" mean the Assessments levied on all Improvement Area \#1 Reimbursement Assessed Parcels.
"Improvement Area \#1 Reimbursement Obligation" means the obligation of the City to pay certain costs of Improvement Area \#1 Improvements from revenues from Improvement Area \#1 Reimbursement Assessments levied on Improvement Area \#1 Reimbursement Assessed Parcels pursuant to the Improvement Area \#1 Reimbursement Agreement.
"Indenture" means an Indenture or Indentures of Trust entered into in connection with the issuance of one or more series of PID Bonds, as amended from time to time, between the City and the Trustee setting forth terms and conditions related to the applicable series of 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. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the City Council.
"Lot Type 1" means an Improvement Area \#1 Bond Assessed Parcel identified as a Lot on the Whisper Valley Village 1, Phase 1 Final Plat marketed to homebuilders as a $25^{\prime}$ lot as shown on the Lot Type map on Exhibit D-1. Exhibit M-1 shows the projected Lot Type 1 Annual Installments per Lot.
"Lot Type 2" means an Improvement Area \#1 Bond Assessed Parcel identified as a Lot on the Whisper Valley Village 1, Phase 1 Final Plat marketed to homebuilders as a 50' lot as shown on the Lot Type map on Exhibit D-1. Exhibit M-2 shows the projected Lot Type 2 Annual Installments per Lot.
"Lot Type 3" means an Improvement Area \#1 Bond Assessed Parcel identified as a Lot on the Whisper Valley Village 1, Phase 1 Final Plat marketed to homebuilders as a 60' lot as shown on the Lot Type map on Exhibit D-1. Exhibit M-3 shows the projected Lot Type 3 Annual Installments per Lot.
"Lot Type 4" means an Improvement Area \#1 Reimbursement Assessed Parcel identified as a Lot on the Whisper Valley Village 1, Phase 1 Final Plat marketed to homebuilders as a 25' lot as shown on the Lot Type map on Exhibit D-1. Exhibit P-1 shows the projected Lot Type 4 Annual Installments per Lot.
"Lot Type 5" means an Improvement Area \#1 Reimbursement Assessed Parcel identified as a Lot on the Whisper Valley Village 1, Phase 1 Final Plat marketed to homebuilders as a $35^{\prime}$ lot as shown on the Lot Type map on Exhibit D-1. Exhibit P-2 shows the projected Lot Type 5 Annual Installments per Lot.
"Lot Type 6" means an Improvement Area \#1 Reimbursement Assessed Parcel identified as a Lot on the Whisper Valley Village 1, Phase 1 Final Plat marketed to homebuilders as a 50' lot as shown on the Lot Type map on Exhibit D-1. Exhibit P-3 shows the projected Lot Type 6 Annual Installments per Lot.
"Lot Type 7" means an Improvement Area \#1 Reimbursement Assessed Parcel identified as a Lot on the Whisper Valley Village 1, Phase 1 Final Plat marketed to homebuilders as a 60' lot as shown on the Lot Type map on Exhibit D-1. Exhibit P-4 shows the projected Lot Type 7 Annual Installments per Lot.
"Master Improvement Area" means all of the property within the District as shown on Exhibit B and as more specifically described on Exhibit A, excluding Improvement Area \#1.
"Master Improvement Area Assessed Parcels" mean any and all Parcels within the Master Improvement Area, against which a Master Improvement Area Assessment has been levied.
"Master Improvement Area Assessment Ordinance" means Ordinance No. 20111103-012 adopted by the City Council on November 3, 2011 in accordance with the Act which levied the Master Improvement Area Assessments on the District.
"Master Improvement Area Assessment Roll" means the Assessment Roll for the Master Improvement Area Assessed Parcels, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update. The Master Improvement Area Assessment Roll is included in this 2019 Amended and Restated Service and Assessment Plan on Exhibit H, and the projected Annual Installments for the Master Improvement Area are shown on Exhibit I.
"Master Improvement Area Assessments" mean the Assessments levied on Parcels within the District.
"Master Improvement Area Bonds" mean those bonds entitled "City of Austin, Texas Special Assessment Revenue Bonds, Senior Series 2011 (Whisper Valley Public Improvement District)" that are secured by Master Improvement Area Assessments.
"Master Improvements" mean the Authorized Improvements which provide a special benefit to the District and are described in Section III.A hereto.
"Non-Benefited Property" means Parcels that receive no special benefit from the Authorized Improvements as determined by the City Council which may include Public Property and Owner Association Property.
"Owner(s)" means Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership (including its successors, assigns, or transferees).
"Owner Association Property" means property within the boundaries of the District that is owned by or irrevocably offered for dedication to, whether in fee simple or through an easement, an Owners' Association established or to be established for the benefit of a group of homeowners or property owners within the District.
"Owners' Association" means the association(s) established for the benefit of property owners within the District.
"Parcel" or "Parcels" mean a specific property within the District identified by either a tax map identification number assigned by the Travis Central Appraisal District for real property tax purpose, by metes and bounds description, or by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the City.
"PID Bonds" mean the bonds to be issued by the City, in one or more series, to finance the Authorized Improvements that confer a special benefit on the property within the District, which may include funds for any required reserves and amounts necessary to pay the Bond Issuance Costs, and to be secured by a pledge of the applicable Assessments pursuant to the authority granted in the Act, for the purposes of (1) financing the costs of Authorized Improvements and related costs, and (2) reimbursement for Actual Costs paid prior to the issuance of the PID Bonds.
"PID Financing Agreement" means the Whisper Valley Public Improvement District Financing Agreement by and between the City and Club Deal 120 Whisper Valley, Limited Partnership, dated November 1, 2011, as amended on March 28, 2019 and as may be further amended from time to time.
"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof. Amounts received at the time of a Prepayment which represent a payment of principal, interest, or penalties on a delinquent installment of an Assessment are not to be considered a Prepayment, but rather are to be treated as the payment of the regularly scheduled Assessment.
"Prepayment Costs" mean interest and Annual Collection Costs to the date of Prepayment.
"Previously Sold Assessed Parcels" mean the 42 Lots within Improvement Area \#1 which were sold to individual homeowners prior to August 23, 2018, the effective date of the Improvement Area \#1 Assessment Ordinance, which levied the Improvement Area \#1 Assessments. The Previously Sold Assessed Parcels are shown on Exhibit D-2 and listed on Exhibit T.
"Public Property" means real property, whether conveyed or dedicated in fee simple, as an easement, license, or otherwise, to the Federal Government, to the County, to the City, or to any other political subdivision, public or government agency, or public utility.
"Service and Assessment Plan" means the Service and Assessment Plan adopted by the City by Ordinance No. 20111103-012 on November 3, 2011 as may be updated, amended, supplemented or restated from time to time.
"Service Plan" means a plan that covers a period of five years and defines the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five year period.
"Subordinate Master Bond" means those certain City of Austin, Texas Special Assessment Revenue Bonds, Subordinate Series 2011 (Whisper Valley Public Improvement District).
"Trustee" means the trustee (or successor trustee) under an Indenture.
"TXDOT" means the Texas Department of Transportation.
"Whisper Valley Village 1, Phase 1 Final Plat" means the final plat dated March 7, 2014, attached as Exhibit B.
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## SECTION II: THE DISTRICT

The District includes approximately 2,066 contiguous acres located within the City's extraterritorial jurisdiction, as described on Exhibit A and depicted on Exhibit B. Development of the District is anticipated to include single-family and multifamily residential, office, retail and other uses, as well as parks, entry monuments, landscaping, infrastructure, and associated rights-of-way necessary to provide roadways, drainage, and utilities to the District.

The Master Improvement Area consists of all property within the District as described on Exhibit A and depicted on Exhibit B, excluding Improvement Area \#1.

Improvement Area \#1 consists of approximately 79.973 contiguous acres located within the District and the Whisper Valley Village 1, Phase 1 Final Plat, as depicted on Exhibit B. Improvement Area \#1 contains 257 Lots, of which 20 Lots are Non-Benefited Property and 237 Lots will be used as single-family residences.

## SECTION III: AUTHORIZED IMPROVEMENTS

The City Council, 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 improvements described below are Authorized Improvements authorized by the Act that confer a special benefit on the respective Assessed Parcel. The cost and allocation of the Authorized Improvements is summarized on Exhibit E.

## A. Master Improvements

- Braker Lane Phase 1 \& 2

Braker Lane is located east of SH 130 in the County, provides primary access to the District, and consists of a 2.45 mile 4-lane divided roadway with turn lanes, bike lanes, curb and gutter, storm sewer, water quality, and sidewalk facilities. Braker Lane utilizes innovative water quality, a structural crossing of a major floodplain, hike and bike facilities, and link existing FM 973 to Taylor Lane. Phase 1\& 2 of the project consists of two lanes of the ultimate section. Intersection Improvements were funded under an agreement with TxDOT to construct left and right turn lanes on FM 973.

- Water Line 1

This project consists of constructing approximately 19,684 linear feet of 48" diameter water transmission main from the City's Central Pressure zone. The project is located
within the right of way (ROW) of Decker Lake Road. The line was designed and constructed in accordance with City standards and specifications.

- Wastewater Treatment Plant, 30" Wastewater Interceptor, and Water Line 2

The Subordinate Master Bonds funded a 0.5 MGD wastewater treatment plant, 2.5 miles of $30^{\prime \prime}$ wastewater line, and 17,900 linear feet of 24 " water line. The Subordinate Master Bonds have been paid in full, and no Assessments securing the Subordinate Master Bonds remain outstanding.

## B. Improvement Area \#1 Improvements

- Erosion and Sedimentation Control

The erosion and sedimentation controls installed for this site work consist of silt fence, inlet protection, tree protection, stabilized construction entrance, rip rap, and revegetation required to control sedimentation run-off from the site during site development and prevent erosion prior to construction of Improvement Area \#1. The erosion and sedimentation controls were installed according to City standards, determined in the City's sole discretion.

- Clearing and Grading

The clearing and grading improvements consist of site clearing, soil remediation, grading within the right of way for the installation of the internal roadway system, and for the installation of utilities and drainage controls outside of the right of way in order to serve Improvement Area \#1. The clearing and grading follow the approved construction document from the City.

- Drainage Improvements

The drainage improvements consist of the construction and installation of storm sewer pipe, manholes and junction boxes, headwalls, drainage inlets and appurtenances necessary for the storm system that will service all of Improvement Area \#1. The drainage improvements were constructed according to City standards, determined in the City's sole discretion.

- Street Improvements

The street improvements consist of installing lime treated sub-base, flexible base course, surface course, curb and gutters and sidewalks along non-frontage lots that provide the basis of the roadway system within Improvement Area \#1. The street improvements were constructed according to City standards, determined in the City's sole discretion.

- Potable Water Improvements

The potable water improvements consist of the construction and installation of water mains, domestic service connections, valves, fire hydrants and appurtenances, necessary for the water distribution system that will service all of Improvement Area \#1. The water improvements were constructed according to City standards, determined in the City's sole discretion.

- Wastewater Improvements

The wastewater improvements consist of construction and installation of wastewater mains, domestic service connections, manholes and appurtenances necessary to provide sanitary sewer service to all of Improvement Area \#1. The wastewater improvements were constructed according to City standards, determined in the City's sole discretion.

- Demolition and Restoration

The demolition and restoration for the site consist of tree removal to clear the site for the development of Improvement Area \#1. The demolition follows the approved construction document from the City.

- Pond Improvements

The pond improvements consist of installing two (2) detention and water quality ponds which include establishing revegetation, storm headwalls and box culverts, maintenance access paths and make-up water sources necessary to support the Improvement Area \#1 drainage infrastructure system. The pond improvements follow the approved construction document from the City.
C. Bond Issuance Costs

- Debt Service Reserve Fund

Equals the amount required under an Indenture in connection with the issuance of PID Bonds.

- Capitalized Interest

Equals the capitalized interest payments on PID Bonds as reflected in an applicable Indenture.

- Underwriting Discount

Equals a percentage of the par amount of a series of PID Bonds plus a fee for underwriter's counsel.

## - Cost of Issuance

Includes costs associated with issuing PID Bonds, including but not limited to attorney fees, financial advisory fees, first year Annual Collection Costs, 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.

## SECTION IV: SERVICE PLAN

The Act requires the Service Plan to cover a period of at least five years and to define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the District during the five year period. The Service Plan must be reviewed and updated by the City Council at least annually. Exhibit F of this 2019 Amended and Restated Service and Assessment Plan summarizes the Service Plan for the District.

Exhibit G summarizes the sources and uses of funds required to construct the Authorized Improvements, fund required reserves, and issue the PID Bonds. The sources and uses of funds shown on Exhibit $\mathbf{G}$ shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and Actual Costs.

## SECTION V: ASSESSMENT PLAN

The Act allows the City Council to apportion the Authorized Improvements to the Assessed Parcels based on the special benefit received from the Authorized Improvements. The 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 Council, with or without regard to improvements constructed on the property; or (3) in any other manner approved by the City Council that results in imposing equal shares of such costs on property similarly benefited. The 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.

The determination by the City Council 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 current owners and all future owners and developers of the Assessed Parcels.

## 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 Assessments shall be allocated as follows:

## 1. Master Improvements

The Master Improvement Area Assessment Ordinance approved the Service and Assessment Plan, which allocated Master Improvement Area Assessments across all Assessed Parcels in the District based on the ratio of the estimated assessable acreage of each Assessed Parcel to the total estimated assessable acreage for all Assessed Parcels.

## 2. Improvement Area \#1 Improvements

The Improvement Area \#1 Assessment Ordinance approved the Improvement Area \#1 Assessment Roll, which allocated Improvement Area \#1 Assessments across all the Improvement Area \#1 Assessed Parcels based on the ratio of the estimated buildout value of each Improvement Area \#1 Assessed Parcel to the total estimated buildout value for all Improvement Area \#1 Assessed Parcels, as shown on Exhibit U.

## B. Assessments

## 1. Master Improvement Area Assessments

The Master Improvement Area Assessments levied against the Master Improvement Area Assessed Parcels are shown on the Master Improvement Area Assessment Roll, attached hereto on Exhibit H. The projected Annual Installments for the Master Improvement Area Assessed Parcels are shown on Exhibit I.
2. Improvement Area \#1 Assessments
a. The Improvement Area \#1 Bond Assessments are shown on the Improvement Area \#1 Bond Assessment Roll, attached hereto on Exhibit K. The projected Annual Installments for all Improvement Area \#1 Bond Assessed Parcels are shown on Exhibit L. The projected Lot Type 1 Annual Installments per Lot are shown on Exhibit M-1. The projected Lot Type 2 Annual Installments per Lot are shown on Exhibit M-2. The projected Lot Type 3 Annual Installments per Lot are shown on Exhibit M-3.
b. The Improvement Area \#1 Reimbursement Assessments are shown on the Improvement Area \#1 Reimbursement Assessment Roll, attached hereto on Exhibit N. The projected Annual Installments for all Improvement Area \#1 Reimbursement Assessed Parcels are shown on Exhibit O. The projected Lot

Type 4 Annual Installments per Lot are shown on Exhibit P-1. The projected Lot Type 5 Annual Installments per Lot are shown on Exhibit P-2. The projected Lot Type 6 Annual Installments per Lot are shown on Exhibit P-3. The projected Lot Type 7 Annual Installments per Lot are shown on Exhibit P-4.

## 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:

## 1. Master Improvement Area

a. The Actual Costs of the Master Improvements plus Bond Issuance Costs allocable to the Master Improvement Area equal $\$ 32,636,865$, as shown on Exhibit E; and
b. The Master Improvement Area Assessed Parcels receive special benefit from the Master Improvements equal to or greater than the Actual Costs of the Master Improvements allocable to the Master Improvement Area; and
c. The sum of the Master Improvement Area Assessments for all Master Improvement Area Assessed Parcels at the time the Master Improvement Area Assessments were levied equaled \$32,238,470, of which \$12,205,000 remains outstanding; and
d. The special benefit ( $\geq \$ 32,636,865$ ) received by Master Improvement Area Assessed Parcels from the Master Improvements is greater than the amount of the Master Improvement Area Assessments $(\$ 32,238,470)$ levied against all Master Improvement Area Assessed Parcels; and
e. At the time the City Council levied the Master Improvement Area Assessments, the Owner owned $100 \%$ of the Assessed Parcels within the District. The Owner acknowledged that the Master Improvements confer a special benefit on the Assessed Parcels within the District and consented to the imposition of the Master Improvement 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 the Master Improvement Area Assessment Ordinance; and (2) the levying of Master Improvement Area Assessments on the Assessed Parcels within the District.

## 2. Improvement Area \#1

a. The Actual Costs of the Improvement Area \#1 Projects plus the Bond Issuance Costs allocable to Improvement Area \#1 equal \$9,172,496, as shown on Exhibit E; and
b. The Improvement Area \#1 Assessed Parcels receive a special benefit from the Improvement Area \#1 Projects equal to or greater than the Actual Cost of the Improvement Area \#1 Projects; and
c. The total Improvement Area \#1 Assessments levied by the Improvement Area \#1 Assessment Ordinance equaled $\$ 5,975,000$. As shown on the Improvement Area \#1 Bond Assessment Roll and Improvement Area \#1 Reimbursement Assessment Roll shown on Exhibit K and Exhibit N, respectively, the Improvement Area \#1 Assessments have been reduced and the sum of the reduced Improvement Area \#1 Assessments for all Lots within Improvement Area \#1 equals \$5,370,820; and
d. The sum of the Master Improvement Area Assessments levied by the Master Improvement Area Assessment Ordinance on Parcels within Improvement Area \#1 to pay for Master Improvements equaled $\$ 1,746,687$, of which $\$ 0$ will remain outstanding after the Prepayment and transfer of certain funds currently held pursuant to the terms of the indenture for the Master Improvement Area Bonds, as shown in Exhibit S; and
e. Collectively, the total Assessments levied by the Improvement Area \#1 Assessment Ordinance, as reduced by the Improvement Area \#1 Bond Assessment Roll and the Improvement Area \#1 Reimbursement Assessment Roll, and the Master Improvement Area Assessment Ordinance, on Improvement Area \#1 Assessed Parcels equal $\$ 7,117,507$; and
f. The special benefit ( $\geq \$ 9,172,496$ ) received by Improvement Area \#1 Assessed Parcels from the Improvement Area \#1 Projects is equal to or greater than the amount of the Improvement Area \#1 Assessments, as reduced by the Improvement Area \#1 Bond Assessment Roll and the Improvement Area \#1 Reimbursement Assessment Roll, and the Master Improvement Area Assessments $(\$ 7,117,507)$ levied for the Improvement Area \#1 Projects.

## D. Annual Collection Costs

The costs of administering the District and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel based on the amount of outstanding Assessments remaining on the Parcels. The Annual Collection Costs shall be collected as part of and in the same manner as

Annual Installments in the amounts shown on the Assessment Roll, which may be revised based on Actual Costs incurred in Annual Service Plan Updates.

## E. Additional Interest

The interest rate on Assessments levied on the Assessed Parcels, if such Assessments secure PID Bonds, may exceed the interest rate on the PID Bonds by the Additional Interest Rate. The Additional Interest shall be collected as part of each Annual Installment and deposited and used as described in the Indenture for the applicable series of PID Bonds. No Additional Interest will be charged on the Improvement Area \#1 Reimbursement Assessed Parcels.

## SECTION VI: TERMS OF THE ASSESSMENTS

## A. Reallocation of Master Improvement Area Assessments

## 1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Parcel (without the recording of a subdivision plat or creation of units by horizontal condominium regime), the Administrator shall reallocate the Assessment for the Assessed Parcel prior to the division among the newly divided Assessed Parcels 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 Parcel
$B=$ the Assessment for the Assessed Parcel prior to division
C = the assessable acreage of the newly divided Assessed Parcel
$\mathrm{D}=$ the sum of the assessable acreage for all of the newly divided Assessed Parcels
2. Upon Subdivision by a Recorded Subdivision Plat or creation of units by a horizontal condominium regime

Upon the subdivision of any Assessed Parcel based on a recorded subdivision plat or creation of units by horizontal condominium regime, the Administrator shall reallocate the Assessment for the Assessed Parcel prior to the subdivision among the newly subdivided Lots 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 assessable acreage of all newly subdivided Lots with same Lot Type
D = the sum of the assessable acreage for all of the newly subdivided Lots excluding Non-Benefitted Property
$E=$ the number of Lots with same Lot Type

The calculation of the assessable acreage of a parcel shall be performed by the Administrator based on information from the Owner, homebuilders, appraisals, official public records of the County, and any other relevant information regarding the Parcel. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Parcels shall equal the Assessment for the Assessed Parcel prior to subdivision. The calculation shall be made separately for each newly divided Assessed Parcel. The reallocation of an Assessment for an Assessed Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this 2019 Amended and Restated Service and Assessment Plan approved by the City Council.

## B. Reallocation of Improvement Area \#1 Assessments

## 1. Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Parcel (without the recording of a subdivision plat or creation of units by horizontal condominium regime), the Administrator shall reallocate the Assessment for the Assessed Parcel prior to the division among the newly divided Assessed Parcels 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 Parcel
$B=$ the Assessment for the Assessed Parcel prior to division
C = the estimated buildout value of the newly divided Assessed Parcel
$D=$ the sum of the estimated buildout value for all of the newly divided Assessed Parcels

The calculation of the estimated buildout value of an Assessed Parcel shall be performed by the Administrator based on information from the Owner, homebuilders, market studies, appraisals, official public records of the County, and any other relevant information regarding the Assessed Parcel. The calculation as confirmed by the City Council shall be conclusive.

The sum of the Assessments for all newly divided Assessed Parcels shall equal the Assessment for the Assessed Parcel prior to subdivision. The calculation shall be made separately for each newly divided Assessed Parcel. The reallocation of an Assessment for an Assessed Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this 2019 Amended and Restated Service and Assessment Plan approved by the City Council.
2. Upon Subdivision by a Recorded Subdivision Plat or creation of units by a horizontal condominium regime
Upon the subdivision of any Assessed Parcel based on a recorded subdivision plat or creation of units by horizontal condominium regime, the Administrator shall reallocate the Assessment for the Assessed Parcel prior to the subdivision among the newly subdivided Lots based on buildout value according to the following formula:

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

Where the terms have the following meanings:
A = the Assessment for the newly subdivided Lot
B = the Assessment for the Parcel prior to subdivision
C = the sum of the estimated average buildout value of all newly subdivided Lots with same Lot Type
$D=$ the sum of the estimated average buildout value for all of the newly subdivided Lots excluding Non-Benefitted Property
$\mathrm{E}=$ the number of Lots with same Lot Type

Prior to the recording of a subdivision plat or creation of units by horizontal condominium regime, the Owner shall provide the City an estimated buildout value as of the date of the recorded subdivision plat for each Lot created by the recorded subdivision plat considering factors such as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, discussions with homebuilders, and any other factors that may impact value. The calculation of the estimated average buildout value for a Lot shall be performed by the Administrator and confirmed by the City Council based on information provided by the Owner, homebuilders, third party consultants, and/or the official public records of the County regarding the Lot.

The sum of the Assessments for all newly subdivided Lots shall not exceed the Assessment for the portion of the Assessed Parcel subdivided prior to subdivision. The calculation shall be made separately for each newly subdivided Assessed Parcel. The reallocation of an

Assessment for an Assessed Parcel 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.

## C. 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.

## D. Mandatory Prepayment of Assessments

If the Assessed Parcel is transferred to a person or entity that is exempt from payment of the Assessment, the owner transferring the Assessed Parcel 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 Parcel causes the Assessed Parcel to become Non-Benefited Property, the owner causing the change in status shall pay to the City the full amount of the Assessment, plus Prepayment Costs and Delinquent Collection Costs, prior to the change in status.

## E. 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 levied for such Authorized Improvements, the City Council shall reduce each Assessment related to such Authorized Improvements on a pro-rata basis such that the sum of the resulting reduced Assessments for all Assessed Parcels receiving benefit from the Authorized Improvements equals the reduced Actual Costs. The Assessments shall not, however, be reduced to an amount less than the outstanding PID Bonds.

The Administrator shall update (and submit to the City Council for review and approval as part of the next Annual Service Plan Update) the Assessment Rolls and corresponding Annual Installments to reflect the reduced Assessments.

## F. Prepayment of Assessments

The owner of the Assessed Parcel may pay, at any time, all or any part of an Assessment in accordance with the Act. If an Annual Installment has been billed prior to this prepayment, the Annual Installment shall be due and payable and shall be credited against the prepayment.

If an Assessment is paid in full, with interest: (1) the Administrator shall cause the Assessment to be reduced to zero and the Assessment Roll to be revised accordingly; (2) the Administrator shall cause the revised Assessment Roll to be approved by the City Council as part of the next Annual Service Plan Update; (3) the obligation to pay the Assessment and corresponding Annual

Installments shall terminate; and (4) the City shall provide the owner with a recordable "Notice of PID Assessment Termination."

If an Assessment is paid in part, with interest: (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.

## 1. Prepayments of Master Improvement Area Assessments

As of the date this 2019 Amended and Restated Service and Assessment Plan, $\$ 567,166.60$ in Prepayments for Master Improvement Area Assessments have been received, as shown on Exhibit S.

## 2. Prepayments of Improvement Area \#1 Assessments

As of the date this 2019 Amended and Restated Service and Assessment Plan, no Prepayments have been received for Improvement Area \#1 Assessments.

## G. Payment of Assessment in Annual Installments

Assessments that are not paid in full shall be due and payable in Annual Installments. Annual Installments are subject to adjustment in each Annual Service Plan Update.

No less frequently than annually, 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 an updated Assessment Roll and updated calculations of Annual Installments. Annual Installments shall be reduced by any credits applied under the 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 for any Assessment other than the Improvement Area \#1 Reimbursement Assessments claimed as homesteads shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the 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 Act.

For any Assessed Parcels other than the Improvement Area \#1 Reimbursement Assessed Parcels claimed as homesteads, the sale of an Assessed Parcel for nonpayment of Annual Installments shall be subject to the lien for the remaining unpaid Assessment against the

Assessed Parcel, and the Assessed Parcel may again be sold at a judicial foreclosure sale if the landowner fails to timely pay the Annual Installments as they become due and payable.

To the extent allowed by the law, the City reserves the right to refund PID Bonds in accordance with the 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 delinquent if not paid prior to February 1 of the following year.

## 1. Estimated Annual Installments for Master Improvement Area Assessed Parcels

Exhibit I shows the projected Annual Installments of the Master Improvement Area Assessments, and Exhibit J-1 through Exhibit J-9 show the projected Annual Installment for every Master Improvement Area Assessed Parcel.
2. Estimated Annual Installments for Improvement Area \#1 Bond Assessed Parcels

Exhibit L shows the projected Annual Installments for Improvement Area \#1 Bond Assessed Parcels, and Exhibit M-1 through Exhibit M-3 show the projected Annual Installment for Lot Type 1, Lot Type 2, and Lot Type 3.
3. Estimated Annual Installments for Improvement Area \#1 Reimbursement Assessed Parcels

Exhibit $\mathbf{O}$ shows the projected Annual Installments for Improvement Area \#1 Reimbursement Assessed Parcels, and Exhibit P-1 through Exhibit P-4 show the projected Annual Installment for Lot Type 4, Lot Type 5, Lot Type 6, and Lot Type 7.

## SECTION VII: ASSESSMENT ROLL

The Master Improvement Area Assessment Roll is attached on Exhibit H, the Improvement Area \#1 Bond Assessment Roll is attached on Exhibit K, and the Improvement Area \#1 Reimbursement Assessment Roll is attached on Exhibit N. The Administrator shall prepare and submit to the City Council for review and approval, proposed revisions to the Assessment Rolls as well as the Annual Installments as part of each Annual Service Plan Update.

## SECTION VIII: ADDITIONAL PROVISIONS

## A. Calculation Errors

To the extent consistent with the Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installments, shall send a written notice describing the error to the City not later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval, to the extent permitted by the Act, A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council for determination. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the Act.

## B. Amendments

Amendments to this 2019 Amended and Restated Service and Assessment Plan must be made by the City Council in accordance with Texas law, including the Act. To the extent permitted by the Act, this 2019 Amended and Restated Service and Assessment Plan may be amended without notice to owners of the Assessed Parcels: (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 2019 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 2019 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 2019 Amended and Restated Service and Assessment Plan. Interpretations of this 2019 Amended and Restated Service and Assessment Plan by the Administrator shall be in writing and shall be appealable to the City Council by owners or developers adversely affected by the interpretation. Appeals shall be decided by the City Council after holding a public hearing at which all interested parties have an opportunity to be heard. Decisions by the City Council shall be final and binding on the owners and developers and their successors and assigns.

## D. Severability

If any provision of this 2019 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. Termination of Assessments

Each Assessment shall terminate on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After termination of an Assessment, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination."

## LIST OF EXHIBITS

| Exhibit A | Description of Land Within District |
| :--- | :--- |
| Exhibit B | Vicinity Map and Concept Plan of District |
| Exhibit C | Whisper Valley Village, Phase 1 Final Plat |
| Exhibit D-1 | Improvement Area \#1 Lot Type Map |
| Exhibit D-2 | Previously Sold Assessed Parcels Map |
| Exhibit E | Cost and Allocation of Authorized Improvements |
| Exhibit F | Service Plan |
| Exhibit G | Sources and Uses of Funds |
| Exhibit H | Master Improvement Area Assessment Roll |
| Exhibit I | Projected Annual Installments for all Master Improvement Area Assessed |
|  | Parcels |
| Exhibit J-1 | Projected Master Improvement Area Parcel \#201773 Annual Installments |
| Exhibit J-2 | Projected Master Improvement Area Parcel \#806424 Annual Installments |
| Exhibit J-3 | Projected Master Improvement Area Parcel \#806427 Annual Installments |
| Exhibit J-4 | Projected Master Improvement Area Parcel \#806428 Annual Installments |
| Exhibit J-5 | Projected Master Improvement Area Parcel \#806429 Annual Installments |
| Exhibit J-6 | Projected Master Improvement Area Parcel \#806430 Annual Installments |
| Exhibit J-7 | Projected Master Improvement Area Parcel \#806431 Annual Installments |
| Exhibit J-8 | Projected Master Improvement Area Parcel \#806432 Annual Installments |
| Exhibit J-9 | Projected Master Improvement Area Parcel \#858720 Annual Installments |
| Exhibit K | Improvement Area \#1 Bond Assessment Roll |
| Exhibit L | Projected Annual Installments for all Improvement Area \#1 Bond Assessed |
| Exhibit M-1 | Projected Lot Type 1 Annual Installments Per Lot |
| Exhibit M-2 | Projected Lot Type 2 Annual Installments Per Lot |
| Exhibit M-3 | Projected Lot Type 3 Annual Installments Per Lot |
| Exhibit N | Improvement Area \#1 Reimbursement Assessment Roll |
| Exhibit O | Projected Annual Installments for all Improvement Area \#1 |
| P-1 | Proimbursement Assessed Parcels |
| Projected Lot Type 5 Annual Installments Per Lot |  |

Exhibit P-3 Projected Lot Type 6 Annual Installments Per Lot
Exhibit P-4 Projected Lot Type 7 Annual Installments Per Lot
Exhibit Q Map of Improvement Area \#1 Improvements
Exhibit R-1 Tax Map of Parcel \#201773
Exhibit R-2 Tax Map of Parcel \#806424
Exhibit R-3 Tax Map of Parcel \#806427
Exhibit R-4 Tax Map of Parcel \#806428
Exhibit R-5 Tax Map of Parcel \#806429
Exhibit R-6 Tax Map of Parcel \#806430
Exhibit R-7 Tax Map of Parcel \#806431
Exhibit R-8 Tax Map of Parcel \#806432
Exhibit R-9 Tax Map of Parcel \#858720
Exhibit S Master Improvement Area Prepayments
Exhibit T Previously Sold Assessed Parcels
Exhibit U Calculation of Assessment by Lot Type

## EXHIBIT A - DESCRIPTION OF LAND WITHIN DISTRICT

2066.284 ACRES

- WHISPER VALLEY

FN NO, 10-101 (KWA)
MAY 1.7, 2010
BPT JOB NO. 1758-02

## DESCRIPTION

OF 2066.284 ACRES OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO, 40, ABSTRACT NO. 60; THE JAMES GIGLELAND SURVEY NO. 13, ABSTRACM NO. 12: AND THE JOHN BURLESON SURVEY NO. 33 , ABSTRACT NO. 5, STTUATED IN TRAVIS COUNTY, TEXAS, BEING THAT CERTAIN 247.156 ACRE TRACT CONVEYED TO CLUB DEAL 120 WHISPER VALLEEY, LIMITED PARTNERSHIP, BY DRED OF RECORD IN DOCUMENT NO, 2006152073, OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; THOSE CERTATN 548.08 ACRE, 164.73 ACRE, 72.50 ACRE, 750.533 ACRE, 16.00 ACRE, 165.984 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHTP BY DEED OF RECORD IN DOCOMENT NO. 2006152076 OE SAID OFFICIAL PUBLIC RECORDS; AND THAT CERTAIN 101.46 ACRE TRACT CONVEYED TO CLUB DEAL WHISPER VALLEY, LTMITED PARTNERSHIP, BY DEED OF RECORD IN DOCUMENT NO, 2006231899, OF SAID OFFICIAL PUBLIC RECORDS; SAID 2066.284 ACRES BEING MORE PARTICULARLY DESCRIBED; IN TWO PARTS, BY METES AND BOUNDS AS EOLLOWS:

TRACT I - 1819.188 ACRES

BEGINNING, at a TXDOT Type I concrete monument found in the easterly right-of-way line of F.M. Highway No. 973 (right-of-way varies), at the southwesterly corner of that cextain 2.0 acre tract of land conveyed to Lyle and Christine Hutchinson by Deed of record in Volume 13380, Page 393 of the Real Property Records of Travis County, Texas, for the northwestexly corner of said 164.73 acre tract and hereof;

THENCE, leaving said easterly right-of-way line of F.M. Highway No. 973, along the southerly line of said 2.0 acre tract and the southerly line of that certain 10.0 acre tract conveyed to Veterans Land Board of the State of Texas by Deed of record in Volume 7085, Page 418 of the Deed Records of Travis County, Texas, being the northerly line of said 164.73 acre tract, for a portion of the northerly line hereof, the following two (2) courses and distances:

1) $S 58^{\circ} 38^{\prime} 32^{\prime \prime} \mathrm{E}$, a distance of 1394.58 feet to a $1 / 2$ inch iron rod with cap set at the southeasterly corner of said 10.0 acre tract, for an angle point;
2) $\mathrm{N} 27^{\circ} 26^{\prime} 53^{\prime \prime} \mathrm{E}$, a distance of 299.02 feet to a $1 / 2$ inch iron rod with cap set in the southerly line of that certain 100.050 acre tract conveyed to Hen-Ball Investments, L.P., by Deed of Record in Document No. 2004041963 of said official Public Records, at the northeasterly corner of said 10.0 acre tract, for an angle point;

FN 10-101 (KWA)
MAY 17, 2010
PAGE 2 OF 15
THENCE, $562^{\circ} 28^{\prime} 22^{\prime \prime} \mathrm{E}$, along the southerly line of said 100.050 acre being the northerly line of said 164.73 acre tract, for a portion of the northexly line hereof, a distance of 3702.85 feet to a $1 / 2$ inch ixon rod found at the northeasterly corner of said 164.73 acre tract, being an angle point in the northerly line of said 548.08 acre tract, for an angle point;

THENCE, N $62^{\circ} 51^{\prime} 29^{\prime \prime} \mathrm{E}$, continuing along the southerly line of said 100.050 acre tract, being the northerly line of said 548.08 acre tract, for a portion of the northerly line hereof, a distance of 75.12 feet to a $1 / 2$ inch iron rod found at the southwesterly corner of that certain 196.60 acre tract conveyed to Robert M. Schoolfield, by Deed of record in Volume 13059, Page 427 of the Real Property Records of Travis County, Texas, for an angle point;

THENCE, along the southerly line of sadd 196.60 acre tract and that certain 90.000 acre tract conveyed to Glad Tidings Assembly of God, Inc., by Deed of Record in Document No. 2004034603 of said Official Public Records, being the northerly lines of said 548.08 acre tract and said 72.50 acre tract, for a portion of the northerly line hereof, the following three (3) courses and distances:

1) $S 62^{\circ} 27^{\prime} 39^{\prime \prime} \mathrm{E}$, a distance of 426.01 feet to a $1 / 2$ inch iron rod with cap found at the northwesterly corner of said 72.50 acre tract, for an angle point;
2) $S 62^{\circ} 18^{\prime} 06^{\prime \prime} \mathrm{E}$, a distance of 1509.13 feet to a $2 / 2$ inch iron rod with cap set for an angle point;

- 3) $\$ 63^{\circ} 32^{\prime} 25^{\prime \prime} \mathrm{E}$, a distance of 54.46 feet to a $1 / 2$ inch iron rod with cap found at the northeasterly corner of said 72.50 acre tract, being the northwesterly corner of that certain remainder of 423.32 acre tract conveyed to Ella Louise Lind, by Deed of record in Document No. 1999120186 of said Official. Public Records, for an angle point;

THENCE, leaving the southerly line of said 90,000 acre tract, along the westerly line of said remainder of 423.32 acre tract, being the easterly lines of said 72.50 acre tract and said 548.08 acre tract, for a portion of the northerly line hereof, the following two (2) courses and distances:

1) $S 28^{\circ} 11^{\prime} 49^{\prime \prime W}$, a distance of 2098.37 feet to a $1 / 2$ jnch iron rod with cap set at the southeasterly corner of said 72.50 acre tract, being the northeastexly corner of said 548.08 acre tract, for an angle point;
2) $S 28^{\circ} 51^{\prime} 16^{\prime \prime} \mathrm{W}$, a distance of 924.02 feet to a $1 / 2$ inch iron rod found at an angle point in the northerly line of said 750.533 acre tract, for an angle point;

EN 10-101(KWA)
MAY 17, 2010
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THENCR, leaving the easterly line of said 548.08 acre tract, along the southerly line of said remainder of 423.32 acre tract, being the northerly line of sajd 750.533 acre tract, for a portion of the northerly line hereof, the following four (4) courses and distances:

1) $S 61^{\circ} 57^{\prime} 29^{\prime \prime} \mathrm{B}$, a distance of 2116.00 feet to a $1 / 2$ inch ixon rod found for an angle point;
2) $N 28^{\circ} 16^{\prime} 28^{\circ} \mathrm{B}$, a distance of 664.18 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
3) $S 61^{\circ} 55^{\prime} 40^{\prime \prime} \mathrm{E}$, a distance of 231.92 feet to a $2 / 2$ inch iron rod with cap set for an angle point;
4) $\mathrm{S} 62^{\circ} 13^{\prime} 46^{\prime \prime} \mathrm{E}$, a distance of 1383.28 feet to a $1 / 2$ inch iron rod found at the northeasterly corner of said 750.533 acre tract, being in the westerly right-of-way line of Taylox Lane ( $80^{\prime}$ R.O.W.), for the northeasterly corner hereof;

THENCE, along said westerly xight-of-way line of Taylox Lane, being the easterly line of said 750.533 acre tract, for a portion of the easterly line hereof, the following three (3) courses and distances:

1) Along a non-tangent curve to the left, having a radius of 14701.15 feet, a central angle of $01^{\circ} 22^{\prime} 03^{\prime \prime}$, an arc length of 350.85 feet, and a chord of which bears $527^{\circ} 23^{\prime} 38^{\prime \prime} \mathrm{m}$, a distance of 350.84 feet to a $1 / 2$ inch iron rod found at the end of said curve;
2) $S 26^{\circ} 39^{\prime} 38^{\prime \prime} \quad W$, a distance of 454.04 feet to a $1 / 2$ inch iron rod found at the beginning of a non-tangent curve to the right;
3) Along said curve, having a radius of 93712.13 feet, a central angle of $00^{\circ} 13^{\prime} 16^{\prime \prime}$, an arc length of 361.66 feet, and a chord of which bears $\mathrm{S} 26^{\circ} 51^{\prime} 11^{\prime \prime} \mathrm{w}$, a distance of 361.66 feet to a $1 / 2$ inch iron rod found at the northeasterly corner of that certain 0.23 acre tract conveyed to Manville Water Supply Corporation, by Deed of record in Volume 12641, Page 1561 of said Real Property Records, for an angle point;

THENCE, leaving said westerly right-of-way line of Taylor Lane, along the northerly, westerly and southerly lines of said 0.23 acre tract, being the easterly line of said 750.533 acre tract, for a portion of the easterly line hereof, the following three (3) courses and distances:

1) $N 62^{\circ} 38^{\prime} 36^{\prime \prime} \mathrm{W}$, a distance of 100.15 feet to a $1 / 2$ inch iron rod with cap set at the northwesterly corner of said 0.23 acre tract, for an angle point;

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2) $\mathrm{S} 26^{\circ} 51^{\prime} 53^{\prime \prime} \mathrm{W}$, a distance of 100.15 feet to a $1 / 2$ inch iron rod found at the southwesterly corner of sajd 0.23 acre tract, for an angle point;
3) $S 62^{\circ} 42^{\prime} 38^{\prime \prime} \mathrm{E}$, a distance of 100.29 feet to a $1 / 2$ inch iron rod found at the southeasterly corner of said 0,23 acre tract, being in said westerly right-of-way line of Taylor Lane, for an angle point;

THENCE, along said westexly right-of-way line of Taylor Lane, being the easterly lines of said 750.533 acre tract, said 16.00 acre tract, and said 101,46 acre tract, for a portion of the easterly line hereof, the following thirteen (1.3) courses and distances:

1) Along a non-tangent curve to the right, having a radjus of 93712.13 feet, a central angle of $00^{\circ} 16^{\prime} 05^{\prime \prime}$; an arc length of 438.39 feet, and a chord of which bears $\$ 27^{\circ} 08^{\prime} 46^{\prime \prime} \mathrm{W}$, a distance of 438,39 feet to a $1 / 2$ inch iron rod found at the end of said curve;
2) $S 27^{\circ} 15^{\prime} 08^{\prime \prime} \mathrm{W}$, a distance of 2556.92 feet to a $1 / 2$ inch iron rod found at the northeasterly corner of said 16.00 acre tract, for an angle point;
3) $S 27^{\circ} 15^{\prime} 21^{\prime \prime} \mathrm{W}$, a distance of 10.55 feet to a $1 / 2$ inch iron rod with cap set at a point of curvature of a curve to the left;
4) Along said curve, having a radius of 210712.15 feet, a central angle of $00^{\circ} 05^{\prime} 4^{\prime \prime}$, an arc length of 354.74 feet, and a chord of which bears $527^{\circ} 12^{\prime} 27^{\prime \prime} \mathrm{W}$, a distance of 354.74 feet to a $1 / 2$ lnch iron rod found at the point of compound curvature of a curve to the left, being the southeasterly corner of said 16.00 acre tract;
5) Along said curve, having a radius of 210712.15 feet, a central angle of $00^{\circ} 05^{\prime} 48^{\prime \prime}$, an arc length of 355.36 feet, and a chord of which bears $\$ 27^{\circ} 06^{\prime} 46^{\prime \prime} \mathrm{W}$, a distance of 355.36 feet to a $1 / 2$ inch iron rod found at the end of said curve, for an angle point;
6) $S 27^{\circ} 06^{\prime} 32^{\prime \prime} \mathrm{W}$, a distance of 384.22 feet to a $1 / 2$ inch iron rod found at the beginning of a non-tangent curve to the left;
7) Along said curve, having a radius of 21059.69 feet, a central angle of $02^{\circ} 10^{\prime} 54^{\prime \prime}$, an arc length of 801.87 feet, and a chord of which bears $525^{\circ} 53^{\prime} 03^{\prime \prime} \mathrm{W}$, a distance of 801.82 feet to a $1 / 2$ inch iron rod found at the end of said curve;
8) $S 24^{\circ} 42^{\prime} 43^{\prime \prime} W$, a distance of 338.31 feet to a $1 / 2$ inch iron rod with cap found at the southeasterly corner of said 750.533 acre tract, being the northeasterly corner of said 101.46 acre tract, for an angle point;

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9) $\mathrm{S} 24^{\circ} 45^{r} 18^{\prime \prime} \mathrm{w}$, a distance of 89.99 feet to a $1 / 2$ inch iron rod found at the beginning of a non-tangent curve to the right;
10) Along said curve, having a radius of 13545.14 feet, a central angle of $02^{\circ} 57^{\prime} 05^{\prime \prime}$, an arc length of 697.70 feet, and a chord which bears $\mathrm{S} 26^{\circ} 13^{\prime} 52^{\prime \prime} \mathrm{W}$, a distance of 697.63 feet to a $1 / 2$ inch iron rod found at the end of said curve;
11) $S 27^{\circ} 42^{\prime} 26^{\prime \prime} \mathrm{W}$, a distance of 240.29 feet to a. $1 / 2$ inch iron rod found at an angle point;
12) $525^{\circ} 04^{\prime} 23^{\prime \prime} \mathrm{W}$, a distance of 99.53 feet to a $2 / 2$ inch iron rod found at an angle point;
13) $S 27^{\circ} 42^{\prime} 26^{\prime \prime} W$, a distance of 1880,80 feet to a calculated point on the approximate centerline of Gilleland Creek, for the southeasterly corner hereof, from which a $1 / 2$ inc iron rod found at an angle point in said westerly right-of-way line bears $\mathrm{S} 27^{\circ},^{\circ} 42^{\prime} 26^{\prime \prime} \mathrm{W}$, a distance of 1568.12 feet;

THENCE, leaving said westerly right-of-way line, along the approximate centerline of Gilleland Creek, being the southerly lines of said 101.46 acre tract and said 750.533 acre tract, for a portion of the southerly line hereof, the following ninety-five (95) courses and distances:

1) $N 74^{\circ} 54^{\prime} 22^{\prime \prime} \mathrm{W}$, a distance of 72.42 feet to a calculated point, for an angle point;
2) $S 87^{\circ} 27^{\prime} 20^{\prime \prime} \mathrm{W}$, a distance of 49.55 feet to a calculated point, for an angle point;
3) $572^{\circ} 06^{\prime} 15^{\prime \prime} \mathrm{W}$, a distance of 97.73 feet to a calculated point, for an angle point;
4) $N 60^{\circ} 03^{\prime} 23^{\prime \prime} \mathrm{w}$, a distance of 55.23 feet to a calculated point, for an angle point;
5) $\mathrm{N} 18^{\circ} 05^{\prime} 14^{\prime \prime} \mathrm{W}$, a distance of 69.40 feet to a calcujated point, for an angle point;
6) NO1 ${ }^{\circ} 52^{\prime} 31^{\prime \prime} \mathrm{W}$, a distance of 66.51 feet to a calculated point, for an angle point;
7) $N 28^{\circ} 35^{\prime} 56^{\prime \prime} \mathrm{W}$, a distance of 40.67 feet to a calculated point, for an angle point;
8) $N 42^{\circ} 15^{\prime} 00^{\prime \prime} \mathrm{W}$, a distance of 135.79 feet to a calculated point, for an angle point;
9) $\mathrm{N} 27^{\circ} 09^{\prime} 47^{\prime \prime} \mathrm{W}$, a distance of 47.76 feet to a calculated point, for an angle point;

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10) $N 54^{\circ} 26^{\prime} 56^{\prime \prime} W$, a distance of 39.65 feet to a calculated point, for an angle point;
11) $N 82^{\circ} 14^{\prime} 06^{\prime \prime} W$, a distance of 65.65 feet to a calculated point, for an angle point;
12) $N 46^{\circ} 06^{\prime} 32^{\prime \prime} \mathrm{W}$, a distance of 27.98 feet to a calculated point, for an angle point;
13) $N 31^{\circ} 32^{\prime} 58^{\prime \prime} \mathrm{W}$, a distance of 27.94 feet to a calculated point, for an angle point;
14) $N 05^{\circ} 19^{\prime} 44^{\prime \prime} \mathrm{E}$, a distance of 48.36 feet to a calculated point, for an angle point;
15) $N 10^{\circ} 59^{\prime} 18^{\prime \prime} \mathrm{W}$, a distance of 42.27 feet to a calculated point, for an angle point;
16) $\mathrm{N} 24^{\circ} 46^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 31,22 feet to a calculated point, for an angle point;
. 17) $\mathrm{N} 23^{\circ} 33^{\prime} 56^{\prime \prime} \mathrm{E}$, a distance of 48.12 feet to a calculated point, for an angle point;
18) $\mathrm{N} 33^{\circ} 25^{\prime} 00^{\prime \prime} \mathrm{E}$, a distance of 53.14 feet to a calculated point, for an angle point;
19) $N A 2^{\circ} 33^{\prime} 43^{\prime \prime} E$, a distance of 50.30 feet to a calculated point, for an angle point;
20) $N 54^{\circ} 07^{\prime} 33^{\prime \prime} \mathrm{E}$, a distance of 95.80 feet to a calculated point, for an angle point;
21) N $32^{\circ} 57^{\prime} 27^{\prime \prime} \mathrm{E}$, a distance of 36.48 feet to a calculated point, for an angle point;
22) $\mathrm{N} 26^{\circ} \mathrm{O} 2^{\prime} 14^{\prime \prime} \mathrm{E}$, a distance of 41.61 feet to a calculated point, for an angle point;
23) $N 09^{\circ} 51^{\prime} 27^{\prime \prime} \mathrm{E}$, a distance of 76.18 feet to a calculated point, for an angle point;
24) N01 $43^{\prime} 45^{\prime \prime} \mathrm{E}$, a distance of 37.41 feet to a calculated point, for an angle point;
25) $N 04^{\circ} 13^{\prime} 11^{\prime \prime} \mathrm{W}$, a distance of 45.91 feet to a calculated point, for an angle point;
26) $N 01^{\circ} 52^{\prime} 49^{\prime \prime} \mathrm{E}$, a distance of 41.93 feet to a calculated point, for an angle point;
27) $N 65^{\circ} 35^{\prime} 42^{\prime \prime} E$, a distance of 94.19 feet to a calculated point, for an angle point;
28) $N 49^{\circ} 41^{\prime} 41^{\prime \prime} E$, a distance of 50.69 feet to a calculated point, for an angle point;
29) $N 07^{\circ} 41^{\prime} 41^{\prime \prime} \mathrm{E}$, a distance of 36.84 feet to a calculated point, for an angle point;
30) $N 27^{\circ} 33^{\prime} 01^{\prime \prime} \%$, a distance of 40.07 feet to a calculated point, for an angle point;
31) $N 07^{\circ} 48^{\prime} 42^{\prime \prime} \mathrm{W}$, a distance of 36.36 feet to a calculated point, for an angle point;
32) $N 45^{\circ} 41^{\prime} 21^{\prime \prime} \mathrm{E}$, a distance of 45.65 feet to a calculated point, for an angle point;
33) $N 58^{\circ} 06^{\prime} 41^{\prime \prime} E_{\text {, }}$ a distance of 36.66 feet to a calculated point, for an angle point;
34) $N 24^{\circ} 11^{\prime} 14^{\prime \prime} \mathrm{E}$, a distance of 42.59 feet to a calculated point, for an angle point;
35) $N 03^{\circ} 38^{\prime} 51^{\prime \prime} W_{\text {, }}$ a distance of 90.98 feet to a calculated point, for an angle point;
36) $N 47^{\circ} 42^{\prime} 29^{\prime \prime} \mathrm{W}$, a distance of 52.22 feet to a calculated point, for an angle point;
37) $N 65^{\circ} 40^{\prime} 01^{\prime \prime} \mathrm{w}$, a distance of 94.58 feet to a calculated point, for an angle point;
38) $N 57^{\circ} 18^{\prime} 12^{\prime \prime} \mathrm{W}$, a distance of 31.69 feet to a calculated point, for an angle point;
39) $N 75^{\circ} 39^{\prime} 27^{\prime \prime} \mathrm{W}$, a distance of 93.87 feet to a calculated point, for an angle point;
40) $N 70^{\circ} 13^{\prime} 14^{\prime \prime} \mathrm{W}$, a distance of 44.12 feet to a calculated point, for an angle point;
41) $\mathrm{N} 65^{\circ} 05^{\prime} 05^{\prime \prime} \mathrm{W}$, a distance of 58.53 feet to a calculated point, for an angle point;
42) N $59^{\circ} 44^{\prime} 55^{\prime \prime} 6$, a distance of 95.73 feet to a calculated point, for an angle point;
43) N44 $50^{\prime} 55^{\prime \prime}$ w, a distance of 106.52 feet to a calculated point, for an angle point;
44) $\mathrm{N} 52^{\circ} 53^{\prime} 43^{\prime \prime} \mathrm{W}$, a distance of 50.71 feet to a calculated point, for an angle point;
45) $N 71^{\circ} 16^{\prime} 08^{\prime \prime} w_{\text {, }}$ a distance of 52.52 feet to a calculated point, for an angle point;

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46) $N 59^{\circ} 49^{\prime} 47^{\prime \prime} \mathrm{W}$, a distance of 38.08 feet to a calculated point, for an angle point;
47) $N 49^{\circ} 26^{\prime} 58^{\prime \prime}$ i, a distance of 86.16 feet to a calculated point, for an angle point;
48) N19 $27^{\prime} 23^{\prime \prime} \mathrm{W}$, a distance of 45.20 feet to a calculated point:, for an angle point;
49) $N 00^{\circ} 41^{\prime} 47^{\prime \prime} \mathrm{E}$, a distance of 41.66 feet to a calculated point, for an angle point;
50) $N 11^{\circ} 10^{\prime} 31^{\prime \prime} \mathrm{W}$, a distance of 60.93 feet to a calculated point, for an angle point;
51) $\mathrm{N} 23^{\circ} 17^{\prime} 44^{\prime \prime} \mathrm{W}$, a distance of 71.86 feet to a calculated point, for an angle point;
52) $N 51^{\circ} 19^{\prime} 43^{\prime \prime} \mathrm{W}$, a distance of 30.29 feet to a calculated point, for an angle point;
53) $N 76^{\circ} 09^{\prime} 03^{\prime \prime} \mathrm{W}$, a distance of 31.66 feet to a calculated point, for an angle point;
54) $\mathrm{S} 80^{\circ} 08^{\prime} 05^{\prime \prime} \mathrm{W}$, a distance of 62.24 feet to a calculated point, for an angle point;
55) $N 47^{\circ} 57^{\prime} 06^{\prime \prime} 6$, a distance of 55.71 feet to a calculated point, for an angle point;
56) $N 73^{\circ} 49^{\prime} 25^{\prime \prime} \mathrm{W}$, a distance of 56.12 feet to a calculated point, for an angle point;
57) $N 85^{\circ} 42^{\prime} 01^{\prime \prime} W$, a distance of 31.03 feet to a calculated point, for an angle point;
58) $S 89^{\circ} 22^{\prime} 20^{\prime \prime} W_{r}$ a distance of 59.65 feet to a calculated point, an angle point;
59) $N 62^{\circ} 45^{\prime} 03^{\prime \prime} \mathrm{W}$, a distance of 70.09 feet to a calculated point, for an angle point;
60) $N 73^{\circ} 41^{\prime} 43^{\prime \prime} \mathrm{W}$, a distance of 72.35 feet to a calculated point, for an angle point;
61) N $29^{\circ} 34^{\prime} 38^{\prime \prime} \mathrm{V}$, a distance of 49.46 feet to a calculated point, for an angle point;
62) $N 00^{\circ} 31^{\prime} 40^{\prime \prime} \mathrm{E}$, a distance of 69.33 feet to a calculated point, for an angle point;
63) $N 30^{\circ} 48^{\prime} 45^{\prime \prime} \mathrm{W}$, a distance of 70.19 feet to a calculated point, for an angle point;

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64) $N 05^{\circ} 32^{\prime} 47{ }^{\prime \prime} E$, a distance of 139.88 feet to a calculated point, for an angle point;
65) $N 40^{\circ} 28^{\prime} 01^{\prime \prime} W$, a distance of 59.67 feet to a calculated point, for an angle point;
66). $S 40^{\circ} 32^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 163.68 feet to a calculated point, for an angle point;
67) N $60^{\circ} 13^{\prime} 22^{\prime \prime} \mathrm{W}$, a distance of 132.37 feet to a calculated point, for an angle point;
68) $N 89^{\circ} 15^{\prime} 01^{\prime \prime} \mathrm{W}$, a distance of 97.04 feet to a calculated point, for an angle point;
69) $N 33^{\circ} 17^{\circ} 01^{\prime \prime} \mathrm{W}$, a distance of 87.74 feet to a calculated point, for an angle point;
70) $N .12^{\circ} 20^{\prime} 56^{\prime \prime} \mathrm{W}$, a distance of 8.1 .96 feet to a calculated point, for an angle point;
71) $N 43^{\circ} 37^{\prime} 29^{\prime \prime} W_{r}$ a distance of $16^{\prime} 7.95$ feet to a calculated point, for an angle point;
72). N09 $29^{\prime} 37^{\prime \prime} E$, a distance of 69.98 feet to a calculated point, for an angle point;
-73) N $35^{\circ} 37^{\prime} 27^{\prime \prime} \mathrm{E}$, a distance of 70.59 feet to a calculated point, for an angle point;
74) $\mathrm{N} 34^{\circ} 52^{\prime} 43^{\prime \prime} \mathrm{W}$, a distance of 118.29 feet to a calculated point, for an angle point;
75) $N 66^{\circ} 14^{\prime} 09^{\prime \prime} \mathrm{W}$, a distance of 126.25 feet to a calculated point, for an angle point;
76) N13 $02.32^{\prime \prime} \mathrm{E}$, a distance of 61.63 feet to a calculated point, for an angle point;
77) $N 20^{\circ} 02^{\prime} 32^{\prime \prime} \mathrm{W}$, a distance of 71.86 feet to a calculated point, fox an angle point;
78). $N 03^{\circ} 06^{\prime} 54^{\prime \prime} \mathrm{E}$, a distance of 108.22 feet to a calculated point, for an angle point;
79) N31 ${ }^{\circ} 49^{\prime} 14^{\prime \prime} \mathrm{w}$, a distance of 61.52 feet to a calculated point, for an angle point;
80) $S 81^{\circ} 43^{\prime} 25^{\prime \prime} \mathrm{m}$, a distance of 91.81 feet to a calculated point, for an angle point;
81). $S 88^{\circ} 09^{\prime} 57^{\prime \prime} W$, a distance of 198.97 feet to a calculated point, for an angle point;

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82) $N 54^{\circ} 58^{\prime} 54^{\prime \prime} \mathrm{W}$, a distance of 53.43 feet to a calculated point, for an angle point;
83) $N 32^{\circ} 33^{\prime} 32^{\prime \prime} E$, a distance of 43.54 feet to a calculated point, for an angle point;
84) $N 73^{\circ} 46^{\prime} 59^{\prime \prime} \mathrm{E}$, a distance of 65.35 feet to a calculated point, for an angle point;
85) $\mathrm{N} 22^{\circ} 07^{\circ} 14^{\prime \prime} \mathrm{E}_{f}$ a distance of 67.11 feet to a calculated point, for an angle point;
86) $N 01^{\circ} 47^{\prime} 28^{n} E$, a distance of 139.30 feet to a calculated point, for an angle point;
87) $N 44^{\circ} 51^{\prime} 12^{\prime \prime} \mathrm{E}$, a distance of 147.56 feet to a calculated point, for an angle point;
88) $N 36^{\circ} 10^{\prime} 24^{\prime \prime} \mathrm{W}$, a distance of 112.55 feet to a calculated point, for an angle point;
89) N41 ${ }^{\circ} 17^{\prime} 44^{n} E$, a distance of 42.83 feet to a calculated point, for an angle point;
90) $N 66^{\circ} 44^{\prime} 37^{\prime \prime}$ W, a distance of 218.31 feet to a calculated point, for an angle point;
91) $\mathrm{S} 22^{\circ} 41^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 120.76 feet to a calculated point, for an angle point;
92) $S 59^{\circ} 17^{\prime} 15^{\prime \prime} \mathrm{W}$, a distance of 79.96 feet to a calculated point, for an angle point;
93) $N 45^{\circ} 30^{\prime} 19^{\prime \prime} \mathrm{W}$, a distance of 109.77 feet to a calculated point, for an angle point;
94) N61 $10^{\prime} 57^{\prime \prime} \mathrm{W}$, a distance of 73.43 feet to a calculated point, for an angle point;
95) $\mathrm{S} 86^{\circ} 4^{\prime} 7^{\prime} 01^{\prime \prime} \mathrm{W}$, a distance of 25.00 feet to a calculated point, being an angle point in the northerly line of that certain 137.772 acre tract conveyed to Jennifer Scott Riggs by Deed of Record in Document No, 2003117240 of said Official Public Records, for an angle point;

TH\&NCE, leaving the approximate centerline of Gilleland Croek, along the northerly line of said 137.72 acre tract, being the southerly line of said 750.533 acre tract, for, a portion of the southerly line hereof, the following two (2) courses and distances:

1) $\mathrm{N} 28^{\circ} 10^{\prime} 51^{\prime \prime} \mathrm{E}$, a distance of 206.21 feet to a $1 / 2$ inch iron rod with cap set for an angle point;

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2) $\quad \mathrm{N} 27^{\circ} 57^{\prime} 39^{\prime \prime} \mathrm{E}$, a distance of 698.70 feet to a $1 / 2$ inch iron pipe found at an angle point in the northerly line of said 137.772 acre tract, being in the southerly line of said 165.984 acre tract, for an angle point;

THENCE, continuing along the northerly line of said 137.772 acre tract, being the southerly line of said 165.984 acre tract, for a portion of the southerly line hereof, the following ten (10) courses and distance:

1) $N 62^{\circ} 42^{\prime} 45^{\prime \prime} \mathrm{W}$, a distance of $1.574,58$ feet to a 1.2 inch iron rod with cap set for an angle point;
2) $N 62^{\circ} 30^{\prime} 14^{\prime \prime} \mathrm{W}$, a distance of 390.02 feet to a $1 / 2$ inch iron rod wi.th cap set for an angle point;
3) $N 64^{\circ} 21^{\prime} 34^{\prime \prime} \mathrm{W}$, a distance of 87,41 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
4) $N 62^{\circ} 45^{\prime} 03^{\prime \prime} W$, a distance of 262.16 feet to $1 / 2$ inch iron rod found for an angle point;
5) $N 62^{\circ} 27^{\prime} 50^{\prime \prime} W_{\text {, }}$ a distance of 291.49 feet to $1 / 2$ inch iron rod found for an angle point;
6) $N 62^{\circ} 43^{\prime} 58^{\prime \prime} \mathrm{W}$, a distance of 298.62 feet to $1 / 2$ inch iron rod found for an angle point;
7) $N 62^{\circ} 39^{\circ} 09^{\prime \prime} \mathrm{W}$, a distance of 353.97 feet to $1 / 2$ inch iron rod found for an angle point;
8) $N 62^{\circ} 26^{\prime} 41^{\prime \prime} \mathrm{W}$, a distance of 124.59 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
9) $\quad \mathrm{N} 62^{\circ} 37^{\prime} 20^{\prime \prime} \mathrm{W}$, a distance of 145.41 feet to $1 / 2$ inch iron rod found for an angle point;
10) $\mathrm{N} 62^{\circ} 42^{\prime} 19^{\prime \prime} \mathrm{W}$, a distance of 414.40 feet to a $5 / 8$ inch iron rod found at the southwesterly corner of said 165.984 acre tract, for the southwesterly corner hereof;

THENCE, $N 28^{\circ} 01^{\prime} 45^{\prime \prime} E_{\text {, }}$ in part continuing along the northerly line of said 137.772 acre tract, and in part along the easterly line of
, that certain 51.937 acre tract conveyed to Helen R. Dressen by Deed of record in Volume 10810, Page 40 , of said Real Property Records, being the westerly line of said 165.984 acre tract, for a portion of the westerly line hereof, a distance of 1765.59 feet to a $1 . / 2$ inch iron rod with cap set at the northwesterly corner of said 165.984 acre tract, being the southwesterly corner of said 750.533 acre tract, for an angle point;

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THENCE, $N 28^{\circ} 16^{\prime} 57^{\prime \prime} E_{r}$ in part continuing along the easterly line of said 51,937 acre tract, and in part along the easterly dine of that certain 52.119 acre tract conveyed to James A. Nelson, Jr., by Deed of record in Volume 10810, Page 40 , of said Real Property Records, a distance of 1561.57 feet to a $1 / 2$ inch iron rod with cap set at the northeasterly corner of said 52.119 acre tract, being an angle point in the southerly line of said 548.08 acre tract, for an angle point;

THBNCE, $N 62^{\circ} 20^{\prime} 40^{\prime \prime} \mathrm{W}$, leaving the westerly line of said 750.533 acre tract, along the northerly line of said 52.119 acre tract, being the southerly line of said 548.08 acre tract, for a portion of the westerly line hereof, a distance of 1454.92 feet to a $1 / 2$ inch iron rod with cap set at the southwesterly corner of said 548.08 acre tract, being the southeasterly corner of that certain 3.85 acre tract of land conveyed to the City of Austin, by Deed of record in Volume 3296, Page 247 of said Deed Records, for an angle point;

THENCE, along the easterly line of sald 3.85 acre tract and the easterly and northerly lines of that certain tract conveyed to Anne B. Schryver, Et. Al., by Deed of record in Volume 12870, Page 1684, of said Real Property Records, tract, being the westerly line of said 548.08 acre tract, for a portion of the westerly line hereof, the following three (3) courses and distances:

1) $N 28^{\circ} 21^{\prime} 05^{n} \mathrm{E}$, a distance of 1605.54 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
2) $\mathrm{N} 25^{\circ} 42^{\prime} 21^{\prime \prime} \mathrm{E}$, a distance of 245.50 feet to a $1 / 2$ inch iron rod with cap set at the northeasterly cornex of said Schryver tract, for an angle point;
3) $\mathrm{N} 26^{\circ} 24^{\prime} 30^{\prime \prime} W_{r}$ a distance of 1521.86 feet to a $\lambda / 2$ inch iron rod with cap set at the northwesterly corner of said Schryver tract, being in said easterly right-of-way line of F.M. Highway No. 973, for an angle point;

THENCE, along said easterly right-of-way line of said F.M. Highway No. 973 , being the westerly line of said 548.08 acre tract and said 164.73 acre tract, for a portion of the westerly line hereof, the following six (6) courses and distances:

1) $N 28^{\circ} 51^{\prime} 02^{\prime \prime} \mathrm{E}$, a distance of 792.97 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
2) $\mathrm{N} 23^{\circ} 08^{\prime} 50^{\prime \prime} \mathrm{E}$, a distance of 200.99 feet to a concrete monument found at an angle point;
3) $\mathrm{N} 29^{\circ} 17^{\prime} 58^{\circ} \mathrm{E}$, a distance of 105.40 feet to a concrete monument found at the northwesterly corner of said 548.08 acre tract, being the southwesterly corner of said 164.73 acre tract, for an angle point;

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4) $N 27^{\circ} 10^{\prime} 09^{\prime \prime E}$, a distance of 23.58 feet to a TxDOT Type I concrete monument found at the point of curvature of a curve to the left;
5) Along said curve, having a radius of 2915.00 feet, a central angle of $22^{\circ} 15^{\prime} 13^{\prime \prime}$, an arc length of 11.32 .18 feet, and a chord of which bears $\mathrm{N} 17^{\circ} 43^{\prime} 23^{\prime \prime} \mathrm{E}$, a distance of 1125.08 feet to a TxDOT Type I concrete monument found at the point of tangency of said curve;
6) $N 06^{\circ} 38^{\circ} 03^{\prime \prime} E$, a distance of $31 J .43$ feet to the POINT OF BEGINNING containing an area of 1819.188 acres $(79,243,814$ square feet) of land, more or less, within these metes and bounds.

TRACT II - 247.096 ACRES
BEGINNING, at a $1 / 2$ inch iron rod with cap found in the easterly right-of-way line of Taylor Lane ( $80^{\prime}$ R.O.N.), at the southwesterly corner of that certain 27.92 acre tract conveyed to Walter S. Chamberlin by Deed of Record in Volume 11795, Page 32 of the Real Property Records of Travis County, Texas, for the northwesterly corner of said 247.156 acre tract and hereof;

THENCE, leaving said easterly right-of-way line of Taylor lane, along the southerly line of said 27.92 acre tract and that certain 40.90 acre tract conveyed to Travis County, by Deed of record in Document No. 2002153674 of said Official Public Records, for the northerly line of said 247.156 acre tract and hereof, the following three (3) courses and distances:

1) $S 62^{\circ} 19^{\prime} 58^{\mathrm{H}} \mathrm{E}$, a distance of 127.06 feet to a $1 / 2$ inch iron rod found for an angle point;
2) $\mathrm{S} 62^{\circ} 40^{\prime} 50^{\prime \prime} \mathrm{E}$, a distance of 875.80 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
3) $S 62^{\circ} 45^{\prime} 17^{\prime \prime} \mathrm{E}$, a distance of 2396.70 feet to a $1 / 2$ inch iron rod with cap set at the northeasterly corner of sajid 247.156 acre tract, being the northwesterly corner of that certain 50.024 acre tract conveyed to Terry Masters, by Deed of record in Volume 1213'7, Page 79, of said Real Property Records, for the northeasterly corner hereof;

THENCE, leaving the southerly line of said 40.90 acre tract, along the westerly and southerly lines of said 52.024 acre tract, being the easterly line of said 247.156 acre tract, for a portion of the easterly line hereof, the following six (6) courses and distances:

1) $S 27^{\circ} 38^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 1656.72 feet to a $1 / 2$ inch iron rod with cap set for an angle point;

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2) $\quad S 26^{\circ} 46^{1} 24^{\prime \prime} W_{\text {, }}$ a distance of 278.40 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
3) $\mathrm{S} 26^{\circ} 25^{\prime} 17^{\prime \prime \prime}$ m, a distance of 310.86 feet to a 1.2 inch iron rod with cap set for an angle point;
4) $S 24^{\circ} 58^{\prime} \mathrm{J} 5^{\prime \prime} \mathrm{W}$, a distance of 99.44 feet to a wood fence post found for an angle point;
5) $\quad 562^{\circ} 27^{\prime} 04^{\prime \prime E}$, a distance of 782.06 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
6) $\quad 562^{\circ} 54^{\prime} 09^{\prime \prime} \mathrm{E}$, a distance of 319.90 feet to a. 1/2 inch iron rod with cap set in the westerly line of that certain 30.00 acre tract conveyed to the Lundeld. 1991. Trust, by Deed of record in Volume 11422, Page 436 of said Real Property Records, for an angle point;

THENCE, along the westerly line of said 30.00 acre tract, being the easterly line of said 247.156 acre tract, for a portion of the easterly line hereof, the following four (4) courses and distances:
d) $S 25^{\circ} 09^{\prime} 46^{\prime \prime} \mathrm{W}$, a distance of 82.68 feet to a $1 / 2$ inch ixon rod with cap set for an angle point;
2) $S 29^{\circ} 40^{\prime} 59^{\prime \prime} \mathrm{W}$, a distance of 328.78 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
3) $S 28^{\circ} 45^{\prime} 06^{\prime} \mathrm{W}$, a distance of 150.93 feet to a $1 / 2$ inch iron rod with cap set for an angle point;
4) $S 26^{\circ} 44^{\prime} 38^{n} W$, a distance of 85.20 feet to a wood fence post found at the northeasterly corner of that certain 130.638 acre tract conveyed to Fannie Ruth Salyer Life Estate, by Deed of record in Document No. 1999019515 of said Official Public Records, for the southeasterly cornex of said 247.156 acre tract and hereof;

THENCE, $N 62^{\circ} 02^{\prime} 23^{\prime \prime} \mathrm{W}$, leaving the westerly line of said 30.00 acre tract, along the northerly line of said 130.638 acre tract, for the southerly line of said 247.156 acre tract and hereof, a distance of 4487.32 feet a $1 / 2$ inch iron rod found in said easterly right-of-way line of Taylor Road, at the northwesterly corner of said 130.638 acre tract, for the southwesterly corner of said 247.156 acre tract and hereof;

THENCE, along said easterly right-of-way line of Taylor Lane, being the westerly line of said 247.156 acre tract, for the westerly line hereof, the following four (4) courses and distances:

1) $\quad \mathrm{N} 27^{\circ} 14^{\prime} 01^{\prime \prime} \mathrm{E}$, a distance of 926.35 feet to a $1 / 2$ inch iron rod found at the beginning of a non-tangent curve to the left;

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2) Along said curve, having a radius of 93792.13 feet, a central angle of $00^{\circ} 33^{\prime} 01^{\prime \prime}$, an arc length of 900.84 feet, and a chord of which bears $\mathrm{N} 26^{\circ} 58^{\prime} 54^{\circ} \mathrm{E}$, a distance of 900.83 feet to a $1 / 2$ inch ixon rod found at the end of said curve;
3) $N 26^{\circ} 46^{\prime} 57^{\circ} \mathrm{E}$, a distance of 454,27 feet to a $1 / 2$ inch iron rod with cap found at the beginning of a non-tangent curve to the right;
4) Along said curve, having a radius of 14621.15 feet, a central angle of $02^{\circ} 37^{\prime} 39^{\prime \prime}$ an arc length of 670.51 feet, and a chord of which bears $N 27^{\circ} 58^{\prime} 11^{\prime \prime} \mathrm{E}$, a distance of 670.45 feet to the POINT OF BEGINNING containing an area of 247.096 acres ( $10,763,494$ square feet) of land, more or less, within these metes and bounds.

I, ABRAM C. DASHNER, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY STATE THAT THIS DESCRIPTION IS BASED UPON A SURVEY MADE ON THE GROUND BY BURY+PARTNERS, INC. UNDER MY DIRECTION AND SUPERVISION, A SURVEY SKETCH PLAT WAS PREPARED TO ACCOMPANY THIS DESCRIPTION.

BURY \& PARTNERS, INC.
ENGINEERS-SURVEYORS
221 WEST SIXTH STREET, SUITE 600 AUSTIN, TEXAS 78701


## EXHIBIT B - VICINITY MAP AND CONCEPT PLAN OF DISTRICT




## WHISPER VALLEY VILLAGE 1, PHASE 1 FINAL PLAT

CONSUMER PROTECTION NOTICE FOR HOMEBUYERS. IF YOU ARE BUYING A LOT IN THIS SUBDIVISION, YOU SHOULD DETERMINE WHETHER THE SUBDIVISION AND THE LAND AROUND IT ARE INSIDE OR OUTSIDE THE CITY LIMITS. THIS CAN AFFECT THE ENJOYMENT AND VALUE OF YOUR HOME. DEPENDING ON STATE LAW AND OTHER FACTORS, LAND OUTSIDE THE CITY LIMITS MAY BE SUBJECT TO FEWER LOCAL GOVERNMENT CONTROLS OVER THE DEVELOPMENT AND USE OF LAND THAN INSIDE THE CITY LIMITS. THE SUBDIVISION'S RESTRICTIVE COVENANTS MAY CREATE PRIVATELY ENFORCEABLE RESTRICTIONS AGAINST INCOMPATIBLE LAND USES WITHIN THE SUBDIVISION, WHETHER IT IS INSIDE OR OUTSIDE THE CITY LIMITS. DEPENDING ON STATE LAW AND OTHER FACTORS, HOWEVER, OUTSIDE THE CITY LIMITS NEITHER PRIVATE NOR GOVERNMENTAL RESTRICTIONS MAY BE AVAILABLE TO (1) RESTRICT EITHER THE Nature or extent of development near the subdivision, or (2) PROHIBIT LAND USES NEAR THE SUBDIVISION THAT ARE INCOMPATIBLE WITH A RESIDENTIAL NEIGHBORHOOD.



WHISPER VALLEY 2019 AMENDED AND RESTATED SAP



WHISPER VALLEY 2019 AMENDED AND RESTATED SAP

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| 628 | 30.25 | 2500 | 5usosoc | 353 | S17852\％ |
| $\mathrm{c}_{12}$ | ${ }^{122} 27$ | 13500 | 450600 | 11895 | 5sor＇som |
| 123 | 5 SaH | 15saor | $2085106^{\circ}$ | 3510 | siアstix＊ |
| $\mathrm{ciz}^{2}$ | 6235 | 13830 | 2405s\％ | cast | 208212\％＊ |
| cia | ${ }^{3927}$ | 2sor | ascouer | 35.6 | ＂12z82\％＊ |
| cis | ${ }^{161.01}$ | 2asoco | ＂50560 | 158.00 | xsorisare |
| 122 | ${ }^{2324}$ | 20300 | anvar | 2.28 |  |
| cas | ${ }^{3} \mathrm{sm}{ }^{\text {c }}$ | 20s $0^{\circ}$ | 1 1as320 | 53.8 | m6erzeot |
| cis | 42 F | 20800 | 1535\％ | nso | wazroote |
| c1so | $23.5{ }^{\circ}$ | 205000 | 788w | 2.58 |  |
| ${ }^{1} 13$ | 322 | 2308 | 2000600 | 33\％ | wzos＇ |
| 918 | 3927 | 2sad | 9sobec | 3.36 | s172922 |
|  | ${ }^{212.24}$ | 13800 | 4spow | nses | 2500＇35\％ |
| ${ }^{\text {c }}$ S 4 | 4786 | 155000 | ＂\％\％z | 0 ar | skezzi＊ |
| c13 | 7385 | 13800 | 27835 | 718 | ssbszat＊ |
| c3s | ${ }^{3827}$ | 2500 | 9sworoc | 3s\％ | миzas＇r＊ |
|  | 3227 | 2850 | 2006000 | 358 | x23130 |
| c， 8 | $2{ }^{27}$ | 23 cos | Senobe | 3 m | мгз3：9\％ |
| ${ }^{\text {c13 }}$ | 3227 | 2800 | 200600 | 35.6 | 928822e |
| ${ }^{4} 10$ | saz | 2800 | avosom |  |  |
| c． 4 | 3.27 | 2500 | 9vocom | $3 \times 6$ | 372822 |
| G12 | 322 | 2800 | 200000 | 33：6060 |  |
| cis | 3827 | 2300 | wrocou | $3 \times 16$ | sazaz\％ |
| c\％ | 32.27 | 2805 | 20coso | 35.8 | N273 |
| E／5 |  | 2800 | 9170 | 3369 |  |

DATE：MARCH 7， 2014
WHISPER VALLEY

WHISPER VALLEY 2019 AMENDED AND RESTATED SAP

## WHISPER VALLEY VILLAGE 1, PHASE 1 FINAL PLAT





ENGINEER'S CERTHCAMON:




SURVETOR'S CERTACATION:


 Rop.L.
 $9 / 30 / 14$

GENERAL NOT:ES: (CONTINUED)

GENERAL NOTES:
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GENERAL NOTES: (CONTNUED)












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EXHIBIT D-2 - PREVIOUSLY SOLD ASSESSED PARCELS MAP



## EXHIBIT E - COST AND ALLOCATION OF AUTHORIZED IMPROVEMENTS

|  | Total Cost |  | Non-District Parcels |  |  | Improvement Area \#1 |  |  | Master Improvement Area |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | \% |  | Cost | \% |  | Cost | \% |  | Cost |
| Improvement Area \#1 Improvements |  |  |  |  |  |  |  |  |  |  |  |
| Erosion and Sedimentation Control | \$ | 802,773 | 0\% | \$ | - | 100\% | \$ | 802,773 | 0\% | \$ | - |
| Clearing and Grading |  | 543,220 | 0\% |  | - | 100\% |  | 543,220 | 0\% |  | - |
| Drainage Improvements |  | 1,126,764 | 0\% |  | - | 100\% |  | 1,126,764 | 0\% |  | - |
| Street Improvements |  | 1,577,458 | 0\% |  | - | 100\% |  | 1,577,458 | 0\% |  | - |
| Potable Water Improvements |  | 993,770 | 0\% |  | - | 100\% |  | 993,770 | 0\% |  | - |
| Wastewater Improvements |  | 834,535 | 0\% |  | - | 100\% |  | 834,535 | 0\% |  | - |
| Demolition and Restoration |  | 14,300 | 0\% |  | - | 100\% |  | 14,300 | 0\% |  | - |
| Pond Improvements |  | 482,028 | 0\% |  | - | 100\% |  | 482,028 | 0\% |  | - |
|  | \$ | 6,374,848 |  | \$ | - |  | \$ | 6,374,848 |  | \$ | - |
| Master Improvements |  |  |  |  |  |  |  |  |  |  |  |
| Braker Lane Phase 1 \& 2 [a] | \$ | 9,375,721 | 39.3\% | \$ | 3,685,258 | 3.12\% | \$ | 292,466 | 57.57\% | \$ | 5,397,997 |
| Water Line 1 [a] |  | 10,557,832 | 25.0\% |  | 2,639,458 | 3.85\% |  | 406,972 | 71.15\% |  | 7,511,402 |
| Wastewater Treatement Plant [a] |  | 8,410,990 | 20.8\% |  | 1,750,990 | 4.07\% |  | 342,297 | 75.11\% |  | 6,317,703 |
| 30" Wastewater Interceptor [a] |  | 2,936,198 | 25.7\% |  | 755,322 | 3.82\% |  | 112,088 | 70.46\% |  | 2,068,788 |
| Waterline 2 |  | 4,262,339 | 0.0\% |  | - | 5.14\% |  | 219,067 | 94.86\% |  | 4,043,272 |
|  | \$ | 35,543,080 |  | \$ | 8,831,028 |  | \$ | 1,372,890 |  | \$ | 25,339,162 |
| District Formation and Bond Issuance Costs |  |  |  |  |  |  |  |  |  |  |  |
| Debt Service Reserve Fund | \$ | 1,845,056 |  | \$ | - |  | \$ | 454,404 |  | \$ | 1,390,652 |
| Capitalized Interest |  | 3,616,334 |  |  | - |  |  | 292,943 |  |  | 3,323,391 |
| Underwriter's Discount |  | 814,668 |  |  | - |  |  | 169,932 |  |  | 644,736 |
| Cost of Issuance |  | 1,575,393 |  |  | - |  |  | 433,313 |  |  | 1,142,080 |
| Original Issue Discount |  | 871,010 |  |  | - |  |  | 74,166 |  |  | 796,845 |
|  | \$ | 8,722,461 |  | \$ | - |  | \$ | 1,424,758 |  | \$ | 7,297,702 |
| Total | \$ | 50,640,389 |  | \$ | 8,831,028 |  | \$ | 9,172,496 |  | \$ | 32,636,865 |

[^2]
## EXHIBIT F - SERVICE PLAN



## EXHIBIT G - SOURCES AND USES OF FUNDS

|  |  | vement <br> ea \#1 | MasterImprovement Area |  | Total |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Sources of Funds |  |  |  |  |  |  |
| Improvement Area \#1 Bond Par | \$ | 4,500,000 | \$ | - | \$ | 4,500,000 |
| Improvement Area \#1 Reimbursement Obligation |  | 870,820 |  | - |  | 870,820 |
| Master Improvement Area Bonds [a] |  | 796,636 |  | 14,703,364 |  | 15,500,000 |
| Subordinate Master PID Bonds [a] |  | 950,062 |  | 17,535,106 |  | 18,485,168 |
| Reimbursement Agreement - Braker Lane [a],[b] |  | 189,407 |  | 3,495,851 |  | 3,685,258 |
| Reimbursement Agreement - Wastewater [a],[c] |  | 128,814 |  | 2,377,498 |  | 2,506,312 |
| Contribution from Non-District Property [a],[d] |  | 135,657 |  | 2,503,801 |  | 2,639,458 |
| Owner Contribution |  | 2,054,978 |  | 398,395 |  | 2,453,372 |
| Total Sources | \$ | 9,626,375 | \$ | 41,014,014 | \$ | 50,640,389 |
| Uses of Funds |  |  |  |  |  |  |
| Master Improvements Benefitting District [a] | \$ | 1,372,890 | \$ | 25,339,162 | \$ | 26,712,052 |
| Master Improvements - Non District [a][e] |  | 453,879 |  | 8,377,149 |  | 8,831,028 |
| Improvement Area \#1 Improvements |  | 6,374,848 |  | - |  | 6,374,848 |
|  | \$ | 8,201,616 | \$ | 33,716,312 | \$ | 41,917,928 |
| Improvement Area \#1 Bonds |  |  |  |  |  |  |
| Reserve Fund | \$ | 379,058 | \$ | - | \$ | 379,058 |
| Capitalized Interest |  | 112,880 |  | - |  | 112,880 |
| Underwriter's Discount |  | 135,000 |  | - |  | 135,000 |
| Cost of Issuance |  | 371,435 |  | - |  | 371,435 |
| Original Issue Discount |  | 30,992 |  | - |  | 30,992 |
|  | \$ | 1,029,365 | \$ | - | \$ | 1,029,365 |
| Master Improvement Bonds |  |  |  |  |  |  |
| Reserve Fund [a] | \$ | 75,346 | \$ | 1,390,652 | \$ | 1,465,998 |
| Capitalized Interest [a] |  | 180,063 |  | 3,323,391 |  | 3,503,454 |
| Underwriter's Discount [a] |  | 22,306 |  | 411,694 |  | 434,000 |
| Cost of Issuance [a] |  | 29,924 |  | 552,305 |  | 582,229 |
| Original Issue Discount [a] |  | 43,173 |  | 796,845 |  | 840,018 |
|  | \$ | 350,813 | \$ | 6,474,886 | \$ | 6,825,699 |
| Subordinate Master PID Bonds |  |  |  |  |  |  |
| Underwriter's Discount [a] | \$ | 12,626 | \$ | 233,042 | \$ | 245,668 |
| Cost of Issuance [a] |  | 31,954 |  | 589,775 |  | 621,729 |
|  | \$ | 44,581 | \$ | 822,816 | \$ | 867,397 |
| Total Uses | \$ | 9,626,375 | \$ | 41,014,014 | \$ | 50,640,389 |

## Notes:

[a] Allocated 5.14\% to Improvement Area \#1 and 94.86\% to the Master Improvement Area based on Improvement Area \#1's share [b] Pursuant to the Braker Lane (FM 973 to Taylor Lane) Participation Agreement between the County and Owner, the County will reimburse the Owner 50\% of total costs for Braker Lane.
[c] The Owner and City entered into the Wastewater Cost Reimbursement Agreement whereby the Owner is reimbursed certain soft costs relating to the wastewater treatment plant and 30" interceptor.
[d] 25\% of the capacity for Water Line 1 will be used and paid for by property outside of the District.
[e] Equals costs paid by Non District Property, the Braker Lane (FM 973 to Taylor Lane) Participation Agreement, and Wastewater Cost Reimbursement Agreements.

|  |  |  | Improveme |  | Assessments |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Property ID | Legal Description |  | utstanding sessments |  | Installment e 1/31/20 |
| 201773 | ABS 12 SUR 13 GILLELAND J ACR 247.0980 (1-D-1) | \$ | 1,892,119.00 | \$ | 308,443.09 |
| 806424 | ABS 60 SUR 40 BUCKMAN O ACR 804.08 (1-D-1) | \$ | 2,751,170.03 | \$ | 448,480.98 |
| 806427 | ABS 60 SUR 40 BUCKMAN O ACR 106.7220 (1-D-1) | \$ | 940,963.26 | \$ | 153,390.78 |
| 806428 | ABS 60 SUR 40 BUCKMAN O ACR 66.7080 (1-D-1) | \$ | 588,161.60 | \$ | 95,878.95 |
| 806429 | ABS 60 SUR 40 BUCKMAN O ACR 188.8541 (1-D-1) | \$ | 1,740,581.97 | \$ | 283,740.33 |
| 806430 | ABS 60 SUR 40 BUCKMAN O \& ABS 5 SUR 33 BURLESON J ACR 166.2460 (1-D-1) | \$ | 1,465,783.83 | \$ | 238,944.22 |
| 806431 | ABS 60 SUR 40 BUCKMAN O ACR 126.0114 (1-D-1) | \$ | 1,156,079.40 | \$ | 188,457.86 |
| 806432 | ABS 60 SUR 40 BUCKMAN O \& ABS 5 SUR 33 BURLESON J ACR 153.5035 (1-D-1) | \$ | 1,354,302.28 | \$ | 220,771.09 |
| 858720 | ABS 60 SUR 40 BUCKMAN O ACR 92.7646 (1-D-1) | \$ | 315,838.62 | \$ | 51,486.32 |
| Total |  | \$ | 12,205,000.00 | \$ | 1,989,593.62 |


| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  |  | Annual nstallment |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 980,000 | \$ | 979,119 | \$ | 30,475 | \$ | - | \$ | - | \$ | 1,989,594 |
| 2021 | \$ | 1,190,000 | \$ | 897,044 | \$ | 31,084 | \$ | - | \$ | - | \$ | 2,118,128 |
| 2022 | \$ | 1,425,000 | \$ | 797,381 | \$ | 31,706 | \$ | - | \$ | - | \$ | 2,254,087 |
| 2023 | \$ | 1,690,000 | \$ | 678,038 | \$ | 32,340 | \$ | - | \$ | - | \$ | 2,400,378 |
| 2024 | \$ | 1,975,000 | \$ | 544,950 | \$ | 32,987 | \$ | - | \$ | - | \$ | 2,552,937 |
| 2025 | \$ | 2,295,000 | \$ | 389,419 | \$ | 33,647 | \$ | - | \$ | - | \$ | 2,718,065 |
| 2026 | \$ | 2,650,000 | \$ | 208,688 | \$ | 34,320 | \$ | - | \$ | - | \$ | 2,893,007 |
| Totals | \$ | 12,205,000 | \$ | 4,494,638 | \$ | 226,559 | \$ | - | \$ | - | \$ | 16,926,196 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

EXHIBIT J-1 - PROJECTED MASTER IMPROVEMENT AREA PARCEL \#201773 ANNUAL INSTALLMENTS

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 151,928 | \$ | 151,791 | \$ | 4,724 | \$ | - | \$ | - | \$ | 308,443 |
| 2021 | \$ | 184,484 | \$ | 139,067 | \$ | 4,819 | \$ | - | \$ | - | \$ | 328,370 |
| 2022 | \$ | 220,915 | \$ | 123,617 | \$ | 4,915 | \$ | - | \$ | - | \$ | 349,447 |
| 2023 | \$ | 261,998 | \$ | 105,115 | \$ | 5,014 | \$ | - | \$ | - | \$ | 372,126 |
| 2024 | \$ | 306,181 | \$ | 84,483 | \$ | 5,114 | \$ | - | \$ | - | \$ | 395,777 |
| 2025 | \$ | 355,790 | \$ | 60,371 | \$ | 5,216 | \$ | - | \$ | - | \$ | 421,377 |
| 2026 | \$ | 410,825 | \$ | 32,352 | \$ | 5,321 | \$ | - | \$ | - | \$ | 448,498 |
| Totals | \$ | 1,892,119 | \$ | 696,796 | \$ | 35,123 | \$ | - | \$ | - | \$ | 2,624,037 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 220,905 | \$ | 220,706 | \$ | 6,869 | \$ | - | \$ | - | \$ | 448,481 |
| 2021 | \$ | 268,242 | \$ | 202,206 | \$ | 7,007 | \$ | - | \$ | - | \$ | 477,454 |
| 2022 | \$ | 321,214 | \$ | 179,740 | \$ | 7,147 | \$ | - | \$ | - | \$ | 508,101 |
| 2023 | \$ | 380,949 | \$ | 152,839 | \$ | 7,290 | \$ | - | \$ | - | \$ | 541,077 |
| 2024 | \$ | 445,191 | \$ | 122,839 | \$ | 7,436 | \$ | - | \$ | - | \$ | 575,466 |
| 2025 | \$ | 517,324 | \$ | 87,780 | \$ | 7,584 | \$ | - | \$ | - | \$ | 612,688 |
| 2026 | \$ | 597,345 | \$ | 47,041 | \$ | 7,736 | \$ | - | \$ | - | \$ | 652,122 |
| Totals | \$ | 2,751,170 | \$ | 1,013,151 | \$ | 51,069 | \$ | - | \$ | - | \$ | 3,815,391 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 75,555 | \$ | 75,487 | \$ | 2,350 | \$ | - | \$ | - | \$ | 153,391 |
| 2021 | \$ | 91,745 | \$ | 69,159 | \$ | 2,396 | \$ | - | \$ | - | \$ | 163,300 |
| 2022 | \$ | 109,863 | \$ | 61,475 | \$ | 2,444 | \$ | - | \$ | - | \$ | 173,782 |
| 2023 | \$ | 130,293 | \$ | 52,274 | \$ | 2,493 | \$ | - | \$ | - | \$ | 185,061 |
| 2024 | \$ | 152,266 | \$ | 42,014 | \$ | 2,543 | \$ | - | \$ | - | \$ | 196,823 |
| 2025 | \$ | 176,937 | \$ | 30,023 | \$ | 2,594 | \$ | - | \$ | - | \$ | 209,553 |
| 2026 | \$ | 204,306 | \$ | 16,089 | \$ | 2,646 | \$ | - | \$ | - | \$ | 223,041 |
| Totals | \$ | 940,963 | \$ | 346,521 | \$ | 17,467 | \$ | - | \$ | - | \$ | 1,304,951 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

| Installment Due 1/31 | Principal |  | Interest |  | Annual <br> Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 47,226 | \$ | 47,184 | \$ | 1,469 | \$ | - | \$ | - | \$ | 95,879 |
| 2021 | \$ | 57,346 | \$ | 43,229 | \$ | 1,498 | \$ | - | \$ | - | \$ | 102,073 |
| 2022 | \$ | 68,671 | \$ | 38,426 | \$ | 1,528 | \$ | - | \$ | - | \$ | 108,625 |
| 2023 | \$ | 81,441 | \$ | 32,675 | \$ | 1,558 | \$ | - | \$ | - | \$ | 115,675 |
| 2024 | \$ | 95,176 | \$ | 26,261 | \$ | 1,590 | \$ | - | \$ | - | \$ | 123,027 |
| 2025 | \$ | 110,597 | \$ | 18,766 | \$ | 1,621 | \$ | - | \$ | - | \$ | 130,984 |
| 2026 | \$ | 127,704 | \$ | 10,057 | \$ | 1,654 | \$ | - | \$ | - | \$ | 139,415 |
| Totals | \$ | 588,162 | \$ | 216,598 | \$ | 10,918 | \$ | - | \$ | - | \$ | 815,677 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 139,760 | \$ | 139,634 | \$ | 4,346 | \$ | - | \$ | - | \$ | 283,740 |
| 2021 | \$ | 169,709 | \$ | 127,929 | \$ | 4,433 | \$ | - | \$ | - | \$ | 302,071 |
| 2022 | \$ | 203,222 | \$ | 113,716 | \$ | 4,522 | \$ | - | \$ | - | \$ | 321,460 |
| 2023 | \$ | 241,015 | \$ | 96,696 | \$ | 4,612 | \$ | - | \$ | - | \$ | 342,323 |
| 2024 | \$ | 281,659 | \$ | 77,717 | \$ | 4,704 | \$ | - | \$ | - | \$ | 364,080 |
| 2025 | \$ | 327,295 | \$ | 55,536 | \$ | 4,798 | \$ | - | \$ | - | \$ | 387,629 |
| 2026 | \$ | 377,922 | \$ | 29,761 | \$ | 4,894 | \$ | - | \$ | - | \$ | 412,578 |
| Totals | \$ | 1,740,582 | \$ | 640,990 | \$ | 32,310 | \$ | - | \$ | - | \$ | 2,413,882 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 117,695 | \$ | 117,589 | \$ | 3,660 | \$ | - | \$ | - | \$ | 238,944 |
| 2021 | \$ | 142,915 | \$ | 107,732 | \$ | 3,733 | \$ | - | \$ | - | \$ | 254,381 |
| 2022 | \$ | 171,138 | \$ | 95,763 | \$ | 3,808 | \$ | - | \$ | - | \$ | 270,709 |
| 2023 | \$ | 202,964 | \$ | 81,430 | \$ | 3,884 | \$ | - | \$ | - | \$ | 288,278 |
| 2024 | \$ | 237,192 | \$ | 65,447 | \$ | 3,962 | \$ | - | \$ | - | \$ | 306,600 |
| 2025 | \$ | 275,623 | \$ | 46,768 | \$ | 4,041 | \$ | - | \$ | - | \$ | 326,431 |
| 2026 | \$ | 318,257 | \$ | 25,063 | \$ | 4,122 | \$ | - | \$ | - | \$ | 347,441 |
| Totals | \$ | 1,465,784 | \$ | 539,792 | \$ | 27,209 | \$ | - | \$ | - | \$ | 2,032,785 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 92,827 | \$ | 92,744 | \$ | 2,887 | \$ | - | \$ | - | \$ | 188,458 |
| 2021 | \$ | 112,719 | \$ | 84,970 | \$ | 2,944 | \$ | - | \$ | - | \$ | 200,633 |
| 2022 | \$ | 134,979 | \$ | 75,529 | \$ | 3,003 | \$ | - | \$ | - | \$ | 213,511 |
| 2023 | \$ | 160,080 | \$ | 64,225 | \$ | 3,063 | \$ | - | \$ | - | \$ | 227,368 |
| 2024 | \$ | 187,076 | \$ | 51,619 | \$ | 3,125 | \$ | - | \$ | - | \$ | 241,819 |
| 2025 | \$ | 217,386 | \$ | 36,886 | \$ | 3,187 | \$ | - | \$ | - | \$ | 257,460 |
| 2026 | \$ | 251,013 | \$ | 19,767 | \$ | 3,251 | \$ | - | \$ | - | \$ | 274,031 |
| Totals | \$ | 1,156,079 | \$ | 425,740 | \$ | 21,460 | \$ | - | \$ | - | \$ | 1,603,280 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 108,744 | \$ | 108,646 | \$ | 3,382 | \$ | - | \$ | - | \$ | 220,771 |
| 2021 | \$ | 132,046 | \$ | 99,539 | \$ | 3,449 | \$ | - | \$ | - | \$ | 235,034 |
| 2022 | \$ | 158,122 | \$ | 88,480 | \$ | 3,518 | \$ | - | \$ | - | \$ | 250,120 |
| 2023 | \$ | 187,527 | \$ | 75,237 | \$ | 3,589 | \$ | - | \$ | - | \$ | 266,353 |
| 2024 | \$ | 219,152 | \$ | 60,469 | \$ | 3,660 | \$ | - | \$ | - | \$ | 283,281 |
| 2025 | \$ | 254,660 | \$ | 43,211 | \$ | 3,734 | \$ | - | \$ | - | \$ | 301,604 |
| 2026 | \$ | 294,052 | \$ | 23,157 | \$ | 3,808 | \$ | - | \$ | - | \$ | 321,016 |
| Totals | \$ | 1,354,302 | \$ | 498,738 | \$ | 25,140 | \$ | - | \$ | - | \$ | 1,878,180 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

## EXHIBIT J-9 - PROJECTED MASTER IMPROVEMENT AREA PARCEL \#858720 ANNUAL INSTALLMENTS

| Installment <br> Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  | Prepayment Reserve |  | Delinquency Reserve |  | Annual Installment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2020 | \$ | 25,360 | \$ | 25,337 | \$ | 789 | \$ | - | \$ | - | \$ | 51,486 |
| 2021 | \$ | 30,795 | \$ | 23,214 | \$ | 804 | \$ | - | \$ | - | \$ | 54,813 |
| 2022 | \$ | 36,876 | \$ | 20,634 | \$ | 820 | \$ | - | \$ | - | \$ | 58,331 |
| 2023 | \$ | 43,733 | \$ | 17,546 | \$ | 837 | \$ | - | \$ | - | \$ | 62,117 |
| 2024 | \$ | 51,109 | \$ | 14,102 | \$ | 854 | \$ | - | \$ | - | \$ | 66,064 |
| 2025 | \$ | 59,390 | \$ | 10,077 | \$ | 871 | \$ | - | \$ | - | \$ | 70,338 |
| 2026 | \$ | 68,576 | \$ | 5,400 | \$ | 888 | \$ | - | \$ | - | \$ | 74,865 |
| Totals | \$ | 315,839 | \$ | 116,311 | \$ | 5,863 | \$ | - | \$ | - | \$ | 438,013 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates. Prepayment Reserve and Delinquency Reserve are fully funded.

|  |  |  | Improvement Area \#1 <br> Bond Assessments |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Property ID | Legal Description | Lot Type | Outstanding Assessment |  | Annual Installment Due 1/31/20 |  |
| 858461 | LOT 10 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858462 | LOT 9 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858463 | LOT 8 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858464 | LOT 7 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858465 | LOT 6 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858466 | LOT 5 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858467 | LOT 4 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858468 | LOT 3 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858469 | LOT 2 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858470 | LOT 1 BLK B WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858472 | LOT 1 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858473 | LOT 2 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858474 | LOT 3 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858475 | LOT 4 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858476 | LOT 5 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858477 | LOT 6 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858478 | LOT 7 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858479 | LOT 8 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858480 | LOT 9 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858481 | LOT 10 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858482 | LOT 11 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858483 | LOT 12 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858484 | LOT 13 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858485 | LOT 14 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858486 | LOT 15 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858487 | LOT 16 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858488 | LOT 17 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858489 | LOT 18 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858491 | LOT 20 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858492 | LOT 21 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858493 | LOT 22 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858494 | LOT 23 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858495 | LOT 24 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858496 | LOT 25 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858497 | LOT 26 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858498 | LOT 27 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858499 | LOT 28 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858500 | LOT 29 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858501 | LOT 30 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858502 | LOT 31 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858503 | LOT 32 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858506 | LOT 34 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858507 | LOT 35 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858508 | LOT 36 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858509 | LOT 37 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858510 | LOT 38 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |


|  |  |  | Improvement Area \#1 Bond Assessments |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Property ID | Legal Description | Lot Type | Outstanding Assessment |  | Annual Installment <br> Due 1/31/20 |  |
| 858511 | LOT 39 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858512 | LOT 40 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858514 | LOT 42 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858515 | LOT 43 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858516 | LOT 44 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858517 | LOT 45 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858518 | LOT 46 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858526 | LOT 53 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858527 | LOT 54 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858528 | LOT 55 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858529 | LOT 56 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858530 | LOT 57 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858531 | LOT 58 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858532 | LOT 59 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858533 | LOT 60 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858534 | LOT 61 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858540 | LOT 67 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858542 | LOT 9 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858545 | LOT 6 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858546 | LOT 5 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858547 | LOT 4 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858548 | LOT 3 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858549 | LOT 2 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858550 | LOT 1 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858551 | LOT 17 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858552 | LOT 16 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858553 | LOT 15 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858554 | LOT 14 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858555 | LOT 13 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858556 | LOT 12 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858557 | LOT 11 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858559 | LOT 9 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858560 | LOT 8 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858561 | LOT 7 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858562 | LOT 6 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858563 | LOT 5 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858564 | LOT 4 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858565 | LOT 3 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858566 | LOT 2 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858567 | LOT 1 BLK H WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858569 | LOT 9 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858570 | LOT 8 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858571 | LOT 7 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858572 | LOT 6 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858573 | LOT 5 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858574 | LOT 4 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |


|  |  |  | Improvement Area \#1 Bond Assessments |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Property ID | Legal Description | Lot Type | Outstanding Assessment |  | Annual Installment Due 1/31/20 |  |
| 858575 | LOT 3 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858576 | LOT 2 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858577 | LOT 1 BLK G WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858578 | LOT 9 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858580 | LOT 7 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858581 | LOT 6 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858582 | LOT 5 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858583 | LOT 4 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858584 | LOT 3 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858585 | LOT 2 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 1 | \$ | 13,600.13 | \$ | 859.55 |
| 858589 | LOT 14 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858590 | LOT 15 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858591 | LOT 16 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858592 | LOT 17 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858593 | LOT 18 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858594 | LOT 19 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858595 | LOT 20 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858596 | LOT 21 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858597 | LOT 22 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858598 | LOT 23 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858600 | LOT 2 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858601 | LOT 3 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858602 | LOT 4 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858603 | LOT 5 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858604 | LOT 6 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858606 | LOT 7 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858607 | LOT 8 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858608 | LOT 9 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858609 | LOT 10 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858610 | LOT 11 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858611 | LOT 12 BLK D WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858613 | LOT 13 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858614 | LOT 14 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858615 | LOT 15 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858616 | LOT 16 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858617 | LOT 17 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858618 | LOT 18 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858619 | LOT 19 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858620 | LOT 20 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858621 | LOT 21 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858622 | LOT 22 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858624 | LOT 2 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858625 | LOT 3 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858626 | LOT 4 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858627 | LOT 5 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858628 | LOT 6 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |


|  |  |  | Improvement Area \#1 Bond Assessments |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Property ID | Legal Description | Lot Type | Outstanding Assessment |  | Annual Installment Due 1/31/20 |  |
| 858629 | LOT 7 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858630 | LOT 8 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858631 | LOT 9 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858632 | LOT 10 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858633 | LOT 11 BLK F WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858634 | LOT 26 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858635 | LOT 27 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858637 | LOT 29 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858646 | LOT 30 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858647 | LOT 31 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858648 | LOT 32 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858649 | LOT 33 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858650 | LOT 34 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858651 | LOT 35 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858652 | LOT 1 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858653 | LOT 2 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858654 | LOT 3 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858655 | LOT 4 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858656 | LOT 5 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858657 | LOT 6 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 3 | \$ | 26,119.22 | \$ | 1,650.78 |
| 858666 | LOT 22 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858668 | LOT 24 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858670 | LOT 11 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858671 | LOT 12 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858672 | LOT 13 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858675 | LOT 16 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858676 | LOT 17 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858677 | LOT 18 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858678 | LOT 1 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858679 | LOT 2 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858680 | LOT 3 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858685 | LOT 8 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858686 | LOT 9 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858687 | LOT 10 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858688 | LOT 15 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858689 | LOT 16 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858690 | LOT 17 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858691 | LOT 18 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858692 | LOT 19 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858693 | LOT 20 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858694 | LOT 21 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858695 | LOT 22 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858696 | LOT 23 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858697 | LOT 24 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858698 | LOT 25 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858699 | LOT 26 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |
| 858700 | LOT 1 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 | Lot Type 2 | \$ | 22,279.90 | \$ | 1,408.13 |



## EXHIBIT L - PROJECTED ANNUAL INSTALLMENTS FOR ALL IMPROVEMENT AREA \#1 BOND ASSESSED PARCELS

| Installment Due 1/31 |  | Principal | Interest [a] |  | Capitalized Interest [b] |  | Annual Collection Costs |  | Additional Interest |  |  | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | 112,880 | \$ | $(112,880)$ | \$ | - | \$ | - | \$ | - |
| 2020 | \$ | 20,000 | \$ | 208,394 | \$ | - | \$ | 33,514 | \$ | 22,500 | \$ | 284,408 |
| 2021 | \$ | 25,000 | \$ | 207,594 | \$ | - | \$ | 34,185 | \$ | 22,400 | \$ | 289,178 |
| 2022 | \$ | 30,000 | \$ | 206,594 | \$ | - | \$ | 34,868 | \$ | 22,275 | \$ | 293,737 |
| 2023 | \$ | 35,000 | \$ | 205,394 | \$ | - | \$ | 35,566 | \$ | 22,125 | \$ | 298,085 |
| 2024 | \$ | 45,000 | \$ | 203,994 | \$ | - | \$ | 36,277 | \$ | 21,950 | \$ | 307,221 |
| 2025 | \$ | 50,000 | \$ | 202,194 | \$ | - | \$ | 37,003 | \$ | 21,725 | \$ | 310,921 |
| 2026 | \$ | 55,000 | \$ | 200,194 | \$ | - | \$ | 37,743 | \$ | 21,475 | \$ | 314,411 |
| 2027 | \$ | 65,000 | \$ | 197,994 | \$ | - | \$ | 38,498 | \$ | 21,200 | \$ | 322,691 |
| 2028 | \$ | 75,000 | \$ | 195,394 | \$ | - | \$ | 39,268 | \$ | 20,875 | \$ | 330,536 |
| 2029 | \$ | 80,000 | \$ | 192,394 | \$ | - | \$ | 40,053 | \$ | 20,500 | \$ | 332,947 |
| 2030 | \$ | 90,000 | \$ | 189,194 | \$ | - | \$ | 40,854 | \$ | 20,100 | \$ | 340,148 |
| 2031 | \$ | 100,000 | \$ | 185,031 | \$ | - | \$ | 41,671 | \$ | 19,650 | \$ | 346,352 |
| 2032 | \$ | 110,000 | \$ | 180,406 | \$ | - | \$ | 42,504 | \$ | 19,150 | \$ | 352,061 |
| 2033 | \$ | 120,000 | \$ | 175,319 | \$ | - | \$ | 43,354 | \$ | 18,600 | \$ | 357,273 |
| 2034 | \$ | 130,000 | \$ | 169,769 | \$ | - | \$ | 44,222 | \$ | 18,000 | \$ | 361,990 |
| 2035 | \$ | 145,000 | \$ | 163,756 | \$ | - | \$ | 45,106 | \$ | 17,350 | \$ | 371,212 |
| 2036 | \$ | 155,000 | \$ | 157,050 | \$ | - | \$ | 46,008 | \$ | 16,625 | \$ | 374,683 |
| 2037 | \$ | 170,000 | \$ | 149,881 | \$ | - | \$ | 46,928 | \$ | 15,850 | \$ | 382,660 |
| 2038 | \$ | 185,000 | \$ | 142,019 | \$ | - | \$ | 47,867 | \$ | 15,000 | \$ | 389,886 |
| 2039 | \$ | 200,000 | \$ | 133,463 | \$ | - | \$ | 48,824 | \$ | 14,075 | \$ | 396,362 |
| 2040 | \$ | 215,000 | \$ | 124,213 | \$ | - | \$ | 49,801 | \$ | 13,075 | \$ | 402,088 |
| 2041 | \$ | 235,000 | \$ | 114,000 | \$ | - | \$ | 50,797 | \$ | 12,000 | \$ | 411,797 |
| 2042 | \$ | 245,000 | \$ | 102,838 | \$ | - | \$ | 51,813 | \$ | 10,825 | \$ | 410,475 |
| 2043 | \$ | 265,000 | \$ | 91,200 | \$ | - | \$ | 52,849 | \$ | 9,600 | \$ | 418,649 |
| 2044 | \$ | 285,000 | \$ | 78,613 | \$ | - | \$ | 53,906 | \$ | 8,275 | \$ | 425,793 |
| 2045 | \$ | 305,000 | \$ | 65,075 | \$ | - | \$ | 54,984 | \$ | 6,850 | \$ | 431,909 |
| 2046 | \$ | 330,000 | \$ | 50,588 | \$ | - | \$ | 56,084 | \$ | 5,325 | \$ | 441,996 |
| 2047 | \$ | 355,000 | \$ | 34,913 | \$ | - | \$ | 57,205 | \$ | 3,675 | \$ | 450,793 |
| 2048 | \$ | 380,000 | \$ | 18,050 | \$ | - | \$ | 58,349 | \$ | 1,900 | \$ | 458,299 |
| Total | \$ | 4,500,000 | \$ | 4,458,393 | \$ | $(112,880)$ | \$ | 1,300,100 | \$ | 462,950 | \$ | 10,608,562 |

[a] Interest rate is calculated at the rate of the PID Bonds
[b] Capitalized Interest will be funded through 11/1/2019.
Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

## EXHIBIT M-1 - PROJECTED LOT TYPE 1 ANNUAL INSTALLMENTS PER LOT

| Installment Due 1/31 | Principal |  | Interest [a] |  | Capitalized Interest [b] |  | Annual Collection Costs |  | Additional Interest |  |  | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | 341.15 | \$ | (341.15) | \$ | - | \$ | - | \$ | - |
| 2020 | \$ | 60.45 | \$ | 629.82 | \$ | - | \$ | 101.29 | \$ | 68.00 | \$ | 859.55 |
| 2021 | \$ | 75.56 | \$ | 627.40 | \$ | - | \$ | 103.31 | \$ | 67.70 | \$ | 873.97 |
| 2022 | \$ | 90.67 | \$ | 624.38 | \$ | - | \$ | 105.38 | \$ | 67.32 | \$ | 887.75 |
| 2023 | \$ | 105.78 | \$ | 620.75 | \$ | - | \$ | 107.49 | \$ | 66.87 | \$ | 900.89 |
| 2024 | \$ | 136.00 | \$ | 616.52 | \$ | - | \$ | 109.64 | \$ | 66.34 | \$ | 928.50 |
| 2025 | \$ | 151.11 | \$ | 611.08 | \$ | - | \$ | 111.83 | \$ | 65.66 | \$ | 939.68 |
| 2026 | \$ | 166.22 | \$ | 605.04 | \$ | - | \$ | 114.07 | \$ | 64.90 | \$ | 950.23 |
| 2027 | \$ | 196.45 | \$ | 598.39 | \$ | - | \$ | 116.35 | \$ | 64.07 | \$ | 975.25 |
| 2028 | \$ | 226.67 | \$ | 590.53 | \$ | - | \$ | 118.68 | \$ | 63.09 | \$ | 998.96 |
| 2029 | \$ | 241.78 | \$ | 581.46 | \$ | - | \$ | 121.05 | \$ | 61.96 | \$ | 1,006.25 |
| 2030 | \$ | 272.00 | \$ | 571.79 | \$ | - | \$ | 123.47 | \$ | 60.75 | \$ | 1,028.01 |
| 2031 | \$ | 302.23 | \$ | 559.21 | \$ | - | \$ | 125.94 | \$ | 59.39 | \$ | 1,046.76 |
| 2032 | \$ | 332.45 | \$ | 545.23 | \$ | - | \$ | 128.46 | \$ | 57.88 | \$ | 1,064.02 |
| 2033 | \$ | 362.67 | \$ | 529.86 | \$ | - | \$ | 131.03 | \$ | 56.21 | \$ | 1,079.77 |
| 2034 | \$ | 392.89 | \$ | 513.08 | \$ | - | \$ | 133.65 | \$ | 54.40 | \$ | 1,094.03 |
| 2035 | \$ | 438.23 | \$ | 494.91 | \$ | - | \$ | 136.32 | \$ | 52.44 | \$ | 1,121.90 |
| 2036 | \$ | 468.45 | \$ | 474.64 | \$ | - | \$ | 139.05 | \$ | 50.24 | \$ | 1,132.39 |
| 2037 | \$ | 513.78 | \$ | 452.98 | \$ | - | \$ | 141.83 | \$ | 47.90 | \$ | 1,156.49 |
| 2038 | \$ | 559.12 | \$ | 429.22 | \$ | - | \$ | 144.67 | \$ | 45.33 | \$ | 1,178.33 |
| 2039 | \$ | 604.45 | \$ | 403.36 | \$ | - | \$ | 147.56 | \$ | 42.54 | \$ | 1,197.91 |
| 2040 | \$ | 649.78 | \$ | 375.40 | \$ | - | \$ | 150.51 | \$ | 39.52 | \$ | 1,215.21 |
| 2041 | \$ | 710.23 | \$ | 344.54 | \$ | - | \$ | 153.52 | \$ | 36.27 | \$ | 1,244.55 |
| 2042 | \$ | 740.45 | \$ | 310.80 | \$ | - | \$ | 156.59 | \$ | 32.72 | \$ | 1,240.56 |
| 2043 | \$ | 800.90 | \$ | 275.63 | \$ | - | \$ | 159.72 | \$ | 29.01 | \$ | 1,265.26 |
| 2044 | \$ | 861.34 | \$ | 237.59 | \$ | - | \$ | 162.92 | \$ | 25.01 | \$ | 1,286.85 |
| 2045 | \$ | 921.79 | \$ | 196.67 | \$ | - | \$ | 166.18 | \$ | 20.70 | \$ | 1,305.34 |
| 2046 | \$ | 997.34 | \$ | 152.89 | \$ | - | \$ | 169.50 | \$ | 16.09 | \$ | 1,335.82 |
| 2047 | \$ | 1,072.90 | \$ | 105.51 | \$ | - | \$ | 172.89 | \$ | 11.11 | \$ | 1,362.41 |
| 2048 | \$ | 1,148.46 | \$ | 54.55 | \$ | - | \$ | 176.35 | \$ | 5.74 | \$ | 1,385.10 |
| Total | \$ | 13,600.13 | \$ | 13,474.39 | \$ | (341.15) | \$ | 3,929.23 | \$ | 1,399.15 | \$ | 32,061.75 |

[a] Interest rate is calculated at the rate of the PID Bonds
[b] Capitalized Interest will be funded through 11/1/2019.
Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

| Installment Due 1/31 | Principal |  | Interest [a] |  | Capitalized Interest [b] |  | Annual Collection Costs |  | Additional Interest |  | Total |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | 558.88 | \$ | (558.88) | \$ | - | \$ | - | \$ | - |
| 2020 | \$ | 99.02 | \$ | 1,031.78 | \$ | - | \$ | 165.93 | \$ | 111.40 | \$ | 1,408.13 |
| 2021 | \$ | 123.78 | \$ | 1,027.82 | \$ | - | \$ | 169.25 | \$ | 110.90 | \$ | 1,431.75 |
| 2022 | \$ | 148.53 | \$ | 1,022.86 | \$ | - | \$ | 172.64 | \$ | 110.29 | \$ | 1,454.32 |
| 2023 | \$ | 173.29 | \$ | 1,016.92 | \$ | - | \$ | 176.09 | \$ | 109.54 | \$ | 1,475.84 |
| 2024 | \$ | 222.80 | \$ | 1,009.99 | \$ | - | \$ | 179.61 | \$ | 108.68 | \$ | 1,521.08 |
| 2025 | \$ | 247.55 | \$ | 1,001.08 | \$ | - | \$ | 183.20 | \$ | 107.56 | \$ | 1,539.40 |
| 2026 | \$ | 272.31 | \$ | 991.18 | \$ | - | \$ | 186.87 | \$ | 106.32 | \$ | 1,556.68 |
| 2027 | \$ | 321.82 | \$ | 980.28 | \$ | - | \$ | 190.60 | \$ | 104.96 | \$ | 1,597.67 |
| 2028 | \$ | 371.33 | \$ | 967.41 | \$ | - | \$ | 194.42 | \$ | 103.35 | \$ | 1,636.51 |
| 2029 | \$ | 396.09 | \$ | 952.56 | \$ | - | \$ | 198.31 | \$ | 101.50 | \$ | 1,648.45 |
| 2030 | \$ | 445.60 | \$ | 936.72 | \$ | - | \$ | 202.27 | \$ | 99.52 | \$ | 1,684.10 |
| 2031 | \$ | 495.11 | \$ | 916.11 | \$ | - | \$ | 206.32 | \$ | 97.29 | \$ | 1,714.82 |
| 2032 | \$ | 544.62 | \$ | 893.21 | \$ | - | \$ | 210.44 | \$ | 94.81 | \$ | 1,743.08 |
| 2033 | \$ | 594.13 | \$ | 868.02 | \$ | - | \$ | 214.65 | \$ | 92.09 | \$ | 1,768.89 |
| 2034 | \$ | 643.64 | \$ | 840.54 | \$ | - | \$ | 218.94 | \$ | 89.12 | \$ | 1,792.25 |
| 2035 | \$ | 717.91 | \$ | 810.77 | \$ | - | \$ | 223.32 | \$ | 85.90 | \$ | 1,837.90 |
| 2036 | \$ | 767.42 | \$ | 777.57 | \$ | - | \$ | 227.79 | \$ | 82.31 | \$ | 1,855.09 |
| 2037 | \$ | 841.69 | \$ | 742.08 | \$ | - | \$ | 232.35 | \$ | 78.47 | \$ | 1,894.58 |
| 2038 | \$ | 915.95 | \$ | 703.15 | \$ | - | \$ | 236.99 | \$ | 74.27 | \$ | 1,930.36 |
| 2039 | \$ | 990.22 | \$ | 660.78 | \$ | - | \$ | 241.73 | \$ | 69.69 | \$ | 1,962.42 |
| 2040 | \$ | 1,064.48 | \$ | 614.99 | \$ | - | \$ | 246.57 | \$ | 64.74 | \$ | 1,990.77 |
| 2041 | \$ | 1,163.51 | \$ | 564.42 | \$ | - | \$ | 251.50 | \$ | 59.41 | \$ | 2,038.84 |
| 2042 | \$ | 1,213.02 | \$ | 509.16 | \$ | - | \$ | 256.53 | \$ | 53.60 | \$ | 2,032.30 |
| 2043 | \$ | 1,312.04 | \$ | 451.54 | \$ | - | \$ | 261.66 | \$ | 47.53 | \$ | 2,072.77 |
| 2044 | \$ | 1,411.06 | \$ | 389.22 | \$ | - | \$ | 266.89 | \$ | 40.97 | \$ | 2,108.14 |
| 2045 | \$ | 1,510.08 | \$ | 322.19 | \$ | - | \$ | 272.23 | \$ | 33.91 | \$ | 2,138.42 |
| 2046 | \$ | 1,633.86 | \$ | 250.46 | \$ | - | \$ | 277.68 | \$ | 26.36 | \$ | 2,188.36 |
| 2047 | \$ | 1,757.64 | \$ | 172.85 | \$ | - | \$ | 283.23 | \$ | 18.20 | \$ | 2,231.92 |
| 2048 | \$ | 1,881.41 | \$ | 89.37 | \$ | - | \$ | 288.89 | \$ | 9.41 | \$ | 2,269.08 |
| Total | \$ | 22,279.90 | \$ | 22,073.90 | \$ | (558.88) | \$ | 6,436.91 | \$ | 2,292.11 | \$ | 52,523.93 |

[a] Interest rate is calculated at the rate of the PID Bonds
[b] Capitalized Interest will be funded through 11/1/2019.
Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

| Installment Due 1/31 | Principal |  | Interest [a] |  | Capitalized Interest [b] |  | Annual Collection Costs |  | Additional Interest |  | Total |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | 655.19 | \$ | (655.19) | \$ | - | \$ | - | \$ | - |
| 2020 | \$ | 116.09 | \$ | 1,209.57 | \$ | - | \$ | 194.53 | \$ | 130.60 | \$ | 1,650.78 |
| 2021 | \$ | 145.11 | \$ | 1,204.93 | \$ | - | \$ | 198.42 | \$ | 130.02 | \$ | 1,678.47 |
| 2022 | \$ | 174.13 | \$ | 1,199.13 | \$ | - | \$ | 202.39 | \$ | 129.29 | \$ | 1,704.93 |
| 2023 | \$ | 203.15 | \$ | 1,192.16 | \$ | - | \$ | 206.43 | \$ | 128.42 | \$ | 1,730.16 |
| 2024 | \$ | 261.19 | \$ | 1,184.03 | \$ | - | \$ | 210.56 | \$ | 127.40 | \$ | 1,783.19 |
| 2025 | \$ | 290.21 | \$ | 1,173.59 | \$ | - | \$ | 214.77 | \$ | 126.10 | \$ | 1,804.67 |
| 2026 | \$ | 319.23 | \$ | 1,161.98 | \$ | - | \$ | 219.07 | \$ | 124.65 | \$ | 1,824.93 |
| 2027 | \$ | 377.28 | \$ | 1,149.21 | \$ | - | \$ | 223.45 | \$ | 123.05 | \$ | 1,872.99 |
| 2028 | \$ | 435.32 | \$ | 1,134.12 | \$ | - | \$ | 227.92 | \$ | 121.16 | \$ | 1,918.52 |
| 2029 | \$ | 464.34 | \$ | 1,116.71 | \$ | - | \$ | 232.48 | \$ | 118.99 | \$ | 1,932.51 |
| 2030 | \$ | 522.38 | \$ | 1,098.13 | \$ | - | \$ | 237.13 | \$ | 116.67 | \$ | 1,974.31 |
| 2031 | \$ | 580.43 | \$ | 1,073.97 | \$ | - | \$ | 241.87 | \$ | 114.05 | \$ | 2,010.32 |
| 2032 | \$ | 638.47 | \$ | 1,047.13 | \$ | - | \$ | 246.71 | \$ | 111.15 | \$ | 2,043.46 |
| 2033 | \$ | 696.51 | \$ | 1,017.60 | \$ | - | \$ | 251.64 | \$ | 107.96 | \$ | 2,073.71 |
| 2034 | \$ | 754.56 | \$ | 985.38 | \$ | - | \$ | 256.67 | \$ | 104.48 | \$ | 2,101.09 |
| 2035 | \$ | 841.62 | \$ | 950.49 | \$ | - | \$ | 261.81 | \$ | 100.70 | \$ | 2,154.62 |
| 2036 | \$ | 899.66 | \$ | 911.56 | \$ | - | \$ | 267.04 | \$ | 96.50 | \$ | 2,174.76 |
| 2037 | \$ | 986.73 | \$ | 869.95 | \$ | - | \$ | 272.38 | \$ | 92.00 | \$ | 2,221.06 |
| 2038 | \$ | 1,073.79 | \$ | 824.32 | \$ | - | \$ | 277.83 | \$ | 87.06 | \$ | 2,263.00 |
| 2039 | \$ | 1,160.85 | \$ | 774.65 | \$ | - | \$ | 283.39 | \$ | 81.70 | \$ | 2,300.59 |
| 2040 | \$ | 1,247.92 | \$ | 720.96 | \$ | - | \$ | 289.06 | \$ | 75.89 | \$ | 2,333.83 |
| 2041 | \$ | 1,364.00 | \$ | 661.69 | \$ | - | \$ | 294.84 | \$ | 69.65 | \$ | 2,390.18 |
| 2042 | \$ | 1,422.05 | \$ | 596.90 | \$ | - | \$ | 300.73 | \$ | 62.83 | \$ | 2,382.51 |
| 2043 | \$ | 1,538.13 | \$ | 529.35 | \$ | - | \$ | 306.75 | \$ | 55.72 | \$ | 2,429.95 |
| 2044 | \$ | 1,654.22 | \$ | 456.29 | \$ | - | \$ | 312.88 | \$ | 48.03 | \$ | 2,471.42 |
| 2045 | \$ | 1,770.30 | \$ | 377.71 | \$ | - | \$ | 319.14 | \$ | 39.76 | \$ | 2,506.92 |
| 2046 | \$ | 1,915.41 | \$ | 293.62 | \$ | - | \$ | 325.52 | \$ | 30.91 | \$ | 2,565.47 |
| 2047 | \$ | 2,060.52 | \$ | 202.64 | \$ | - | \$ | 332.04 | \$ | 21.33 | \$ | 2,616.52 |
| 2048 | \$ | 2,205.62 | \$ | 104.77 | \$ | - | \$ | 338.68 | \$ | 11.03 | \$ | 2,660.09 |
| Total | \$ | 26,119.22 | \$ | 25,877.72 | \$ | (655.19) | \$ | 7,546.13 | \$ | 2,687.09 | \$ | 61,574.97 |

[a] Interest rate is calculated at the rate of the PID Bonds
[b] Capitalized Interest will be funded through 11/1/2019.
Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

## EXHIBIT N - IMPROVEMENT AREA \#1 REIMBURSEMENT ASSESSMENT ROLL



## EXHIBIT O-PROJECTED ANNUAL INSTALLMENTS FOR ALL IMPROVEMENT AREA \#1 REIMBURSEMENT ASSESSED PARCELS

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  |  | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | - | \$ | - | \$ | - |
| 2020 | \$ | 3,870 | \$ | 44,682 | \$ | 6,486 | \$ | 55,037 |
| 2021 | \$ | 4,838 | \$ | 44,507 | \$ | 6,615 | \$ | 55,961 |
| 2022 | \$ | 5,805 | \$ | 44,290 | \$ | 6,748 | \$ | 56,843 |
| 2023 | \$ | 6,773 | \$ | 44,028 | \$ | 6,883 | \$ | 57,684 |
| 2024 | \$ | 8,708 | \$ | 43,724 | \$ | 7,020 | \$ | 59,452 |
| 2025 | \$ | 9,676 | \$ | 43,332 | \$ | 7,161 | \$ | 60,168 |
| 2026 | \$ | 10,643 | \$ | 42,896 | \$ | 7,304 | \$ | 60,844 |
| 2027 | \$ | 12,579 | \$ | 42,417 | \$ | 7,450 | \$ | 62,446 |
| 2028 | \$ | 14,514 | \$ | 41,851 | \$ | 7,599 | \$ | 63,964 |
| 2029 | \$ | 15,481 | \$ | 41,198 | \$ | 7,751 | \$ | 64,430 |
| 2030 | \$ | 17,416 | \$ | 40,502 | \$ | 7,906 | \$ | 65,824 |
| 2031 | \$ | 19,352 | \$ | 39,609 | \$ | 8,064 | \$ | 67,025 |
| 2032 | \$ | 21,287 | \$ | 38,617 | \$ | 8,225 | \$ | 68,129 |
| 2033 | \$ | 23,222 | \$ | 37,526 | \$ | 8,390 | \$ | 69,138 |
| 2034 | \$ | 25,157 | \$ | 36,336 | \$ | 8,558 | \$ | 70,051 |
| 2035 | \$ | 28,060 | \$ | 35,047 | \$ | 8,729 | \$ | 71,835 |
| 2036 | \$ | 29,995 | \$ | 33,609 | \$ | 8,903 | \$ | 72,507 |
| 2037 | \$ | 32,898 | \$ | 32,072 | \$ | 9,081 | \$ | 74,051 |
| 2038 | \$ | 35,800 | \$ | 30,386 | \$ | 9,263 | \$ | 75,449 |
| 2039 | \$ | 38,703 | \$ | 28,551 | \$ | 9,448 | \$ | 76,702 |
| 2040 | \$ | 41,606 | \$ | 26,567 | \$ | 9,637 | \$ | 77,810 |
| 2041 | \$ | 45,476 | \$ | 24,383 | \$ | 9,830 | \$ | 79,689 |
| 2042 | \$ | 47,411 | \$ | 21,995 | \$ | 10,027 | \$ | 79,433 |
| 2043 | \$ | 51,282 | \$ | 19,506 | \$ | 10,227 | \$ | 81,015 |
| 2044 | \$ | 55,152 | \$ | 16,814 | \$ | 10,432 | \$ | 82,398 |
| 2045 | \$ | 59,022 | \$ | 13,919 | \$ | 10,640 | \$ | 83,581 |
| 2046 | \$ | 63,860 | \$ | 10,820 | \$ | 10,853 | \$ | 85,533 |
| 2047 | \$ | 68,698 | \$ | 7,467 | \$ | 11,070 | \$ | 87,235 |
| 2048 | \$ | 73,536 | \$ | 3,861 | \$ | 11,292 | \$ | 88,688 |
| Total | \$ | 870,820 | \$ | 930,513 | \$ | 251,590 | \$ | 2,052,923 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

| Installment <br> Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  |  | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | - | \$ | - | \$ |  |
| 2020 | \$ | 60.45 | \$ | 697.82 | \$ | 101.29 | \$ | 859.55 |
| 2021 | \$ | 75.56 | \$ | 695.10 | \$ | 103.31 | \$ | 873.97 |
| 2022 | \$ | 90.67 | \$ | 691.70 | \$ | 105.38 | \$ | 887.75 |
| 2023 | \$ | 105.78 | \$ | 687.62 | \$ | 107.49 | \$ | 900.89 |
| 2024 | \$ | 136.00 | \$ | 682.86 | \$ | 109.64 | \$ | 928.50 |
| 2025 | \$ | 151.11 | \$ | 676.74 | \$ | 111.83 | \$ | 939.68 |
| 2026 | \$ | 166.22 | \$ | 669.94 | \$ | 114.07 | \$ | 950.23 |
| 2027 | \$ | 196.45 | \$ | 662.46 | \$ | 116.35 | \$ | 975.25 |
| 2028 | \$ | 226.67 | \$ | 653.62 | \$ | 118.68 | \$ | 998.96 |
| 2029 | \$ | 241.78 | \$ | 643.42 | \$ | 121.05 | \$ | 1,006.25 |
| 2030 | \$ | 272.00 | \$ | 632.54 | \$ | 123.47 | \$ | 1,028.01 |
| 2031 | \$ | 302.23 | \$ | 618.60 | \$ | 125.94 | \$ | 1,046.76 |
| 2032 | \$ | 332.45 | \$ | 603.11 | \$ | 128.46 | \$ | 1,064.02 |
| 2033 | \$ | 362.67 | \$ | 586.07 | \$ | 131.03 | \$ | 1,079.77 |
| 2034 | \$ | 392.89 | \$ | 567.48 | \$ | 133.65 | \$ | 1,094.03 |
| 2035 | \$ | 438.23 | \$ | 547.35 | \$ | 136.32 | \$ | 1,121.90 |
| 2036 | \$ | 468.45 | \$ | 524.89 | \$ | 139.05 | \$ | 1,132.39 |
| 2037 | \$ | 513.78 | \$ | 500.88 | \$ | 141.83 | \$ | 1,156.49 |
| 2038 | \$ | 559.12 | \$ | 474.55 | \$ | 144.67 | \$ | 1,178.33 |
| 2039 | \$ | 604.45 | \$ | 445.90 | \$ | 147.56 | \$ | 1,197.91 |
| 2040 | \$ | 649.78 | \$ | 414.92 | \$ | 150.51 | \$ | 1,215.21 |
| 2041 | \$ | 710.23 | \$ | 380.80 | \$ | 153.52 | \$ | 1,244.55 |
| 2042 | \$ | 740.45 | \$ | 343.52 | \$ | 156.59 | \$ | 1,240.56 |
| 2043 | \$ | 800.90 | \$ | 304.64 | \$ | 159.72 | \$ | 1,265.26 |
| 2044 | \$ | 861.34 | \$ | 262.60 | \$ | 162.92 | \$ | 1,286.85 |
| 2045 | \$ | 921.79 | \$ | 217.38 | \$ | 166.18 | \$ | 1,305.34 |
| 2046 | \$ | 997.34 | \$ | 168.98 | \$ | 169.50 | \$ | 1,335.82 |
| 2047 | \$ | 1,072.90 | \$ | 116.62 | \$ | 172.89 | \$ | 1,362.41 |
| 2048 | \$ | 1,148.46 | \$ | 60.29 | \$ | 176.35 | \$ | 1,385.10 |
| Total | \$ | 13,600.13 | \$ | 14,532.39 | \$ | 3,929.23 | \$ | 32,061.75 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

| Installment Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  |  | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | - | \$ | - | \$ |  |
| 2020 | \$ | 79.98 | \$ | 923.33 | \$ | 134.02 | \$ | 1,137.34 |
| 2021 | \$ | 99.97 | \$ | 919.73 | \$ | 136.70 | \$ | 1,156.41 |
| 2022 | \$ | 119.97 | \$ | 915.24 | \$ | 139.44 | \$ | 1,174.64 |
| 2023 | \$ | 139.96 | \$ | 909.84 | \$ | 142.23 | \$ | 1,192.03 |
| 2024 | \$ | 179.95 | \$ | 903.54 | \$ | 145.07 | \$ | 1,228.56 |
| 2025 | \$ | 199.95 | \$ | 895.44 | \$ | 147.97 | \$ | 1,243.36 |
| 2026 | \$ | 219.94 | \$ | 886.44 | \$ | 150.93 | \$ | 1,257.32 |
| 2027 | \$ | 259.93 | \$ | 876.55 | \$ | 153.95 | \$ | 1,290.43 |
| 2028 | \$ | 299.92 | \$ | 864.85 | \$ | 157.03 | \$ | 1,321.80 |
| 2029 | \$ | 319.92 | \$ | 851.35 | \$ | 160.17 | \$ | 1,331.44 |
| 2030 | \$ | 359.91 | \$ | 836.96 | \$ | 163.37 | \$ | 1,360.24 |
| 2031 | \$ | 399.90 | \$ | 818.51 | \$ | 166.64 | \$ | 1,385.05 |
| 2032 | \$ | 439.89 | \$ | 798.02 | \$ | 169.97 | \$ | 1,407.88 |
| 2033 | \$ | 479.87 | \$ | 775.47 | \$ | 173.37 | \$ | 1,428.72 |
| 2034 | \$ | 519.86 | \$ | 750.88 | \$ | 176.84 | \$ | 1,447.58 |
| 2035 | \$ | 579.85 | \$ | 724.24 | \$ | 180.38 | \$ | 1,484.46 |
| 2036 | \$ | 619.84 | \$ | 694.52 | \$ | 183.98 | \$ | 1,498.34 |
| 2037 | \$ | 679.82 | \$ | 662.75 | \$ | 187.66 | \$ | 1,530.24 |
| 2038 | \$ | 739.81 | \$ | 627.91 | \$ | 191.42 | \$ | 1,559.14 |
| 2039 | \$ | 799.79 | \$ | 590.00 | \$ | 195.25 | \$ | 1,585.03 |
| 2040 | \$ | 859.78 | \$ | 549.01 | \$ | 199.15 | \$ | 1,607.93 |
| 2041 | \$ | 939.75 | \$ | 503.87 | \$ | 203.13 | \$ | 1,646.76 |
| 2042 | \$ | 979.74 | \$ | 454.53 | \$ | 207.20 | \$ | 1,641.47 |
| 2043 | \$ | 1,059.72 | \$ | 403.09 | \$ | 211.34 | \$ | 1,674.16 |
| 2044 | \$ | 1,139.70 | \$ | 347.46 | \$ | 215.57 | \$ | 1,702.73 |
| 2045 | \$ | 1,219.68 | \$ | 287.62 | \$ | 219.88 | \$ | 1,727.18 |
| 2046 | \$ | 1,319.66 | \$ | 223.59 | \$ | 224.28 | \$ | 1,767.52 |
| 2047 | \$ | 1,419.63 | \$ | 154.31 | \$ | 228.76 | \$ | 1,802.70 |
| 2048 | \$ | 1,519.60 | \$ | 79.78 | \$ | 233.34 | \$ | 1,832.72 |
| Total | \$ | 17,995.30 | \$ | 19,228.83 | \$ | 5,199.04 | \$ | 42,423.17 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

| Installment <br> Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  |  | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | - | \$ |  | \$ |  |
| 2020 | \$ | 99.02 | \$ | 1,143.18 | \$ | 165.93 | \$ | 1,408.13 |
| 2021 | \$ | 123.78 | \$ | 1,138.72 | \$ | 169.25 | \$ | 1,431.75 |
| 2022 | \$ | 148.53 | \$ | 1,133.15 | \$ | 172.64 | \$ | 1,454.32 |
| 2023 | \$ | 173.29 | \$ | 1,126.47 | \$ | 176.09 | \$ | 1,475.84 |
| 2024 | \$ | 222.80 | \$ | 1,118.67 | \$ | 179.61 | \$ | 1,521.08 |
| 2025 | \$ | 247.55 | \$ | 1,108.64 | \$ | 183.20 | \$ | 1,539.40 |
| 2026 | \$ | 272.31 | \$ | 1,097.50 | \$ | 186.87 | \$ | 1,556.68 |
| 2027 | \$ | 321.82 | \$ | 1,085.25 | \$ | 190.60 | \$ | 1,597.67 |
| 2028 | \$ | 371.33 | \$ | 1,070.77 | \$ | 194.42 | \$ | 1,636.51 |
| 2029 | \$ | 396.09 | \$ | 1,054.06 | \$ | 198.31 | \$ | 1,648.45 |
| 2030 | \$ | 445.60 | \$ | 1,036.23 | \$ | 202.27 | \$ | 1,684.10 |
| 2031 | \$ | 495.11 | \$ | 1,013.39 | \$ | 206.32 | \$ | 1,714.82 |
| 2032 | \$ | 544.62 | \$ | 988.02 | \$ | 210.44 | \$ | 1,743.08 |
| 2033 | \$ | 594.13 | \$ | 960.11 | \$ | 214.65 | \$ | 1,768.89 |
| 2034 | \$ | 643.64 | \$ | 929.66 | \$ | 218.94 | \$ | 1,792.25 |
| 2035 | \$ | 717.91 | \$ | 896.67 | \$ | 223.32 | \$ | 1,837.90 |
| 2036 | \$ | 767.42 | \$ | 859.88 | \$ | 227.79 | \$ | 1,855.09 |
| 2037 | \$ | 841.69 | \$ | 820.55 | \$ | 232.35 | \$ | 1,894.58 |
| 2038 | \$ | 915.95 | \$ | 777.41 | \$ | 236.99 | \$ | 1,930.36 |
| 2039 | \$ | 990.22 | \$ | 730.47 | \$ | 241.73 | \$ | 1,962.42 |
| 2040 | \$ | 1,064.48 | \$ | 679.72 | \$ | 246.57 | \$ | 1,990.77 |
| 2041 | \$ | 1,163.51 | \$ | 623.84 | \$ | 251.50 | \$ | 2,038.84 |
| 2042 | \$ | 1,213.02 | \$ | 562.75 | \$ | 256.53 | \$ | 2,032.30 |
| 2043 | \$ | 1,312.04 | \$ | 499.07 | \$ | 261.66 | \$ | 2,072.77 |
| 2044 | \$ | 1,411.06 | \$ | 430.19 | \$ | 266.89 | \$ | 2,108.14 |
| 2045 | \$ | 1,510.08 | \$ | 356.11 | \$ | 272.23 | \$ | 2,138.42 |
| 2046 | \$ | 1,633.86 | \$ | 276.83 | \$ | 277.68 | \$ | 2,188.36 |
| 2047 | \$ | 1,757.64 | \$ | 191.05 | \$ | 283.23 | \$ | 2,231.92 |
| 2048 | \$ | 1,881.41 | \$ | 98.77 | \$ | 288.89 | \$ | 2,269.08 |
| Total | \$ | 22,279.90 | \$ | 23,807.12 | \$ | 6,436.91 | \$ | 52,523.93 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.

| Installment <br> Due 1/31 | Principal |  | Interest |  | Annual Collection Costs |  |  | Total |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 2019 | \$ | - | \$ | - | \$ | - | \$ |  |
| 2020 | \$ | 116.09 | \$ | 1,340.17 | \$ | 194.53 | \$ | 1,650.78 |
| 2021 | \$ | 145.11 | \$ | 1,334.95 | \$ | 198.42 | \$ | 1,678.47 |
| 2022 | \$ | 174.13 | \$ | 1,328.42 | \$ | 202.39 | \$ | 1,704.93 |
| 2023 | \$ | 203.15 | \$ | 1,320.58 | \$ | 206.43 | \$ | 1,730.16 |
| 2024 | \$ | 261.19 | \$ | 1,311.44 | \$ | 210.56 | \$ | 1,783.19 |
| 2025 | \$ | 290.21 | \$ | 1,299.69 | \$ | 214.77 | \$ | 1,804.67 |
| 2026 | \$ | 319.23 | \$ | 1,286.63 | \$ | 219.07 | \$ | 1,824.93 |
| 2027 | \$ | 377.28 | \$ | 1,272.26 | \$ | 223.45 | \$ | 1,872.99 |
| 2028 | \$ | 435.32 | \$ | 1,255.28 | \$ | 227.92 | \$ | 1,918.52 |
| 2029 | \$ | 464.34 | \$ | 1,235.69 | \$ | 232.48 | \$ | 1,932.51 |
| 2030 | \$ | 522.38 | \$ | 1,214.80 | \$ | 237.13 | \$ | 1,974.31 |
| 2031 | \$ | 580.43 | \$ | 1,188.03 | \$ | 241.87 | \$ | 2,010.32 |
| 2032 | \$ | 638.47 | \$ | 1,158.28 | \$ | 246.71 | \$ | 2,043.46 |
| 2033 | \$ | 696.51 | \$ | 1,125.56 | \$ | 251.64 | \$ | 2,073.71 |
| 2034 | \$ | 754.56 | \$ | 1,089.86 | \$ | 256.67 | \$ | 2,101.09 |
| 2035 | \$ | 841.62 | \$ | 1,051.19 | \$ | 261.81 | \$ | 2,154.62 |
| 2036 | \$ | 899.66 | \$ | 1,008.06 | \$ | 267.04 | \$ | 2,174.76 |
| 2037 | \$ | 986.73 | \$ | 961.95 | \$ | 272.38 | \$ | 2,221.06 |
| 2038 | \$ | 1,073.79 | \$ | 911.38 | \$ | 277.83 | \$ | 2,263.00 |
| 2039 | \$ | 1,160.85 | \$ | 856.35 | \$ | 283.39 | \$ | 2,300.59 |
| 2040 | \$ | 1,247.92 | \$ | 796.85 | \$ | 289.06 | \$ | 2,333.83 |
| 2041 | \$ | 1,364.00 | \$ | 731.34 | \$ | 294.84 | \$ | 2,390.18 |
| 2042 | \$ | 1,422.05 | \$ | 659.73 | \$ | 300.73 | \$ | 2,382.51 |
| 2043 | \$ | 1,538.13 | \$ | 585.07 | \$ | 306.75 | \$ | 2,429.95 |
| 2044 | \$ | 1,654.22 | \$ | 504.32 | \$ | 312.88 | \$ | 2,471.42 |
| 2045 | \$ | 1,770.30 | \$ | 417.47 | \$ | 319.14 | \$ | 2,506.92 |
| 2046 | \$ | 1,915.41 | \$ | 324.53 | \$ | 325.52 | \$ | 2,565.47 |
| 2047 | \$ | 2,060.52 | \$ | 223.97 | \$ | 332.04 | \$ | 2,616.52 |
| 2048 | \$ | 2,205.62 | \$ | 115.80 | \$ | 338.68 | \$ | 2,660.09 |
| Total | \$ | 26,119.22 | \$ | 27,909.62 | \$ | 7,546.13 | \$ | 61,574.97 |

Note: Figures may not sum due to rounding. These Annual Installments are estimates only and may be revised in future Annual Service Plan Updates.


EXHIBIT R-1 - TAX MAP OF PARCEL \#201773


## Property

| Account |  |  |  |
| :---: | :---: | :---: | :---: |
| Property ID: | 201773 | Legal Description: | ABS 12 SUR 13 GILLELAND J ACR 247.0980 (1-D-1) |
| Geographic ID: | 0210700105 | Zoning: |  |
| Type: | Real | Agent Code: |  |
| Property Use Code: |  |  |  |
| Property Use Description: |  |  |  |
| Protest |  |  |  |
| Protest Status: |  |  |  |
| Informal Date: |  |  |  |
| Formal Date: |  |  |  |
| Location |  |  |  |
| Address: | $\begin{aligned} & 9001 \text { TAYLOR LN } \\ & \text { TX } 78653 \end{aligned}$ | Mapsco: |  |
| Neighborhood: | Land Region 405 | Map ID: | 021070 |
| Neighborhood CD: | _RGN405 |  |  |
| Owner |  |  |  |
| Name: | CLUB DEAL 120 WHISPER VALLEY LP | Owner ID: | 1342229 |
| Mailing Address: | \% TAURUS OF TEXAS GP LLC <br> 9285 HUNTINGTON SQ <br> NORTH RICHLAND HILLS, TX 76182-4366 | \% Ownership: | 100.0000000000\% |
|  |  | Exemptions: |  |


| - Values |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| - Taxing Jurisdiction |  |  |  |  |  |  |  |  |  |
| - Improvement / Building |  |  |  |  |  |  |  |  |  |
| $\checkmark$ Land |  |  |  |  |  |  |  |  |  |
| \# | Type | Description | Acres | Sqft | Eff Front | Eff Depth | Market Value |  |  |
| 1 | IMPR | Improved Pasture | 100.0000 | 4356000.00 | 0.00 | 0.00 |  | N/A | N/A |
| 2 | NATP | Native Pasture | 147.0980 | 6407588.88 | 0.00 | 0.00 |  | N/A | N/A |

## EXHIBIT R-2 - TAX MAP OF PARCEL \#806424


(2 OF 2)


WHISPER VALLEY 2019 AMENDED AND RESTATED SAP



| Property |
| :--- |
| Account |
| Property ID: |
| Geographic ID: |
| Type: |
| Property Use Code: |
| Property Use Description: |
| Protest |
| Protest Status: |
| Informal Date: |
| Formal Date: |
| Location |



## Property

| Account |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Property ID: | 806428 |  |  |  | Legal Description: |  | ABS 60 SUR 40 BUCKMAN O ACR 66.7080 (1-D-1) |
| Geographic ID: | 0210600126 |  |  |  | Zoning: |  |  |
| Type: | Real |  |  |  | Agent Code: |  |  |
| Property Use Code: |  |  |  |  |  |  |  |
| Property Use Description: |  |  |  |  |  |  |  |
| Protest |  |  |  |  |  |  |  |
| Protest Status: |  |  |  |  |  |  |  |
| Informal Date: |  |  |  |  |  |  |  |
| Formal Date: |  |  |  |  |  |  |  |
| Location |  |  |  |  |  |  |  |
| Address: | $\begin{aligned} & \text { N F M RD } 973 \\ & \text { TX } 78653 \end{aligned}$ |  |  |  | Mapsco: |  |  |
| Neighborhood: | B Area / Transitional Property |  |  |  | Map ID: |  | 021060 |
| Neighborhood CD: | _ BACRE |  |  |  |  |  |  |
| Owner |  |  |  |  |  |  |  |
| Name: | CLUB DEAL 120 WHISPER VALLEY LP |  |  |  | Owner ID: |  | 1342229 |
| Mailing Address: | \% taurus of texas gp llc 9285 HUNTINGTON SQ NORTH RICHLAND HILLS, TX 76182-4366 |  |  |  | \% Ownership: |  | 100.0000000000\% |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  | Exemptions: |  |  |
| Values |  |  |  |  |  |  |  |
| - Taxing Jurisdiction |  |  |  |  |  |  |  |
| - Improvement / Building |  |  |  |  |  |  |  |
| $\checkmark$ Land |  |  |  |  |  |  |  |
| \# Type | Description | Acres | Sqft | Eff Front | Eff Depth | Market Value | Prod. Value |
| 1 NATP | Native Pasture | 66.7080 | 2905800.48 | 0.00 | 0.00 |  | N/A N/A |

EXHIBIT R-5 - TAX MAP OF PARCEL \#806429










| Property |
| :--- |
| Account |
| Property ID: |
| Geographic ID: |
| Type: |
| Property Use Code: |
| Property Use Description: |
| Protest |
| Protest Status: |
| Informal Date: |
| Formal Date: |
| Location |

## EXHIBIT S - MASTER IMPROVEMENT AREA PREPAYMENTS

| Property ID | Lot Type | Prepayment Date | Amount required to Redeem Master Improvement Bonds |  | Less: Prepayment $\qquad$ <br> Amount |  | Less: Principal <br> Paid 1/31/19 |  | Less: Interest <br> Paid to <br> Bondholders <br> $3 / 1 / 19$ |  | Plus: Interest Accrued from 3/1/19 to Prepayment Date |  | Less: Reserve Fund Credit |  | Remaining <br> Master <br> Assessment <br> after <br> Prepayment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 858504 | Lot Type 7 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858513 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858519 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858520 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858521 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858522 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858523 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858524 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858535 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858536 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858537 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858538 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858539 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858541 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858543 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858544 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858579 | Lot Type 4 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858586 | Lot Type 4 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858636 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858640 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858641 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858643 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858644 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858658 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858659 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858660 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858661 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858662 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858663 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |
| 858664 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ | - |


| Property ID | Lot Type | Prepayment Date | Amount required to <br> Redeem Master Improvement Bonds |  | Less: Prepayment $\qquad$ <br> Amount |  | Less: Principal Paid 1/31/19 |  | Less: Interest Paid to Bondholders 3/1/19 |  | Plus: Interest Accrued from 3/1/19 to Prepayment Date |  | Less: Reserve Fund Credit |  | Remaining <br> Master Assessment after <br> Prepayment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 858665 | Lot Type 5 | March 12, 2018 | \$ | 2,371.92 | \$ | $(1,900.34)$ | \$ | (143.79) | \$ | (94.92) | \$ | 5.46 | \$ | (238.34) | \$ |  |
| 858667 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858669 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858673 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | + | 6.76 | \$ | (295.09) | \$ |  |
| 858674 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858681 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858682 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858683 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858684 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858705 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858706 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858708 | Lot Type 6 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858461 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858462 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858463 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858464 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858465 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858466 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858467 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858468 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858469 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858470 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858472 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858473 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858474 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858475 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858476 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858477 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858478 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858479 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |


| Property ID | Lot Type | Prepayment Date | Amount required to Redeem Master Improvement Bonds |  | Less: Prepayment Amount |  | Less: Principal Paid 1/31/19 |  | Less: Interest Paid to Bondholders 3/1/19 |  | Plus: Interest Accrued from $3 / 1 / 19$ to <br> Prepayment Date |  | Less: Reserve <br> Fund Credit |  | Remaining <br> Master <br> Assessment after <br> Prepayment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 858480 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858481 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858482 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858483 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858484 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858485 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858486 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858487 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858488 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858489 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858491 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858492 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858493 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858494 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858495 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858496 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858497 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858498 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858499 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858500 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858501 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858502 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858503 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858506 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858507 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858508 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858509 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858510 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858511 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858512 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |



| Property ID | Lot Type | Prepayment Date | Amount required to <br> Redeem Master Improvement Bonds |  | Less: Prepayment Amount |  | Less: Principal <br> Paid 1/31/19 |  | Less: Interest Paid to Bondholders 3/1/19 |  | Plus: Interest Accrued from $3 / 1 / 19 \text { to }$ <br> Prepayment Date |  | Less: Reserve Fund Credit |  | Remaining <br> Master <br> Assessment after <br> Prepayment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 858560 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ |  |
| 858561 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858562 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858563 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858564 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ |  |
| 858565 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858566 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858567 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858569 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858570 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858571 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858572 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858573 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858574 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858575 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858576 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858577 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858578 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858580 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858581 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858582 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858583 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858584 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858585 | Lot Type 1 | March 12, 2018 | \$ | 1,792.60 | \$ | $(1,436.20)$ | \$ | (108.67) | \$ | (71.74) | \$ | 4.13 | \$ | (180.13) | \$ | - |
| 858589 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858590 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858591 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858592 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858593 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858594 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |


| Property ID | Lot Type | Prepayment Date | Amount required to Redeem Master Improvement Bonds |  | Less: Prepayment $\qquad$ <br> Amount |  | Less: Principal <br> Paid $1 / 31 / 19$ |  | Less: Interest Paid to Bondholders 3/1/19 |  | Plus: Interest Accrued from 3/1/19 to <br> Prepayment Date |  | Less: Reserve Fund Credit |  | Remaining <br> Master <br> Assessment <br> after <br> Prepayment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 858595 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858596 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858597 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858598 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858600 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858601 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858602 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858603 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858604 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858606 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858607 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858608 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858609 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858610 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858611 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858613 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858614 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858615 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858616 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858617 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858618 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858619 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858620 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858621 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858622 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858624 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858625 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858626 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858627 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858628 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |


| Property ID | Lot Type | Prepayment Date | Amount required to <br> Redeem Master Improvement Bonds |  | Less: Prepayment Amount |  | Less: Principal <br> Paid $1 / 31 / 19$ |  | Less: InterestPaid toBondholders$3 / 1 / 19$ |  | Plus: Interest Accrued from 3/1/19 to Prepayment Date |  | Less: Reserve Fund Credit |  | Remaining <br> Master <br> Assessment <br> after <br> Prepayment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 858629 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858630 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858631 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858632 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858633 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858634 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858635 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858637 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858646 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858647 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858648 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858649 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858650 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858651 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858652 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858653 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858654 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858655 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ | - |
| 858656 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | + |  |
| 858657 | Lot Type 3 | March 12, 2018 | \$ | 3,442.72 | \$ | $(2,758.23)$ | \$ | (208.71) | \$ | (137.77) | \$ | 7.93 | \$ | (345.94) | \$ |  |
| 858666 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858668 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858670 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858671 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858672 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858675 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858676 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858677 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858678 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858679 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |


| Property ID | Lot Type | Prepayment Date | Amount required to Redeem Master Improvement Bonds |  | Less: Prepayment Amount |  | Less: Principal Paid 1/31/19 |  | Less: Interest <br> Paid to <br> Bondholders <br> 3/1/19 |  | Plus: Interest Accrued from 3/1/19 to Prepayment Date |  | Less: Reserve Fund Credit |  | Remaining <br> Master <br> Assessment <br> after <br> Prepayment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 858680 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858685 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858686 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858687 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858688 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858689 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858690 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858691 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858692 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858693 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858694 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ |  |
| 858695 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858696 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858697 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858698 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858699 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858700 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858701 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858702 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858703 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858704 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858707 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858709 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858710 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858711 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858712 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| 858713 | Lot Type 2 | March 12, 2018 | \$ | 2,936.66 | \$ | $(2,352.79)$ | \$ | (178.03) | \$ | (117.52) | \$ | 6.76 | \$ | (295.09) | \$ | - |
| Total |  |  | \$ | 707,916.15 | \$ | $(567,166.60)$ | \$ | $(42,916.15)$ | \$ | $(28,329.35)$ | \$ | 1,629.95 | \$ | $(71,134.00)$ | \$ |  |


| Property ID | Legal Description |
| :---: | :---: |
| 858504 | LOT 33 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858513 | LOT 41 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858519 | LOT 47 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858520 | LOT 48 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858521 | LOT 49 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858522 | LOT 50 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858523 | LOT 51 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858524 | LOT 52 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858535 | LOT 62 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858536 | LOT 63 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858537 | LOT 64 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858538 | LOT 65 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858539 | LOT 66 BLK A WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858541 | LOT 10 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858543 | LOT 8 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858544 | LOT 7 BLK J WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858579 | LOT 8 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858586 | LOT 1 BLK E WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858636 | LOT 28 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858640 | LOT 15 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858641 | LOT 16 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858643 | LOT 12 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858644 | LOT 13 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858658 | LOT 8 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858659 | LOT 9 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858660 | LOT 10 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858661 | LOT 11 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858662 | LOT 15 BLK I WHISPER VALLEY VILLAGE 1 PHS 2 |
| 858663 | LOT 16 BLK I WHISPER VALLEY VILLAGE 1 PHS 2 |
| 858664 | LOT 12 BLK I WHISPER VALLEY VILLAGE 1 PHS 2 |
| 858665 | LOT 13 BLK I WHISPER VALLEY VILLAGE 1 PHS 2 |
| 858667 | LOT 23 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858669 | LOT 25 BLK I WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858673 | LOT 14 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858674 | LOT 15 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858681 | LOT 4 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858682 | LOT 5 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858683 | LOT 6 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858684 | LOT 7 BLK L WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858705 | LOT 6 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858706 | LOT 7 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 |
| 858708 | LOT 9 BLK K WHISPER VALLEY VILLAGE 1 PHS 1 |

## EXHIBIT U - CALCULATION OF ASSESSMENT BY LOT TYPE

| Lot Type | Lot Size | Units | Estimated Buildout Value per Unit |  | Total Estimated Buildout Value |  | \% Allocation | Total Improvement Area \#1 Bond Assessment |  | Improvement Area \#1 <br> Bond Assessment Per Lot |  | Total Annual Installment |  | $1 / 31 / 2020$ <br> Annual Installment Per Lot |  | $\begin{aligned} & \text { Equivalent Tax } \\ & \text { Rate (per } \\ & \text { \$100/AV)* } \\ & \hline \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | 25' | 25 | \$ | 158,710 | \$ | 3,967,742 | 7.56\% | \$ | 340,003 | \$ | 13,600.13 | \$ | 21,489 | \$ | 860 | \$ | 0.5416 |
| 2 | $50^{\prime}$ | 73 | \$ | 260,000 | \$ | 18,980,000 | 36.14\% | \$ | 1,626,432 | \$ | 22,279.90 | \$ | 102,793 | \$ | 1,408 | \$ | 0.5416 |
| 3 | $60^{\prime}$ | 97 | \$ | 304,804 | \$ | 29,565,966 | 56.30\% | \$ | 2,533,564 | \$ | 26,119.22 | \$ | 160,126 | \$ | 1,651 | \$ | 0.5416 |
|  |  | 195 |  |  | \$ | 52,513,708 | 100.00\% | \$ | 4,500,000 |  |  | \$ | 284,408 |  |  |  |  |


| Lot Type | Lot Size | Units | Estimated Buildout Value per Unit |  | Total Estimated Buildout Value |  |  Total Improvement <br> Area \#1  <br> Reimbursement  |  |  | Improvement Area \#1 <br> Reimbursement <br> Assessment Per Lot |  | Total Annual Installment |  | 1/31/2020 <br> Annual Installment Per Lot |  | Equivalent Tax Rate (per \$100/AV)* |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 4 | 25' | 2 | \$ | 158,710 | \$ | 317,419 | 3.12\% | \$ | 27,200 | \$ | 13,600.13 | \$ | 1,719 | \$ | 860 | \$ | 0.5416 |
| 5 | $35^{\prime}$ | 12 | \$ | 210,000 | \$ | 2,520,000 | 24.80\% | \$ | 215,944 | \$ | 17,995.30 | \$ | 13,648 | \$ | 1,137 | \$ | 0.5416 |
| 6 | $50^{\prime}$ | 27 | \$ | 260,000 | \$ | 7,020,000 | 69.08\% | \$ | 601,557 | \$ | 22,279.90 | \$ | 38,020 | \$ | 1,408 | \$ | 0.5416 |
| 7 | 60' | 1 | \$ | 304,804 | \$ | 304,804 | 3.00\% | \$ | 26,119 | \$ | 26,119.22 | \$ | 1,651 | \$ | 1,651 | \$ | 0.5416 |
| 42 |  |  |  |  | \$ | 10,162,223 | 100.00\% | \$ | 870,820 |  |  | \$ | 55,037 |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 237 |  |  |  |  | \$ | 62,675,931 |  | \$ | 5,370,820 |  |  | \$ | 339,446 |  |  |  |  |

* Based on Annual Installment Due 1/31/2020.
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## APPENDIX D

FORM OF OPINION OF BOND COUNSEL
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# NORTON ROSE FULBRIGHT 

April 16, 2019

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IN REGARD to the authorization and issuance of the "City of Austin, Texas, Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1)" (the "Bonds"), dated April 1, 2019, in the principal amount of $\$ 4,500,000$, we have examined the legality and validity of the issuance thereof by the City of Austin, 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 November 1 in each of the years specified in an Indenture of Trust (the "Indenture"), dated as of April 1, 2019, with U.S. Bank National Association, 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 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:

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 the Trust Estate, except to the extent the

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Re: "City of Austin, Texas Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1)"
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.

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, 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.

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.

## APPENDIX E-1

FORM OF DISCLOSURE AGREEMENT OF THE ISSUER
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# CITY OF AUSTIN, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1) 

## CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer dated as of April 1, 2019 (this "Disclosure Agreement") is executed and delivered by and between the City of Austin, Texas (the "Issuer") and U.S. Bank National Association (the "Dissemination Agent"), with respect to the Issuer's "Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1)" (the "Bonds"). The Issuer 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 and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of April 1, 2019, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:
"Administrator" shall mean the employee or designee of the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.
"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.
"Annual Financial Information" shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.
"Annual Installment" shall have the meaning assigned to such term in the Indenture.
"Annual Issuer Report" shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.
"Bond Assessments" shall have the meaning assigned to such term in the Indenture.
"Business Day" shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.
"Developer" shall mean Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership, and its successors and assigns.
"Disclosure Agreement of Developer" shall mean the Continuing Disclosure Agreement of the Developer dated as of April 1, 2019 executed and delivered by the Developer and the Dissemination Agent and relating to the Bonds.
"Disclosure Representative" shall mean the City Treasurer of the Issuer or his or her designee, or such other officer or employee as the Issuer, may designate in writing to the Dissemination Agent from time to time.
"Dissemination Agent" shall mean U.S. Bank National Association, 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 Whisper Valley Public Improvement District.
"EMMA" shall mean the Electronic Municipal Market Access System available on the internet at http://emma.msrb.org.
"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.
"Fiscal Year" shall mean the calendar year from October 1 through September 30.
"Improvement Area \#1" means Improvement Area \#1 of the Whisper Valley Public Improvement District established by the Issuer and related to the 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 reports pursuant to the Rule.
"Outstanding" shall have the meaning assigned to such term in the Indenture.
"Owner" shall mean the registered owner of any Bonds.
"Participating Underwriter" means FMSbonds, Inc., and its successors and assigns.
"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934 , as the same may be amended from time to time.
"SEC" shall mean the United States Securities and Exchange Commission.
"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.
"Trustee" shall mean U.S. Bank National Association or any successor trustee pursuant to the Indenture.

## SECTION 3. Provision of Annual Issuer Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, commencing with the Fiscal Year ending September 30, 2019, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report, if audited financial statements are not available by that date; provided, however, if the audited financial statements are not complete within such period, then the Issuer shall provide unaudited financial statements within such period. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (and of the date of the new Fiscal Year) with the MSRB prior to the next date by which the Issuer otherwise would be required to provide the Annual Issuer Report pursuant to this paragraph. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.
(b) Not later than ten (10) days prior to the date specified in Section 4 of this Disclosure Agreement for providing the Annual Issuer Report to the MSRB, the Issuer shall either:
(i) Provide the Annual Issuer Report to the Dissemination Agent. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than the date specified in Section 4 of this Disclosure Agreement for providing the Annual Issuer Report to the MSRB. If by the fifth (5th) day before the filing date required under Section 4 of this Disclosure Agreement, the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide Annual Issuer Report pursuant to this subsection (b)(i). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the filing date required under Section 4 of this Disclosure Agreement; or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report within the time required under this Disclosure Agreement, state the date by which the Annual Issuer Report for such year will be provided and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB, no later than six months after the end of each Fiscal Year; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than on the last Business Day of the six month period after the end of the Fiscal Year; or,
(ii) Notify the Dissemination Agent 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 report 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 prior to the second ( $\left.2^{\text {nd }}\right)$ Business Day prior to the six month period after the end of the Fiscal Year. 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 on the last Business Day of the six month period after the end of the Fiscal Year.
(c) The Issuer shall or shall cause the Dissemination Agent to:
(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a);
(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof; and
(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file, the following:
(a) Not later than six months after the end of each Fiscal Year (any or all of which may be unaudited):
(i) Tables setting forth the following information, as of the end of such Fiscal Year:
(A) For the Bonds, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding; and
(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments.
(ii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update");
(iii) Listing of any property or property owners in the District representing more than fifteen percent (15\%) of the levy of Bond Assessments, the amount of the levy of Bond Assessments against such landowners, and the percentage of such Bond Assessments relative to the entire levy of Bond Assessments within the District, all as of the October 1 billing date in the succeeding Fiscal Year;
(iv) The total amount of Annual Installments of Bond Assessments billed and collected during such Fiscal Year, together with the amount of Bond Assessments prepaid during such Fiscal Year;
(v) The amount of Bond Assessments delinquent greater than six months, one year and two years, and, if delinquencies amount to more than five percent (5\%) of aggregate amount of Bond Assessments due in any year, a list of property owners whose Bond Assessments are delinquent;
(vi) The amount of delinquent Bond Assessments by Fiscal Year:
(A) Which are subject to institution of foreclosure proceedings (but as to which such proceedings have not been instituted);
(B) Which are currently subject to foreclosure proceedings which have not been concluded;
(C) Which have been reduced to judgment but not collected;
(D) Which have been reduced to judgment and collected; and
(E) The result of any foreclosure sales of assessed property within Improvement Area \#1 if the assessed property represents more than three percent (3\%) of the total amount of Bond Assessments.
(vii) The principal and interest paid on the Bonds during the most recent Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year;
(viii) Any changes to the methodology for levying the Bond Assessments in Improvement Area \#1 since the report of the most recent Fiscal Year; and
(ix) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.
(b) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer. If audited financial statements are not included with the financial information provided under subsection 4(a) above, unaudited financial statements shall be included with such financial information within the time period specified.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraphs. 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 4.

Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are
publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

## SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, each of the following is a Listed Event with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the bonds, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the Issuer.
13. The consummation of a merger, consolidation, or acquisition of the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional trustee under the Indenture or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) 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 the immediately preceding paragraphs (15) and (16) and the definition of "Financial Obligation" to have the same meanings as when they are used in the Rule, as evidenced by the Securities and Exchange Commission Release No. 34-83885, dated August 20, 2018.

Upon the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer provided such notice is delivered to the Dissemination Agent by 2:00 P.M. central standard time on any such day. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 5. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.
(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed 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 immediately file a notice of such occurrence with the MSRB. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such
event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.
(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8, 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly 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) of this Section 5.

SECTION 6. Termination of Reporting Obligations. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Dissemination Agent may assume that the Issuer is an obligated person with respect to the Bonds until they receive written notice from the Disclosure Representative stating that the Issuer is no longer an obligated person with respect to the Bonds, and the Dissemination Agent may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to such series of Bonds under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be U.S. Bank National Association.

SECTION 8. Administrator. The Issuer may, from time to time, appoint or engage an Administrator or successor Administrator to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Administrator, with or without appointing a successor Administrator. Initially and if at any other time during the term of this Disclosure Agreement there is not any other designated Administrator, the Issuer shall be the Administrator.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:
(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal
requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next related Annual Issuer Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Issuer Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 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 or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent ( $25 \%$ ) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the Issuer shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the

Disclosure Agreement of Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the Issuer.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent.
(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 hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds from Annual Collection Costs collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including 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 Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indenture, apart from the relationship created by the Indenture or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.
(b) 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.

UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT OR THE ISSUER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 13. Bond Assessment Timeline. The basic expected timeline for the collection of Bond Assessments and the anticipated procedures for pursuing the collection of delinquent Bond Assessments is set forth in Exhibit C, which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Bond Assessments.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer or the 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 agrees 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 Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. 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 updates to the Service and Assessment Plan. The Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.

SECTION 19. Anti-Boycott Verification. The Dissemination Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 20. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:
https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.
The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Dissemination Agent and 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 Dissemination Agent understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent and exists to make a profit.

SECTION 21. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of 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 AUSTIN, TEXAS

By:
City Manager
U.S. BANK NATIONAL ASSOCIATION
(as Dissemination Agent)

By:
Authorized Officer

## EXHIBIT A

# NOTICE TO MSRB OF FAILURE TO FILE ANNUAL ISSUER REPORT 

| Name of Issuer: | City of Austin, Texas |
| :--- | :--- |
| Name of Bond Issue: | Special Assessment Revenue Bonds, Series 2019 <br> (Whisper Valley Public Improvement District |
|  | Improvement Area \#1) |
| CUSIP Nos. | [insert CUSIP NOs.] |
| Date of Delivery: |  |

NOTICE IS HEREBY GIVEN that the City of Austin, Texas, has not provided [an Annual Issuer Report][annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement of Issuer dated April 1, 2019, between the Issuer and U.S. Bank National Association, as "Dissemination Agent". The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by $\qquad$ .

Dated: $\qquad$

U.S. Bank National Association on behalf of the City of Austin, Texas<br>(as Dissemination Agent)

By:
Title: $\qquad$
cc: City of Austin, Texas

## EXHIBIT B

> CITY OF AUSTIN, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1)

ANNUAL ISSUER REPORT*

Delivery Date: $\qquad$ , 20

CUSIP NOSs: [insert CUSIP NOs.]
DISSEMINATION AGENT

Name:
Address:
City:
Telephone:
Contact Person:
$\qquad$
$\qquad$
$\qquad$
$\qquad$

## BONDS OUTSTANDING

| CUSIP <br> Number | Maturity <br> Date | Interest <br> Rate | Original <br> Principal <br> Amount | Outstanding <br> Principal <br> Amount | Outstanding <br> Interest <br> Amount |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

## INVESTMENTS

| Fund/ <br> Account Name | Investment <br> Description | Par Value | Book Value | Market Value |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
|  |  |  |  |  |

[^3]Bonds (Principal Balance)
Funds and Accounts [list]
TOTAL ASSETS

## LIABILITIES

Outstanding Bond Principal
Outstanding Program Expenses (if any)
TOTAL LIABILITIES
EQUITY

Assets Less Liabilities
Debt to Value Ratio

Form of Accounting $\quad$ Cash $\quad \square \quad$ Accrual $\quad \square$ Modified Accrual

ITEMS REQUIRED BY SECTION 4(a)(ii) - (x)
[Insert a line item for each applicable listing]

## EXHIBIT C

## BASIC EXPECTED TIMELINE FOR BOND ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES ${ }^{1}$

Date $\quad$| Delinquency |
| :--- |
| Clock (Days) |

January 31
February $1 \quad 1$
March 10

March 1545

## Activity

Bond Assessments are due.
Bond Assessments Delinquent if not received.
Issuer forwards payment to Trustee for all collections received as of the last day of February, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter.

Issuer and/or Administrator should be aware of actual and specific delinquencies.

Issuer should be aware if Reserve Fund needs to be utilized for debt service payment on May 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified.

Issuer should also be aware if, based on collections, there will be a shortfall for November payment.

Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in the corresponding May and November.

At this point, if total delinquencies are under 5\% and if there is adequate funding for May and November payment, no further action is anticipated for collection of Bond Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds $\$ 10,000$ the matter will be referred for commencement of foreclosure.

If there are over 5\% delinquencies or if there is insufficient funding in the Pledged Revenue Fund

[^4]for transfer to the Bond Fund of such amounts as shall be required for the full May and November payment, the collection-foreclosure procedure will proceed against all delinquent properties.

May 1

May 5
95

June $15 \quad 135$

July 1

Trustee pays bond interest payments to Owners.
Reserve Fund payment to Bond Fund may well be required if Bond Assessments are below approximately $50 \%$ collection rate.

Dissemination Agent to notify MSRB if Reserve Fund utilized for debt service.

Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties.

Issuer to notify Dissemination Agent for disclosure to MSRB of all delinquencies.

If any property owner with ownership of property responsible for more than $\$ 10,000$ of the Bond Assessments is delinquent or if a total of delinquencies is over $5 \%$, or if it is expected that Reserve Fund moneys will need to be utilized for either the May or November bond payments, the City Treasurer shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Bond Assessments.

Preliminary Foreclosure activity commences.
If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the Owners under Section 11.2 of the Indenture, Dissemination Agent requests again that the Issuer commence foreclosure or provide plan for collection.

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 1 (day 180).
August $1 \quad 180$

August 15195

September $1 \quad 210$

Foreclosure action to be filed with the court.
Issuer notifies Dissemination Agent of Foreclosure
filing status. Dissemination Agent notifies Owners.
If Owners and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify MSRB and 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 Treasurer 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 Bond Assessments.

## APPENDIX E-2

FORM OF DISCLOSURE AGREEMENT OF THE DEVELOPER
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# CITY OF AUSTIN, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2019 (WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA \#1) <br> <br> CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER 

 <br> <br> CONTINUING DISCLOSURE AGREEMENT OF DEVELOPER}

This Continuing Disclosure Agreement of Developer dated as of April 1, 2019 (this "Disclosure Agreement") is executed and delivered by and among Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership (the "Developer") and U.S. Bank National Association (the "Dissemination Agent") with respect to the "City of Austin, Texas, Special Assessment Revenue Bonds, Series 2019 (Whisper Valley Public Improvement District Improvement Area \#1)" (the "Bonds"). The Developer 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 and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of April 1, 2019, relating to the Bonds (the "Indenture"), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:
"Administrator" shall mean any employee or designee of the Issuer who shall have the responsibilities provided in the Service and Assessment Plan, the Indenture, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District.
"Agreement of Sale and Purchase" shall mean an agreement of sale and purchase between a merchant homebuilder and the Developer to purchase lots within Improvement Area \#1.
"Annual Collection Costs" shall have the meaning assigned to such term in the Indenture.
"Annual Installment(s)" shall have the meaning assigned to such term in the Indenture.
"Bond Assessments" shall have the meaning assigned to such term in the Indenture.
"Business Day" shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.
"Developer" shall mean Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership, and its successors and assigns.
"Disclosure Agreement of Issuer" shall mean the Continuing Disclosure Agreement of the Issuer dated as of April 1, 2019 executed and delivered by and among the Issuer and the Dissemination Agent.
"Dissemination Agent" shall mean U.S. Bank National Association, 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 Whisper Valley Public Improvement District.
"EMMA" shall mean the Electronic Municipal Market Access System available on the internet at http://emma.msrb.org.
"Homebuilder(s)" shall mean any third party merchant homebuilder who enters into an Agreement of Sale and Purchase with the Developer, and its successors and assigns.
"Improvement Area \#1" means Improvement Area \#1 of the Whisper Valley Public Improvement District established by the Issuer and related to the Bonds.
"Improvements Area \#1 Improvements" shall have the meaning assigned to such term in the Indenture.
"Issuer" shall mean the City of Austin, Texas.
"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.
"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.
"Owner" shall mean the registered owner of any Bonds.
"Participating Underwriter" shall mean FMSbonds, Inc., and its successors and assigns.
"Quarterly Ending Date" shall mean each January 1, April 1, July 1 and October 1, beginning July 1, 2019.
"Quarterly Filing Date" shall mean each February 10, May 10, August 10 and November 10 following each Quarterly Ending Date, respectively.
"Quarterly Report" shall mean any Quarterly Report described in Section 3 of this Disclosure Agreement.
"Rule" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.
"SEC" shall mean the United States Securities and Exchange Commission.
"Service and Assessment Plan" shall have the meaning assigned to such term in the Indenture.
"Trustee" shall mean U.S. Bank National Association, or any successor trustee pursuant to the Indenture.

## SECTION 3. Quarterly Reports.

(a) The Developer shall complete each Quarterly Report containing the information described in this Section 3, and shall provide or cause to be provided to the Issuer and the Dissemination Agent, not later than thirty (30) days after each Quarterly Ending Date, each Quarterly Report containing the information described in this Section 3. In all cases, the Developer shall have the sole responsibility for the content, design and other elements comprising substantive contents of the Quarterly Reports. The Issuer shall review the information contained in each Quarterly Report and authorize the Dissemination Agent to provide such report to the MSRB and the Participating Underwriter within ten (10) days of the Dissemination Agent's receipt thereof pursuant to this subsection (a); provided, however, that the Quarterly Report must be submitted to the MSRB not later than each Quarterly Filing Date. In the event that the Developer does not provide all of the information required by this Section 3 in a timely manner and a complete Quarterly Report is not filed with the MSRB by each Quarterly Filing Date, the Dissemination Agent shall, upon written notice from the Developer or the Issuer, file a notice of failure to file with the MSRB in substantially the form attached as Exhibit A, as soon as practicable.
(b) The Developer shall provide, or cause to be provided, such Quarterly Reports during the period from the delivery of the Bonds until such time as neither the Developer nor any Homebuilder, if any, is individually responsible for the payment of Annual Installments of Bond Assessments equal to at least fifteen percent (15\%) of the total Annual Installments of Bond Assessments for any calendar year.
(c) Such Quarterly Report shall include:
(i) Statement with respect to the Developer as to the status of development loans and any permanent financing with respect to any development undertaken by the Developer in Improvement Area \#1, including the Improvement Area \#1 Improvements, not financed with Bond proceeds, including loan balance, existence of deeds of trust or other similar encumbrances against the property within Improvement Area \#1, existence of any default and remaining term;
(ii) A statement as to material changes, if any, in the form, organization or controlling ownership of the Developer;
(iii) A statement as to material changes, if any, in the form, organization or controlling ownership of any Homebuilder;
(iv) Written notification of any significant zoning or land use entitlement changes or any other matter that would have a material adverse impact on land values within Improvement Area \#1, development potential of lands within Improvement Area \#1 or the likelihood of the timely payment of the Bond Assessments levied on land or parcels owned by the Developer or any Homebuilder; and
(v) Any changes to the land use designation for the property in Improvement Area \#1 that might negatively impact its development for those purposes identified in the final Service and Assessment Plan, as the same may be amended and supplemented from time to time.
(d) Additionally, the Developer shall include the following information in each Quarterly Report:
(i) Status of lot sales in Improvement Area \#1 from the Developer to any other party by lot type, as well as anticipated future absorption of lots, in substantially the form of the following table;

Actual and Expected Sale of Single Family Lots to Homebuilders by Lot Type in Improvement Area \#1 ${ }^{(1)}$

| Year | 25' Lot | 35' Lot | 50' Lot | $\underline{60}$ ' Lot | Total Units |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2016 |  |  |  |  |  |
| 2017 |  |  |  |  |  |
| 2018 |  |  |  |  |  |
| 2019 |  |  |  |  |  |
| 2020 |  |  |  |  |  |
| 2021 |  |  |  |  |  |
| Total |  |  |  |  |  |

(Remainder of page intentionally left blank)
(ii) For each Homebuilder, lot absorption statistics by lot type, including, the (1) number of lots under contract, (2) number of lots closed, on a per quarter and running total basis, and (3) number of lots remaining to be closed, in substantially the form of the following table;

(Remainder of page intentionally left blank)
(iii) For each Homebuilder, home absorption statistics by lot type, including, the (1) number of homes under construction, (2) number of homes available for sale to end-users, (3) number of homes under contract with end-users, (4) number of homes closed with end-users, on a per quarter and total running basis, and (5) average home sales price, in substantially the form of the following table; and

| Residential Home Absorption for [Quarter Ending __, 20_] |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Under Construction | Available for Sale | Under Contract w/ End-User | Closed to End-user | Increase from [insert prior Quarterly Ending | Average Sales Price of Home |
| [Homebuilder] |  |  |  |  |  |  |
| 25' Lot |  |  |  |  |  |  |
| 35' Lot |  |  |  |  |  |  |
| 50' Lot |  |  |  |  |  |  |
| 60' Lot |  |  |  |  |  |  |
| Homebuilder <br> Total Homes: |  |  |  |  |  | N/A |
|  |  |  |  |  |  |  |
| [Homebuilder] |  |  |  |  |  |  |
| 25' Lot |  |  |  |  |  |  |
| 35' Lot |  |  |  |  |  |  |
| 50' Lot |  |  |  |  |  |  |
| 60' Lot |  |  |  |  |  |  |
| Homebuilder Total Homes: |  |  |  |  |  | N/A |
|  |  |  |  |  |  |  |
| All Homebuilders |  |  |  |  |  |  |
| 25' Lot |  |  |  |  |  |  |
| 35' Lot |  |  |  |  |  |  |
| 50' Lot |  |  |  |  |  |  |
| 60' Lot |  |  |  |  |  |  |
| Total Homes: |  |  |  |  |  | N/A |
| Note: Insert additi | al rows for a | itional Hon | ebuilders. |  |  |  |

(iv) A listing of any Homebuilders, the estimated amount of the Annual Installments of Bond Assessments next coming due by such Homebuilder, and the estimated percentage of such Annual Installments of Bond Assessments relative to the entire Annual Installment of Bond Assessments.

## SECTION 4. Event Reporting Obligations of Developer.

(a) Pursuant to the provisions of this Section 4, each of the following is a Listed Event with respect to the Bonds:
(i) Failure to pay any real property taxes or Bond Assessments levied within Improvement Area \#1 on a parcel owned by the Developer or any Homebuilder; provided, however, that the exercise of any right of the Developer or 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 Listed Event under this Section 4 nor a breach or default of this Disclosure Agreement;
(ii) Material damage to or destruction of any development or improvements within Improvement Area \#1, including the Improvement Area \#1 Improvements;
(iii) Material default by the Developer on any loan with respect to the development or permanent financing of Improvement Area \#1 undertaken by the Developer;
(iv) Material default by the Developer on any loan secured by property within Improvement Area \#1 owned by the Developer;
(v) The bankruptcy filing of the Developer or any Homebuilder or any determination that the Developer or any Homebuilder 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, 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 claim for damage, in excess of $\$ 1,000,000$ against the Developer or any Homebuilder which may adversely affect the completion of development of Improvement Area \#1 or litigation which would materially adversely affect the financial condition of the Developer or any Homebuilder; and
(viii) Any change in the legal structure, chief executive officer or controlling ownership of the Developer.
(ix) Early termination of or material default under an Agreement of Sale and Purchase by a Homebuilder.
(b) Whenever the Developer obtains knowledge of the occurrence of a Listed Event, the Developer shall promptly, and not more than five (5) Business Days after the Developer obtains such knowledge, notify the Issuer and the Dissemination Agent in writing and the Developer shall direct the Dissemination Agent, subject to the Issuer's written approval, to file a notice of such occurrence with the MSRB and the Participating Underwriter. If the Dissemination Agent has been instructed by the Developer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than the Business Day immediately following the day on which it receives written instructions from the Developer, provided such instructions are delivered to the Dissemination Agent by 2:00 P.M. central standard time on any such day. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraph shall be accompanied with the text of the disclosure that the Developer desires to make, the written authorization of the Developer for the Dissemination Agent to disseminate such information as provided herein, and the date the Developer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the Developer becomes aware of the occurrence of the Listed Event).

In all cases, the Developer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Developer shall have the sole responsibility to ensure that any notice required to be filed with the MSRB under this Section 4 is filed within ten (10) Business Days of the occurrence of the Listed Event.

## SECTION 5. Termination of Reporting Obligations.

(a) The reporting obligations of the Developer under this Disclosure Agreement shall terminate upon the earlier of (i) the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when neither the Developer nor any Homebuilder, if any, is individually responsible for the payment of Annual Installments of Bond Assessments equal to at least fifteen percent (15\%) of the total Annual Installment of Bond Assessments for any year. If such termination occurs prior to the legal defeasance, prior redemption or payment in full of all of the Bonds, the Developer shall provide written notice of the event described in subsection (ii) above to the Dissemination Agent, and the Dissemination Agent shall provide notice in substantially the form attached as Exhibit B (the "Termination Notice") to the MSRB, the Issuer, the Trustee, the Developer and the Participating Underwriter within ten (10) Business Days of its receipt thereof.
(b) The reporting obligations of the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the legal defeasance, prior redemption or payment in full of all of the Bonds or (ii) when notice of termination is provided to the Dissemination Agent pursuant to subsection (a) of this Section 5, and any Termination Notice required by subsection (a) of this Section 5 has been provided to the MSRB, the Issuer, the Trustee, the Developer and the Participating Underwriter.

SECTION 6. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out the Developer's obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be U.S. Bank National Association.

SECTION 7. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Developer and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Developer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:
(a) If the amendment or waiver relates to the provisions of Sections 3 or 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Developer, or the type of business conducted; and
(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds. No amendment which adversely affects the Dissemination

Agent or the Issuer may be made without the respective party's prior written consent (which consent will not be unreasonably withheld or delayed).
(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Developer 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 (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Developer. The Developer shall provide, or cause to be provided, at its cost and expense, an executed copy of any amendment or waiver entered into under this Section 7 to the Issuer and the Participating Underwriter.

SECTION 8. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in addition to that which is required by this Disclosure Agreement. If the Developer 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, the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

SECTION 9. Default. In the event of a failure of the Developer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least twenty-five percent ( $25 \%$ ) aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Developer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the Developer to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the Developer shall not be deemed a default under the Disclosure Agreement of Issuer by the Issuer, and a default under the Disclosure Agreement of Issuer by the Issuer shall not be deemed a default under this Disclosure Agreement by the Developer.

## SECTION 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Developer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Developer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule.

The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.
(b) 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.
(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT OR THE DEVELOPER BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DEVELOPER OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION.

SECTION 11. No Personal Liability. No covenant, stipulation, obligation or agreement of the Developer or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Developer or Dissemination Agent in other than that person's official capacity.

SECTION 12. 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 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Developer, the Dissemination Agent, the Issuer, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or
entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 14. 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 updates to the Service and Assessment Plan. The Dissemination Agent has entered into a separate agreement with the Issuer, which agreement provides for the payment of the fees and expenses of the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 16. 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.]
U.S. BANK NATIONAL ASSOCIATION (as Dissemination Agent)

By:
Authorized Officer

CLUB DEAL 120 WHISPER VALLEY, LIMITED
PARTNERSHIP, a Delaware limited partnership qualified to do business in Texas
(as Developer)
By: CD120 GP, LLC, a Delaware limited liability company qualified to do business in Texas Its: General Partner

By:
Douglas H. Gilliland, Manager

## EXHIBIT A

# NOTICE TO MSRB OF FAILURE TO FILE QUARTERLY REPORT 

[DATE]

Name of Issuer: City of Austin, Texas
Name of Bond Issue: $\quad$ Special Assessment Revenue Bonds, Series 2019
(Whisper Valley Public Improvement District
Improvement Area \#1) (the "Bonds")
CUSIP Nos.
[insert CUSIP NOs.]
Date of Delivery: $\qquad$ , 20

NOTICE IS HEREBY GIVEN that Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership (the "Developer"), has not provided the Quarterly Report (as defined in the Disclosure Agreement) for the period ending on [Insert Quarterly Filing Date] with respect to the Bonds as required by the Continuing Disclosure Agreement of Developer dated April 1, 2019 (the "Disclosure Agreement"), by and among the Developer and U.S. Bank National Association, as "Dissemination Agent."

Dated: $\qquad$
U.S. Bank National Association on behalf of the Developer
(as Dissemination Agent)
By: $\qquad$
Title: $\qquad$

cc: Developer<br>City of Austin, Texas

## EXHIBIT B

# TERMINATION NOTICE 

## [DATE]

| Name of Issuer: |  |
| :--- | :--- |
| Name of Bond Issue: | City of Austin, Texas <br> Special Assessment Revenue Bonds, Series 2019 <br> (Whisper Valley Public Improvement District |
| Improvement Area \#1) (the "Bonds") |  |
| CUSIP Nos. | [insert CUSIP NOs.] |
| Date of Delivery: |  |
| FMSbonds, Inc. |  |

NOTICE IS HEREBY GIVEN that neither Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership (the "Developer"), nor any Homebuilder (as defined in the Disclosure Agreement), if any, is individually responsible for the payment of at least fifteen percent (15\%) of Annual Installments of Bond Assessments, with respect to the Bonds, thereby, terminating the Developer's reporting obligations under the Continuing Disclosure Agreement of Developer dated April 1, 2019 (the "Disclosure Agreement"), by and among the Developer and U.S. Bank National Association, as "Dissemination Agent."

Dated: $\qquad$

U.S. Bank National Association on behalf of the Developer (as Dissemination Agent)

By:

Title: $\qquad$
(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

## APPENDIX F

APPRAISAL OF BOND ASSESSED PARCELS
(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

## Paul Hornsby \& Company

Appraisers and Consultants

Paul Hornsby, MAI, SRA
Justin Sims, Appraiser Trainee
Eli Hanslik, MAI Jason Thomas, Appraiser Trainee
Chris Hornsby, MAI
Melany Adler, MAI
Katie Daniewicz, MAI
Clifford Shaw, ASA
Matthew Cox, State Certified Appraiser Caitlin Warren, Appraiser Trainee Jake Kane, Analyst Travis Jenkins, Analyst Terri Bowden, Business Manager
Hansi Holzhammer, Administrative Support Cynthia Stevens, Administrative Support

November 2, 2018
Joseph McAweeney
City of Austin
PO Box 1088
Austin, Texas 78767
Re: Appraisal of Whisper Valley - Whisper Rising (Village I, Phase I), east of FM 973, north of Braker Lane., Travis County, Texas.

|  |  |
| :--- | :--- |
| Project Name: | Whisper Valley - Whisper Rising (Village I, Phase I) |
| Assignment Number: | $52-161.4$ |
| File Number: | 4708.01 |
| Project: | Whisper Valley - Whisper Rising (Village I, Phase I) |
| Property Owners: | Various |
| TCAD: | Various <br> Legal Description:195 Lots of Whisper Valley Village 1, Phase 1 Final Plat, a  <br>  subdivision in Travis County, Texas, according to the map or plat <br> thereof, recorded under Document No. 201500024 of the Official <br> Public Records of Travis County, Texas. |

Dear Mr. McAweeney:
Pursuant to your request, we have undertaken an appraisal of the above-referenced property, the conclusions of which are set forth in this appraisal report. This report is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). This report has also been prepared in conformity with the requirements of the Code of Professional Ethics \& Standards of Professional Appraisal Practice of the Appraisal Institute. We are not responsible for unauthorized use.

The purpose of the appraisal to develop an opinion of market value of the fee simple interest in 195 vacant, improved and partially improved single-family residential lots. The City of Austin is the client and the intended users of the appraisal report are the City of Austin or its agents and the developer - Club Deal 120 Whisper Valley, L.P. The intended use of this report is to assist the Office of Real Estate Services of the City of Austin in its determination of market value and evaluation of the existing PID bonds on the property, for the unimproved land, the improved and partially improved single-family residences. This report is not intended for any other use. The effective date of this appraisal is September 4, 2018.

Based on the analysis and data herein, it is our opinion that the cumulative retail value of the property, as of September 4, 2018, is as follows:

## CUMULATIVE RETAIL VALUE CONCLUSION

| Partially Improved Homes | $\$ 10,927,725$ <br> Vacant Lots <br> $\$ 7,961,200$ <br> Total:$\$ \$ 18,888,925$ |
| :--- | ---: |

Per the client's instructions, we have appraised the market value of each lot and home independently. The results are individual market values that do not consider holding periods or carrying costs required to market numerous lots and homes in one location to a single buyer. Instead, the appraisal premise is that each lot and home would be the first and/or only unit sold in the current market.

This letter of transmittal and the pages which follow constitute our report setting forth the data and analyses utilized in formulating the value opinions. Should you have any questions, or if we can be of further assistance, please contact our office.

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have not performed services as an appraiser or in any other capacity involving the subject within the three years prior to acceptance of this assignment.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics \& Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Jason Thomas made a personal on-site inspection of the property that is the subject of this report. Paul Hornsby performed an off-site inspection for this assignment and has performed on-site inspections for prior assignments.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- As of the date of this report, Paul Hornsby has completed the continuing education program for

Designated Members of the Appraisal Institute.

- As of the date of this report, Jason Thomas has completed the Standards and Ethics Educational Requirements for Practicing Affiliates of the Appraisal Institute.


## PAUL HORNSBY \& COMPANY,



Paul Hornsby, MAI, SRA
Texas Certified Appraiser No. 1321761-G


Jason Thomas
Texas Appraiser Trainee No. 1341346

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## Assignment Specific Assumptions

1. The developer provided a list of 49 improved or partially improved lots and estimated construction progress on each of those lots. We assume the construction progress is accurate as of the effective date of this appraisal. It is assumed that all other subject lots were vacant.

Absent these assumptions our value opinion would change.

## ORDINARY Assumptions

1. It is assumed that there are no easements or encroachments as of the effective date of this appraisal unless noted within the report.
2. It is assumed that there are no hidden or unapparent conditions of the property, sub-soils, or structures which would render them more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover such factors.
3. It is assumed that all necessary permits have been obtained and that there has been full compliance with all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.
4. It is assumed that all applicable zoning and use regulations and restrictions are complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
5. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed. We have no knowledge of the existence of such materials on or in the property, and am not qualified to detect such substances. The presence of substances such as asbestos, radon gas, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimates are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
6. Unless otherwise stated in this report, it is assumed that the property is free of any environmental issues, including endangered species or their habitat (i.e., caves) which might preclude development or otherwise affect the value of the property. No responsibility is assumed regarding the presence or absence of such features and the client is urged to retain an expert in these fields, if desired, as the appraiser is not qualified to discover such conditions.

## Limiting Conditions

1. The legal description furnished our firm is assumed to be correct. We assume no responsibility for matters legal in character, nor render any opinion as to the title, which is assumed to be good. The property has been appraised as if under responsible ownership and competent management.
2. We have made no survey and assume no responsibility in connection with such matters therefore, reference to a sketch, plat, diagram, or survey appearing in the report is only for the purpose of assisting the reader to visualize the property. The firm believes that the information contained in this report, although obtained from public record and other reliable sources and, where possible, carefully checked, is reliable, but assumes no responsibility for its accuracy.
3. The construction and condition of the property mentioned in the body of this report are based on observation and no engineering study has been made which could discover any possible latent defects. No certification as to any of the physical aspects could be given unless a proper engineering study is made.
4. We are not required to give testimony or attendance in court by reason of this appraisal with reference to the property in question, unless arrangements have been previously made.
5. Possession of this report or a copy thereof does not carry with it the right of publication. It may not be used for any purpose by anyone other than the addressee without the previous written consent of the appraiser(s).
6. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author(s), particularly as to valuation and conclusions, the identity of the appraiser or firm with which they are connected, or any reference to the Appraisal Institute, the SRA, or the MAI designation.
7. The appraisers' liability regarding the statements and conclusions reported herein is limited to the fee charged for the assignment.

INTRODUCTION

## SUBJECT PHOTOGRAPHS



Community monument

Date of Photo: September 27, 2018


Southeast view along Braker Lane, subject to the left


Northwest view along Braker Lane, subject to the right

Date of Photo: September 27, 2018


Northwest view of the subject from southeast corner of the whole property

Date of Photo: September 27, 2018


Southwest view of the subject from the property interior

Date of Photo: September 27, 2018


Northeast view of the subject from the property interior

Date of Photo: September 27, 2018


Southeast view of Lot 2; Block A - 60' vacant lot

Date of Photo: September 27, 2018


East view of Lot 3; Block K - 50' lot with construction approximately 100\% complete

Date of Photo: September 27, 2018


North view of Lot 4; Block E-25' lot with construction approximately 100\% complete

Date of Photo: September 27, 2018


East view of Lot 4; Block F - 60' vacant lot

Date of Photo: September 27, 2018


East view of Lot 12; Block A - 60' model lot

Date of Photo: September 27, 2018


Southeast view of Lot 11; Block A - model home constructed on 60' lot

Date of Photo: September 27, 2018


West view of Lot 22; Block F - 60' lot with construction approximately 75\% complete

Date of Photo: September 27, 2018


West view of Lot 17; Block H-50' vacant lot

Date of Photo: September 27, 2018


South view of Lot 42; Block A - 50' lot with construction approximately $10 \%$ complete

Date of Photo: September 27, 2018

## IDENTIFICATION OF THE SUBJECT

The subject consists of 195 vacant and partially improved residential lots, located within Whisper Rising (Village I, Phase I) of Whisper Valley, a master-planned development community in east Travis County. Whisper Rising is comprised of 257 lots on 79.973 acres. Of the 257 lots, 237 are residential homesites and 20 are dedicated to open space and drainage easements. Of the 237 residential lots, 42 have been sold to individual homeowners, and are not included in this assignment. Please see the aerial photograph below for Whisper Rising.


Whisper Rising is comprised of 237 residential lots as shown on the exhibit below. These residential sites are segmented as follows:
$27-25^{\prime}$ lots
12-35' lots
100-50' lots
$98-60^{\prime}$ lots
As of the effective date, 42 of the 237 lots have been improved and sold. The subject consists of the remaining 195 lots. Of these 195 lots, 49 are improved or partially improved, and the remaining 146 lots are vacant.


## Effective Date of Value

September 4, 2018

## Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of market value of the fee simple interest in 195 vacant, and partially improved single-family residential lots. Each lot has been valued independently and the total expressed herein is the cumulative retail value.

## Client, Intended Use and Users of the Appraisal

The City of Austin is the client and the intended users of the appraisal report are the City of Austin or its agents and the developer - Club Deal 120 Whisper Valley, L.P. The intended use is to assist the Office of Real Estate Services of the City of Austin in its determination of market value and evaluation of the existing PID bonds on the property, for the unimproved land, the improved and partially improved single-family residences. This report is not intended for any other use.

## Property Rights Appraised

The property rights appraised are fee simple estate. Fee simple estate is "an interest in land that, being the broadest property interest allowed by law, endures until the current holder dies without heirs." ${ }^{1}$

## Definition of Market Value

Market Value is the price which the property would bring when it is offered for sale by one who desires, but is not obligated to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future. ${ }^{2}$

## LEGAL DESCRIPTION

The following legal description was obtained from public records and is assumed to be correct.
195 Lots of Whisper Valley Village 1, Phase 1 Final Plat, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded under Document No. 201500024 of the Official Public Records of Travis County, Texas.

## OWNER OF RECORD AND HISTORY

According to the Travis County Deed Records, ownership of the subject lots is vested to multiple parties. Club Deal 120 Whisper Valley, L.P. purchased the property from Green Community Development, LP, James R. Carpenter, Managing Member (1,717.827 acres), Whisper Valley Ranch Development, Ltd., James R. Carpenter, Managing Member (247.156 acres), and Hornsby Land Partners, LP ${ }^{3}$, Tim N. Throckmorton, Manager (101.46 acres) on August 7, 2006 and December 1, 2006.

Club Deal 120 Whisper Valley, L.P. has since sold portions of the subject. Beginning in 2016, Club Deal 120 Whisper Valley L.P. sold lots to Homes by Avi (Texas) L.P. and Pacesetter Homes, LLC. Since that time,

[^5]additional lots have been sold to Aha Dream Homes, LLC. Buffington Homes is under contract to purchase 33 lots. Additionally, GFO Home has a deal in place to purchase the remaining 14 lots. The remaining lot is a model home lot that has been reserved for a future, as yet, unidentified homebuilder.

Over the past two years, the homebuilders have constructed and sold many of the homes to individual buyers. Ownership information is not provided for each individual owner in this section. However, individual ownership information is retained in our workfile and pricing is summarized in the valuation section of this report.

This information is included to satisfy the requirements of USPAP. It is not intended as a guarantee to the chain of title, and a title search should be performed should a definitive abstract be desired.

## Ad Valorem Taxes

The subject has 195 tax parcels. Each individual parcel has not been identified in this section, but the data has been retained in our workfile.

## SCOPE OF WORK

To complete the assignment, a number of steps were undertaken. The most salient of these are listed below.

- Jason Thomas made an onsite inspection of the property on September 27, 2018. The inspection included walking and/or driving portions of the interior and perimeter of the site. Paul Hornsby performed an offsite inspection for this assignment, and has previously inspected on site.
- The neighborhood was inspected from numerous roads, and trends in residential and commercial development were noted.
- We reviewed documents specific to the subject including surveys, deed records, bond documents, historical sales data, tax plats, flood plain maps, topographical maps, and aerial maps.
- A highest and best use analysis was performed to determine the physically possible uses, legally permissible uses, financial feasibility, and maximally productive use of the property.
- The three traditional valuation techniques were considered to estimate the value of the subject. The Sales Comparison Approach was utilized to value the subject's vacant lots and improved residences. The Cost Approach and Income Approach were used not used as sufficient data existed to value the subject by other methods.
- Sales were confirmed by research of county deed records, conversations with various real estate brokers, Co-Star Group, LoopNet (internet based real estate sales data, by subscription), and the Austin Multiple Listing Service. The time frame for our data search was from 2016 through the effective date. The geographic area of research included Travis County. The sales were inspected from perimeter roadways, and data were confirmed with parties directly involved with the transactions (buyer, seller, or brokers) or associates having special knowledge of the transactions.
- Additional steps taken to gather, confirm, and analyze relevant data are detailed in individual sections of the report. A study of overall market conditions by property type, competing subdivisions, vacant lot inventories, and local development trends was performed by researching local publications and through conversations with developers, brokers, and participants in the market. Sources for additional data include general market and industry reports published by residential and commercial market research sources, the Austin MLS system, Texas A\&M Real Estate Research Center, the local newspaper, and business publications.

MARKET AND SITE DESCRIPTION AND ANALYSES

## Austin Area Analysis



As of second quarter 2018, the Austin MSA continues to reflect strong economic viability in all market sectors and appears to have returned to a hyper-growth phase. Austin settled into a more stable phase in 2016 and 2017 after four years of hyper-growth from 2012 to 2015. However, economic momentum has returned to 2012-2015 levels as evidenced by the city's continuing expansion, trailing 12-month employment growth and record-low unemployment levels.

The single-family sector continues to experience healthy sales. Home builders remain in lot-acquisition and development mode but are unable to meet increasing demand. Single-family inventory has declined, intensifying buyer competition in the single-family market and raising sale prices. The multi-family market has had significant development over the last few years and, occupancies are showing signs of flattening; however, rents have exhibited a modest increase to date in 2018. Tracking the strong demand in residential markets, the office, retail and industrial markets reflect healthy occupancy and rents despite recent additions to supply. Corporate relocations and expansions continue to fuel the Austin real estate market.

## EMPLOYMENT

The following tables show employment statistics and changes in the Austin MSA. The employment gains show improvement beginning in 2010.

|  |  |  |  |  |  |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |


|  | Year End <br> 2017 | 2nd Q 2017 | 1st Q 2018 | 2nd Q 2018 | Trailing <br> Year <br> Change | YTD Change | Quarterly <br> Change |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total Civilian Employment | $1,133,101$ | $1,095,549$ | $1,190,395$ | $1,192,072$ | $8.8 \%$ | $5.2 \%$ | $0.1 \%$ |
| Non-agricultural employment | $1,053,500$ | $1,023,400$ | $1,060,300$ | $1,074,100$ | $5.0 \%$ | $2.0 \%$ | $1.3 \%$ |
| Unemployment | $2.7 \%$ | $3.4 \%$ | $3.1 \%$ | $3.2 \%$ |  |  |  |

## SUMMARY

With a trailing year 5.0\% non-agricultural employment growth, Austin continues to fare better than most cities in the nation. If growth continues at this same level through the balance of the year, it will approach the level experienced in the hyper-growth years of 2012-2015.

## Neighborhood Analysis



Whisper Valley is a 2,063-acre mixed-use development located in east Travis County along the east line of FM 973 and south of its intersection with US Hwy 290. The subject's 195 residential lots are within Village I, Phase I of Whisper Valley. The subject lots are bordered by Braker Lane to the south.

## LINKAGES

Primary access to the area is provided by $\mathrm{SH}-130$, a north-south toll road system extended through east Travis County. The toll road in this area was completed in 2007 to 2008 and connects Georgetown at IH-35 on its north end to Seguin at IH-10 at its south end. US 290 toll road is located approximately three and a half miles to the north and is accessed via SH-130. The US 290 toll road is a 6.2-mile toll road from US Hwy 183 to east of SH-130 in Manor.

The subject's immediate neighborhood is provided access via FM 973 and Braker Lane. FM 973 extends north to south from Taylor in east Williamson County to south of Austin-Bergstrom International Airport.

## DEMOGRAPHIC PROFILE

The subject is located in east Travis County, approximately 11 miles east of the Austin central business district. The map below shows the 1 mile, 3 mile, and 5 mile radiuses for the study areas outlined in the demographic table that follows.



[^6]Fape 2 of 2

## CONCLUSION

This neighborhood has realized growth during the Austin market's expansion over the past 20 years, but mostly in the past 10 years. Most of the significant growth in the east Austin SH-130 corridor has occurred north of US 290 toll road or south of Hwy 71. However, several new developments are underway close to east Austin's SH 130 corridor, including Wildhorse Ranch and ShadowGlen. Others in Austin fringe areas that have exhibited above average growth in recent years are the Pflugerville, Round Rock, Buda and Kyle submarkets. Continued growth in the subject's area is supported by the completion of the toll roads and the construction of commercial and residential development along SH 130.

## Residential Market Analysis

Supply and demand in the submarket directly affect value, as well as potential exposure time and marketing period. In this section we summarize the trend of the residential market. The Austin-area residential market is one of the hottest residential real estate markets in the country. The average and median prices are at historical highs. Inventories have fallen and multiple offers and 24-hour listing-to-contract scenarios are typical. Permit activity is rising to the levels seen from 1998 to 2006 when the Austin market experienced its last period of rapid expansion.

## Permit Activity

Single family permit activity, which includes condominium units, in the Austin MSA area over the past 15 years is as follows. The source of all data in the charts in this section is the Real Estate Center at Texas A\&M University and the data is through the end of 2017. The chart to the right shows the trend of permit activity in the Austin MSA since 2003.

The number of permits issued reached peak levels in 2005 and 2006, and then fell precipitously in 2007 and 2008. The decline continued at a slower pace in 2009 and 2010 in Austin while the
 statewide number leveled during the same period. In 2008, 7,710 permits were issued, down from 12,120 in 2007. In 2009, 2010, and 2011, less than 6,700 permits were issued in each year. The last time this level was evident was in 1994 when 6,250 permits were issued. At that time, the 6,000-level ranked high in Austin's history. The number of permits issued has significantly increased from
 2011 to 2017. In 2017, the count was 16,119 , an increase of $20.9 \%$ over 2016.

The average value per permit dropped $7.2 \%$ in 2009, the first decline since 2003. However, in 2010 the average value increased $6.9 \%$ to nearly wipe out the previous year's loss. In 2011, the average value increased by $3.9 \%$. From there, the average value continued to increase except for 2017 when the average value dropped slightly.

This is somewhat indicative of higher priced homes being more dominant during the lower activity periods as opposed to an indication of a change in price. However, the average and median price is also rising, so an upward trend and a rapid recovery compared to the nation is evident.

## Economic Overview - State and Region

The 2017 statewide permit activity exceeded the 2016 level by $9.6 \%$ compared to the $20.9 \%$ increase posted in the Austin market. Year 2017 exhibited permit activity at levels seen from 2005 and 2006 when the Austin market experienced rapid growth. These data from 2003 through the end of 2017 are shown in the next table.

| SINGLE FAMILY PERMIT HISTORY |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Austin MSA Compared to the State of Texas |  |  |  |  |
| Year | Austin MSA | Change | Texas | Change |
| 2003 | 12,116 |  | 137,493 |  |
| 2004 | 14,309 | $18.1 \%$ | 151,384 | $10.1 \%$ |
| 2005 | 17,346 | $21.2 \%$ | 166,203 | $9.8 \%$ |
| 2006 | 17,615 | $1.6 \%$ | 163,032 | $-1.9 \%$ |
| 2007 | 12,120 | $-31.2 \%$ | 120,366 | $-26.2 \%$ |
| 2008 | 7,710 | $-36.4 \%$ | 81,107 | $-32.6 \%$ |
| 2009 | 6,678 | $-13.4 \%$ | 68,230 | $-15.9 \%$ |
| 2010 | 6,200 | $-7.2 \%$ | 68,170 | $-0.1 \%$ |
| 2011 | 6,231 | $0.5 \%$ | 67,254 | $-1.3 \%$ |
| 2012 | 8,261 | $32.6 \%$ | 81,926 | $21.8 \%$ |
| 2013 | 8,954 | $8.4 \%$ | 93,478 | $14.1 \%$ |
| 2014 | 11,842 | $32.3 \%$ | 103,045 | $10.2 \%$ |
| 2015 | 11,857 | $0.1 \%$ | 105,448 | $2.3 \%$ |
| 2016 | 13,327 | $12.4 \%$ | 106,511 | $1.0 \%$ |
| 2017 | 16,119 | $20.9 \%$ | 116,766 | $9.6 \%$ |

Source: Real Estate Center at Texas A\&M University and Austin Board of Realtors
In the next chart, the relationship of permit activity between the Austin MSA (numbers in the left axis) and the state of Texas (numbers in the right axis) is compared. The Austin market and the state of Texas experienced a drop in the 2007 to 2011 period because of the recession. From that time forward, the trend or direction has increased each year.

Austin MSA and Texas Single Family Building Permits
Number of Dwelling Units


A lengthy history of sales volume, price, and monthly inventory in the Austin area is as follows.

| AUSTIN MSA RESIDENTIAL CHANGE HISTORY |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Average |  | Median |  | Total | Months |
| Year | Volume | Change | Price | Change | Price | Change | Listings | Inventory |
| 1995 | 11,291 |  | \$121,307 |  | \$100,025 |  | 3,778 | 3.8 |
| 1996 | 12,406 | 9.9\% | \$128,651 | 6.1\% | \$107,884 | 7.9\% | 5,126 | 4.9 |
| 1997 | 12,253 | -1.2\% | \$137,845 | 7.1\% | \$111,819 | 3.6\% | 5,344 | 4.3 |
| 1998 | 15,338 | 25.2\% | \$146,237 | 6.1\% | \$117,207 | 4.8\% | 4,318 | 2.7 |
| 1999 | 17,845 | 16.3\% | \$160,335 | 9.6\% | \$125,888 | 7.4\% | 3,292 | 1.7 |
| 2000 | 18,321 | 2.7\% | \$189,054 | 17.9\% | \$143,550 | 14.0\% | 3,002 | 2.2 |
| 2001 | 18,095 | -1.2\% | \$191,261 | 1.2\% | \$149,611 | 4.2\% | 6,500 | 4.1 |
| 2002 | 18,414 | 1.8\% | \$195,500 | 2.2\% | \$153,545 | 2.6\% | 8,163 | 5.3 |
| 2003 | 19,469 | 5.7\% | \$194,997 | -0.3\% | \$153,836 | 0.2\% | 9,669 | 5.5 |
| 2004 | 22,193 | 14.0\% | \$196,919 | 1.0\% | \$153,198 | -0.4\% | 9,723 | 4.4 |
| 2005 | 26,448 | 19.2\% | \$208,855 | 6.1\% | \$160,701 | 4.9\% | 8,297 | 3.2 |
| 2006 | 29,767 | 12.5\% | \$228,976 | 9.6\% | \$171,272 | 6.6\% | 8,028 | 2.9 |
| 2007 | 27,571 | -7.4\% | \$246,038 | 7.5\% | \$183,292 | 7.0\% | 9,163 | 4.0 |
| 2008 | 22,068 | -20.0\% | \$243,337 | -1.1\% | \$187,319 | 2.2\% | 10,911 | 5.1 |
| 2009 | 20,407 | -7.5\% | \$236,688 | -2.7\% | \$185,150 | -1.2\% | 10,131 | 5.1 |
| 2010 | 19,547 | -4.2\% | \$246,561 | 4.2\% | \$189,356 | 2.3\% | 10,906 | 5.3 |
| 2011 | 20,999 | 7.4\% | \$250,167 | 1.5\% | \$189,500 | 0.1\% | 9,071 | 3.9 |
| 2012 | 25,209 | 20.0\% | \$266,100 | 6.4\% | \$202,600 | 6.9\% | 7,023 | 2.4 |
| 2013 | 29,971 | 18.9\% | \$287,087 | 7.9\% | \$220,000 | 8.6\% | 5,444 | 1.8 |
| 2014 | 30,164 | 0.6\% | \$307,362 | 7.1\% | \$240,000 | 9.1\% | 5,654 | 2.0 |
| 2015 | 31,435 | 4.2\% | \$331,612 | 7.9\% | \$260,000 | 8.3\% | 5,935 | 1.9 |
| 2016 | 32,711 | 4.1\% | \$347,695 | 4.8\% | \$280,000 | 7.7\% | 6,395 | 2.0 |
| 2017 | 33,944 | 3.8\% | \$366,689 | 5.5\% | \$295,000 | 5.4\% | 7,254 | 2.1 |
|  |  | 6.7\% |  | 6.7\% |  | 6.6\% | Average | 3.5 |
| Compound Annually |  | ter at Te | as A\&M Univ | rsity and | Austin Boar | d of Realt |  |  |

The 2011 sales volume shows a reversal of the declining direction that began in 2007, and volume continued to increase significantly in 2012 and 2013. From that time forward, the trend or direction has increased slowly.

Employment in the Austin area is increasing, and residential subdivision development is abundant. The data indicates that the local housing market is strong, and the impact on sales in the subject project will be positive.

The Austin residential market has been noticeably superior to national markets, and its strength is not recent or sporadic. The continuation of residential market stability can be expected based on Austin's long history of steady and consistent development. The subject is in its beginning stages, and although competition exists, homebuilders are finding lot inventories to be short of demand. Austin publications are touting a robust residential market as evidenced by the following recently published comments.

## AUSTIN HOUSING IN THE NEWS

| Publication | Title |
| :--- | :--- |
| Austin Business Journal (8-17-2018) | Housing sales, prices hit record highs in July |
| So demand is clearly high. On the supply side, permitting for new single-family homes and apartments is back to |  |
| pre-recession levels and Metrostudy data show construction started on 4,604 homes in the first quarter, up more |  |
| than 17 percent year over year. |  |

## Community Impact Austin (7-26-2018) Housing Starts on the Rise Throughout City

Historically as more residential product is built home prices drop. But the demand in this area is so high that there is currently a positive effect on values for the forseeable future, Crorey said. This is good for sellers, he said, as value is continuing to rise. For potential homebuyers Crorey said now is the time to buy.

$$
\begin{array}{ll}
\hline \text { Austin American Statesman (6-27-2018) } & \begin{array}{l}
\text { Expert: Outlook bright for Austin economy, } \\
\text { housing market }
\end{array} \\
\hline
\end{array}
$$

But for the near-term, Gaines said, the Austin area housing market, spanning a metro area from Georgetown to San Marcos, is "blowing and going." Housing demand continues to outpace builders' ability to find lots and labor to construct houses in the areas and price ranges - namely below $\$ 300,000$ - that are most in demand, Gaines noted.

Market data indicates that there is good demand for new single-family development. As the Austin market continues to expand, markets that have realized limited growth in the past, are starting to notice more sustained development. The subject is well located between two recent growth areas, Manor to the north along US 290 toll road and Circuit of the Americas (COTA) to the south along US Hwy 71. Access to the Austin CBD, COTA, Austin-Bergstrom International Airport and surrounding communities of Manor, Elgin and Bastrop make this location desirable. The subject's market is expected to experience continued growth as Austin expands and additional residential development is supported by market activity.

## Site Description and Analysis



Source: Google Earth



Source: City of Austin GIS

## SUBDIVISION PLAT

The subdivision plat is provided in the following two graphics to illustrate the layout of the community. The 42 lots identified in red have been improved and sold. Those lots are not included in our analysis. The remaining 195 lots are the focus of this appraisal.


Source: Travis County Clerk


Source: Travis County Clerk

## SITE ANALYSIS

Location:

Site Area:

Access/Visibility and Frontage:

Flood Plain:

Shape:

Subsoil Conditions and Drainage:

Topography: Waste:

Watersheds: None

The subject lots are located in east Travis County along the north line of Braker Lane, east of FM 973, Travis County, Texas.

The subject consists of 195 vacant and improved lots located in Whisper Rising (Village I, Phase I of Whisper Valley. The 195 lots include:

49 improved lots
146 vacant lots
Whisper Rising is accessed via Braker Lane to the south. Braker Lane is a four-lane divided roadway with turn lanes. Visibility from Braker Lane is good.

There is flood plain along the northeast property boundary. The flood plain is in an area dedicated for green space and detention ponds and is outside of the subject lots.

All of the individual lots are mostly rectangular in shape. The lots were identified and approved as part of the subdivision process and platted in Document Number 201500024 of the Travis County Deed Records.

An engineering study to determine the soil and subsoil conditions was not provided. The soil and subsoil conditions are assumed to be typical of those found in this area. We are not qualified to render an opinion as to the quality of the soils or feasibility for development. Upon inspection of the subject and surrounding improvements, soil conditions appear adequate to support development of the subject with adequate engineering. The opinions of value stated herein are contingent upon the soils providing a stable base as evidenced by existing improvements.

The whole property is rolling with elevations rising to approximately 520 feet above mean sea level (MSL) near the center of Whisper Rising, declining to about 480 feet above mean seal level (MSL) near Braker Lane to the south and along the flood plain at the northeast property boundary. The topography does not result in any particular development limitations and is an appealing feature for residential development.

We were not provided an environmental site assessment, and we did not observe evidence of recognized environmental conditions such as hazardous waste and/or toxic materials. We have no knowledge of the existence of any such substances on the property; however, we are not qualified to detect hazardous waste and/or toxic materials. An expert in these fields should be consulted for opinions on these matters. The appraisal is predicated on the assumption that no environmental hazards or special resources exist within or on the subject.

| Utilities: | The City of Austin supplies water and wastewater service to the lots in accordance with the terms of an agreement with the developer. The infrastructure is assumed to be constructed to City and County standards and specifications and owned and operated by the City. |
| :---: | :---: |
| Political Boundaries: | Travis County, State of Texas |
| Zoning: | The site is zoned PUD, Planned Unit Development District, by the City of Austin. This zoning is intended for development and uses to conform to the limitations and conditions set forth in the City of Austin ordinance and in the Preliminary Plan. The uses include various forms of detached and attached residences. |
|  | Projects such as the subject are approved based on their intention to be developed as a viable community rather than as independent parcels of land. The development standards define the relationship of commercial and residential development and set a framework for review, approval, and ongoing code enforcement for subsequent land development. |
| School District | Del Valle ISD |
| Public Services: | The site is within the limited purpose jurisdiction of the City of Austin. Police, emergency and fire protection are currently under the jurisdiction of the Travis County ESD No. 12 and the Travis County Sheriff's Department. |
| Land Use Restrictions: | We were not provided a title policy. A search of the Travis County Deed Records did not reveal any adverse restrictions. We are not aware of any known deed restrictions, either public or private, that would limit the utilization of the tracts; however, this statement should not be taken as a guarantee or warranty that no such restrictions exist. Deed and title examination by a title attorney is recommended should any questions arise regarding restrictions. We have assumed no adverse restrictions exist. |
| Easements/Encumbrances: | Public records and inspection of the subject site revealed no indications of easements that would be adverse to development of the site to its highest and best use. Normal public utility easements are assumed. |
|  | Whisper Rising (Village I, Phase I) has a number of drainage easements, as indicated on the subdivision plat on pages 26 and 27. These drainage easements were incorporated during the subdivision process to improve drainage for the community. None of the subject lots are encumbered by easements that hinder development of their respective sites. |
| Encroachments: | Encroachments were not noted and it is assumed that the sites are free and clear of the same. |

## Adjacent Properties: North: Vacant Land

South: Vacant Land; Whisper Valley Master Planned Community

East: Vacant Land; Whisper Valley Master Planned Community

West: SH-130/FM 973 followed by Vacant Land

## Highest and Best Use Analysis

## As if Vacant

## Physically Possible

The physical characteristics of the individual lots do not appear to impose any unusual restrictions on residential construction, which is the most probable use.

## Legally Permissible

The only permitted use under the development agreement and PUD ordinance, and the only use that is consistent with prevailing and future land use, is single family residential construction. To our knowledge, there are no other legal restrictions such as easements or deed restrictions that would limit the use of the property in that manner. Therefore, only single-family residential use is given further consideration in determining the highest and best use of the lots.

## Financially Feasible

Based on the residential market analysis, there is demand for additional single-family homes at the current time. Because of a slowdown in new construction over the past three years and the resulting drop in residential lot inventory, there is a shortage of residential lots and homes compared to historical levels.

## Maximally Productive

There is no reasonably probable use of the subject lots that would generate a higher residual land value than single-family residential construction, which is their highest and best use.

## As Improved

Many of the lots are is improved with partially complete single family residences. All of the homes are a part of an emerging, single-family, master-planned community zoned as a PUD. The highest and best use of the subject lots as improved is continuation of their current use as single-family homes pending completion of construction of the unfinished homes.

VALUATION OF THE PROPERTY

## Sales Comparison Approach

## Site Valuation Overview

The Sales Comparison Approach is utilized to estimate the value of each of the vacant and improved lots. In valuing property with this approach, comparable sales are gathered, and the most comparable are used for comparison. Since properties are not identical, the sales must be adjusted to the subject for differences in transactional impact and physical characteristics.

We researched the market area for similar properties that sold recently or were under contract. Additionally, real estate brokers and property owners in the area were contacted for information pertaining to properties which would be in direct competition with the subject if they were offered for sale in the open market. Those data which were considered most similar to the subject are presented on the following pages.

The subject lots are outlined in the map on pages 26-27. These lots are available to be sold individually with road access and utilities. Per the client's instructions, we have appraised the market value of each lot independently. The results are individual market values that do not consider holding periods or carrying costs required to market numerous lots in one location. Instead, we assume that each lot would be the first and/or only unit sold in the current market.

We were provided a takedown schedule of the lots from the developer. The takedown schedule indicates the sale price of the lots to the homebuilders with an annual escalation of $6 \%$ to account for changing market conditions. These sale prices have been compared to the sales of similar single-family lots in the market to determine if the sales were at market value.

Additionally, we were provided listi prices for fully constructed residences on the lots with improvements. The list prices have been compared to the sales of similar single-family homes in the market to determine if the list prices were at market value. Based on this analysis, the list prices are at a market level.

## Valuation of the Subject

The subject is developed with a residential subdivision which contains improved, both completed and under construction, and vacant home sites. The following chart details the number of each type.

|  | Residential Lots |
| :--- | :---: |
| Improved Lots | 49 |
| Vacant Lots | 146 |
| Total Homesites | $\mathbf{1 9 5}$ |

## Improved Single-Family Lots

The subject consists of 49 residences that are in various stages of completion. The developer provided a list of each improved lot including a list price for the completed home and the construction progress for each improved lot. The list prices have been measured for reasonableness by analysis of similar home sales in the submarket and, as a result of our analysis, have been adopted as market value. The data supporting this analysis has been retained in our workfile.

Each of the 49 improved lots is valued based upon the construction progress as a percentage of the list price of the completed home. The 49 lots have an average completion rate of $68.4 \%$. The summation of these lot values is adopted as the cumulative retail value of the improved single-family lots. The chart below indicates the cumulative value of the improved single-family lots.

| Cumulative Single Family Improved Lots |  |
| :--- | ---: |
| 49 Improved Lots | $\$ 10,927,725$ |

## Vacant Single Family Lots

The takedown schedule indicating the price each lot sold for to the individual homebuilders was analyzed. The sale prices were tested for reasonableness by analysis of similar lot sales in the submarket. We have concluded the sale prices in the takedown schedule are indicative of market value. As a result, the prices from the takedown schedule have been adopted as our lot values.

The following chart indicates the lot distribution by lot type.

|  | Lot Distribution |  |
| :--- | :---: | :---: |
| $25 '$ wide lots | 18 |  |
| $50 '$ wide lots | 53 |  |
| 60' wide lots | 75 |  |
| Total Lots | $\mathbf{1 4 6}$ |  |

## 25' wide lots

All 18 of the $25^{\prime}$ wide lots were purchased by Pacesetter Homes, LLC for an initial price of $\$ 30,000 /$ lot. The lots are located on the southwest boundary of Whisper Rising (Village I, Phase I). The 25' lots are scheduled to be improved with duplexes. The initial purchase of the $25^{\prime}$ lots occurred in Block E in November 2016. The
builder contract includes a $6 \%$ annual increase to the sales price which is consistent with changing market conditions. With a $10.5 \%$ adjustment for market conditions, a reconciled lot value of $\$ 33,150$ is concluded.

| Cumulative Retail Value of 25' Lots |  |
| :---: | :---: |
| $\$ 33,150 \times 18$ Lots $=\$ 596,700$ |  |

Per the client's instructions, we have appraised the market value of each lot independently. The results are individual market values that do not consider holding periods or carrying costs required to market numerous lots in one location. Instead, the appraisal premise is that each lot would be the first and/or only unit sold in the current market.

## 50' wide lots

There are 5350 ' wide lots dispersed among 3 homebuilders concentrated on the north half of Whisper Rising. Homes by Avi (Texas) L.P. and Pacesetter Homes, LLC purchased these lots at an initial price of $\$ 47,500$. The remaining lots are under contract to Buffington Homes for $\$ 51,500$. Considering changes in market conditions since the initial lot purchases, the contract price of $\$ 51,500$ is used to value the 50 lots.


Per the client's instructions, we have appraised the market value of each lot independently. The results are individual market values that do not consider holding periods or carrying costs required to market numerous lots in one location. Instead, the appraisal premise is that each lot would be the first and/or only unit sold in the current market.

## 60' wide lots

The subject consists of $7560^{\prime}$ wide lots located in the central and southern portions of Whisper Rising. Homes by Avi (Texas) L.P and Pacesetter Homes LLC purchased lots at an initial price of $\$ 57,000 /$ lot. Aha Dream Homes purchased lots for $\$ 61,800$. Buffington Homes is under contract to purchase 17 lots at $\$ 61,800$. GFO Home has a negotiated price of $\$ 61,800 /$ lot, but has not yet executed a contract. The remaining lot is reserved as a model lot for a future homebuilder. As with the 50 lots, the initial lot purchases occurred in 2016 and 2017. Aha Dream Homes executed their contract on August 2, 2018. Their purchase price of $\$ 61,800$ is adopted to value the $60^{\prime}$ lots.


Per the client's instructions, we have appraised the market value of each lot independently. The results are individual market values that do not consider holding periods or carrying costs required to market numerous lots in one location. Instead, the appraisal premise is that each lot would be the first and/or only unit sold in the current market.

## Vacant Lot Value Conclusion

The following chart indicates the cumulative retail value of each lot type.

| CUMULATIVE RETAIL LOT VALUE CONCLUSION |  |
| :--- | ---: |
| $25^{\prime}$ vacant lots | $\$ 596,700$ |
| 50 ' vacant lots | $\$ 2,729,500$ |
| 60 vacant lots | $\$ 4,635,000$ |
| Total: | $\$ 7,961,200$ |

Per the client's instructions, we have appraised the market value of each lot independently. The results are individual market values that do not consider holding periods or carrying costs required to market numerous lots in one location. Instead, we assume that each lot would be the first and/or only unit sold in the current market.

## Value Conclusion

The following chart indicates the cumulative retail value of each component and the total.

| CUMULATIVE RETAIL VALUE CONCLUSION |  |
| :--- | ---: |
| Partially Improved Homes | $\$ 10,927,725$ |
| Vacant Lots | $\$ 7,961,200$ |
| Total: | $\$ 18,888,925$ |

A review of recent sales transactions and an analysis of supply and demand in the local market indicate that the probable exposure time for vacant lots is 1 to 6 months.

QUALIFICATIONS OF THE APPRAISERS


Education: University of Texas at Austin, B.B.A. Degree in Finance, August 1977

Lectures and $>$ Choosing \& Valuing an Economic Unit, IRWA/AI Joint Meeting, 2017
Publications:
> Shedding Light on Dark Store Theory, Metropolitan Council of Appraisal

Districts, 2017
> Intangible Assets in Eminent Domain, Eminent Domain Conference, 2017
> Sale, Sale, What's in a Sale!, Ad Valorem Tax Seminar, 2016
$>$ Fee (It Really Is) Simple; Texas Association of Appraisal Districts Conference, 2015
> Separating Tangible \& Intangible Asset Values in a Texas Refinery: A Case Study; Appraisal Institute, 2014
$>$ Transmission Lines: Acquisition, Valuation and Condemnation, Austin Chapter of the Appraisal Institute and IRWA Chapter 74, 2012
$>$ Responding to Daubert Challenges, Eminent Domain Conference, CLE ${ }^{\circledR}$ International, 2011
> Equality and Uniformity-Commercial Properties, Appraisal Review Board, Travis Central Appraisal District, May 2009
> Appraisal Values in an Unsettled Economy, Graves Dougherty Hearon \& Moody - Banking \& Real Estate Clients, October 2008
> Fee Simple Estate - How Many Sticks in the Bundle?, 22nd Annual Legal Seminar on Ad Valorem Taxation in San Antonio, 2008
> Real Estate Appraisal Issues and Ethics, Eminent Domain for Attorneys in Texas, 2007
> Contemporary Appraisal Issues, Central Texas Commercial Property Exchange, 2007
> Capitalization Theory \& Techniques, Chartered Financial Analysts, 2007
> Material and Substantial Impairment of Access, CLE ${ }^{\circledR}$ International, 2003
> Fee Simple Versus Leased Fee Valuation: A Study of Appraisal Models, Downtown Austin Alliance, Institute of Real Estate Management, 2001
> Regulatory Takings, International Right of Way Association, 2000
> The Schmidt Opinion from the Appraiser's Perspective, Office of the Attorney General, State of Texas, 1993
> Asbestos Abatement and Lead Paint: Effects on Real Estate Value, Texas Association of Appraisal Districts, 1992
> The Endangered Species Act and Its Impact on Property Value, Texas Savings and Loan League, 1989
> Valuation Theory, Real Estate Symposium, University of Texas, 1984

QUALIFICATIONS OF JASON THOMAS


Mr. Thomas began practicing commercial real estate in 2007 as an analyst with Real Estate Research Experience: Corporation in Houston.

Mr. Thomas's appraisal experience includes appraisals for client internal decision making, eminent domain, and appraisal review. In addition, analysis and research has been conducted for fee and easement acquisitions for right-of-way and other purposes under eminent domain.

Licenses and
Designations:
Associations $>$ Practicing Affiliate of the Appraisal Institute and Activities:

Right-of-Way > US-290 Improvement Project, Harris County
Projects: $>$ Interstate 35 Improvement Project, Bell County
> US Hwy 77 Improvement Project, Nueces County
> Harbor Bridge Improvement Project, Nueces County

Education: Professional Courses
> Appraisal Principles (30-hour course)
> Appraisal Procedures (30-hour course)
> Supervisor/Trainee Course (4-hour course)
> Uniform Standards of Professional Appraisal Practice (15-hour course)
> Site Valuation and Cost Approach (30-hour course)
$>$ Income Approach Part I (30-hour course)
Formal Education
University of Houston; Houston, Texas
$>\quad$ Bachelor of Economics, August 2008

## City of Austin

## Office of Real Estate Services

## P.O. Box 1088



Austin, Texas 78767
(512) 974-7090, Fax (512) 974-7088

October 16, 2018
Mr. Paul Hornsby, MAI, SRA
Paul Hornsby \& Company
7600 N. Capital of Texas Highway,
Suite 210, Building B
Austin, TX 78731

Project Name: $\quad$ Whisper Valley - Whisper Rising
File \#: 4708.01

Assignment Number: 52-161.4
Property Owner:
Club Deal 120 Whisper Valley, L.P.
TCAD Parcel Number:
Various - See previously provided information
Legal Description(s): See previously provided information - Whisper Valley Village Phase 1
Property Description: Various - 237 total lots - Some Improved, partially improved and unimproved lots - See Taurus Holdings info for breakdown

Dear Mr. Hornsby,
Please proceed on the revised appraisal assignment scope noted below regarding the above referenced property. The purpose of the original appraisal assignment was to develop an opinion of market value of the fee simple interest in the identified real property, shown in summary format below. Three lot sizes needed to be appraised, as shown under the heading Home Sales in the information below:

```
1. 237 Lots sold to two builders
2. Currently 40 completed and sold homes - See excel document attached from Jon Snyder
3. Lots sizes are divided as follows - Per Site plan from Whisper Valley Website - 237 total in Whisper Rising - ( Phase I)
- 25' Lots - 27 Count
- 35' Lots - }12\mathrm{ Count
- 50' Lots - }100\mathrm{ Count
- 60' Lots - 92 Count
- Models Homes -6 on 60' lots
4. Homes Sales -
- 25'}\mathrm{ Lots - 2 Sales - 25 Lots available
- 35'}\mathrm{ Lots - }12\mathrm{ Sales- No more lots available
- 50 ' Lots - 35 Sales - 65 Lots available
- 60' Lots - 13 Sales - 79 Lots available
```

169 lots to be appraised

In addition to the original assignment scope as noted above, we are changing this scope to now include a value for all improved lots and those that are partially improved.

Whisper Valley - Whisper Rising - Improved and Unimproved Lots
File No: 4708.01
Assignment \# 52-161.4
The intended use of the appraisal is to assist the Office of Real Estate Services of the City of Austin in its determination of market value for the PID bond allocated to the property. The City of Austin is the client and the intended users of the appraisal report are the City of Austin and/or its agents and the property owner - Club Deal 120 Whisper Valley, LP.

This appraisal assignment should be reported in an Appraisal Report format in compliance with current Uniform Standards of Professional Appraisal Practice (USPAP) and the attached Supplemental Appraisal Requirements for the City of Austin. Upon completion of the appraisal report, an unsigned draft should be provided for my review via e-mail in PDF format. Upon approval of the draft report, please provide three (3) copies of the completed appraisal report along with a digital copy in PDF format.

Please provide an adjustment grid and a narrative discussion explaining the amount or degree of adjustments applied to the comparable properties utilized in the market analysis section, if appropriate for this assignment. (See COA Supplemental Appraisal Guidelines attached)

Each appraisal performed must demonstrate the adjustment process for individual property characteristic line item adjustments. This will include identifying the market data used to support the derivation of the adjustments and the method applied to calculate the adjustments. This discussion must be included in the body of the report or within the addenda.

For example, this process can include but not be limited to the use of the following to support adjustments made:

1. Rankings
2. Pairings
3. Statistical analysis
4. Demographic data abstraction
5. Other forms of market derived characteristic analysis

A copy of this notice to proceed should be included in your report.
The following definition of "Market Value" should be used:
"The price which the property would bring when it is offered for sale by one who desires, but is not obligated to sell, and is bought by one who is under no necessity of buying it, taking into consideration all of the uses to which it is reasonably adaptable and for which it either is or in all reasonable probability will become available within the reasonable future." (City of Austin vs.
Cannizzo, et al., 267 S.W.2d 808,815[1954]
Originally, we had agreed on a fee not to exceed $\$ 8,500$, with a draft appraisal report delivery for October 1, 2018. With the change in scope, we have now agreed to an additional fee amount of $\$ 4,200$, for a total fee not to exceed $\$ 12,700$. With the changes requested, we anticipate a slightly extended timeframe, with a new due date for delivery of the amended draft now set for Tuesday, October 23, 2018.

No one other than the undersigned is authorized to alter the scope of this assignment. If it becomes apparent during the course of the assignment that the fee will exceed this amount, the Office of Real Estate Services is to be notified in writing for written authorization to amend the fee.

Whisper Valley - Whisper Rising - Improved and Unimproved Lots
File No: 4708.01
Assignment \# 52-161.4
Regarding items of an administrative nature, your invoice for requested services and the letter of transmittal should contain the following information:

Address Report to: Joseph McAweeney
Project Name: Whisper Valley - Whisper Rising
File \#:
4708.01

Assignment Number: 52-161.4
Property Owner: $\quad$ Club Deal 120 Whisper Valley, L.P.
TCAD Parcel Number: Various - See previously provided information
Legal Descriptions): See previously provided information - Whisper Valley Village Phase 1
Property Description: Various - 237 total lots - Some Improved, partially improved and unimproved lots - See Taurus Holdings info for breakdown

Should you have any questions or need additional information, please contact me at 974-7797 or e-mail at Joseph.mcaweeney@austintexas.gov

Sincerely,


Joseph McAweeney
Senior Appraiser
Office of Real Estate Services
Sent via email

## City of Austin Supplemental Appraisal Guidelines

1. Subject property inspections should be arranged within 7 to 10 days of the notice to proceed. If any property/owner issues arise, please contact COA Appraisal staff as soon as possible so that they can be addressed in a timely manner.
2. An on-site inspection of the subject property must be completed, except in cases where access has been denied by the property owner.
3. All comparable sales, and or rentals used must be inspected.
4. Photographs of improved sales and rentals must be included in the report.
5. Plat maps must be included for all comparable sales, as well as the subject property.
6. All comparables must be confirmed in-house.
7. Comparable sale data and rental data sheets must include:
a. Name of confirmation source and confirmation date.
b. Inspection date of the comparable sale and or rental.
c. The date when the deeds were read, and or lease read (If applicable).
8. Transactions where the City of Austin, or other condemning authority, is a party are not to be utilized.
9. Appraisers will read all deeds, including deeds pertaining to the subject property history (3 Years per USPAP) as well as those pertaining to the comparable sales. The link to Travis County Deeds on line is http://deed.co.travis.tx.us/.

A brief written description must accompany all adjustments made to the comparable sales as well as an adjustment grid. Each appraisal performed must demonstrate the adjustment process for individual property characteristic line item adjustments. This will include identifying the market data used to support the derivation of the adjustments and the method applied to calculate the adjustments. This discussion must be included in the body of the report or within the addenda.

For example, this process can include but not be limited to the use of the following to support adjustments made:

1. Rankings
2. Pairings
3. Statistical analysis
4. Demographic data abstraction
5. Other forms of market derived characteristic analysis
6. When contacted by the review appraiser, you will have 7 days to provide a response to the review. Once the draft has been approved, you will have 5 days to provide final reports to COA.
7. SFR Appraisals may use URAR forms with supplemental pages addressing the partial acquisition and additional information.
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## APPENDIX G

FINANCING AGREEMENT AND FORM OF FIRST AMENDMENT TO THE FINANCING AGREEMENT
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# WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT 

## BETWEEN

# CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP 

AND<br>THE CITY OF AUSTIN, TEXAS

## WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT

This Whisper Valley Public Improvement District Financing Agreement (this "Agreement"), dated as of November 1, 2011 (the "Effective Date"), is entered into between Club Deal I20 Whisper Valley, Limited Partnership, a Delaware limited partnership (including its successors, assigns, or transferees, the "Developer"), and the City of Austin, Texas (the "City"), a municipal corporation, acting by and through its duly authorized representative,

## Recitals:

WHEREAS, Developer owns a total of approximately 2,066 acres of land located in Travis County, Texas, contained within the area described in the attached Exhibit "B" (the "Property"). The Property is located in the City's extraterritorial jurisdiction ("ETJ"), and has becn annexed by the City for limited purposes;

WHEREAS, the Developer desires to develop the Property with a high quality, masterplanncd residential, commercial, office, and mixed-use area (the "Project");

WHEREAS, the Projcct is located in the SH 130 Corridor (herein so called) which the City has identified as one of its "Desired Development Zones";

WHEREAS, in an effort to ensure that development along the SH 130 Corridor would meet the City's overall vision and plan, the City supported House Bill No. 3719 and Senate Bill No. 1688 (the "SH 130 Legislation") during the $80^{\text {th }}$ Texas Legislative Session;

WHEREAS, the City's main goals with the SH 130 Legislation were as follows (collectively, the "Goals"): (i) to obtain land use and planning controls over the SH 130 Corridor, the majority of which is within the City's ETJ; (ii) to provide for dense growth and mixed use development along the SH 130 Comidor; (iii) to create a funding mechanism that would encourage the extension of public infrastructure along the SH 130 Corridor; and (iv) to maintain control over the governing body of any "infrastructure districts" created pursuant to the SH 130 Legislation;

WHEREAS, the SH 130 Legislation was not enacted. In order to accomplish the Goals contemplated by the SH 130 Legislation, Developer, Club Deal 116 Indian Hills TX, Limited Partnership ("IH Developer") and the City executed that certain WHISPER VALLEY AND INDIAN HILLS ANNEXATION AND DEVELOPMENT AGREEMENT ("Dcvelopment Agreement") dated effective as of June 18, 2009, wherein the parties established goals and a process for limited purpose annexation of the Property to give the City land use controls and planned unit development ("PUD") zoning to achieve superior development in the Project, and using the City's PID Policy adopted on December 18, 2008, ("PID Policy") to allow City financing of the infrastructure via public improvement districts to finance the Developer's infrastructure for development of the Property;

WHEREAS, pursuant to the Development Agreement, the City has (i) adopted Ordinance No. 20100826-26 establishing a Planned Unit Development (PUD) for the Project, (ii) limited purposed annexed the Property and (iii) authorized the formation of the Whisper Valley Public Improvement District (the "District") in accordance with the PID Act (as hereinafter defined);

WHEREAS, the City acknowledges that Developer's cooperation in this endeavor enables the City to establish, define, and protect the City's jurisdiction and regulatory authority over the Property, and that Developer would not have consented to the limited purpose annexation of the Property and creation of the PUD but for the intention to enter into this Agreement;

WHEREAS, the Developer proposes to construct certain improvements over time to serve property located in the District (or portions thereof) and transfer some of those improvements to the City or County in accordance with the terms and provisions of this Agreement;

WHEREAS, contemporaneously herewith the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement), at the request, and with the consent, approval and agreement of the Developer, adopt the Assessment Ordinance (as defined herein) and adopt the Assessment Plan (as defined herein) that provides for the construction and financing of certain improvements within the District pursuant to the Assessment Plan, payable in whole or in part, by and from assessments levied against property within the District, as more specifically provided.for in the Assessment Plan;

WHEREAS, the City intends to (upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement) levy asscssments on all or a portion of the property located within the District and issue, in one or more series, bonds for payment of costs associated with construction and/or acquisition of the Public Improvements (as defined herein) included in the Assessment Plan, as such plan may be amended from time to time;

WHEREAS, the City has determined that it is in its best interests to contract with the Developer for the construction of the Public Improvements, which will result in the efficient and effective implementation of the Assessment Plan;

WHEREAS, from the proceeds of the bonds the City issues in connection with the Public Improvements in the District, the City will, upon satisfaction of the conditions and in accordance with the terms set forth in this Agreement, construct or cause to be constructed or acquire those certain Public Improvements provided for in this Agreement and the Developer will be paid or reimbursed for all or a portion of the costs of acquisition, construction, and improvement of the Public Improvements at the time the Public Improvements are complete and operative or certain Segments are complete and operative and have been accepted by the City;

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

## ARTICLE I. SCOPE OF AGREEMENT

## Section 1.01. Outline of Agreement

This Agreement establishes provisions for the apportionment, levying, and collection of Assessments on the Property (Article II), the Construction of Public Improvements to be Acquired by the City (Article III), advancement of construction funds for the Master PID Bonds, City's acquisition and maintenance of Public Improvements within the District (Article IV), and the issuance of bonds for the financing of CRA and Non-CRA Improvements (Article V). Definitions used herein are set forth in Exhibit "A" attached hereto and made a part hereof and in the Assessment Plan.

## Section 1.02. Agreement Does Not Supersede CRAs

This Agreement sets forth the terms and conditions concerning the construction, financing, and City's acquisition (where applicable) of Non-CRA Innprovements. In addition, this Agreement provides the terms and conditions concerning the construction, financing, and City's acquisition (where applicable) of CRA Improvements, but only to the extent indicated in this Agreement and if such terms are not otherwise addressed in the CRAs. The Parties do not intend for this Agreement to supersede, replace, or conflict with the CRAs. The terms and provisions of the CRAs shall control the terms and conditions for constructing any infrastructure to be constructed pursuant to the CRAs.

## Section 1.03 Annexation

Timing of the City's full purpose annexation of the Project shall be in accordance with Article V of the Development Agreement.

## ARTICLE II. APPORTIONMENT, LEVY AND COLLECTION OF ASSESSMENTS

Section 2.01. Preliminary Matters
(a) On August 26, 2010, the City authorized the formation of the District in Resolution No.20100826-026. The District includes all of the Property.
(b) The Developer shall develop the Property in phases. It is anticipated that some Public Improvements will benefit only a portion of the Property while other Public Improvements will benefit the entire District. As a result, Special Assessments will be levied on all or portions of the Property from time to time. It is currently contemplated that there will be three different types of bonds issued:
(i) Senior Master PID Bonds will be issued at the beginning of the Project in order to fund a portion of the construction of the Master PID Bond Authorized Improvements and other improvements specified in the Assessment Plan, which will benefit all of the Property and result in Special Assessments levied against the entire Property.
(ii) Subordinate Master PID Bonds will also be issued at the beginning of the Project contemporaneously with the Senior Master PID Bonds and will fund a portion of the costs to construct the CRA Improvements as specified in the Assessment Plan, which therefore will result in additional Special Assessments being levied on the entire Property. In addition to the Special Assessments, the Subordinate Master PID Bonds will also be secured by the Developer's pledge of (and are expected to be fully repaid by) a portion of the reimbursements due to the Developer under the CRAs pursuant to the CRA Pledge Agreement. There will only be one combined Special Assessment for the Master PID Bonds and the method by which the Special Assessment will be applied to the obligations under the Master PID Bonds will be provided in the Initial Indentures and the Assessment Plan. The use of the Special Assessments to pay the Subordinate Master PID Bonds will be subject and subordinate to the use of the Special Assessments to pay the Senior Master PID Bonds.
(iii) Phased PID Bonds will be issued periodically in the future as individual Improvement Areas of the Project are developed and will fund micro infrastructure improvements within each given Improvement Area. In connection with the Phased PID Bonds, Special Assessments will be levied only on Property located in the Improvement Area in question.
(c) The initial Assessment Plan for the Property is attached hereto as Exhibit "C." The Developer acknowledges and agrees that the Assessment Plan must meet the requirements of Texas Local Government Code $\S \S 372.013$ and 372.014 and be presented to the City Council for review and approval prior to Bonds being issued. Thereafter, the Assessment Plan will be updated and amended by the Administrator at least once per year, and submitted for the City Council's review and approval. Notwithstanding the above, it is hereby understood and acknowledged by the Parties that the Special Assessments associated with the Master PID Bonds are the only Special Assessments that can be addressed with reasonable certainty in the Assessment Plan. As a result, the Assessment Plan will need to be amended over time as subsequent Improvement Areas are developed (and corresponding Phased PID Bonds are issued) in accordance with the terms set forth in this Agreement. Nevertheless, the basic terms and methodology described in the Assessment Plan will generally apply to the Phased PID Bonds.
(d) Special Assessments on any portion of the Property will bear a direct proportional relationship to the special benefit of the Public Improvements to that Improvement Area.
(e) Special Assessment 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 so long as the Special Assessments are determined in accordance with the Assessment Plan.
(f) Prior to the levy of Special Assessments, the Developer shall provide a Feasibility and Market Study Analysis to the City for the City's review and approval, as described in Section 5.01 hereof.
(g) The Property may be subject to an Owner's Association assessment or a PID Maintenance and Operation assessment for the provision of public services, including but not limited to maintaining public areas (e.g. parks and open space) within the District.
(h) Promptly following submission to the City of the initial Assessment Plan (or any subsequent amendment to the Assessment Plan) acceptable to Developer and the City in form and substance, the City Council shall consider an Assessment Ordinance relating to the applicable plan or amendment. If the ordinance is adopted, the City shall use reasonable, good faith efforts to expeditiously initiate and approve all necessary documents and orders required to effectuate the Assessment Plan and Assessment Ordinance,

Section 2.02. Apportionment and Levy of Assessments.
The City intends to levy Special Assessments on property in the District in accordance herewith and with the Assessment Plan (as such plan is amended from time to time) at such time as Bonds are issued in accordance with Article IV hereof. The City's apportionment and levy of assessments shall be made in accordance with the PID Act.

Section 2.03. Collection of Assessments.
The City covenants and agrees that it shall, as authorized by the PID Act and other applicable law, continuously collect or cause to be collected Special Assessments levied pursuant to the Assessment Plan during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. The City covenants and agrees that to the extent permitted by applicable law, it will not permit a reduction, abatement, or exemption in the Special Assessments due on any portion of the Property until the Bonds related to that particular portion of the Property are no longer outstanding, whether as a result of payment in full, defeasance or otherwise. The City shall use good and sound practices to collect the Special Assessments consistent with the City's policies and standard practices applicable to the collection of City taxes and assessments.

Section 2.04. Approval and Recordation of Special Assessments through Landowner Agreement.

Prior to or concurrently with the levy of the Special Assessments for any portion of the Property, the Developer shall execute (and shall cause any other owner of any of the Property that will be subject to the future special assessments to execute) a Landowner Agreement (herein so called) in which the Landowner shall approve and accept the apportionment of assessments in the Assessment Plan and the levy of the Special Assessments by the City, The Landowner Agreement further shall (a) evidence the Developer's intent that the Special Assessments be covenants running with the land that (i) will bind any and all current and successor owners of the Property to the Special Assessments, including applicable interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Special Assessments; and (b) provide that the liens created by the levy of the Special Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the State or any municipality (if any), county, school district, special district or other political subdivision.

## ARTICLE III. CONSTRUCTION AND ACQUISITION

## Section 3.01. Acquisition of Public Improvements

Some of the Public Improvements are intended to be acquired by the City and/or County, and some will be retained by the Developer. The Public Improvements to be acquired by the City shall be determined through mutual agreement of the Parties before construction of such Public Improvements is initiated. Construction of the Master PID Bond Authorized Improvements has been agreed to by the Parties and is described in the Assessment Plan. Each acquisition of Public Improvements not paid for simultaneously with conveyance of said Public Improvements (e.g., a portion of the price is being paid over time) shall be evidenced by an Acquisition Agreement. For any such improvements that will ultimately be accepted and maintained by the County, the City and Developer shall enter into an Acquisition Agreement and then the City shall assign its rights to receive the Public Improvement to the County (provided the County agrees to maintain such Public Improvement), but the Developer shall retain the right to receive future Bond procceds as payment for said Public Improvement.

Section 3.02. Designation of Construction Manager, Construction Engineers
(a) The City hereby designates the Developer as the Construction Manager with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Public Improvements in accordance with the provisions of this Article III.
(b) Inspection of all Public Improvements construction shall be by City inspectors. If the Bonds have not been issued, the Developer shall pay the inspection fee which shall be included in the Actual Cost and may later be reimbursed to Developer when Bonds are issued. If the Bonds have been issued, the Developer may collect the inspection fee out of Bond proceeds.
(c) The Developer shall be entitled to a separate construction management fee of $4 \%$ of the costs incurred by or on behalf of Developer for the construction of each Segment.
(d) The City shall cooperate with the Developer in connection with its services as Construction Manager.
(e) The Developer shall designate the consulting engineers for the Public Improvements for the compensation specified by the Developer.

Section 3.03. Designation of Construction Manager
The Developer may change its designated "Construction Manager" for the Project or any phase thereof at any time (except during the first six months of this Agreement during which the Developer may only change its designated "Construction Manager" for cause) upon written notification to the City and subject to the approval of the Director of Public Works, whose approval shall not be unreasonably withheld. Only the designated Construction Manager may
receive a construction management fee, and only for the period of time during that designation; further, the total fee shall not exceed the amomt provided for in the definition of "Actual Costs" in this Agreement. The Parties hereby acknowledge that the Construction Manager may be an individual, company, or partnership, or other entity, as reasonably determined by Developer.

## Section 3.04. Performance Bonds

If there are funds in a segregated account within the Project Fund of an Indenture sufficient both to pay for completion of a Public Improvement and to meet all other obligations of the Public Improvement, it is intended that Developer not be required to post fiscal security for the applicable Public Improvement. For example, if a separate account is formed within the Project Fund under the Initial Indenture for the Subordinate Master PID Bonds for the wastewater treatment plant to be built by the Developer pursuant to the Wastewater Cost Reimbursement Agreement, then no fiscal security will be required for the wastewater treatment plant, so long as there are sufficient funds in the account to construct the wastewater treatment plant. The City acknowledges that it will accept fiscal security for the Public Improvements in the form of an irrevocable letter of credit, surety bond, cash deposit, or other security acceptable to the City. If no such account exists or such account is not appropriately funded, then the Developer shall be required to post fiscal security for CRA Improvements in accordance with the CRA and for NonCRA Improvements in aecordance with Section 3.07 (a) below.

## Section 3.05. Maintenance of Project, Warranties

Unless otherwise provided for, the Developer shall maintain each Non-CRA Improvement (or Segment thereof) in good and safe condition until such Non-CRA Improvement (or Segment thereof) is accepted by the City. The City's acceptance of Non-CRA Improvements shall be in accordance with the City standard rules and procedures for the type of improvements being constructed. Prior to such acceptance, the Developer shall be responsible for performing any required maintenance on such Non-CRA Improvement. Notwithstanding the above, the Parties acknowledge and agree that: (i) the CRA Improvements shall be maintained in accordance with the applicable CRA and (ii) open space and parkland within the Project shall be maintained in accordance with the terms of the Parkland Agreement. On or before the acceptance by the City of a Non-CRA Improvement (or Segment thereof), the Developer shall assign to the City all of the Developer's rights in any warranties, guarantees, maintenance obligations or other evidences of contingent obligations of third persons with respect to such Non-CRA Improvement (or Seginent thereof).

## Section 3.06. Sales and Use Tax Exemptions.

(a) The parties agree that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Public Improvements to be acquired by the City are exempt under the Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in 34 Tex. Admin. Code, sec. 3.291.
(b) Subject to the terms of the Acquisition Agreement(s), but in furtherance of and to assure such exemptions, title to all property, materials, and services associated with and used in connection with or related to the construction of the Public Improvements shall vest in the City immediately upon delivery at the site of such construction, and before they are incorporated into the realty or used by the contractor or any other person.
(c) The City Manager (or such other duly authorized representative of the City) is directed to provide such certifications to the Developer and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.
(d) The City Manager (or such other duly authorized representative of the City) and the Developer shall cooperate in structuring the construction contracts for the Public Improvements to comply with requirements (including those set forth in 34. Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

Section 3.07. Regulatory Requirements.
(a) The Non-CRA Improvements shall be designed, constructed, installed, and operated, using the City's construction, bidding, and contract documents, in accordance with and subject to compliance with commercially accepted construction practices, applicable City policies, rules and ordinances, and any other Regulatory Requirements, including valid requirements that are uniformly applicable within the City and promulgated by the City, as such requirements may have been modified, varied or waived in the PUD or the Development Agreement. For those Non-CRA Improvements for which the City does not have bid specifications, Developer and the City shall work together in good faith to develop bid specifications.
(b) Notwithstanding the foregoing, Braker Lane shall be designed, constructed, installed and operated in accordance with the Braker Lane Agreement. In the event of omissions or errors in the Braker Lane Agreement, the most current City standards and requirements will be applied.
(c) The CRA Improvements shall be designed, constructed, installed and operated in accordance with the applicable CRA.

Section 3.08. Additional Requirements for CRA Improvements
The following additional requirements shall be applicable to CRA Improvements funded by the Subordinate Master PID Bonds:
(a) Prior to commencing construction of any such CRA Improvements, the Project Engineer shall review all plans and specifications, construction contract and related materials for the applicable CRA Improvement, and shall certify to the Developer, City, Underwriter, Financial Advisor and Trustee that the amount of funding under the Master PID Bonds (as specified in the Assessment Plan and Indenture) is sufficient to fund the full cost of design and construction of the applicable CRA Improvements.
(b) The Construction Manager will maintain an ongoing monthly updated accounting of funds dispersed, work progress and remaining funding needed to complete each applicable CRA Improvement. Such accounting to include a reconciliation of any unadvanced amounts out of the segregated accounts in the Project Fund under the Initial Indentures as compared to the remaining costs to complete each applicable CRA Improvement. The Construction Manager will provide such monthly reports to the Developer, the City's Director, the Underwriter, the Financial Advisor and the Trustee. Furthermore, the Construction Manager will maintain a website (that may be accessed by the City, the Trustee, the Financial Advisor and the Underwriter) which will include updates of such monthly accounting.
(c) All change orders or costs increases for applicable CRA Improvements must be approved by the Developer; Construction Manager and the Director, to the extent any such change order is in excess of $\$ 100,000.00$. The Construction Manager shall provide copies of all approved change orders to the Financial Advisor, Underwriter and Trustee within ten (10) days after approval. Notwithstanding the foregoing, it is hereby acknowledged that the City is not required to increase the amount of reimbursement due under any CRA to the extent such reimbursement would cause the anount of reimbursement to exceed the maximum reimbursement provided in the applicable CRA. Any increase of the amount of reimbursement above the maximum reimbursement provided in the applicable CRA must be approved by the City Council.
(d) All construction contracts for applicable CRA Improvements must include completion bonds for the amount of all work funded by the proceeds of the Subordinate Mastcr PID Bonds, and each such contract shall contain provisions for liquidated damages in the event the contractor does not meet completion schedules for the CRA Improvements as required to allow the Construction Manager to complete the applicable CRA Improvement and to enable the City to fund the reimbursement payments under the CRAs within the timeframe necessary to timely pay off the Subordinate Master PID Bonds.
(e) Each construction contract for applicable CRA Improvements shall include a provision requiring $10 \%$ retainage to be dispersed only upon completion and acceptance by the City of applicable CRA Improvement, subject however to early disbursement for subcontractors whose work has been completed.
(f) Upon completion of each applicable CRA Improvement and acceptance thereof by the City, which acceptance shall not be unreasonably withheld, conditioned, or delayed, the City will notify the Developer, Financial Advisor, Undcrwriter and Trustee that the conditions for funding the reimbursement payment due under the applicable CRA for such CRA Improvement have been met and will timely pay the respective dollar amount of the reimbursement.

## ARTICLE IV, PAYMENT FOR PUBLIC IMPROVEMENTS

## Section 4.01. Payments for Master PID Bonds

(a) With respect to those Public Improvements funded by the Master PID Bonds,

Developer shall deliver and the City shall accept the given Public Improvements. The net Bond Proceeds from the issuance of the Master PID Bonds will be held by the Trustee in various segregated accounts under the Project Funds for each of the Initial Indentures. Those sums held in the various segregated accounts will be advanced to the Developer by the Trustce to fund the costs of design and construction, including project management, City inspection and administrative costs, and other soft costs (as more specified in the Assessment Plan) upon receipt of a completed Certification for Payment. Payments will be made to Developer periodically as design and construction progresses. The procedures for such progress payments are contained in this Section 4.01 and the Initial Indentures. Such payments shall be made by Trustee on a monthly basis and within five (5) business days of the Trustee's receipt of the completed Certification for Payment from the Director. The Director or its designee shall deliver his concurrence to pay pursuant to a completed Certification for Payment within fifteen (15) calendar days after its receipt of the required submittal items pursuant to either subpart (b) or (c) below, as applicable. Notwithstanding anything to the contrary contained herein, the Director shall not be obligated to authorize payments of funds for any given Public Improvement if the monthly reconciliation provided by the Construction Manager pursuant to Section 3.08(b) above for that given Public Improvement shows there are not enough funds in the segregated account (including the CRA Holdback under the Projects Fund in the Master PID Bonds) to fund the remaining design and construction costs of that Public Improvement after taking into consideration any contingencies, until funds sufficient to cover the costs overruns are provided to secure such overruns by the Developer or otherwise.
(b) During the design phase for any Public Improvement to be funded by the Master PID Bonds, payments for design costs shall be made by the Trustee on a monthly basis; provided, however, in no event shall the Developer be entitled to aggregate draws equal to more than $30 \%, 60 \%, 90 \%$ or $100 \%$ of the total design costs until such time as the City has approved the design plans for the applicable level of completion (i.e., either $30 \%, 60 \%, 90 \%$ or $100 \%$ ). For example, Developer shall be entitled to receive monthly draws based on the percentage of design work completed up to the date of the draw until $30 \%$ of the design is complete, but shall not be entitled to any draws past $30 \%$ until the City approves the $30 \%$ design drawings after which the Developer will be entitled to additional draws up to the $60 \%$ design complete date and so on. The Director shall not be required to authorize any design draws until such time as the applicable contract for the design services (including the costs thereof) have been approved by the City, such approval not to be unreasonably withheld, conditioned or delayed. The submittal items necessary for a design payment are as follows:
(i) A Certification for Payment executed by the Construction Manager specifying the percentage of design that has been completed on the applicable Public Improvement;
(ii) A Bills Paid Affidavit from the contractor;
(iii) Copies of all supporting invoices with respect to such design payment.
(iv) Evidence of the City's acceptance of the design phase documents.
(c) During the construction phase for any Public Improvements to be funded by the Master PID Bonds, payments shall be made by the Trustee based on the Actual Cost of the construction completed and the receipt of a completed Certification for Payment. The City is not obligated to authorize any construction payments until such time the City has approved the plans, specifications and the construction contract (including a Construction timeline) for the applicable Public Improvement. The items required for a construction payment are as follows:
(i) A Certification for Payment executed by the Project Engineer and Construction Manager specifying the amount of work that has been performed and the cost thereof;
(ii) A Bills Paid Affidavit from the contractor;
(iii) Waivers of liens for work on the applicable Public Improvements through the previous Certification for Payment and receipts for payment from the contractor and, if requested by the City, any subcontractors, for the current Certification for Payment.
(d) In addition to the submitted items required in 4.01 (c) above, in order to obtain the final payment for a Public Improvement funded by the Master PID Bonds, the following are required:
(i) With respect to any CRA Improvement, all requirements for acceptance of such improvement by the City as provided in the applicable CRA shall have been complied with;
(ii) The Developer shall have provided to the City an assignment of the warranties and guaranties, if applicable, for such CRA Inprovement;
(iii) After the final Certification for Payment is submitted to the City, the Project Engineer shall conduct a review for the City to confirm that such Public Improvement was constructed in accordance with the plans therefor and the Project Engineer will verify and approve the Actual Cost of such Public Improvement specified in such Certification for Payment. The City agrees to instruct the Project Engineer to conduct each such review in an expeditious manner not to exceed 15 calendar days after the Certification for Payment is submitted to the City and the Developer agrees to cooperate with the Project Engineer in conducting each such review and to provide the Project Engineer with such additional information and documentation as is reasonably necessary for the Project Engineer to conclude cach such review. Upon confirmation by the Project Engineer to the City that such Public Improvement has been constructed in accordance with the plans therefor, and verification and approval of the Actual Cost of such Public Improvement, the City shall within fifteen (15) calendar days thereafter accept such Public Improvement and the Director shall sign the Certification for Payment and forward the same to the Trustee. The time period for the Director to sign the Certificate for Payment and forward the same to the Trustee in this Section 4.01 (d)(iii) will control over the time period specified in Section 4.01 (a) hereof.
(e) The terms, conditions and procedures set forth in Section 4.01(a) - (c) shall also apply to Braker Lane, except as follows:
(i) The City will not be purchasing Braker Lane. The City will assign its right to purchase Braker Lane to the County.
(ii) The County will be approving the plans, specifications and the construction contract for Braker Lane, not the City.
(iii) No material changes to the Braker Lane Agreement will be made without the City's consent.

In addition to the submitted items required in 4.01 (c) above, in order to obtain the final payment for Braker Lane a written acknowledgement from the County that all requirements for acceptance of Braker Lane as provided in the Braker Lane Agreement have been complied with shall be provided to the City. Upon receipt of such written acknowledgement from the County, the City shall, within fifteen (15) days thereafter, and the Director of the City shall sign the Certification for Payment and forward the same to the Trustee.

Section 4.02. Payments for Phased PID Bonds
(a) The City shall not be obligated to provide funds for any Non-CRA Improvement except from the proceeds of the Bonds. The City makes no warranty, either express or implied, that the proceeds of the Bonds available for the payment of the Actual Cost of the Non-CRA Improvements to be constructed for or acquired by the City or County will be sufficient for the construction or acquisition of all of those particular Non-CRA Improvements. The Parties anticipate that the cost to construct the Non-CRA Improvements will be greater than the proceeds of the Bonds available for Non-CRA Improvements.
(b) Subject to the terms and conditions of any applicable Acquisition Agreement, the Developer shall convey, and the City shall acquire the given Public Improvement for the Actual Cost, when such Public Improvement is completed and has been accepted by the City; provided, however, if the City assigns its rights to receive any such Public Improvement to the County pursuant to Section 3.01 above, then the County shall actually obtain title to such Public Improvement in accordance with the applicable Acquisition Agreement.
(c) To receive the Actual Cost for a Public Improvement under the Phased PID Bonds, the Developer shall deliver to the City and the Project Engineer ( x ) documentation evidencing the Actual Cost, (y) an assignment of the warranties and guaranties, if applicable, for such Non-CRA Improvement, in form reasonably acceptable to the City. Nothing herein or in subparagraph and (d) below shall prohibit Developer from being reimbursed for design costs associated with a Non-CRA Improvement prior to the completion of construction of said NonCRA Improvement.
(d) Upon receipt of a Payment Request (and accompanying documentation) for a Segment, the City shall instruct the Project Engineer to conduct a review in order to confirm that such Segment was constructed in aecordance with the Plans therefore and to verify and approve the Actual Cost of such Segment specified in such Payment Request. The City agrees to instruct the Project Engineer to conduct each such review in an expeditious manner not to exceed 30 calendar days and the Developer agrees to cooperate with the Project Engineer in conducting
each such review and to provide the Project Engineer with such additional information and documentation as is reasonably necessary for the Project Engineer to conclude each such review, Upon confirmation that such Segment has been constructed in accordance with the Plans therefore, and verification and approval of the Actual Cost of such Segment, the City shall, within thirty (30) days thereafter accept such Segment and the Project Engineer and Director of the City shall sign the Payment Request and forward the same to the Finance Director of the City and payments will be made to Developer, or other person as applicable, within thirty (30) days after receipt by the Finance Director.

## Section 4.03. Payments to Co-Developer

The Developer may enter into agreements with one or more real estate developers or builders (commercial or residential) to sell or develop a portion of the Property and/or to construct certain Public Improvements (each such developer, a "Co-Developer"). The Developer may submit Actual Costs paid for by a Co-Developer and obtain reimbursement of such Actual Costs (or in the case of certain CRA Improvements, the costs eligible for reimbursement) on behalf of and to be paid to such Co -Developer.

Scction 4.04. Acceptance and Maintenance of Improvements.
Upon written acceptance of a Non-CRA Improvement, and subject to any applicable maintenance-bond period, the City shall be responsible for all operation and maintenance of such Non-CRA Improvement, including all costs thereof and relating thereto. Notwithstanding the foregoing, if the City assigns its right to receive a Non-CRA Improvement to the County as provided in Section 3.01 above, then the County shall be responsible for operation and maintenance as provided in the applicable Acquisition Agreement. Operation and maintenance of CRA Improvements shall be in accordance with the applicable CRAs.

## Section 4.05 PID Bond Reimbursements to City.

The Parties hereby acknowledge and agree that the Developer will reimburse the City for funds advanced by the City under the Water Cost Reimbursement Agreement according to the schedule and amounts and otherwise in accordance with the terms more particularly described in the Water Cost Reimbursement Agreement.

## ARTICLE V. BONDS

Section 5.01. Issuance of Bonds.
(a) Subject to the terms and conditions set forth in this Section V, the City intends to pay for the Public Improvements, by issuing Bonds in one or more series. The City will use reasonable and good faith efforts to sell Bonds after receiving a Bond Issuance Request from the Developer, provided that the Devcloper can reasonably demonstrate to the City and its financial advisors via a Feasibility and Market Study Analysis (or such other similar documentation) that there is sufficient security for the Bonds, based upon the bond market existing at the time of such proposed sale. Notwithstanding the foregoing, the City intends to issue the Master PID Bonds and in connection with such Bonds no Bond Issuance Request is required. The Public

Improvements to be constructed and funded in connection with the Master PID Bonds (as well as the projected costs and timing of their construction) are detailed on the chart attached hereto as Exhibit "D". The chart also shows projected dates for reimbursement by the City pursuant to the CRAs. The Phased PID Bonds will be issued in thc future subject to the terms hereof and the Assessment Plan (as the same is amended and updated).
(b) In the event there are cost overruns and the proceeds of the Subordinate Master PID Bonds and the funds in the CRA Holdback (defined below) are not sufficient to fund the Public Improvements specified in the Assessment Plan, the Developer waives the right to protest the City's reasonable decision to issue an additional amount of debt sufficient to cover the overruns (not to exceed $\$ 4,250,000$ ) of Bonds commencing in year 2012 with the first assessments to occur in 2014 to provide additional contingency funding. Whilc the City cannot pre-approve the issuance of these Bonds and hence bind a future City Council, the City hereby notes its willingness to consider the issuance of additional Bonds, as needed in a manner consistent with City policy, to make certain that the CRA Improvements funded by the Subordinate Master PID Bonds can be managed and/or completed should the other contingencies be exhausted.
(c) The aggregate principal amount of Bonds required to be issued hereunder shall not exceed an amount sufficient to fund: (i) the Actual Costs of the Public Improvements (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 3 years from the date of the initial delivery of the Bonds and (iii) any costs of issuance. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of future Bond issuances.
(d) To the extent permitted by law, the final maturity for each series of Bonds shall occur no later than 30 years from the issuance date of said Bonds.
(e) Bonds are not required to be issued under this Article V unless (1) the statutory requirements set forth in Chapter 372 of the Texas Local Government Code have been satisfied; (ii) the City shall receive at the time of issuance an opinion of counsel selected by the City stating in effect that the Bonds are legal and valid under Texas law and that all preconditions to their issuance under State law have been satisfied; and (iii) the approving opinion of the Attorney General of the State of Texas as required by the PID Act.
(f) If proceeds from Senior Master PID Bonds are still available after all the Master PID Bond Authorized Improvements are accepted by the City or County, as applicable, the proceeds may be ulilized to finance other Public Improvements.

## Section 5.02, Public Improvement Fund and CRA Holdback

(a) The City hereby covenants and agrees that if Bonds are issued, the applicable Indenture will establish a Project Fund as a separate fund to be held by the Trustee under the Indenture. The City agrees that the portion of the proceeds of the Bonds not used to pay the costs of issuance associated with the Bonds (but used to provide capitalized interest or to fund a
reserve fund or to fund other lawful purposes related to the Project as detailed in the Indenture) shall be deposited upon issuance into the Project Fund as specified in the applicable Indenture, which amounts shall be used to pay for Project Costs. The Indenture may establish separate accounts within the Project Fund.
(b) The Developer hereby covenants and agrees to use commercially reasonable efforts to first expend proceeds from the Senior Master PID Bonds to construct Waterline 1 before expending proceeds from the Subordinate Master PID Bonds to construct Waterline 1.
(c) An additional contingency amount (maintained from the proceeds of the Senior Master PID Bonds) will be held back based on the aggregate estimated cost of unfunded work on the Public Improvements that also qualify as CRA Improvements to be completed with funds from the Subordinate Master PID Bonds (the "CRA Holdback"). This CRA Holdback will be held in a separate account by the Trustee. This amount will initially be $\$ 727,951.00$ which is $3.36 \%$ (the "Requisite Pereentage") of the estimated aggregate cost of the CRA Improvements to be completed with funds from the Subordinate Master PID Bonds. The amount held in the CRA Holdback will decrease on a prorata basis as Public Improvements that also qualify as CRA Improvements funded by the Subordinate Master PID Bonds are completed and funded (i.e., only the Requisite Percentage of the estimated aggregate cost necessary to complete the CRA Improvements to be funded by Subordinate Master PID Bonds shall remain in the CRA Holdback. Amounts no longer required to maintain the Requisite Percentage in the CRA Holdback can then be used to complete Master PID financed Public Improvements that are NonCRA Improvements. Once the CRA Improvements to be funded by Subordinate Master PID Bonds are completed, any remaining funds in the CRA Holdback will be disbursed to complete Master PID financed Non-CRA Improvements and then to reimburse the Developer for qualifying Project Costs advanced by the Developer to complete Master PID financed Improvements.

## Section 5.03. Denomination, Maturity, Interest, and Security for Bonds

(a) Each series of Bonds shall be finally authorized by the City Council and shall be issued in the denominations, shall mature and be prepaid, shall bear interest, and shall be secured by and payable solely from the Bond Security, all to be as described and provided in the Bond Ordinance or Indenture, as applicable.
(b) The final and adopted versions of the Bond Ordinance and the Indenture (and all documents incorporated or approved therein) shall contain provisions relating to the withdrawal, application, and uses of the proceeds of the Bonds when and as issued and delivered and otherwise contain such terms and provisions as are mutually approved by the City and the Developer.

## Section 5.04. Sale of Bonds

The Bonds shall be issued by the City and shall be marketed and sold through negotiated sale to an approved third party with the cooperation and assistance of the Developer in all
respects with respect to the preparation of marketing documents, such as preliminary and final official statements or in such other marketing and/or sales method mutually agreed upon by the City and the Developer.

## article vi. REPRESENTATIONS AND WARRANTIES

Section 6.01. Representations and Warranties of City
The City makes the following representation and warranty for the benefit of the Developer:(a) that the City is a municipal corporation and political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and dcliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement:-

Section 6.02. Representation and Warranties of Developer
The Developer makes the following representations, warranties and covenants for the benefit of the City:
(a) The Developer represents and warrants that the Developer is a limited partnership duly organized and validly existing under the laws of the State of Delaware, is qualified to do business in and is in good standing under the laws of the State of Texas, is in compliance with the laws of the State of Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.
(b) The Developer represents and warrants that the Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Developer.
(c) The Developer represents and warrants that this Agreement is valid and enforceable obligation of the Developer and is enforceable against the Developer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.
(d) The Developer covenants that it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause the Public Improvements to be completed in accordance with this Agreement.
(c) The Developer covenants that it will not commit, suffer, or permit any act to be done in, upon or to the Property or the Project in violation of the any law, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the Property or the Project.
(f) The Developer represents and warrants that (i) it will not request payment from the City for the acquisition of any Public Improvements that are not part of the Project, and (ii) it
will diligently follow all procedures set forth in this Agreement with respect to Payment Requests.
(g) Until the final Acceptance Date of all Segments, the Developer covenants to maintain proper books of record and account for the Project and all costs related thereto. The Developer covenants that such accounting books will be maintained in accordance with generally accepted accounting principles, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours notice.

## ARTICLE VII. DEFAULT AND REMEDIES

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.
(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) days of the receipt of such notice (or five (S) days in the case of a monetary default), subject, however, in the case of non-monetary default, to the terms and provisions of subparagraph (c). Upon a breach of this Agreement, the non-defaulting Party in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained (and/or an action for mandamus as and if appropriate). Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Article VII or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party. Notwithstanding any provision contained herein to the contrary, the Owner shall not be required to construct any portion of the Project (or take any other action related to or in furtherance of same) while the City is in default under this Agreement).
(c) Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, widespread pestilence, fire or other casualty, shortage of materials, adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or tornadoes, labor action, strikes, changes in the law affecting the obligations of the Parties hereunder, or similar acts), the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such force majeure
event not later than seven (7) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a "force majeure" event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article.
(d) In addition to the foregoing remedies, the CRAs contain provisions dealing with the City's options to complete CRA Improvements if the Developer fails to timely do so. Furthermore, the CRAs contain additional consequences if the Developer is in default under the CRAs. This subparagraph (d) controls over any contrary provisions contained in this Agreement.

## ARTICLE VIII. GENERAL PROVISIONS

## Section 8.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by facsimile, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

| If to City: | City of Austin |
| :---: | :---: |
|  | PO Box 1088 |
|  | Austin, Texas 78767 |
|  | Attn: City Treasurer |
|  | Facsimile: 512.370.3838 |
| With copies to: | City of Austin |
|  | PO Box 1088 |
|  | Austin, Texas 78767 |
|  | Attn: City Attorney |
|  | Facsimile: 512.974,6490 |
|  | Director of Public Works |
|  | City of Austin |
|  | 505 Barton Springs Road, Suite 1300 |
|  | Austin, TX 78704 |
|  | Facsimile: 512.974.7084 |
|  | Director of Austin Water Utility |
|  | PO Box 1088 |
|  | Austin, Texas 78767 |
|  | Facsimile: 512.972.0111 |
| If to Developer: | Taurus of Texas |

c/o Douglas H. Gilliland<br>9285 Huntington Square<br>North Richland Hills, Texas 76180<br>Facsimile: 817.788.1670<br>With a copy to: Metcalfe Williams, LL_P<br>Attn: Steven C. Metcalfe<br>301 Congress Avenue, Suite 1075<br>Austin, Texas 78701<br>Facsimile: 512.551-4943

## Section 8.02. Fee Arrangement

The Developer agrees that it will pay all of the City's costs and expenses (including legal fees and financial advisory fees) related to the creation and administration of the District. The City's advisors shall submit to the City their fees relating to the establishment and administration of the District, including legal fees relating to the development and review of the Assessment Plan and the Developer will pay these fees on behalf of the City in accordance with the terms of that certain Amended and Restated City of Austin, Texas Deposit and Reimbursement Agreement Proposed Public Improvement District Agreement dated June 10, 2010, or such additional agreements subsequently entered into by the City and Developer. In addition to any fees paid by the Developer pursuant to the preceding sentence, all fees of legal counsel related to the issuance of the Bonds, including fees for the preparation of customary bond documents and the obtaining of Attorney General approval for the Bonds, will be paid at closing as mutually agreed to by the City and the Developer.

Section 8.03. Assignment
(a) Subject to subparagraph (b) below, Developer may, in its sole and absolute discretion, assign this Agreement with respect to all or part of the Project from time to time to any party so long as the assignee has demonstrated to the City's satisfaction that the assignee has the financial, technical, and managerial capacity, the experience, and expertise to perform any duties or obligations so assigned and so long as the assigned rights and obligations are assumed without modifications to this Agreement. Developer shall provide the City thirty (30) days prior written notice of any such assignment. Upon such assignment or partial assignment, Developer shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement for the part of the Project so assigned.
(b) Upon any assignment to its Designated Successors and Assigns, Developer may request the City to approve the release of Developer from the rights and obligations assigned to any Designated Successor and Assigns, such approval not be unreasonably withheld, conditioned or delayed. Upon such approval by the City, Developer shall no longer be liable for the assigned rights and obligations and the City shall look solely to the Designated Successors and Assigns for performance timing. 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.

## Section 8,04, Term of Agreement

This Agreement shall terminate on the date on which the City and Developer discharge all of their obligations hereunder; provided, that this Agreement shali automatically terminate on January 1, 2015, if the first series of Bonds is not issued by such date. In the case of any termination of this Agreement and/or dissolution of the District, the obligation of any Party to pay any Project Costs expended prior to the termination of this Agreement and/or dissolution of the District and remaining unpaid shall survive such termination and/or dissolution.

Section 8.05. Construction of Certain Terms
For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:
(a) Words importing a gender include either gender.
(b) Words importing the singular include the plural and vice versa.
(c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
(d) Any term defined harein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
(e) A reference to any Party includes such Party's permitted successors and assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
(f) All references in this Agrecment to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.
(g) The words "herein," "hereof," "hereto," "hereby," "hereunder," and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.
(h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation."
(i) Unless the context otherwise requires, a reference to the "Property," the "Public Improvements," or the "District" is deemed to be followed by the phrase "or a portion thereof."
(j) Every "request," "order," "demand," "direction," "application," "appointment," "notice," "statement," "certificate," "consent," "approval, " "waiver," "identification," or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.
(k) The Parties hereto acknowledge that cach such party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Agreement.

Section 8.06. Table of Contents; Titles and Headings
The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 8.07. Amendments.
This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties.

Section 8.08. Time
In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

## Section 8,09. Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

## Section 8.10. Entire Agreement

This Agreement contains the entire agreement of the Parties.
Section 8.11. Severability; Waiver
If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this

Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 8.12. Intentionally Deleted
Section 8.13. Developer as Independent Contractor
In performing under this Agreement, it is mutually understood that the Developer is acting as an independent contractor, and not an agent of the City.

Section 8.14. Supplemental Agreements
Other agreements and details concerning the obligations of the Parties under and with respect to this Agreement are included in the Assessment Plan, the Assessment Ordinances, Bond Ordinances and Indentures.

## Scction 8.15. Exhibits

The following exhibits are attached to and incorporated into this Agreement for all purposes:

Exhibit A - Definitions
Exhibit B - Property
Exhibit C - Assessment Plan
Exhibit D - Bond Chart
Exhibit E - Form of Certification for Payment

CITY OF AUSTIN, a home rule city and Texar minnicipal corporation

By:
Name:


CLUB DEAL 120 WHISPER VALLEY, LIMITED
PARTNERSHIP, a Delaware limited partnership qualified to do business in Texas

By: CD120 GP, LLC, a Delaware limited liability company qualified to do business in Texas Its: General Partner

By:


## Exhibit "A"

DEFINITIONS

## Section 8.15. Defined Terms

Uniess the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:
"Acceptance Date" means, with respect to a Segment, the date that the Actual Cost thereof is paid to the Developer pursuant to the terms hereof.
"Actual Cost(s)" means, with respect to a Segment, the Developer's demonstrated, reasonable, allocable, and allowable costs of constructing such Segment, as specified in a Payment Request that has been reviewed and approved by the City and the Project Engineer and in an amount not to exceed the amount for each Segment as set forth in the Assessment Plan. Actual Cost may include (a) the costs incurred by or on behalf of the Developer (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Segment, (b) if the Developer has acted as general contractor with respect to such Segment, or a portion thereof, a contractor's fee of $5.5 \%$ of the costs incurred by or on behalf of the Developer for the construction of such Segment or portion thereof, (c) the costs incurred by or on behalf of the Developer in preparing the Plans for such Segment, (d) the fees paid for obtaining permits, licenses or other governmental approvals for such Segment, (e) a construction management fee of $4 \%$ of the costs incurred by or on behalf of the Developer for the construction of such Segment if the Developer is serving as the Construction Manager, (f) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) related to the Segment receiving the benefits of the assessments and the Public Improvements (g) all labor, bonds and materials, including equipment and fixtures, by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Public Improvements, (h) all related permitting, zoning and public approval expenses, architectural, engineering, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, County permit fees, development fees and any costs associated with transitioning from the Manville Water Supply Corporation to the City of Austin), insurance premiums, interest cost charged by the City of Austin pursuant to the Water Cost Reimbursement Agreement, and miscellaneous expenses, and all payments for Administrative Expenses after the date of a resolution authorizing such reimbursement, plus interest, if any, at the lower of ( $x$ ) Prime plus $5 \%$ or (y) the interest rate borne by the Bonds, in either case calculated from the respective dates of the expenditures until the date of reimbursement therefore.

Actual Costs shall not include general contractor's fees in an amount that exceeds a percentage equal to the percentage of work completed and accepted or construction management fees in an amount that exceeds an amount equal to the construction management fee amortized in equal monthly installments over the term of the appropriate construction management agreement. The amounts expended on legal costs, taxes, governmental fees, insurance premiums, permits,
financing costs, and appraisals shall be excluded from the base upon which the general contractor and construction management fees are calculated. Actual Costs also may be paid to the Developer only in the capacity of construction manager or only in the capacity of general contractor but not both.
"Acquisition Agreement" means (whether one or more) an agreement that provides for dedication of a Public Improvement (or Segment) to the City prior to the Developer being paid in full out of the applicable Phased PID Bond proceeds, whereby all or a portion of the Actual Costs will be paid to Developer from future Phased PID Bond issuances to reimburse the Developer for actual costs paid by the Developer that are eligible to be paid with Bond proceeds. The form of Acquisition Agreement shall be reasonably acceptable to both City and Developer.
"Administrator" means employee or designee of the City who shall have the responsibilities provided for herein and in the Assessment Plan.
"Administrative Expenses" means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the assessment roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Special Assessments, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing the Special Assessments, (vii) complying with the PID Act with respect to the Bonds, (viii) paying the paying agent/registrar's and trustee's fees and expenses (including the fees and expenses of its legal counsel), and (ix) administering the construction of the Public Improvements, in accordance with the terms of this Agreement.
"Agreement" has the meaning given in the recitals to this Agreement.
"Assessment Ordinance" means each ordinance adopted by the City Council approving the Assessment Plan (or such amendments to the Assessment Plan) and levying the Special Assessments, as required by Article II of this Agreement. The Parties hereby acknowledge that the Assessment Plan will be amended from time to time as additional Bonds are sold and as Improvement Areas are developed.
"Assessment Plan" means the Whisper Valley Public Improvement District Service and Assessment Plan (as such plan is amended from time to time), to be initially adopted by the City Council in the first Assessment Ordinance for the purpose of assessing allocated costs against property located within the boundaries of the District having terms, provisions and findings approved and agreed to by the Developer, as required by Article II of this Agreement. The Parties hereby acknowledge that the Assessment Plan will be amended from time to time as additional Bonds are sold and Improvement Areas are added to the Project.
"Attorney General" means the Texas Attorney General's Office.
"Bond Issuance Request" means written request made by Developer to the City Manager and City's Chief Financial Officer in good faith as evidenced by the Developer's expenditure of necessary amounts for market studies, financial analysis, legal counsel, and other professional services and due diligence necessary to support the request.
"Bond Ordinance" means and refers to the ordinance or ordinances of the City Council that will authorize and approve the issuance and sale of the Bonds and provide for their security and payment, either under the terms of the Bond Ordinance or a trust indenture related to the Bonds.
"Bond Security" means the funds that are to be pledged in or pursuant to the Bond Ordinance or the Indentures to the payment of the debt service requirements on the Bonds, consisting primatily of the Special Assessments, including earnings and income derived from the investment or deposit of Special Assessments in the special funds or accounts created and established for the payment and security of the Bonds, unless such earnings are required to be deposited into a rebate fund for payment to the federal government. Notwithstanding the foregoing, with respect to the Subordinate Master PID Bonds, the "Bond Security" shall also include the reimbursements under the CRAs assigned pursuant to the CRA Pledge Agreement,
"Bonds" means the bonds to be issued by the City, in one or more series, plus any required reserves and amounts necessary to pay the costs of issuance, and to be secured by a pledge of the Bond Security pursuant to the authority granted in the PID Act, and as required by this Agreement for the purposes of (i) financing the costs of the Public Improvements and related costs, and (ii) reimbursing the Developer for Actual Costs paid prior to the issuance of and payment for the Bonds.
"Braker Lane Agreement" means that certain Braker Lane (FM 973 to Taylor Lane) Participation Agreement dated November 11, 2007 by and between Developer and the County, as amended from time to time.
"Certification for Payment" means the certificate so defined in the Initial Indentures.
"City" has the meaning given in the recitals to this Agreement.
"City Council" means the duly elected governing body and council of the City.
"City Manager" means the City Manager of the City or his designee(s).
"Co-Developer" has the meaning given in Section 4.02 of this Agreement.
"Construction Manager" means initially the Developer, and thereafter subject to change in accordance with Section 3.03 of this Agreement. The City acknowledges and agrees that (i) the Developer intends to subcontract out the duties of Construction Manager to a third party and (ii) Developer's hiring of the initial subcontractor to serve as the Construction Manager shall not be deemed a change in the Construction Manager pursuant to the terms and conditions of Section 3.03 .
"County" means Travis County, Texas.
"CRA(s)" means collectively the Wastewater Cost Reimbursement Agreement and the Water Cost Reimbursement Agreement. It is hereby acknowledged that a portion of Water Line 1 intended to be constructed pursuant to the Waster Cost Reimbursement Agreement is being funded by the Indian Hills Public Improvement District.
"CRA Improvements" means those improvements intended to be constructed pursuant to that certain (i) Wastewater Cost Reimbursement Agreement and (ii) Water Cost Reimbursement Agreement,
"CRA Pledge Agreement" means that certain Security, Assignment and Pledge Agreement dated of even date herewith by and between the City, Developer, 1H Developer and Deutsche Bank National Trust Company.
"Debt" means any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City related exclusively to the District.
"Designated Successors and Assigns" shall mean (i) an entity to which Developer assigns (in writing) its rights and obligations contained in this Agreement pursuant to Section 8.03 related to all or a portion of the Property, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of Developer.
"Developer" has the meaning given in the recitals to this Agreement.
"Director" means (i) the Director of Austin Water for water and wastewater related infrastructure and (ii) the Director of Public Works for all other infrastructure, or the designee of such applicable Director.
"District" has the meaning given in the recitals to this Agreement.
"Effective Date" has the meaning given in the recitals to this Agreement.
"Feasibility and Market Study Analysis" means a new study or update to a prior study that is prepared by a third party consultant acceptable to the City prior to each Bond issuance that analyzes the pricing and absorption assumptions included in the Assessment Plan for a particular Improvement Area in order to determine that such assumptions are consistent with the proposed assessments that will be levied against the property located within that particular Improvement Area. It is hereby agreed that the appraisal dated April 27, 2011 prepared by Paul Hornsby \& Company shall serve as the "Feasibility and Market Study Analysis" for the Master PID Bonds.
"Financial Advisor" means PFM Group.
"Indenture" means any trust indenture by and between the City and the Trustee, as it may be amended from time to time.
"Initial Indentures" means those certain Indentures of Trust each dated as of August 1, 2011 between the City and Trustee covering the Master PID Bonds.
"Issue Date" means the date of the initial delivery of the Bonds.
"Master PID Bonds" means collectively the Senior Master PID Bonds and the Subordinate Master PID Bonds.
"Maximum Annual Assessment" means for the first year assessments are levied for any particular parcel of land within the Project, an amount that does not exceed $125 \%$ of such parcel's anticipated buildout value (as determined by the Feasibility and Market Study Analysis) times the City's tax rate in the fiscal year the assessment is determined. For each year after the first year assessments are levied for any particular parcel of land within the Project, the Maximum Annual Assessment for that particular parcel cannot increase by more than two percent $(2 \%)$ annually.
"Non-CRA Improvements" means any improvements included in the Assessment Plan save and except the CRA Improvements.
"Notice" means any notice, writing, or other communication given under this Agreement.
"Parkland Agreement" means that certain Whisper Valley Master Parkland Agreement dated effective as of August 26, 2010, by and between Developer and the City, and otherwise as further amended from time to time.
"Party" means the Developer or the City, as parties to this Agreement, and "Parties" means collectively, the Developer and the City,
"Payment Request" means the document to be provided by the Developer to substantiate the Actual Cost of one or more Segments.
"Phase" means the portion of the Project to which assessments will be levicd pursuant to that certain Bond issuance.
"Phased PID Bonds" shall have the meaning ascribed in Section 2.01(b).
"PID Act" means Chapter 372, Local Government Code, as amended.
"PID Policy" has the meaning given in the recitals to this Agreement.
"Prime" means the prime rate as reported by The Wall Street Journal.
"Project" has the meaning given in the recitals to this Agreement.
"Project Costs" means the total of all Actual Costs.
"Project Engineer" means the civil engineer or firm of civil engineers selected by the Developer to perform the duties set forth herein, which is currently Bury + Partners.
"Project Fund" means the separate and unique fund established by the City under such name pursuant to the Indenture as described in Section 5.02 hereof.
"Property" has the meaning given in the recitals to this Agreement.
"Public Improvements" means collectively the Non-CRA Improvements, the CRA Improvements and any other improvements which may be included in the Assessment Plan as such plan is amended and updated from time to time.
"PUD" has the meaning given in the recitals to this Agreement.
"Regulatory Requirements" means the requirements and provisions of any state or federal law, and any permits, rules, orders or regulations issued or adopted from time to time by any regulatory authority, state, federal or other, having jurisdiction over the Public Improvements, as adjusted by the Development Agreement and the PUD.
"Segments" means the discrete portions of the Public Improvements identified as such.
"Senior Master PID Bonds" shall mean those certain City of Austin, Texas Special Assessment Revenue Bonds, Senior Series 2011 (Whisper Valley Public Improvement District).
"Special Assessment Revenues" means the monies collected from Special Assessments, including supplemental assessments and reassessments, interest, expenses, or penalties on Special Assessments, prepayments, foreclosure proceeds, and proceeds from a guarantor, if any, of the Special Assessments.
"Special Assessments" means the assessments levied against properties in the District, as provided for in the applicable Assessment Ordinance and in the Assessment Plan, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.
"State" means the State of Texas.
"Subordinate Master PID Bonds" shall mean those certain City of Austin, Texas Special Assessment Revenue Bonds, Subordinate Series 2011 (Whisper Valley Public Improvement District).
"Trustee" means as trustee under the Initial Indentures, and any successor thereto permitted under the Initial Indentures and any other Trustee under a future Indenture.
"Underwriter" means Piper Jaffray.
"Water Cost Reimbursement Agreement" means that certain Restated Cost Reimbursement Agreement (Water) and Second Amendment to the Cost Reimbursement Agreement (Wastewater) - Indian Hills and Whisper Valley Subdivisions dated November 1, 2010 by and between Developer, IH Developer and the City, as amended by that certain First Amendment to the Restated Cost Reimbursement Agreement (Water) and Second Amendment to
the Cost Reimbursement Agreement (Wastewater) - Indian Hills and Whisper Valley Subdivisions dated of even date herewith, and otherwise as further amended from time to time.
"Wastewater Cost Reimbursement Agreement" means that certain Cost Reimbursement Agreement dated June 21, 2007 by and between Developer and the City, as amended by that certain (i) First Amendment to the Cost Reimbursement Agreement dated October 9, 2009, (ii) Restated Cost Reimbursement Agreement (Water) and Second Amendment to the Cost Reimbursement Agreement (Wastewater) - Indian Hills and Whisper Valley Subdivisions dated November 1, 2010 by and between Developer, IH Developer and the City, and (iii) Third Amendment to the Cost Reimbursement Agreement dated of even date herewith, and otherwise as further amended from time to time.

# Exhibit "B" <br> PROPERTY DESCRIPTION 

[See Attached]
174.040 ACRES

WHISPER VALLEY
TRACT 1

EN NO. 11-036 (KWA)
FEBRUARY 9, 2011
BRI JOB NO. 1758-02

## DESCRIPIION

OF A 174.040 ACRE TRACT OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60, SITUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 164.73 ACRE AND 548.08 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP BY DEED OF RECORD UNDER DOCUMENT NO. 2006152076 OF THE OFEICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 174.040 ACREG BEING MORE PARTICULARIS DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a concrote monument found in the easterly right-ofway line of E.M. H1ghway No, 973 (right-of-way varies), at the southwesterly corner of that certain 2.0 acre tract of land conveyed to Lyle and Christine Hutchinson by Deed of Record in Volume 13380, Page 393 of the Real. Property Records of Travis County, Texas, being the northwesterly corner of said 164.73 acre tract, for the northwesterly corner hereof;

THINCE, $562^{\circ} 29^{\prime} 59^{\prime \prime} E, \quad$ leaving said easterly right-of-way line of F.M. Highway No. 973, being the southerly line of said 2.0 acre tract and that certain tract of land conveyed to Veterans Land Board of the Estate of Texas by Deed of Records in Volume 7085, Page 418 of the Deed Records of Travis County, Texas and the northerly line of said 164.73 acre tract and hereof, a distance of 1394.58 feet to the southeasterly corner of sadd tract of land conveyed to Veterans Land Board of the Estate of Texas, for an angle point hexeof;

THENCE, $N 27^{\circ} 26^{\prime} 53^{\prime \prime} E$, along the easterly line of said tract of land conveyed to Veterans Jand Boaxd of the Estate of Texas, being the northerly line of said 164.73 acre tract and hereof, a distance of 299.02 feet to the northeasterly comer of said tract of land conveyed to Veterans Land Board of the estate of Texas, being the southerly line of that certain 100.050 acre tract of land conveyed to Hen-Bal Investments, L.P. by Deed of Record in Document No. 2004041963 of said Official Rublic Records, for an angle point in the noxtherly line of said 164.73 acre tract and hereof;

THENCE, $562^{\circ} 28^{\circ} 22^{\prime \prime} \mathrm{E}$, along the southerly line of said 100.050 acre tract, being the northerly line of said 164.73 acre tract and hereof, a distance of 3268.28 feet to the northeasterly corner hereof, from which a $1 / 2$ inch iron rod found at the northeasterly corner of said 164.73 acre tract bears $562^{\circ} 28^{\prime} 22^{\prime \prime} E$, a diatance of 434.57 feet;

THENCE, leaving the southerly line of said 100.050 acre tract, over and across said 164.73 acre and said 548.08 acre tracts of land, with the easterly, southerly and westerly lines hereof, the following thirteen (13) courses and distances:

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1) $527^{\circ} 31^{\prime} 38^{\prime \prime} \mathrm{W}$, a distance of 690.95 feet to an angle point;
2) $S 34^{\circ} 54^{\mathrm{r}} 31^{\prime \prime} \mathrm{W}$, a distance of 455.08 feet to an angle point;
3) $550^{\circ} 13^{\prime} 01^{\prime \prime} \mathrm{W}$, a distance of 1630.28 feet to an angle point;
4) $S 32^{\circ} 15^{\prime} 07^{\prime \prime} \mathrm{W}$, a distance of 240.04 feet to the southeasterly corner hereof:
5) Along a non-tangent curve to the right, having a radius of 1000.00 feet, a central angle of $32^{\circ} 13^{\prime} 31^{\prime \prime}$, an arc length of 562.44 feet, and a chord of which bears N32 $49^{\prime} 27^{\prime \prime \prime} W$, a distance of 555.05 feet to point of tangency of said curve;
6) N16 $42^{\prime} 42^{\prime \prime} \mathrm{W}$, a distance of 943.21 feet to the beginning of a non-tangent curve to the left;
7) Along said curve, having a radjus of 1000.00 feet, a central angle of $45^{\circ} 47^{\prime} 37^{\prime \prime}$, an arc length of 799.25 foet, and a chord of which bears $\mathrm{N} 39^{\circ} 36^{\prime} 30^{\prime \prime} \mathrm{W}$, a distance of 778.15 feet to the point of tangency of sald curve;
B) $N 62^{\circ} 30^{\prime} 19^{\prime \prime} \mathrm{W}$, a ddstance of 1260.58 feet to the southwesterly cornex hereof
8) $N 10^{\circ} 35^{\prime} 12^{\prime \prime} E$, a distance of 392.50 feet to an angle point;
9) N $23^{\circ} 39^{\prime} 31^{\prime \prime} \mathrm{E}$, a distance of 473.39 feet to an angle point;
10) N15 ${ }^{\circ} 53^{\prime} 25^{\prime \prime} \mathrm{W}$, a distance of 357.98 feet to an angle point;
11) N $50^{\circ} 22^{\prime} 11^{\prime \prime} \mathrm{w}$, a distance of 344.49 feet to an angle point;
12) N11 $22^{\prime} 18^{\prime \prime} \mathrm{W}$, a distance of 149.35 feet to a point in the easterly right-of-way line of said F.M. Highway No. 973, being the westerly line of said 164.73 acre tract, for an angle point hereof;

THENCE, N06ㅇ․ $38^{\prime} 03^{\prime \prime} E$, along said easterly right-of-way line of F.M. Highway No. 973 , being the westerly line of said 164.73 acre tract and hereof, a distance of 40.37 feet to the POINT OF BEGINNING containing an area of 174.040 acres ( $7,581,206 \mathrm{sq}$. ft.) of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY APPLYING A COMBINED SCALE FACTOR OF 0.999962.

60.375 ACRES

WHISPER VALLEY
TRACT 2

FN NO, 11-037(KWA)
TEBRUARY 9, 201.
BPI JOB NO. 1758-02

## DESCRIPTION

OF A 60.375 ACRE TRACT OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO, 60, SITUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THOSE GERTAIN 164.73 ACRE AND 548.08 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP, BY DEED OF RECORD IN DOCUMENT NO. 2006152076 OF THE OFEICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 60.375 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMBNCTNG, for reference, at a concrete monument found in the easterly right-of-way line of $\mathrm{F} . \mathrm{M} . \mathrm{Highway}$ No. 973 (right-of-way varies), being the southwesterly corner of that aertain 2.0 acre tract of land conveyed to Lyle and Christine Hutchinson, by Deed of Record in Volume 13380, Page 393 of the Real Property Records of Travis County, Texas and also being the northwesterly corner of said 164.73 acre tract:

THENCE, $S 04^{\circ} 35^{\prime} 23^{\prime \prime} E$, leaving the eastexly right-of-way ine of F.M. Highway 973, over and across said 164.73 acre tract, a distance of 1575.01 feet to the POINT OF BEGINNING and northwesterly corner hexeof;

THENCE, continuing over and across said 164.73 acre and said 548.08 acre tracts, for the outer Jines hereofr the following ten (10) courses and distances:

1) $562^{\circ} 30^{\prime} 19^{\prime \prime} \mathrm{E}$, a distance of 1260.58 feet to the point of curvature of a curve to the right;
2) Along said curve to the right having a radius of 1000.00 feet, a central angle of $45^{\circ} 47^{\prime} 37^{\prime \prime}$, an arc length of 799.25 feet, and a chord which bears, $539^{\circ} 36^{\prime} 30^{\prime \prime}$ 』, a distance of 778.15 feet to the point of tangency of said curve;
3) $S 16^{\circ} 42^{\prime} 42^{\prime \prime} E_{r}$ a distance of 943.21 feet to the point of curvature of a non-tangent curve to the left;
4) Along said non-tangent curve to the left having a radius of 1000.00 feet, a central angle of $32^{\circ} 13^{\prime} 31^{\prime \prime}$, an arc length of 562.44 feet, and a chord which bears, $\$ 32^{\circ} 49^{\prime} 27^{\prime \prime}$ E, a distance of 555.05 feet to the end of said curve, for the northeasterly corner hereof, from which a $1 / 2$-inch iron pipe found at the southeasterly corner of said 164.73 acre tract bears, $\mathrm{N} 31^{\circ} 02^{\prime} 27^{\prime \prime} \mathrm{E}$, a distance of 1160.40 feet;
5) $532^{\circ} 15^{\prime} 07^{\prime \prime} \mathrm{W}$, a distance of 489.64 feet to an angle point;
6) $581^{\circ} 04^{\prime} 21^{\prime \prime} W$, a distance of 439.64 feet to the southeasterly corner hereof;

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7) $N 19^{\circ} 53^{\prime} 38^{\prime \prime} \mathrm{W}$, a distance of 1052.43 feet to an angle point;
8) $N 52^{\circ} 57^{\prime} 50^{\prime \prime} W$, a distance of 728.92 feet to the southwesterly cornex hereof;
9) N22 ${ }^{\circ} 09^{\prime} 21^{\prime \prime} W$, a dstance of 1477.93 feet to an angle point;
10) $N O 1^{\circ} 35^{\prime} 37^{\prime \prime} \mathrm{E}$, a distance of 236.20 feet to the POINT OF BEGINNING, and containing 60.375 acres $(2,629,925$ square feet) of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAT ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY APPLYING A COMBINED SCALE FACTOR OF 0.999962.

189.437 ACRES

WHISPER YALLEY
TRACT 3

FN NO. 11-038 (KWA)
FEBRUARY $9_{r} 2011$.
BPI JOB NO. 1758-02

## DESCRIPTION

OF A 188.437 ACRE TRACT OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60, SITUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 72.50 ACRE AND 548.08 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VALIEY, LIMITED PARTNERSHIP BY DEED OF RECORD UNDER DOCUMENT NO. 2006152076 OF THE OEEICIAL FUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 188.437 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a $1 / 2$ inch iron rod with cap found in the southerly line of that certain 90.000 acre tract of land conveyed to Glad Tidings Assembly of God, Inc. by Deed of Record in Document No. 2004034603 of said Official Public Records, being the northwesterly corner of that certaln Remainder of 423.32 acre tract conveyed to Ella Louise Lind by Deed of Record in Document No. 1999120186 of said Official Public Records, for the northeasterly corner of said 72.50 acre tract and hereof;

THENCE, $528^{\circ} 11^{\prime} 49^{\prime \prime} \mathrm{W}$, leaving the southerly line of said 90.000 acre tract, being the westerly line of said Remainder of 423.32 acre tract and the easterly line of said 72.50 acre tract and hereof, a distance of 2098.37 feet to the southeasterly corner of said 72.50 acre tract, bedng the northeasterly corner of said 548.08 acre tract, for an angle point hereof;

THENCE, $528^{\circ} 51^{\prime \prime} 16^{\prime W}$, continuing along the westexly line of said Remainder of 423.32 acre tract, being the easterly line of said 548.08 acre tract, a distance of 924.02 feet to a $1 / 2$ inch iron rod found at the southwesterly corner of said Remainder of 423.32 acre tract, being a northerly corner of that certain 750.533 acre tract of land conveyed to Club Deal 120 Whisper Valley, Limited Partnership by Deed of Record in Document No. 2006152076 of said Official Public Records, for the southeasterly corner hereof;

THENCE, leaving southwesterly corner of said Remainder of 423.32 acre tract, same being a northerly corner of said 750.533 acre tract, over and across sald 548.08 acre tract, for the southerly and westerly lines hereof, the following eight (B) courses and distances:

1) $568^{\circ} 40^{\prime} 16^{\prime \prime} \mathrm{W}$ a distance of 1856.76 feet to an angle polnt;
2) $N 06^{\circ} 32.58^{\prime \prime} \mathrm{W}$, a distance of 1171.54 feet to the point of curvature of a non-tangent curve to the left;

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3) Along said curve to the left having a radius of 1000.00 feet, a central angle of $44^{\circ} 31^{\prime} 00^{\prime \prime}$, an arc length of 776.96 feet, and a chord of which bears, N2 $28^{\circ} 48^{\prime} 28^{\prime \prime} W$, a distance of 757.57 feet to the end of said curve, for the southwesterly corner hereof, from which a $1 / 2$ inch iron rod found at the northwesterly. corner of sadd 548.08 acre tract bears, N4 $6^{\circ} 10^{\prime} 24^{\prime \prime} W$, a distance of 4451. 66 feet;
4) $N 47^{\circ} 32^{\prime} 54^{\prime \prime} \mathrm{E}$, a distance of 420.53 feet to an angle point;
5) N $33^{\circ} 59^{\circ} 42^{\prime \prime} \mathrm{E}$, a distance of 524,55 feet to an angle point;
6) N4 $1^{\circ}: 28^{\prime} 47^{\prime \prime} \mathrm{E}$, a distance of 1186.68 feet to an angle point;
7) $N 21^{\circ} 18^{\prime} 53^{\prime \prime} \mathrm{E}$, a distance of 328.09 feet to an angle point;
8) N41 $18^{\circ} 18^{\prime \prime E}$, a distance of 658.29 feet to a point in the southerly line of that certain 196.60 acre tract of land conveyed to Robert M. Schoolfield by Deed of Record in Volume 13059, Page 427 of the Real Property Records of Travis County, Texas, being the northerly line of said 548.08 acre tract, for the northwesterly corner hereof;

THENCE, along the southerly Ilne of said 196.60 acre tract and said 90.00 acre tract, being the northerly line of said 548.08 acre tract and said 72.50 acre tract, for the noxtherly innes hereof, the following three (3) courses and distances:

1) $562^{\circ} 27^{\prime} 39^{\prime \prime} \mathrm{E}$, a distance of 380.49 Feet to a $1 / 2$ inch iron rod found for an angle point;
2) $562^{\circ} 18^{\prime} 06^{\prime \prime} E$, a distance of 1509.13 feet to an angle point;
3) $563^{\circ} 32^{\circ} 25^{\prime \prime} \mathrm{E}$, a distance of 54.46 feet to the POINT OF BEGINNING containing an area of 188,437 acres $(8,208,310$ sq. ft.) of land, more or less, within these metes and bounds,

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE ${ }_{r}$ NAD 83 (93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SURFACE VAJUES AND MAY BE CONVERTED TO GRID BY APPIYING A COMBINED SCAL® FACTOR OF 0.999962.


## DESCRIPTION

OF A 106.722 ACRE TRACT OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40 , ABSTRACT NO. 60 , SITUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THOSE CERTAIN 750.533 ACRE AND 548.08 ACRE TRACTS OE LAND CONVEYED TO CLUB DEAL 120 WHISPER. VALLEY, LIMITED EARTNERSHIP, BY DEED OF RECORD IN DOCUMENT NO. 2006152076 OF THE OFEICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 106.722 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, for reference, at a concrete monument found in the easterly right-of-way line of Fi M. Highway No, 973 (right-of-way varies), being the southwesterly corner of that certain 2.0 acre tract of land conveyed to Lyle and Christine Hutchinson, by Deed of Record in Volume 13380, Page 393 of the Real Property Records of Travis Countyr. Texas and also being the northwesterly corner of that certain 164.73 acre tract conveyed to Club Deal 120 Whisper Valley, Limyted Partnership, by said Deed of record in Document No. 2006152076, of said Official Public Records;

THENCE, $S 32^{\circ} 11^{\prime} 01^{\prime \prime} \mathrm{E}$, leaving the easterly right-of-way line of F.M. Highway 973, over and across said 164.73 acre and sajd 548:08 acre tracts, a distance of 5298.87 feet to the POINT OF BEGINNING, and northerly corner hereof;

THENCE, continuing over and across said 548.08 acre and said 750.533 acre tracts, for the outer lines hereof, the following fourteen (14) couxses and distances:

1) Along a curve to the right having a radius of 1000.00 feet, a central angle of $44^{\circ} 31^{\prime} 00^{\prime \prime}$, an arc length of 776.96 feet, and a chord which bears, $528^{\circ} 48^{\prime} 28^{\prime \prime} \mathrm{E}$, a distance of 757.57 feet to the end of sadd curve;
2) $506^{\circ} 32^{\prime} 58^{\prime \prime} E_{r}$ a distance of 1171.54 feet to the point of curvature of a curve to the left;
3) Along said curve to the left having a radjus of 1000.00 feet, a central angle of $15^{\circ} 20^{\prime} 51^{\prime \prime}$, an arc length of 267.86 feet, and a chord which bears, $514^{\circ} 13^{\prime} 23^{\prime \prime} \mathrm{E}_{\text {r }}$ a distance of $26 \% .07$ feet to the end of said curve;
4) $521^{\circ} 53^{\prime} 49^{\prime \prime} \mathrm{E}$, a distance of 639.08 feet to the point of curvature of a curve to the right;
5) Along said curve to the right having a radius of 1.000 .00 feet, a central angle of $26^{\circ} 43^{\prime} 53^{\prime \prime}$, an arc length of 466.55 feet, and a chord which bears, $508^{\circ} 31^{\prime} 53^{\prime \prime} \mathrm{E}$, a distance of 462.33 feet to the end of said curve;

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FEBRUARY 9, 2011
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6) $S 04^{\circ} 50^{\prime} 04^{\prime \prime} W_{r}$ a distance of 240.16 feet to the easterly comner hereof, from which a fence post found at the southeasterly corner of said 548.08 acre tract bears, N71 $25^{\prime} 44^{\prime \prime} \mathrm{E}$, a distance of 265.06 feet;
7) $559^{\circ} 26^{\prime} 55^{\prime \prime} W$, a distance of $105 B .81$ feet to the southerly corner hereof;
8) N12 ${ }^{\circ} 58^{\prime} 35^{\prime \prime} W$, a distance of 502.58 feet to an angle polnt;
9) NS2 $51^{\circ} 17^{\prime \prime} W_{\text {, }}$ a distance of 622.67 feet to an angle point;
10) NO9 ${ }^{\circ} 06^{\prime} 50^{\prime \prime} \mathrm{W}$, a distance of 637.59 feet to an angle point;
11) $N 30^{\circ} 33^{\prime} 52^{\prime \prime} \mathrm{w}$, a distance of 869.27 feet to the westerly corner hereof;
12) $N 20^{\circ} 11^{\prime} 13^{\prime \prime} \mathrm{E}$, a distance of 900.78 feet to an angle point;
13) $N 53^{\circ} 09^{\prime} 58^{\prime \prime} \mathrm{E}$, a distance of 710.36 feet to an angle point;
14) N $39^{\circ} 53^{\prime} 15^{\circ} \mathrm{E}$, a distance of 520.29 feet to the POINT On BuGINNING, and containing 106.722 acces (4,648,803 square feet) of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDTNATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SUREACE VALUES AND MAY BE CONVERTED TO GRID BY APELYING A COMBINED SCALE FAC'OR OF 0.999962.

66.708 ACRES

WHISPER VALLEY
TRACT 5

EN NO. 11-040(KNA)
EEBRUARY 9, 2011
BPI JOB NO. 1758-02

## DESCRTPTION

OF A 66.708 ACRE TRACT OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60, SITUAIED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 750.553 ACRE, 548.08 ACRE AND 165.984 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISEER VALLEY, LIMITED PARTNERSHIP BY DEED OF RECORD UNDER DOCUMENT NO. 2006152076 OE THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 66.708 ACRES BEING MORE PARTICULARLY DESCRIBED BY MFTES AND BOUNDS AS FOLLOWS:

BEGINANG, at a $5 / 8$ inch iron rod found for an angle point in the northerly line of that certain 137.772 acre tract of land conveyed to Jennifer Scott Riggs by Deed of Record in Document No. 2003117240 of said Official Public Records, being the southwesterly corner of said 165.984 acre tract, for the southwesterly corner hereof;

THENCE, $N 28^{\circ} 01^{\prime} 4^{\prime \prime} E^{\prime \prime}$, leaving the northerly line of said 137.772 acre tract, being the westerly line of said 1.65 .984 acre tract and also being a portion of the easterly line of that certain 51.937 acre tract of land conveyed to Heler R. Dressen by Deed of. Record in Volume 10810, Page 40 of the Real Property Records of Travis County, Texas, for a portion of the westerly line hereof, a distance of 1765.59 feet to the northwesterly corner of said 165.984 acre tract and also being the southwesterly corner of said 750.533 acre tract, fox an angle point hereof;

THENCE, N $28^{\circ} 16^{\prime} 57^{\prime \prime} \mathrm{E}$, continuing along the easterly line of sald 51.937 acre tract, being the westerly line of said 750.533 acre tract and also being the easterly line of that certain 52.119 acre tract conveyed to James A. Nelson, Jx. by Deed of Record in Volume 10810, Page 40 of said Real Property Records, for a portion of the westerly line hereof, a distance of 1561.57 feet to the northeasterly corner of said 52.119 acre tract, being an angle point In the southerly line of said 548.08 acre tract, for an angle point hereof;

THENCE, N62 $20^{\prime} 40^{\prime \prime}$ W, along the northerly line of said 52.119 acre tract, being the southerly line of sald 548.08 acre tract, for a portion of the westerly line hexeof, a distance of 1454.92 feet to the southwesterly corner of said 548.08 acre tract, being the southeasterly corner of that certain 3.85 acre tract conveyed to City of Austin by Deed of Record in Volume 3296, Page 247 of the Deed Records of Travis County, Texas, for an angle point hereof;

THENCE, $N 28^{\circ} 21^{\prime} 05^{\prime \prime} E_{r}$ along the easterly line of said 3.85 acre tract and along the easterly line of that certain tract of land conveyed to Anne B. Schryver, et al by Deed of Record in Volume 12870, Page 1684 of said Real Property Records, being the westerly line of said 548.08 acre tract, for a portion of the westerly line hereof, a distance of 1389.73 feet to the noxthwesterly corner hereof;

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THENCE, leaving said Anne $B$. Schryver, et al tract, over and across said 548.08 acre, 750.533 acre and said 165.984 acre tracts, for the northerly and easterly lines hereof, the following eleven (11) courses and distances:

1) $S 01^{\circ} 31^{\prime} 29^{\prime \prime} E$, a distance of 1574.44 feet to an angle point;
2) $562^{\circ} 20^{\circ} 40^{\prime \prime} \mathrm{E}$, a distance of 685.58 feet to an angle point;
3) $528^{\circ} 16^{\prime} 57^{\prime \prime} \mathrm{W}$, a distance of 902.91 feet to an angle point;
4) $S 37^{\circ} 41^{\prime} 39^{\prime \prime} \mathrm{E}$, distance of 226.32 feet to an angle point;
5) $502^{\circ} 54^{\prime} 46^{\prime \prime} \mathrm{E}$, a distance of 554,43 feet to an angle polnt:
6) $\mathrm{S} 12^{\circ} 12^{\prime} 37^{\prime \prime} \mathrm{E}$, a distance of 723.76 feet to an angle point;
7) $503^{\circ} 04^{\prime} 28^{\prime \prime} \mathrm{W}$, a distance of 445.74 feet to an angle point;
8) $315^{\circ} 09^{\prime} 00^{\prime \prime}$ W, a distance of 412.06 feet to an angle point;
9) $326^{\circ} 19^{\prime} 09^{\prime \prime} \mathrm{E}$, a distance of 398.88 feet to an angle point;
10) $550^{\circ} 11^{\prime} 55^{\prime \prime} E$ a distance of 258.47 feet to an angle point hereof, from which a $1 / 2$ inch iron rod found at the northeasterly corner of sald 165.984 acre tract bears, N83 ${ }^{\circ} 31^{\prime \prime} 59^{\prime \prime} \mathrm{E}$, a distance of 2770.53 feet;

1I) $527^{\circ} 24^{\prime} 23^{\prime \prime} W$, a distance of 204.45 feet to a point in the northerly line of sald 137.772 acre tract, being the southerly line of said 165.984 acre tract, for the southeasterly corner hereof;

THENCE, along the northerly line of said 137.772 acre tract, being the southerly line of said 165.984 acre tract, for the southerly line hereof, the following eight (8) courses and distances:

1) N64 $21^{\prime} 34^{\prime \prime} \mathrm{W}$, a distance of 45.71 feet to an angle point;
2) $N 62^{\circ} 45^{1} 03^{\prime \prime} W_{r}$ a distance of 1.62 .16 feet to a $1 / 2$ inch iron rod found for an angle point;
3) N62 $27^{\circ} 50^{\prime \prime} \mathrm{W}$, a distance of 291.49 feet to a $1 / 2$ inch iron rod found for an angle point;
4) $N 62^{\circ} 43^{\prime} 58^{\prime \prime} \mathrm{W}$, a distance of 293.62 feet to a $1 / 2$ inch iron rod found for an angle point;
5) N62 $39^{\prime} 09^{\prime \prime} W_{t}$ a distance of 353.97 feet to a $1 / 2$ inch iron rod found for an angle point;
6) $N 62^{\circ} 26^{\circ} 41^{\prime \prime} W$, a distance of 124.59 feet to an angle point;

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7) $N 62^{\circ} 37^{\prime} 20^{\prime \prime} W$, a distance of 145.41 feet to a $1 / 2$ inch iron rod found for an angle point;
8) N $62^{\circ} 42^{\prime} 19^{\prime \prime} \mathrm{W}$, a dilstance of 414.40 feet to the POINT OF BEGINNING containing an area of 66.708 acres $(2,905,798$ sq. ft.) of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB KARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY APPIYING A COMBINED SCALE FACTOR OE 0.999962.

197.413 ACRES

WHISPER VAIIEY
TRACT 6

FN NO, 11-041 (KWA)
EEBRUARY 9, 2011
BRI JOB NO, 1758-02

DASCRJPTION
OF A 197.413 ACRE TRACT OF LAND OUT OE THE OLTVER BUCKMAN SURVEY NO. 40 , ABSTRACT NO, 60, SITUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OE THOSE CERTAIN 750.533 ACRE AND 548.08 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VALLEY, IIMIMED PARTNERSHIP, BY DEED OE RECORD IN DOCUMENT NO, 2006152076 OE THE OEFICIATS EUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 197.413 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a $1 / 2$-inch iron rod found at an angle point in the easterly line of said 548.08 acre tract, being an angle point in the northerly line of said 750.533 acre tract and also being the southwesterly corner of that certain remainder tract of 423.32 acre conveyed to Ella Louise Lind, by Deed of Record in Document No. 1.999120186 of said Official Public Records, for the northerly corner hereof;

THENCE, $561^{\circ} 57^{\prime} 29^{\prime \prime} E$, leaving the easterly line of sald 548.08 acre tract, being the southerly line of said remainder tract of 423.32 acres, for a portion of the northerly line hereof, a distance of 2116.00 feet to a $1 / 2$ inch iron rod found for an angle point in the southerly line of sadd remainder tract of 423.32 acres, for the northeasterly corner hereof;

THENCE, leaving said remainder tract of 423.32 acres, over and across said 750.533 acre and said 548.08 acre tracts, for the easterly, southerly and westerly lines hereof, the following eight (8) courses and distances:

1) $526^{\circ} 00^{\prime} 41^{\prime \prime} W$, a distance of 3228.57 feet to the southerly corner hereof;
2) $N 63^{\circ} 28^{\prime} 23^{\prime \prime} \mathrm{W}$, a distance of 1434.65 feet to the beginning of a non-tangent curve to the right;
3) Along said curve to the right having a radius of 1000.00 feet, a central angle of $68^{\circ} 1 \mathrm{~B}^{\prime} 2^{\prime \prime}$, an arc length of 1192.19 feet, and a chord of which bears, $N 29^{\circ} 19^{\prime} 10^{\prime \prime} \mathrm{W}$, a distance of 1122.83 feet to the point of tangency of said curve;
4) No4 $50^{\circ} 04^{\prime \prime} \mathrm{E}$, a distance of 293.19 feet to the beginning of a non-tangent curve to the left;
5) Along said curve to the left having a radius of 1000,00 feet, a central angle of $26^{\circ} 43^{\prime} 53^{\prime \prime}$, an arc length of 466.55 feet, and a chord of which bears, N08 ${ }^{\circ} 31^{\prime} 53^{\prime \prime} W_{\text {, }}$ a distance of 462.33 feet to the point of tangency of said curve;

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6) $N 21^{\circ} 53^{\prime} 49^{\prime \prime} W$, a distance of 639.08 feet to the beginning of a non-tangent curve to the right;
7) Along said curve to the right having a radius of 1000.00 feet, a central angle of $15^{\circ} 20^{\prime} 52^{\prime \prime}$, an arc length of 267.87 feet, and a chord of which bears, N14 $13^{\circ} 23^{\prime \prime} W$, a distance of 267.07 feet to the end of said curve;
8) N $68^{\circ} 40^{\circ} 16^{\prime \prime} \mathrm{E}$, a distance of 1856.76 feet to the POINT OF BEGINNING, and containing 197.413 acres $(8,599,312$ square feet) of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENT'S A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SUREACE VALUES AND MAY BE CONVERTED TO GRID BY APPLYING A COMBINED SCALE FACTOR OE 0.999962.

166.246 ACRES

WHISPER VALLEY
TRACT 7

F'N NO. 11~042 (KWA)
FEBRUARY 9, 2011
BPI JOB NO. 1758-02

## DESCRIPTION

OF A 166.246 ACRE OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60 AND THE JOHN BURLESON SURVEY NO. 33, ABSTRACT NO. 5, SITUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 750.553 ACRE, 165.984 ACRE $_{f}$ I6.00 ACRES AND 101.46 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VALLEY, LIMETED EARTNERSHIP BY DEED OF RECORD UNDER DOCUMENT NOS. 2006152076 AND 2006231899, BOTH OF THE OFEICIAL RUBLIC RECORDS OF TRAVIS COUNTY, TEXAS: SAID 166.246 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, for reference, at a $5 / 8$ inch iron rod found for an angle point in the northerly line of that certain 137.772 acre tract of land conveyed to Jennifer Scott Riggs by Deed of Record in Document No. 2003117240 of said Official Public Records, being the southwesterly corner of said 165.984 acre tract;

THENCE, N82 $00^{\circ} 45^{\prime \prime} E$, leaving the northerly line of sadd 137.772 acre tract, over and across said 165.984 acre and said 750.533 acre tracts, a distance of 4177.44 feet to the POINT OF BEGINNING and northwesterly corner hereof;

THENCE, continuing over and across said 165.984 acre, sajd 750.533 acre, said 16.00 acre and said 101.46 acre tracts, for the exterior lines hereaf, the following eleven (11) courses and distances:

1) N $59^{\circ} 26^{\prime} 55^{\prime \prime} \mathrm{E}$, a dj.stance of 1058.81 feet to an angle point;
2) $504^{\circ} 50^{\prime} 04^{\prime \prime} \mathrm{W}$, a distance of 53.03 feet to the beginning of a non-tangent curve to the left;
3) Along sald curve to the left having a radius of 1000.00 feet, a central angle of $60^{\circ} 18^{\prime} 27^{\prime \prime}$, an arc length of 2192.19 feet, and a chord of which bears, $529^{\circ} 19^{\prime} 10^{\prime \prime} \mathrm{E}, \mathrm{a}$ distance of 1122.83 feet to the point of tangency of said curve;
4) $563^{\circ} 28^{\prime} 23^{\prime \prime} E_{r}$ a distance of 1434.65 feet to the northeasterly corner hereof;
5) $533^{\circ} 00^{1} 49^{\prime \prime} W$, a distance of 4069.00 feet to the southeasterly corner hereof;
6) N $46^{\circ} .17^{\prime} 55^{\prime \prime}$ W, a distance of 689.21 feet to an angle point;
7) N16 ${ }^{\circ} 11^{\prime} 16^{\prime \prime} W$ a distance of 446.07 feet to the southwesterly corner hereof, from which a $1 / 2$ inch iron rod found at the southeasterly corner of said 165.984 acre tract bears, $117^{\circ} 54^{\prime} 07^{\prime \prime} \mathrm{W}$, a distance of 1229.25 feet;

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8) N18*31'59" E , a distance of 1157.83 feet to an angle point;
9) $N 00^{\circ} 25^{\prime} 04^{\prime \prime} W$, a distance of 712.05 feet to an angle point;
10) $N 17^{\circ} 52^{\prime} 12^{\prime \prime} W$, a distance of 894.72 feet to an angle point;
11) N $00^{\circ} 36^{\circ} 51^{\prime \prime} \mathrm{E}$, a distance of 980.52 feet to the POINT OF BMGINNINE containing an axea of 166.246 acres $(7,241,684 \mathrm{sq}$. ft.) of land, more or less, within these metes and bounds.

BEARING BASES: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY APPLYING A COMBINED SCALE FACIOR OE 0.999962.

131. 120 ACRES

WHISPER VALLEY
TRACT 8

FN NO. 11-043 (KWA)
EEBRUARY 9, 2011
BEI JOB NO. 1758-02

## DESCRIPTION

OE A 131.120 ACRE TRACT OF LAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60, STTUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN 750.553 ACRE TRACT OF IAND CONVEYED TO CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP BY DEED OF RECORD UNDER DOCUMENT NO. 2006152076 OE THE ORFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 131.120 ACRES BEING MORE PARTICULARLY DESCRIBED BY MEJES AND BOUNDS AS EOLLOWS:

BEGINNING, at a $1 / 2$ inch iron rod found in the westerly right-ofway line of Taylor Road ( $80^{\prime}$ R.O.W.), at the southeasterly corner of that certain remainder of 423.32 acre tract of land conveyed to Ella Louise Lind by Deed of Record in Document No. 1999120186 of said Official Public Records, being the northeasterly corner of said 750.533 acre tract, for the northeasterly corner hereof;

THENCE, along said westexly rightwof-way line of Taylor Road, being the easterly line of said 750.533 acre tract, for a portion of the easterly line hereof, the following three (3) courses and distances:

1) Along a curve to the left, having a radius of 14701.15 feet, a central angle of $01^{\circ} 22^{\prime} 03^{\prime \prime}$, an arc length of 350.85 feet, and a chord of which bears, $527^{\circ} 23^{\prime} 38^{\prime \prime} W_{\text {, }}$ a distance of 350.84 feet to a $1 / 2$ inch iron rod found at the point of tangency of said curve;
2) $526^{\circ} 39^{\prime} 38^{\prime \prime} N$, a distance of 454.04 feet to a $1 / 2$ inch iron rod found at the beginning of a non-tangent curve to the right;
3) Along said curve to the right having a radius of 93712.13 feet, a central angle of $00^{\circ} 13^{\prime} 16^{\prime \prime}$, an aro length of 361.66 feet, and a chord of which bears, S26*51'11"W, a distance of 361.66 feet to a $1 / 2$ inch iron rod found at the northeasterly corner of that certain 0.23 acre tract of land conveyed to Manville Water Supply Corporation by Deed of Record in Volume 12641, Rage 1561 of the Real Property Records of Travis County, Texas, for the end of said curve;

THENCE, leaving said westerly right-of-way line of Taylor Road, being the northerly, westerly and southerly lines of said 0.23 acre tract, for a portion of the easterly line hereof, the following three (3) courses and distances:

1) N $62^{\circ} 38^{\prime} 36^{\prime \prime} \mathrm{W}$, a distance of 100.15 feet to the northwesterly corner of said 0.23 acre tract, for an angle point hereof;
2) $526^{\circ} 51^{\prime} 53^{\prime \prime} W$, a distance of 100.15 feet to a $1 / 2$ inch iron rod found at the southwesterly corner of sald 0.23 acre tract, for an angle point hereof;

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3) $562^{\circ} 42^{1} 38^{\prime \prime} E$, a distance of 100.29 feet to a $1 / 2$ inch iron rod found in said westerly right-of-way line of Taylor Road, being the southeasterly corner of said 0.23 acre tract, for an angle point hereof;

THENCE, along said westerly right-of-way line of Taylor Road, bedng the easterly line of said 750.533 acre tract, for a portion of the easterly line hereof, the following two (2) courses and distances:

1) Along a curve to the right, having a radius of 93712.13 feet, a central angle of $00^{\circ} 16^{\prime} 05^{\prime \prime}$, an arc length of 438.39 feet, and a chord of which bears, $327^{\circ} 08^{\circ} 46^{\prime \prime} \mathrm{W}$, a distance of 438.39 feet to a $1 / 2$ inch iron rod found at the point of tangency of said curve;
2) $S 27^{\circ} 15^{\prime} 08^{\prime \prime} W$, a distance of 1567.29 feet to the southeasterly corner hereof;

THENCE, leaving said westerly right-of-way line of Taylor Road, over and across said 750.533 acre tract, for the southerly and westerly lines hereof, the following five (5) courses and distances:

1) $N 62^{\circ} 47^{\prime} 05^{\prime \prime} W_{r}$ a distance of 90.88 feet to the beginning of a non-tangent curve to the left;
2) Along sald curve to the left having a radius of 1000.00 feet, a central angle of $35^{\circ} 24^{\prime} 24^{\prime \prime}$, an arc length of 617.96 feet, and a chord of which bears, N80 $29^{\prime} 17^{\prime \prime} W$, a distance of 608.18 feet to the point of tangency of said curve;
3) $581^{\circ} 48^{\prime} 3 I^{\prime \prime} W$, a distance of 402.17 feet to the beginning of a non-tangent curve to the right;
4) Along said curve to the right having a radius of 1000.00 feet, a central angle of $34^{\circ} 43^{\prime} 05^{\prime \prime}$, an arc length of 605.95 feet, and a chord of which bears $N 80^{\circ} 49^{\prime} 56^{\prime \prime} W$, a distance of 596.72 feet to the point of tangency of said curve;
5) $N 26^{\circ} 00^{\prime} 41^{\prime \prime E}$, distance of 3228.57 feet to a $1 / 2$ inch iron rod found in the southerly line of said remainder of 423.32 acre tract, being an angle point in the northerly line of said 750.533 acre tract, for an angle point hereof;

THENCE, along the southerly line of said remainder of 423.32 acre tract, being the northerly line of sadd 750.533 acre tract, for a portion of the westerly and the northerly line hereof, the following three (3) courses and distances:

1) N $28^{\circ} 16^{\prime} 28^{\prime \prime} \mathrm{E}$, a distance of 664.1 .8 feet to the northwesterly corner hereof.

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2) $561^{\circ} 55^{\prime} 40^{\prime \prime} \mathrm{E}$, a distance of 231.92 feet to an angle point;
3) $S 62^{\circ} 13^{\prime} 46^{\prime \prime} \mathrm{E}$, a distance of 1383,28 feet to the POINT OF BEGINNING containing an area of 131.120 acres $(5,711,574 \mathrm{sq}$. ft.) of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SUREACE VALUES AND MAY BE CONVERTED TO GRID BY APPLYING A COMBINED SCALE EACTOR OF 0.999962.

153.602 ACRES

WHISEER VALLEY
TRACT 9

EN NO. 11-044(KWA) FEBRUARY 9, 2011
BRI JOB NO. 1758-02

## DESCRIPTION

OF A 153.602 ACRE TRACT OF LAND OUT OF THE OLTVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60 AND THE JOHN BURLESON SURVEY NO. 33, ABSTRACT NO. 5, SITUATED IN TRAVIS COUNIY, TEXAS, BEING A PORTION OF THAT CERTAIN 750.553 ACRE, 16.00 ACRE AND 101.46 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 1.20 WHISPER VALIEY, LIMITED PARTNERSHIP BY DEEDS OF RECORD UNDER DOCUMENT NOS. 2006152076 AND 2006231899, BOTH OF THE OEFICIAL PUBLIC RECORDS OE TRAVIS COUNTY, TEXAS; SAID 153.602 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS EOLLOWS:

BEGINNING, at a $1 / 2$ inch iron rod found in the westerly right-ofway line of laylor Road (B0' R.O.W.), being the northeasterly corner of said 101.46 acre tract, being the southeasterly corner of said 750.533 acre tract, for an angle point hereof;

THENCE, along the westerly right-of-way line of Taylor Road, bedng the easterly line of said 101.46 acre tract, for a portion of the easterly line hereof, the following five (5) courses and distances:

1) $524^{\circ} 45^{\prime} 18^{\prime \prime} W_{1}$ a distance of 89.99 feet to a $1 / 2$ inch iron rod with cap found for the point of beginning of a curve to the right;
2) Along said curve to the right having a radius of 13545.14 feet, a central angle of $02^{\circ} 57^{\prime} 05^{\prime \prime}$, an arc length of 697.70 feet, and a chord of which bears, $526^{\circ} 13^{\prime} 52^{\prime \prime} \mathrm{W}$, a distance of 697.63 feet to a $1 / 2$ inch iron rod found at the point of tangency of said curve;
3) $527^{\circ} 42^{1} 26^{\prime \prime} W_{r}$ a distance of 240.29 feet to a $1 / 2$ inch ixon rod found for an angle point;
A) $525^{\circ} 04^{\prime} 23^{\prime \prime} \mathrm{W}$, a distance of 99.53 feet to a $1 / 2$ inch iron rod found for an angle point;
4) $527^{\circ} 42^{\prime} 26^{\prime \prime} \mathrm{Wr}_{r}$ a distance of 201.45 feet to the southeasterly corner hereof;

THENCE, leaving said westerly right-ofmway line of Taylor Road, over and across said 101.46 acre, 750.533 acre and said 16.00 acre tracts, for the southerly, westerly and northerly lines hereof, the following twenty-two (22) courses and distances:

1) N63 $09^{\prime} 31^{\prime \prime} W$, a distance of 306.15 feet to an angle point;
2) $N 74^{\circ} 51^{r} 20^{\prime \prime} W$ a distance of 99.71 feet to an angle point;
3) $N 26^{\circ} 24^{r} 1 t^{+1} w$, a distance of 136.47 feet to an angle point;
4) N01 $00^{\prime} 28^{\prime \prime} \mathrm{E}$, a distance of 96.66 feet to an angle point;

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5) N46 04'15"E, a distance of 137.16 feet to an angle point;
6) N $37^{\circ} 25^{\prime} 36^{\prime \prime} \mathrm{E}$, a distance of 278.11 feet to an angle point;
7) $N 29^{\circ} 25^{\prime} 58^{\prime \prime} \mathrm{E}$, a distance of 114.16 feet to an angle point;
8) N $15^{\circ} 12^{\prime} 28^{\prime \prime}$ 巴, a distance of 167.13 feet to an angle point;
9) $N 24^{\circ} 08^{\prime} 49^{\prime \prime} E$, a distance of 323.58 feet to an angle point;
10) $N 43^{\circ} 18^{\prime} 42^{\prime \prime} \mathrm{E}$, a distance of 246.26 feet to an angle point;
11) N $23^{\circ} 39^{\prime} 59^{\prime \prime} \mathrm{E}$, a distance of 478.77 feet to an angle point;
12) N74 ${ }^{\circ} 15^{\prime 1} 17^{\prime \prime} \mathrm{W}$, a distance of 229.94 feet to an angle point;
13) $S 29^{\circ} 56^{\prime} 07^{\prime \prime} W_{\text {, }}$ a distance of 337.59 feet to an angle point;
14) $540^{\circ} 49^{\prime} 33^{\prime \prime} W$, a distance of 491.60 feet to an angle point;
15) $S 58^{\circ} 05^{\prime} 49^{\prime \prime}$ W, a distance of 687.66 feet to an angle point;
16) $577^{\circ} 39^{\prime} 24^{\prime \prime} \mathrm{W}$, a distance of 850.54 feet to an angle point;
17) $N 50^{\circ} 35^{\prime} 29^{\prime \prime} \mathrm{W}$, a distance of 193.44 feet to the southwesterly corner hereaf;
18) N33 $00^{\prime} 49^{\prime \prime} \mathrm{E}$, a distance of 4069.00 feet to the northwesterly corner hereof, from which a $1 / 2$ inch iron rod found at the northwesterly cornex of said 16,00 acre tract for the beginning of a non-tangent curve to the left bears, $564^{\circ} 44^{\prime} 12^{\prime \prime}$ $W_{r}$ a distance of 475.21 feet;
19) Along a non-tangent curve to the left, having a radius of 1000.00 feet, a central angle of $34^{\circ} 43^{\prime} 05^{\prime \prime}$, an arc length of. 605.95 feet, and a chord of which bears $580^{\circ} 49^{\circ} 56^{\prime \prime} \mathrm{E}$, a distance of 596.72 feet to the point of tangency of said curve;
20) N81.48'31"E, a distance of 402.17 feet to the beginning of a non-tangent curve to the right;
21) Along said curve to the right having a radius of 1000.00 feet, a central angle of $35^{\circ} 24^{\prime 2} 24^{\%}$, an arc length of 617.96 feet, and a chord of which bears, $580^{\circ} 29^{\prime} 17^{\prime \prime} E_{r}$ a distance of 608.18 feet to the point of tangency of said curve;
22) $562^{\circ} 47^{\prime} 05^{\prime \prime} \mathrm{E}$, a distance of 90.88 feet to a point in the westerly right-of-way line of Taylor Road, belng the easterly line of said 750.533 acre tract, for the northeastexly corner hereof;

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THENCE, along the westerly right-of-way line of Taylor Road, being the easterly line of said 750.533 acre and said 16.00 acre tracts, for a portion of the easterly line hereof, the following seven (7) courses and distances:

1) $527^{\circ} 15^{\prime} 08^{\prime \prime} \mathrm{W}$, a distance of 989.63 feet to a $1 / 2$ inch iron rod found for an angle point;
2) $S 27^{\circ} 15^{\prime} 21^{\prime \prime} \mathrm{w}$, a distance of 10.55 feet to the beginning of a non-tangent curve to the left;
3) Along said curve to the left having a radius of 210712.15 feet, a central angle of $00^{\circ} 05^{\prime} 47^{\prime \prime}$, an arc length of 354.74 feet, and a chord of which bears, $527^{\circ} 12^{\prime} 27^{\prime \prime} W$, a distance of 354.74 feet to a point of reverse curvature of a curve to the right;
4) Along said reverse curve to the right having a radius of 210712.15 feet, a central angle of $00^{\circ} 05^{\prime} 48^{\prime \prime}$, an arc length of 354.48 feet, and $a$ chord of which bears $527^{\circ} 05^{\prime} 45^{\prime \prime} \mathrm{w}_{\text {, }}$ a distance of 354.48 feet to the point of tangency of said curve;
5) $527^{\circ} 06^{\prime} 32^{\prime \prime} \mathrm{W}$, a distance of 384.22 feet to the beginning of a non-tangent curve to the left;
6) Along said curve to the left having a radius of 21059.69 feet, a central angle of $02^{\circ} 10^{\prime} 54^{\prime \prime}$, an arc length of 801.79 feet, and a chord of which bears, $525^{\circ} 53^{\prime} 03^{\prime \prime} W_{r}$ a distance of 801.79 feet to the point of tangency of said curve;
7) $524^{\circ} 42^{\prime} 43^{\prime \prime} \mathrm{W}$, a distance of 338.31 feet to the POTNT Or BeGINNING containing an area of 153,602 acres $(6,690,928$ sq. ft.$)$ of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. distances shown hereon are surface values and may be converted to GRID BY APPLYING A COMBINED SCALE FACTOR OF 0.999962.


FEBRUARY 9, 2011
BPI JOB NO. 1758-02

## DESCRIPTION

OF A 214.600 ACRE TRACT OF IAND OUT OF THE OLIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60, SITUATED IN TRAVIS COUNTY, TEXAS, BEING ALL OF THAT CERTAIN 247.156 ACRE TRACT OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP BY DEED OF RECORD UNDER DOCUMENT NO. 2006152073 OF THE OFFICIAL PUBLIC RECORDS OE TRAVIS COUNTY, TEXAS; SAVE AND EXCRPT THEREFROM A 32.496 ACRE TRACT AS SHOWN ON THE ATTACHED SKFTCH; SAID 214.600 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS EOLLOWS:

BEGINNING, at a $1 / 2$ inch iron rod with cap found in the easterly right-of-way line of Taylor Road (80r R.O.W.), at the northwesterly corner of said 247.156 acre tract, being the southwesterly corner of that certain 30.04 acre tract of land conveyed to Walter $S$. Chamberlin by Deed of Record in Document No. 2004075312 of aaid official Public Records, for the northwesterly corner hereof;

THENCE, leaving the easterly right-of-way line of Taylor Road, along the southerly line of said 30.04 acre tract, being the northerly line of said 247.156 acre tract, for a portion of the northerly line hereof, the following two (2) courses and distances:

1) $562^{\circ} 19^{\prime} 58^{\prime \prime} \mathrm{E}$, a distance of 127.06 feet to a $1 / 2$ inch iron rod found for an angle point;
2) $S 62^{\circ} 40^{\prime} 50^{\prime \prime} \mathrm{E}$, a distance of 875.80 feet to a $1 / 2$ inch iron rod found at the southeasterly corner of said 30.04 acre tract, being the southwesterly oorner of that certain 40.90 acre tract conveyed to Travis County by Deed of Record in Document No. 2002153674 of said Official Public Record, for an angle point hereof;

THENCE, $S 62^{\circ} 45^{\prime} 17^{\prime \prime} E$, along the southerly line of said 40.90 acre tract, being a portion of the northerly line of said 247.156 acre tract, for a portion of the northerly line hereof, a distance of 2396.70 feet to the northwesterly corner of that certain 52.024 acre tract of land conveyed to Terry Masters by Deed of Record in Volume 12137, Page 79 of the Real Property Records of Travis County, Texas, for the northeasterly corner of said 247.1 .56 acre tract and the northeasterly corner hereof; '

THENCE, leaving the southerly line of said 40.09 acre tract, along the westerly and southerly lines of said 52.024 acre tract, belng a portion of the easterly line of said 247.156 acre tract, for a portion of the easterly lines hereof, the following six (6) courses and distances:

1) $\mathrm{S} 27^{\circ} 38^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 1656.72 feet to an angle point;

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2) $526^{\circ} 46^{\prime} 24^{\prime \prime} \mathrm{W}$, a distance of 278.40 feet to an angle point;
3) $526^{\circ} 25^{\circ} 17^{\prime \prime} W^{\prime}$, a distance of 310.86 feet to an angle point;
4) $524^{\circ} 58^{\prime} 15^{\prime \prime} \mathrm{W}$, a distance of 99.44 feet to a $1 / 2$ inch imon rod found at the southwesterly corner of said 52.024 acre tract, being an angle point in the easterly line of said 247.156 acre tract, for an angle point hereof;
5) $562^{\circ} 27^{\prime} 04^{\prime \prime} \mathrm{E}$, a distance of 782.06 feet to an angie point;
6) $562^{\circ} 54^{\circ} 09^{\prime \prime} \mathrm{E}$, a distance of 319.90 feet to a point in the westerly line of that certain 43.83 acre tract of land conveyed to Beard \& Beard Investments, LP by Deed of Record in Document: No. 2007079955 of said Officłal Public Records, being an angle point in the easterly line of said 247.156 acre tract, for an angle point hereof;

THENCE, along the westerly line of said 43.83 acre tract, belng the easterly line of said 247.156 acre tract, for a portion of the easterly lines hereof, the following four (4) courses and distances:

1) $525^{\circ} 09^{\prime} 46^{\prime \prime} \mathrm{W}$, a distance of 82.68 feet to an angle point;
2) $\mathrm{S} 29^{\circ} 40^{\prime} 59^{\prime \prime} \mathrm{W}$, a distance of 328.78 feet to an angle point;
3) $528^{\circ} 45^{\prime} 06^{\prime \prime} W$, a distance of 150.93 feet to an angle point;
4) $S 26^{\circ} 44^{\prime} 38^{\prime \prime W}$, distance of 85.20 feet to a $1 / 2$ inch iron rod found at the northeasterly corner of that certain 130.638 acre tract conveyed to Fannie Ruth Salyer Life Estate by Deed of Record in Document No. 1999019515 of said Official Public Records, being the southeasterly cornex of said 247.156 acre tract, for the southeasterly corner hereof;

THENCE, $N 62^{\circ} 02^{\prime} 23^{\prime \prime} W$, leaving the westerly line of said 43.83 acre tract, being the southerly line of said 247.156 acre tract, for the southerly line hereof, a distance of 4487.32 feet to a $1 / 2$ inch iron rod found in the easterly right-of-way line of Taylor Road, being the northwesterly corner of said 130.638 acse tract and also being the southwesterly corner of said 247.156 acre tract, for the southwesterly cormer hereof;

THENCE, along the easterly right-of-way line of Taylor Road, being the westerly line of said 247.156 acre tract, for the westerly line hereof, the following four (4) courses and distances:

1) $N 27^{\circ} 1^{\prime} 01^{\prime \prime} \mathrm{E}$, a distance of 916.35 feet to a $1 / 2$ inch iron rod found at the beginning of a non-tangent curve to the left;

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2) Along sadd curve to the left having a radius of 93792.13 feet, a central angle of $00^{\circ} 33^{\prime} 01^{\prime \prime}$, an arc length of 900.79 feet, and a chord of which bears, $N 26^{\circ} 58^{\circ} 54^{\prime \prime} \mathrm{E}$, a distance of 900.79 feet to a $1 . / 2$ inch iron rod found at the point of tangency of said curve;
3) $N 26^{\circ} 46^{\prime} 57^{\prime \prime} \mathrm{E}$, a distance of 454.27 feet to a $1 / 2$ inch iron rod with cap found at the beginning of a non-tangent curve to the right;
4) Along said curve to the right having a radius of 14621.15 feet, a central angle of $02^{\circ} 377^{\prime \prime \prime}$, an arc length of 670.51 feet, and a chord of which bears, $\mathrm{N} 27^{\circ} 58^{\prime} 11^{\mathrm{E}} \mathrm{E}$, a distance of 670.45 feet to the POINT OF BEGINNING containing an area of 247.096 acres ( $10,763,494 \mathrm{sq}$. ft.) of land, more or less, within these metes and bounds. SAVE AND EXCEPY THEREFROM THAT CERTAIN 32.496 ACRE TRACT AS SHOWN ON THE ATTACHED EXHIBIT FOR A TOTAL NET AREA OF $214,600(9,347,985$ SQUARE FEET).

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SUREACE VALUES AND MAY BE CONVERTED TO GRID BY APPLYYNG A COMBINED SCALE EACTOR OF 0.999962.

574.525 ACRES

WHISPER VALLEY
TRACT 11

FN NO. 11-046(KWA)
FEBRUARY 9, 2011
BPT. JOB NO. 1758-02

## DESCRIETION

OF A 574.525 ACRE TRACT OF LAND OUT OF THE OUIVER BUCKMAN SURVEY NO. 40, ABSTRACT NO. 60 AND THE JOHN BURLESON SURVEY NO. 33, ABSTRACT NO. 5, SITUATED IN TRAVIS COUNTY, TEXAS, BEING A PORTION OE THAT CERTAIN 164.73 ACRE, 548.08 ACRE, 750.533 ACRE, 165.984 ACRE AND 101.46 ACRE TRACTS OF LAND CONVEYED TO CLUB DEAL 120 WHISPER VAJIEY, LIMITED PARTNERSHIP BY DEEDS OE RECORD UNDER DOCUMENT NO. 2006152076 OF THE OEFICIAL EUBLIC RECORDS OF TRAVIS COUNTY, IEXAS; SAID 574.525 ACRES BEING MORE PARIICULARLY DESCRIBED BY METES AND BOUNDS AS FOL工OWS:

BEGINNING, at a concrete monument found in the easterly right-ofway line of E.M..Highway No. 973 (right-of-way varies), at the southwesterly corner of that certain 2.0 acre tract. of land conveyed to Lyle and Chrtstine Hutchinson by Deed of Record in Volume 13380, page 393 of the Real property Records of Travis County, lexas, being the northwesterly corner of said 164.73 acre tract, for the northwesterly corner hereof;

THENCE, leaving the easterly right-of-way line of F.M. HJghway No. 973, over and across said 164.73 acre and said 548.08 acre tracts of land, for a portion of the northerly line hereof, the following fourteen (14) course and distances:

1) S11 ${ }^{\circ} 22^{\prime} 1.8^{\prime \prime} \mathrm{E}_{r}$ a distance of 149.35 feet to an angle point;
2) $550^{\circ} 22^{\prime} 11^{\prime \prime} E_{r}$ a distance of 344.49 feet to an angle point;
3) $815^{\circ} 53^{\prime} 25^{\prime \prime} E$, a distance of 357.98 feet to an angle point;
4) $523^{\circ} 39^{1} 31^{\prime \prime} \mathrm{W}$, a distance of 473.39 feet to an angle point;
5) $S 10^{\circ} 35^{\prime} 12^{\prime \prime} W$, a distance of 392.50 feet to an angle point;
6) $S 01^{\circ} 35^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 236.20 feet to an angle point;
7) $522^{\circ} 09^{\prime} 21^{\prime \prime} \mathrm{E}$, a distance of 1477.93 feet to an angle polnt;
8) $S 52^{\circ} 57^{\prime} 50^{\prime \prime} E$, a distance of 728.92 feet to an angle point;
9) $S 19^{\circ} 53^{\prime} 38^{\prime \prime} \mathrm{E}$, a distance of 1052.43 feet to an angle point;
10) N81 $04^{\prime} 21^{\prime \prime} E$, a distance of 439.64 feet to an angle point;
11) N32 $15^{\prime} 07^{\prime \prime} E$, a distance of 729.68 feet to an angle point;
12) $N 50^{\circ} 13^{\prime} 01^{\prime \prime} \mathrm{E}$, a distance of 1630.28 feet to an angle point;
13) $\mathrm{N} 34^{\circ} 54^{\prime} 31^{\prime \prime} \mathrm{E}_{\mathrm{r}}$ a distance of 455,08 feet to an angle point;

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14) N2 $7^{\circ} 31^{\prime} 38^{\prime \prime} \mathrm{E}$, a distance of 690.95 feet to a point in the southerly line of that cextain 100.050 acre of land conveyed to Hen-Bal Investments, L. R. by Deed of Record in Document No. 2004041963 of said Official Public Records, being the northerly line of said 164,73 acre tract, for an angle point hereof;

THENCE, $562^{\circ} 28^{\prime} 22^{\prime \prime} E$, along the southerly line of said 100.050 acre tract, being a portion of the northerly line of said 164.73 acre tract, for a portion of the northerly line hereof, a distance of 434.57 feet to an angle point; to a $1 / 2$ inch iron rod found at the northeasterly corner of said 164.73 acre tract, being an angle point in the northerly line of said 548.08 acre tract and also being the southeasterly cornex of sadd 100.050 acre tract, for an angle point hexeof;

THENCE, $N 62^{\circ} 51^{\prime} 29^{\prime \prime} E$, along the easterly line of said 100,050 acre tract, being the northerly line of said 548.08 acre tract, for a portion of the northerly line hereof, a distance of 75.12 feet to a $1 / 2$ inch 1 ron rod found at the southwesterly corner of that certain 196. 60 acre tract of land conveyed to Robert M. Schoolfield by Deed of Record in Volume 13059 , Page 427 of said Real Property Records, being an angle point in the northerly line of said 548.08 acre tract, for an angle point hereof;

THENCE, $562^{\circ} 27^{\prime} 39^{18} E$, along the southerly line of said 196.60 acre tract, being a portion of the northerly line of said 548.08 acre tract, for a portion of the northerly line hereof, a distance of 45.52 feet to the northeasterly corner hereof;

THENCE, leaving the southerly line of sadd 196.60 acre tract, over and across said 548.08 acre, said 750.533 acre, said 165.984 acre and said 101.46 acre tract, for a portion of the northerly line hereof, the following thirty-five (35) courses and distances:

1) $541^{\circ} 18^{\prime} 18^{\prime \prime} \mathrm{W}$, a distance of 658.29 feet to an angle point;
2) $521^{\circ} 18^{\prime} 53^{\prime \prime} \mathrm{W}$, a distance of 328.09 feet to an angle point;
3) $S 41^{\circ} 28^{\prime} 47^{\prime \prime} \mathrm{W}$, a distance of 1186.68 feet to an angle point;
A) $533^{\circ} 59^{\prime} 42^{\prime \prime} \mathrm{F}$, a distance of 524.55 feet to an angle point;
4) $547^{\circ} 32^{\prime} 54^{\prime \prime} \mathrm{W}$, a distance of 420.53 feet to an angle point;
5) $539^{\circ} 53^{\prime} 15^{\prime \prime} \mathrm{W}$ a distance of 520.29 feet to an angle point;
6) $553^{\circ} 09^{\prime} 58^{\prime \prime} \mathrm{W}$, a distance of 710.36 feet to an angle point;
7) $520^{\circ} 11^{\prime} 13^{\prime \prime}$ w, a distance of 900.78 feet to an angle point;
8) $530^{\circ} 33^{\prime} 52^{\prime \prime} \mathrm{E}$, a distance of 869.27 fest to an angle point;
9) $543^{\circ} 18^{\prime} 42^{\prime \prime} \mathrm{W}$, a distance of 246.26 feet to an angle point;
10) $537^{\circ} 25^{\prime} 36^{\prime \prime} \mathrm{W}$, a distance of 278.11 feet to an angle point;
11) S46 $04^{\prime} 15^{\prime \prime} \mathrm{w}$, a distance of 137.16 feet to an angle point;
12) $501^{\circ} 00^{\prime} 28^{\prime \prime} W$, a distance of 96.66 feet to an angle point;
13) $526^{\circ} 24^{\prime} 11^{\prime \prime} \mathrm{E}$, a distance of 136.47 feet to an angle point;
14) $\mathrm{S} 74^{\circ} 51^{\prime} 20^{\prime \prime} \mathrm{E}$, a distance of 99.71 feet to an angle point;

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35) $563^{\circ} 09^{\prime} 31^{\prime \prime} \mathrm{E}$, a distance of 305.85 feet to a point in the westerly right-of-way line of Taylor Road (80' R.O.W,), belng the easterly line of said 101.46 acre tract, for an angle point hereof;

THENCT, $527^{\circ} 41^{\prime} 49^{\prime \prime} W_{r}$ along the westerly right-of-way line of Taylor Road, being the easterly line of said 101.46 acre tract, for a portion of the easterly line hereof, a distance of 1679.34 feet to a point in the centerline of Gilleland Creek, for the southeasterly corner hereot;
maENCE, leaving the westerly right-of-way line of Taylor Road, being the southerly line of said 101.46 acre and sajd 750.533 acre tracts and also being the northerly line of that cextain 137.772 acre tract of land conveyed to Jennifer Scott Riggs by Deed of Recoxd in Document No. 2003117240 of said Official Public Records, along the centerline of Gilleland Creek, for a portion of the southerly lines hereof, the following ninety-five (95) courses and distances:

1) $N 74^{\circ} 54^{*} 22^{\prime \prime} \mathrm{W}$, a distance of 72.42 feet to an angle point;
2) $587^{\circ} 27^{\prime} 20^{\prime \prime} \mathrm{W}$, a distance of 49.55 feet to an angle point;
3) $572^{\circ} 06^{\prime} 15^{\prime \prime} \mathrm{W}$, a distance of 97.73 feet to an angle point;
4) $150^{\circ} 03^{\prime} 23^{\prime \prime}$, a distance of 55.23 feet to an angle point;
5) N18 $05^{\prime} 14^{\prime \prime} \mathrm{W}$, a distance of 69.40 feet to an angle point;
6) NO1 $52^{\circ} 31^{\prime \prime W}$, a distance of 66.51 feet to an angle point;
7) N28 $35^{\circ} 56^{\prime \prime} \mathrm{W}$, a distance of 40.67 feet to an angle point;
8) N42 $15^{\prime} 00^{\prime \prime} \mathrm{W}$, a distance of 135.79 feet to an angle point;
9) N27 09:47"W, a distance of 47.76 feet to an angle point;
10) $N 54^{\circ} 26^{\circ} 56^{\prime \prime} \mathrm{W}$, a distance of 39.65 feet to an angle point;
11) N82 $14^{\prime} 06^{\prime \prime} \mathrm{W}$, a distance of 65.65 feet to an angle point:
12) $N 46^{\circ} 06^{\prime} 32^{\prime \prime} \mathrm{W}$ a distance of $2^{7} 7.98$ feet to an angle point;
13) N $31^{\circ} 32^{\prime} 5 B^{\prime \prime} \mathrm{N}$, a distance of 27.94 feet to an angle point;
14) N05 ${ }^{\circ} 19^{\prime} 44^{\prime \prime} \mathrm{D}$, a distance of 48.36 feet to an angle point:
15) $N 10^{\circ} 59^{\circ} 18^{\prime \prime} W$, a distance of 42.27 feet to an angle point;
16) $N 24^{\circ} 46^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 31.22 feet to an angle point;

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17) N23 $33^{\prime} 56^{\prime \prime} \mathrm{B}$, a distance of 48.12 feet to an angle point;
18) N $33^{\circ} 25^{\prime} 00^{\prime \prime} \mathrm{E}$, a distance of 53.14 feet to an angle point;
39) $N 42^{\circ} 33^{\prime} 43^{\prime \prime} \mathrm{E}$, a distance of 50.30 feet to an angle point;
20) N54 $07^{\prime} 33^{\prime \prime} \mathrm{E}$, a distance of 95.80 feet to an angle point;
21) N $32^{\circ} 57^{\prime} 27^{\prime \prime} \mathrm{E}$, a distance of 36.48 feet to an angle point;
22) $N 26^{\circ} 02^{\prime} 14^{\prime \prime} \mathrm{E}$, a distance of 41.61 feet to an angle point;
23) N09 ${ }^{\circ} 51^{\prime} 27^{\prime \prime} \mathrm{E}$, a distance of 76.18 feet to an angle point;
24) NO1 $43^{\prime} 45^{n} \mathrm{E}$, a distance of 37.41 feet to an angle point;
25) $N O 4^{\circ} 13^{\prime} 11^{\prime \prime} W$, a distance of 45.91 feet to an angle point;
26) NO1 $52^{\prime} 49^{\prime \prime} \mathrm{F}$, a distance of 41.93 feet to an angle point;
27) N $65^{\circ} 35^{\prime} 42^{\prime \prime} \mathrm{E}$, a distance of 94.19 feet to an angle point;
28) $N 49^{\circ} 41^{\prime} 41^{\prime \prime} \mathrm{E}$, a distance of 50.69 feet to an angle point;
29) NOT $41^{\prime} 41^{\prime \prime} \mathrm{E}$, a distance of 36.84 feet to an angle point:
30) $\mathrm{N} 27^{\circ} 33^{\prime} 01^{\prime \prime} \mathrm{W}$, a distance of 40.07 feet to an angle point;
31) $N O 7^{\circ} 48^{\prime} 42^{\prime \prime} \mathrm{W}$, a distance of 36.36 feet to an angle point;
32) N $45^{\circ} 41^{\prime} 21^{\prime \prime}$, a distance of 45.65 feet to an angle point;
33) N58 ${ }^{\circ} 06^{\prime} 41^{\prime \prime E}$, a distance of 36.66 feet to an angle point;
34) $N 24^{\circ} 11^{\prime} 14^{\prime \prime} \mathrm{E}$, a distance of 42.59 feet to an angle point;
35) NO3 $38^{\prime} 51^{\prime \prime W}$, a distance of 90.98 feet to an angle point;
36) $N 47^{\circ} 42^{\prime} 29^{\prime \prime W}$, a distance of 52.22 feet to an angle point;
37) $N 65^{\circ} 40^{\prime} 01^{\prime \prime} \mathrm{N}$, a distance of 94.58 feet to an angle polnt;
38) $N 57^{\circ} 18^{\prime} 12^{\prime \prime} \mathrm{W}$, a distance of 31.69 feet to an angle point;
39) N75*39.27"N, a distance of 93.87 feet to an angle polnt;
40) N70 $13^{\prime} 14^{\prime \prime} \mathrm{W}$, a distance of 44.12 feet to an angle point;
41) N650ㅇ́05"Wr a distance of 58.53 feet to an angle point
42) $N 59^{\circ} 44^{\prime} 55^{\circ} \mathrm{W}$, a distance of 95.73 feet to an angle pojnt:

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43) $N 44^{\circ} 50^{\prime} 55^{\prime \prime} \mathrm{W}$, a distance of 106.52 feet to an angle point;
44) N52 $53^{\prime} 43^{\prime \prime} \mathrm{W}$, a distance of 50.71 feet to an angle polnt;
45) $N 71^{\circ} 16^{\prime} 08^{\prime \prime} \mathrm{W}$, a distance of 52.52 feet to an angle point; 46) $N 59^{\circ} 49^{\prime} 47^{\prime \prime} W_{f}$ a distance of 38.08 feet to an angle point;
47) $N 49^{\circ} 26^{\prime} 58^{\prime \prime} \mathrm{W}$, a distance of 86.16 feet to an angle point;
48) N $19^{\circ} 27^{\prime} 23^{\prime \prime} W_{r}$ a distance of 45.20 feet to an angle point;
49) NOO $41^{\prime} 47^{\prime \prime}$ E, a distance of 41.66 feet to an angle point;
50) N $11^{\circ} 10^{\prime} 31^{\prime \prime} W_{f}$ a distance of 60.93 feet to an angle point;
51) N23 $17^{\prime} 44^{\prime \prime} \mathrm{W}$, a distance of 71.86 feet to an angle point;
52) N51 ${ }^{\circ} 19^{\prime} 43^{\prime \prime} \mathrm{W}$, a distance of 30.29 feet to an angle polnt;
53) $N 76^{\circ} 09^{\prime} 03^{\prime \prime} W_{r}$ a distance of 31.66 reet to an angle point;
54) $580^{\circ} 08^{\prime} 05^{\prime \prime} W$, a distance of 62.24 feet to an angle point;
55) N47 $57^{\prime} 06^{\prime \prime} W$, a ddstance of 55.71 feet to an angle point;
56) N73 $49^{\circ} 25^{\prime \prime} W$, a distance of 56.12 feet to an angle point;
57) N85 $42^{\circ} 01^{\prime \prime} W$, a distance of 31.03 feet to an angie point;
58) $589^{\circ} 22^{\prime} 20^{\prime \prime} \mathrm{W}$, a distance of 59.65 feet to an angle point;

60) $N 73^{\circ} 41^{\prime} 43^{\prime \prime} W$, a distance of 72,35 feet to an angle point;
61) N29 $34^{\circ} 38^{\prime \prime} \mathrm{W}$, a distance of 49.46 feet to an angle point;
62) $N 00^{*} 31^{\prime} 40^{\prime \prime} \mathrm{E}$, a distance of 69.33 feet to an angle point;
63) $\mathrm{N} 30^{\circ} 48^{\circ} 45^{\prime \prime} \mathrm{W}$, a distance of 70.19 feet to an angle point;
64) N05*32'47"E, a distance of 139.88 feet to an angle point;
65) $N 40^{\circ} 28^{\prime} 01^{\prime \prime} w, ~ a ~ d i s t a n c e ~ o f ~ 59.67$ feet to an angle point;
66) $S 40^{\circ} 32^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 163.68 feet to an angle point;
67) N $60^{\circ} 13^{\prime} 22^{\prime \prime} \mathrm{W}$, a distance of 132.37 feet to an angle point;
68) $N 89^{\circ} 15^{\prime} 01^{\prime \prime W}$, a distance of 97,04 feet to an angle point;

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69) N $33^{\circ} 17^{\prime} 01^{\prime \prime} \mathrm{W}$, a distance of 87.74 feet to an angle point;
70) N $12^{\circ} 20^{\prime} 56^{\prime \prime} W_{\text {, }}$ a distance of 81.96 feet to an angle point;
71) N $43^{\circ} 37^{\prime} 29^{\prime \prime} \mathrm{W}$, a distance of 167.95 feet to an angle point;
72) $N 09^{\circ} 29^{\prime} 37^{\prime \prime} \mathrm{E}$, a distance of 69.98 feet to an angle point;
73) N $35^{\circ} 37^{\prime} 27^{\prime \prime} \mathrm{E}$, a distance of 70.59 feet to an angle point;
74) N $34^{\circ} 52^{\prime} 43^{\prime \prime} W$, a distance of $11 B .29$ feet to an angle point;
75) N66 $14^{\circ} 09$ "W, a distance of 126.25 feet to an angle point;
76) N13 $02^{\prime} 32^{\prime \prime} \mathrm{E}$, a distance of 61.63 feet to an angle point;
77) N $20^{\circ} 02^{\prime} 32^{\prime \prime} \mathrm{W}$, a distance of 71.86 feet to an angle point; 78) N03 $00^{\prime} 54^{\prime \prime} \mathrm{E}$, a distance of 108.22 feet to an angle point;
79) N3149'14"W, a distance of 61.52 feet to an angle point;
80) $S 81^{\circ} 43^{\prime} 25^{\prime \prime} W$, a distance of 91.81 feet to an angle point;

B1) $588^{\circ} 09^{\prime} 57^{\prime \prime} \mathrm{W}$, a distance of 198.97 feet to an angle point;
82) $N 54^{\circ} 58^{\prime} 54^{\prime \prime} \mathrm{W}$, a distance of 53.43 feet to an angle point;
83) N $32^{\circ} 33^{\prime} 32^{\prime \prime} \mathrm{E}$, a distance of 43.54 feet to an angle polnt;
84) $N 73^{\circ} 46^{\prime} 59^{\prime \prime} E_{r}$ a dtstance of 65.35 feet to an angle point;
85) N22 $07^{\prime} 14^{\prime \prime} \mathrm{E}$, a distance of 67.11 feet to an angle point;
86) N01 ${ }^{\circ} 47^{\prime} 28^{\prime \prime} \mathrm{E}$, a distance of 139.30 feet to an angle point;
87) N $44^{\circ} 51^{\circ} 12^{\prime \prime} \mathrm{E}$, a distance of 147.56 feet to an angle point;

B8) N $36^{\circ} 10^{\prime} 24^{\prime \prime W}$, a distance of 112.55 feet to an angle point;
89) N41 ${ }^{\circ} 17^{\prime} 44^{\prime \prime} \mathrm{E}$, a distance of 42.83 feet to an angle point;
90) N66 $44^{\prime} 37^{\prime \prime} W$, a distance of 218.31 feet to an angle point;
91) S22 ${ }^{\circ}$ Al' $^{\prime} 37 \mathrm{~W}$, a distance of 120.78 feet to an angle point;
92) $559^{\circ} 17^{\prime} 15^{\prime \prime} \mathrm{W}$, a distance of 79.96 feet to an angle point;
93) N $45^{\circ} 30^{\prime} 19^{\prime \prime}$, a distance of 109.77 feet to an angle point;
94) N $61^{\circ} 10^{\prime} 57{ }^{\prime \prime} W$, a distance of 73.43 feet to an angle point;

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95) $586^{\circ} 47^{\prime} 01^{\prime W} W$, a distance of 25.00 feet to an angle point in the northerly line of sajd 137.772 acre tract, for an angle point hereot;

THENCE, N2 $8^{\circ} 00^{\prime} 39^{\prime \prime} E, ~ c o n t i n u i n g$ along the northerly line of said 137.772 acre tract, being the southerly line of said 750.533 acre tract, for a portion of the southerly line hereof, a distance of 904.90 feet to an iron pipe found in the southerly line of said 165.984 acre tract, being an angle point in the northerly line of said 137.772 acre tract and also being an angle point in the southerly line of said 750.533 acre tract, for an angle point: hereof;

THENCE, continuing along the northerly line of said 137.772 acre tract, being the southerly line of said 750.533 acre and said 165.984 acre tracts, for a portion of the southerly line hereof, the following three (3) courses and distances:

1) $N 62^{\circ} 42^{\prime} 45^{\prime \prime}$, a distance of 1574.58 feet to an angle point;
2) N62 $30^{\prime} 14^{\prime \prime} \mathrm{W}$, a distance of 390.02 feet to an angle point;
3) $N 64^{\circ} 21^{\prime} 34^{\prime \prime} \mathrm{W}_{\text {, }}$ a dJstance of 41.70 feet to the southwesterly corner hereof;

THENCE, leaving the northerly line of said 137.772 acre tract, over and across said 165.984 acre, 750.533 acre and said 548.08 acre tract, for a portion of the westerly line hereof, the following eleven (11) courses and distances:

1) N27 $24^{\prime} 23^{\prime \prime} \mathrm{E}$, a distance of 204.45 feat to an angle point;
2) $\mathrm{N} 50^{\circ} 11^{\prime} 55^{\prime \prime} \mathrm{W}$, a distance of 258.47 feet to an angle pojnt;
3) $\mathrm{N} 28^{\circ} 19^{\prime} 09^{\prime \prime} \mathrm{W}$, a distance of 398.88 feet to an angle point;
4) N15 ${ }^{\circ} 09^{\prime} 00^{\prime \prime} \mathrm{E}$, a distance of 412,06 feet to an angle point;
5) $N O 3^{\circ} 04^{\prime} 28^{\prime \prime} E$, a distance of 445.74 feet to an angle point;
6) N12 ${ }^{\circ} 12^{\prime} 37^{\prime \prime} \mathrm{W}$, a distance of 723.76 feet to an angle point;
7) $N 02^{\circ} 54^{\prime} 46^{\prime \prime} W$, a distance of 554.43 feet to an angle point;
8) $N 37^{\circ} 41^{\prime} 39^{\prime \prime} W$, a distance of 226.32 feet to an angle point;
9) N28 ${ }^{\circ} 16^{\prime} 57^{\prime \prime} \mathrm{E}$, a distance of 902.91 feet to an angle point;
10) $N 62^{\circ} 20^{\prime} 40^{\prime \prime} W_{\text {, }}$ a distance of 685,58 feet to an angie point;

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11) NO1 $31^{\prime} 29^{\prime \prime} \mathrm{w}$, a distance of 1574.44 feet to a point in the easterly line of that certain tract of land conveyed to Anne B. Schryver, ct al by Deed of Record in Volume 12870, Page 1684 of said Real Property Records, being the westerly line of said 548.08 acre tract, for an angle point hereof;

THENCE, along the easterly line of said Anne B. Schryver, et al tract, being a portion of the westerly line of said 548.08 acre tract, for a portion of the westerly line hereof, the following three (3) courses and distances:

1) $\mathrm{N} 28^{\circ} 21^{\prime} 05^{\prime \prime} \mathrm{E}$, a distance of 215.81 feet to an angle point;
2) $N 25^{\circ} 42^{\prime} 21^{\prime \prime} \mathrm{E}$, a distance of 245.50 feet to an angle point;
3) $N 26^{\circ} 24^{\prime} 30^{\prime \prime} \mathrm{W}$, a distance of 1521.86 feet to a point in the easterly right-of-way line of said F.M. Highway No. 973, being an angle point in the westerly line of said 548.08 acre tract, for an angle point hereof;

THENCE, along said easterly right-of-way line of F.M. Highway No. 973, being the westerly line of said 548.08 acre and said 164.73 acre tracts, for a portion of the westerly lines hereof, the following six (6) course and distances:

1) N28 ${ }^{\circ} 51^{\prime} 02^{\prime \prime} \mathrm{E}$, a distance of 792.97 feet to an angle point;
2) $N 23^{\circ} 08^{\prime} 50^{\circ} \mathrm{E}$, a distance of 200.99 feet to a concrete monument found for an angle point hereof;
3) N $29^{\circ} 17^{\prime} 58^{\prime \prime} \mathrm{E}$, a distance of 105.40 feet to 2 1/2 inch iron rod found for an angle point hereof;
4) $N 27^{\circ} 10^{\prime} 09^{\prime \prime} \mathrm{E}$, a distance of 23.58 feet to a concrete monument found at the beginning of a non-tangent curve to the left;
5) Along sald curve to the left having a radi.us of 2915.00 feet to an angle point, a central angle of $22^{\circ} 15^{\prime} 13^{\prime \prime}$, an are length of 3.132 .18 feet, and a chord of which bears, N17 $43^{\prime} 23^{\prime \prime} E$ a distance of 1.125 .08 feet to the point of tangency of said curve;
6) N $06^{\circ} 38^{\prime} 03^{\prime \prime} \mathrm{E}$, a distance of 271.05 feet to the pOINT of BEGINNING containing an area of 574,525 acres $(25,026,302 \mathrm{sq}$. ft.) of land, more or less, within these metes and bounds.

BEARING BASIS: TEXAS COORDINATE SYSTEM, CENTRAL ZONE, NAD 83(93), UTILZING LCRA SUB HARN MONUMENTS A578, A661, CS32, AND CS33. DISTANCES SHOWN HEREON ARE SURFACE VALUES AND MAY BE CONVERTED TO GRID BY APRIMYING A COMBINED SCALE FACTOR OE 0.999962.


# Exhibit "C" <br> ASSESSMENT PLAN 

[See Attached]

# Whisper Valley Public Improvement District 

Service and Assessment Plan

## Section I

## PLAN DESCRIPTION AND DEIINED TERMS

## A. Introduction

On August 26, 2010, (the "Creation Date") the Austin City Council approved that certain "Petition for the Creation of a Public Improvement District to Finance Improvements to Whisper Valley Subdivision" which authorized the creation of Whisper Valley Public Improvement District (the "PID") to finance the Actual Costs for the benefit of certain property in the PID, all of which is located in limited purpose annexed jurisdiction of the City, but not within its corporate limits.

Upon application of the current property owners, the property within the PID was zoned by Ordinance No. 20100826-066 (the "Planned Unit Development Ordinance") adopted by the City of Austin on the Creation Date. The Planned Unit Development Ordinance designates the type of land uses that are permitted within the project and include development standards for each land use type.

Chapter 372 of the Texas Local Government Code, Improvement Districts in Municipalities and Counties (as amended, the "PID Act"), governs the creation of public improvement districts within the State of Texas. This Service and Assessment Plan has been prepared pursuant to Section 372.013, 372.014, 372.015 and 372.016 of the PID Act. According to Section 372.013 of the PID Act, a service plan "must cover a period of five years and must also define the annual indebtedness and the projected costs for improvements. The plan shall be reviewed and updated annually for the putpose of determining the annual budget for improvements." The service plan is described in Section V of this Service and Assessment Plan.

Section 372.014 of the PID Act states that "an assessment plan must be included in the annual service plan." The assessment plan is described in Section IV.

Section 372.015 of the PID Act states that "the governing body of the municipality or county shall apportion the cost of an improvement to be assessed against property in an improvement district." The method of assessing the Actual Costs to the property in the PID is included in Section VI of this Service and Assessment Plan.

Section 372.016 of the PID Act states that "after the total cost of an improvement is determined, the governing body of the municipality or county shall prepare a proposed assessment roll. The roll must state the assessment of each parcel of land in the district, as determined by the method chosen by the municipality or county under this subchapter." The Assessment Roll for the PID is attached hereto as Appendix A and addressed in Section VII of this Service and Asscssment Plan. The Assessments as shown on the Assessment Roll are based on the method of assessment described in Scctions IV and VI of this Scrvice and Assessment Plan.

Contemporaneously herewith, the City and Developer have entered into that certain Whisper Valley Public Improvement District Financing Agreement (the "PID Finance

Agreement"). The PID Finance Agreement contains a more detailed description of many of the concepts addressed in this Service and Assessment Plan, therefore, the two documents should be read as a whole in order to have a more complete understanding of the terms addressed in each of the agreements.

## B. Definitions

Capitalized terms used herein shall have the meaning ascribed to them as follows; provided, however, many capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the PID Finance Agreement:
"Administrator" means an employee or designee of the City who shall have the responsibilities provided for herein, in the Indenture related to the Bonds, or in another agreement approved by the City Council.
"Annual Installment" means, with respect to each Parcel, each annual payment of the Assessment, as shown on the Assessment Roll attached hereto as Appendix A or an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan.
"Annual Service Plan Update" has the meaning set forth in Section V of this Service and Assessment Plan.
"Assessed Property" means, for any year, Parcels within the PID other than Non-Benefited Property.
"Assessment" means the assessment levied against a Parcel imposed pursuant to the Assessment Ordinance and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel created by such subdivision or reduction according to the provision herein and the PID Act.
"Assessment Ordinance" means each ordinance adopted by the City Council approving the Assessment Plan (or such amendments to the Assessment Plan) and levying the Special Assessments, as required by Article II of the PID Finance Agreement. The Parties hereby acknowledge that the Assessment Plan will be amended from time to time as additional Bonds are sold and Improvement Areas are developed.
"Assessment Revenues" mean the revenues actually received by the City from Assessments.
"Assessment Roll" means the document included in this Service and Assessment Plan as Appendix A, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act.
"Authorized Improvements" mean those public improvements described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act which the Developer may design, construct, and install, and convey to the applicable governmental entity in accordance
with this Service and Assessment Plan, and any future amendments. The parties hereby acknowledge that only some of the Authorized Improvements will be paid for by Bonds. Any CRA Improvements shall be designed, constructed, installed and conveyed to the applicable governmental entity in accordance with the terms of the applicable CRA.
"Bouds" mean any bonds secured by Assessment Revenues issued by the City in one or more series.
"City" means the City of Austin, Texas.
"City Council" means the duly elected governing body of the City,
"CRA(s)" has the meaning set forth in the PID Finance Agreement.
"Delinquent Collection Costs" mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with Section 372.018 (b) of the PID Act and the costs related to pursuing collection of a delinquent Assessment and foreclosing the lien against the Assessed Property, including attorney's fees.
"Developer" means Club Deal 120 Whisper Valley, L.P., a Delaware limited partnership or its assignees or successors.
"Future Improvement Area" means Improvement Areas that are developed after Improvement Area \#1, as such areas are generally shown on Table II-B. The Future Improvement Areas are subject to adjustment and are shown for example only.
"Improvement Area" means a set of Parcels within the PID that will be developed in the same general time period. The Parcels within an Improvement Area will be assessed in connection with the issuance of Phased PID Bonds for Authorized Improvements (or the portion thereof) designated in an update to this Service and Assessment Plan that specially benefit the parcels within the Improvement Area, but any parcels outside of the Improvement Area will not be assessed.
"Improvement Area \#1" means the initial Improvement Area to be developed as generally shown on Table II-B.
"Landowner's Agreement" means that certain Landowner Agreement by and between the City and Developer whereby Developer grants its consent for assessments to be levied on the Property, in addition to other matters.

[^7]"Master PID Assessed Property" means, for any year, all land within the Property other than Non-Benefited Property.
"Master PID Bonds" means collectively the Senior Master PID Bonds and the Subordinate Master PID Bonds.
"Master PID Bond Authorized Improvements" are the Authorized Improvements set forth in Table III-A and further described in Section III B of this Service and Assessment Plan.
"Non-Benefited Property" means Parcels within the boundaries of the PID that accrue no special benefit from the Authorized Improvements, including Owner Association Property, Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to Section VI.E, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.E.
"Owner Association Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, a property owners' association.
"Parcel" means a parcel identified by either a tax map identification number assigned by the Travis County Appraisal District for real property tax purpose or by lot and block number in a final subdivision plat recorded in the real property records of Travis County.
"Phased PID Bonds" shall have the meaning ascribed in the PID Finance Agreement
"Phased PID Bond Authorized Improvements" means those Authorized Improvements associated with any given Improvement Area and contained in any supplemental table referred to in Section III.C and IV.D hereof.
"PID Act" means Texas Local Government Code Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.
"PID" has the meaning set forth in Section I.A of this Service and Assessment Plan.
"PID Finance Agreement" has the meaning set forth in Section 1.A of this Service and Assessment Plan.
"Planned Unit Development Ordinance" has the meaning set forth in Section I.A of this Service and Assessment Plan.
"Prepayment Costs" mean interest and expenses to the date of prepayment (or in the case of capital appreciation bonds, the accreted value on the date of prepayment), plus any additional amounts due pursuant to the Indenture related to the Bonds and allowed by law, if any,
reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment.
"Public Property" means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Travis County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple or through an exclusive use easement.
"Reimbursement Payment" means a payment made under the terms of a CRA to the Initial Trustee pursuant to the Developer's pledge thereof.
"Senior Master PID Bonds" shall have the meaning ascribed in the PID Finance Agreement.
"Service and Assessment Plan" means this Service and Assessment Plan prepared for the PlD pursuant to the PID Act, as the same may be amended from time to time.
"Subordinate Master PID Bonds" shall have the meanings ascribed in the PID Finance Agreement.

## Section II

## PROPERTY INCLUDED IN THE PID

## A. Property Included in the PID

The PID is located in the limited purpose annexed jurisdiction of the City of Austin, Texas, within Travis County, Texas. This master planned development contains approximately 2,065 acres, of which approximately 1,429 is planned to be developed as Assessed Property, A map of the property within the PID is shown in Table II-A.

At completion, the PID is expected to consist of approximately 2,848 detached single family residential units, 1,990 attached single family residential units, 2,668 multifamily units, 217.3 acres of commercial, and 38 acres of mixed use development, as well as parks, entry monuments, and associated rights-or-way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The estimated number of lots and the classification of each lot are based upon the Planned Unit Development Ordinance.


## B. Property Included in Improvement Areas

As Improvement Areas are developed, then in connection with the issuance of Phased PID Bonds, this Service and Assessment Plan will be amended to add a new table to this Section II.B (e.g. Table II-B-1 will be added for Improvement Area \#1, Table II-B-2 for Improvement Area \#2, etc.). A map of the property within each Improvement Area is shown in Table II-B. The Future Improvement Areas are shown for illustrative purposes only and are subject to adjustment.


## Section III

## DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

## A. Authorized Xmprovement Overview

Section 372.003 of the PID Act defines the Authorized Improvements that may be undertaken by a municipality or county through the establishment of a public improvement district, as follows:

### 372.003. Authorized Improvements

(a) If the governing body of a municipality or county finds that it promotes the interests of the municipality or county, the governing body may undertake an improvement project that confers a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction. A project may be undertaken in the municipality or county or the municipality's extraterritorial jurisdiction.
(b) A public improvement may include:
(i) landscaping;
(ii) erection of fountains, distinctive lighting, and signs;
(iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
(iv) construction or improvement of pedestrian mall;
(v) acquisilion and installment of pieces of art;
(vi) acquisition, construction or improvement of libraries;
(vii) acquisition, construction or improvement of off-street parking facilities;
(viii) acquisition, construction or improvement of rerouting of mass transportation facilities;
(ix) acquisition, construction or improvement of water, wastewater, or drainage facilities or improvements;
(x) the establishment or improvement of parks;
(xi) projects similar to those listed in Subdivisions (i)-(x)
(xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
(xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development recreation and cultural enhancement; and
(xiv) payment of expenses incurred in the establishment, administration and operation of the district.

After analyzing the public improvement projects authorized by the PID Act, the City has determined that the Authorized Improvements should be undertaken by the City. A list of potential Authorized Improvements is included on Appendix B attached hereto.

## B. Master PID Bond Authorized Improvements Overview

The Senior Master PID Bonds and Subordinate Master PID Bonds only fund Authorized Improvements that benefit the entire PID. The Senior Master PID Bonds will be secured by Assessments and the Subordinate Master PID Bonds will be secured by funds received pursuant to the CRAs and Assessments, subject to the use of the Assessments to pay the Senior Master PID Bonds. The Master PID Authorized Improvements are described below and the costs are shown in Table III-A. The estimated Actual Cost to construct the Master PID Bond Authorized Improvements is $\$ 43,236,175$. The Actual Costs shown in Table III-A are estimates and may be revised in Annual Service Plan Updates.

## Braker Lane Phase 1 \& 2

Braker Lane is located east of SH 130 in Travis County, TX and will be constructed as a primary access to the Whisper Valley Development. It will consist of construction of a 2.45 mile 4 -lane divided roadway with turn lanes, bike lanes, curb and gutter, storm sewer, water quality, and sidewalk facilities. Braker Lane will utilize innovative water quality, a structural crossing of a major floodplain, hike and bike facilities, and link existing FM 973 to Taylor Lane. Phase 1\&2 of the project will consist of constructing only half or two lanes of the ultimate section.
Intersection Improvements will be funded under an agreement with TxDOT to construct left and right turn lanes on FM 973.

## 30-inch Diameter Interceptor

This project will consist of constructing in phases approximately 2.5 miles of 30 -inch diameter wastewater interceptor along Gilleland Creek to serve the Property and ultimately other land outside the PID. The interceptor will be designed to minimize the depth while providing a gravity collection system throughout the service area; avoid critical environmental features, minimize creek crossings and vegetation impacts, and reduce construction costs.

## WWTP

The Wastewater Treatment Plant (WWTP) will be designed for an ultimate capacity of 3.0 MGD with a first phase of 0.5 MGD . Under a cost reimbursement agreement with the City of Austin, this WWTP and interceptor will be constructed to City standards and specifications, and will be owned and operated by the City, serving as the main component of a regional wastewater collection and treatment system for area outside the PID. The WWTP will discharge to Gilieland Creek with effluent limitations of $5 \mathrm{mg} / \mathrm{L}$ BOD and TSS, $2 \mathrm{mg} / \mathrm{L}$ ammonia-nitrogen and $1 \mathrm{mg} / \mathrm{L}$ total phosphorus.

Water Line 1
This project consists of constructing approximately 19,684 linear feet of 48 " diameter water transinission main from the City of Austin's Central Pressure zone. The project will be constructed within the existing right of way (ROW) of Decker Lake Road. The line will be
designed and constructed in accordance with City of Austin standards and specifications. The line will have all the necessary appurtenances to be fully operational transmission main. The line will provide service to those portions of Whisper Valley not served by Water Line 2 and will also serve the Indian Hills development as well as future projects outside the PID. Only the portion of this line that serves the PID will be fundcd with proceeds of the Bonds.

## Water Line 2

This project consist of approximately 17,900 linear feet of 24 " diameter water line that is needed to serve the higher pressure planes (elevations) within the PID in which are some of the first phases being developed. The line will serve the first 1,500 LUEs in the Project. The project will be constructed within existing ROW of Lindell Lane, Blue Bluff Road, Bloor Road and FM 973. The line will be designed and constructed in accordance with City of Austin standards and specifications. The line will have all the necessary appurtenances to be fully operational transmission main.


## C. Improvement Area Authorized Improvement Overview

As Improvement Areas are developed, then in association with issuing Phased PID Bonds this Service and Assessment Plan will be amended to identify the Phased PID Bond Authorized Improvements that benefit each Improvement Area from the list of Authorized Improvements on Appendix B attached hereto (e.g. Table III-A-1 will be added to show Improvement Area \#1 Authorized Improvements for Improvement Area \#1, etc.).

## Section IV ASSESSMENT PLAN

## A. Introduction

The PID Act requires the City Council to apportion the Actual Costs on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the Actual Costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost 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 or improvements.

Table IV-A provides the estimated allocation of Actual Costs between the PID and the area outside the PID for the Master PID Bond Authorized Improvements.

At this time it is impossible to determine with absolute certainty the amount of special benefit each Parcel within the PID will receive from the Authorized Improvements other than for Master PID Bond Authorized Inprovements. As such, at this time Parcels will be only be assessed for the special benefits conferred upon the property because of the Master PID Bond Authorized Improvements.

As Improvement Areas are final platted, in connection with issuance of Phased PID Bonds, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel within an Inprovement Area receives from the Authorized Improvements funded with those Phased PID Bonds issued with respect to that Improvement Area. Prior to assossing Parcels located within Improvement Areas in connection with issuance of Phased PID bonds, the owners of the Parcels to be assessed must acknowledge that the Authorized Inprovements confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs.

This section of this Service and Assessment Plan currently describes the special benefit received by each Parcel of the Property as a result of the Master PID Bond Authorized Improvements, provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments, and establishes the methodology by which the City Council allocates the special benefit of the Master PID Bond Authorized Improvements to Parcels in the manner that results in equal share of the Actual Cost being apportioned to Parcels similarly benefited. The determination by the City Council of the assessment methodology 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 Developer and all future owners and developers of the Assessed Property.

As Improvement Areas are developed, then in connection with issuance of Phased PID Bonds this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Improvement Area.

## B. Special Benefit

The Assessed Property will receive a direct and special benefit from the Master PID Bond Authorized Improvements, and this benefit will be equal to or greater than the amount of the Assessments. The Master PID Bond Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Master PID Bond Authorized Improvements (more particularly described in line-item format on Table III-A to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID shown in Table V-A are authorized by the Act.

The owners of the Assessed Propcrty have acknowledged that the Master PID Bond Authorized Improvements confer a special benefit on the Assessed Property and have consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. The owners are acting in their interest in consenting to this imposition because the special benefit conferred upon the Assessed Property by the Master PID Bond Authorized Improvements exceeds the amount of the Assessments.

Pursuant to the Landowner's Agreement, the owners of the Assessed Property have ratified, confirmed, accepted, agreed to and approved; (i) the determinations and finding as to benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance; and (ii) the Service and Assessment Plan and the Assessment Ordinance. Use of the Assessed Property as described in this Service and Assessment Plan and as required by the Planned Unit Development Ordinance required that Authorized Improvements be acquired, constucted, installed, and/or improved. Funding the Actual Costs through the PID is determined to be the most beneficial means of doing so. As a result, the Assesstnents result in a special benefit to the Assessed Property, and this special benefit exceeds the amount of the Assessment. This conclusion is based on and supported by the evidence, information, and testimony provided to the City Council.

## C. Allocation of Actual Costs of Master PID Bond Authorized Improvements

The Master PID Bond Authorized Improvements will provide a special benefit to property inside and outside the PID. Accordingly, the Actual Costs of the Master PID Bond Authorized Improvements must be allocated between the property inside the PID and outside of the PID, Table IV-A summarizes the Actual Costs for each Master PID Bond Authorized Improvements. The costs shown in Table IV-A are estimates and may be revised in Annual Service Plan Updates, but may not result in increased assessments without the owners of the Parcels consent to the imposition of the increased Assessments to pay for the Actual Costs.

## D. Allocation of Actual Costs of Phased PID Bond Authorized Improvements

As Improvement Areas are developed, then in connection with issuance of Phased PID Bonds this Service and Assessment Plan will be amended to identify the special benefit to property inside and outside the PID resulting from the Phased PID Bond Authorized Improvements (e.g. Table IV-A-1 will be added to show the estimated allocation of Actual Costs between the PID and the area outside the PID for the Improvement Area \#1 Authorized Improvements, etc.)

Further, to the extent a Phased PID Bond Authorization Improvement benefits portions of the Assessed Property both inside and outside of a given Improvement Area, then a new Table IV-B will be added showing the special benefit to the PID both inside and outside the Improvement Area in question and that Improvement Area will only be assessed based on the percentage of Actual Costs that benefit it, and the remainder will be assessed to Future Improvement Areas (e.g., a new Table IV-B-1 will be added for Improvement Area \#1).


## E. Assessment Methodology

The Actual Costs may be assessed by the City Council against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equal or exceeds the Assessments. The Actual Costs may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

## Assessment Methodology for the Master PID

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs associated with the Senior Master PID Bonds and Subordinate Master PID Bonds shall be allocated to the Assessed Property on the basis of the modified area method and such method of allocation will result in the imposition of equal shares of the Actual Costs on Parcels similarly benefited. The modified area method is applied by spreading the entire assessment across all Parcels within the PID based on their ratio of the total assessable area within the PID. Upon subsequent divisions of any Parcel, the assessment applicable to it is then apportioned based on the ratio of the areas of the newly created parcels. For residential parcels, when final residential building sites are platted, assessments are apportioned proportionately among each residential parcel based on its relative size. The result of this approach is that each final residential parcel with the same density has the same assessment, and residential parcels with similar densities will have similar assessments.

## Assessment Methodology for Improvement Areas

As any given Improvement Area is devcloped, then in connection with issuance of any Phased PID Bonds for that Improvement Area, this Service and Assessment Plan will be amended to determine the assessment methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within that Improvement Area.

## F. Assessments

The Assessments for the Senior Master PID Bonds and the Subordinate Master PID Bonds will be levied on each Parcel according to the Assessment Roll aitached hereto as Appendix A. The Annual Installments for the Senior Master PID Bonds will be collected on the dates and in the amounts shown on the Assessment Roll, subject to any revisions made during an Annual Service Plan Update. The Annual Installments for the Subordinate Master PID Bonds will be collected on the dates and in the amounts shown on the Assessment Roll to the extent sufficient funds are not received by the Trustee pursuant to the pledge of the reimbursements under the CRAs by the Developer. The use of the Annual Installments to pay debt service under the Subordinate Master PID Bonds shall be subordinate to the use of the Annual Installments to pay debt service under the Senior Master PID Bonds.

## G. Administrative Expenses

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each parcel based on the amount of Assessment levied against the Parcel. The administrative expenses shall be collected in the same manner as Annual Instaliments in the amounts shown on the Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

## H. Prepayment Reserve

Pursuant to the PID Act, the interest rate for Assessments may exceed the actual interest rate paid on the bonds by no more than one half of one percent ( $0.50 \%$ ). The interest rate used to determine the Senior Master PID Bonds Assessments is one-fifth percent ( $0.50 \%$ ) higher than the actual rate paid on the Senior Master PID Bonds, with $0.20 \%$ allocated to fund any interest charged between the date of prepayment of an Assessment and the date in which bonds are prepaid and $0.30 \%$ allocated to fund a delinquency reserve account as described below.

## I. Delinquency Reserve

The City has allocated up to $0.30 \%$ of the interest rate component of the Annual Installments to offset any possible delinquent payments. The additional reserve shall be funded up to $0.1 \%$ of the next year's debt service for the Senior Master PID Bonds, but in no event will the annual collection be more than $0.30 \%$ higher than the actual interest rate paid on the debt.

## Section V

## 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 PID during the five year period. It is anticipated that it will take approximately two years for the Master PID Bond Authorized Improvements to be constructed. At some point after the Master PID Bond Authorized Improvements are constructed, Improvement Area \#1 will begin development. After Improvement Area \#1 is developed, it is anticipated that Improvement Area \#2 will begin development, and so on, with each Improvement Area to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development

The estimated Actual Costs for Master PID Bond Authorized Improvements plus costs related to the issuance of the Bonds, and payment of expenses incurred in the establishment, administration and operation of the PID is $\$ 43,236,175$, as shown in Table V-A. The service plan shall be reviewed and updated annually for the purpose of determining the annual budget for improvements. The annual update to this Service and Assessment Plan is herein referred as the "Annual Service Plan Update,"

Table V-A summarizes the sources and uses of funds required to construct the Master PID Bond Authorized Improvements, establish the PID, and issue the Bonds. Table V-A may be revised based on final bond pricing and final costs of issuance. The sources and uses of funds shown in Table V.A shall be updated each year in the Annual Service Plan Update to reflect any budget revisions and actual costs.

As Improvement Areas are developed in connection with issuance of Phased PID Bonds, this Service and Assessment Plan will be amended to add a new table to this Section V (e.g. Table V-A-I will be added for Improvement Area \#1, etc.).

## TABLE Y-A

## Sources and Uses of Funds for Master PID

| Saurces of Funds | Senior Waster PID Jonds |  | Sulborrinate, Master PlD Rands |  | Beimbursement Agreements |  | Norl Wrliagopr Valley diater line 1 Contriturtion |  | Develnger Contribution or future ta Sonds |  | Tital |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Fraimated Bont paft Armunt ini | 3 | 15,500,000 | $\stackrel{3}{ }$ | 18,485,778 | \$ | - | \$ | - | \$ | - | 5 | 33, 98.158 |
| Reimbursement Agreement - Braker [rine ibl | 5 | - | $\uparrow$ | - | \$ | 3,485,758 | 5 | - | \$ | - | 5 | 3,1885,258 |
| modian Hills Conrnbutian to witterime 7 - Nen wovshare (c) | $\leq$ | - | s | - | s | - | s | S,h.59,4.3\% | \$ | - | $\leqslant$ | 2, 1354,453 |
|  | \$ | - | 5 | - | 5 | 7,506, 317 | \$ | - | \$ | - | \$ | 2,506,317 |
| develnger contritution arluture improvement drea komas | 5 | - | 5 | - | \$ | - | 5 | - | 5 | 419,979 | 5 | 419.979 |
| Tntal | \$ | 15,500,400 | \$ | 18,48.5,153 | 5 | 5,191,570 | \$ | 7.639,45:8 | ¢ | .419,979 | ¢ | 43,335,175 |
| Lleses of Funds |  |  |  |  |  |  |  |  |  |  |  |  |
|  | \$ | 8,574361 | 5 | 17,517,771 | 5 | 5,797,570 | 5 | 3,639,45, | \$ | 419,970 | 5 | 35,543,979 |
| Debt Serwice Reserve fumin | \$ | 1,455998 | 5 | - | \$ | - | 5 | - | 5 | - | 5 | 1,465,99, ${ }^{\text {a }}$ |
| Capitalized interest (Ril | \$ | 3,503,454 | 5 | - | 5 | - | 5 | - | 5 | - | 5 | 3,503,454 |
| Cripinal Issue Distount | 5 | (44) ¢1\% | + | - | \$ | - | \$ | - | 5 | - | \$ | 880,1518 |
| Underweriter Dissount inj | \$ | 434, 500 | \$ | 245.658 | \$ | - | 5 | - | $\stackrel{+}{5}$ | - | 5 | 679,855 |
| Lost forstablish Hiv and [xsua tonds (i) | \$ |  | s | 3,7, 190 | 5 | - | 5 | - | S | - | S | 1.10:3,3m |
| 10tal | $s$ | 13,540,1000 | $\leq$ | 1K,4 $4 \times 3,1 \leq \times 5$ | S | 6. $797.3 / 5$ | S | 2.ris3,45k | S | 419.48 | 5 |  |

(a) Assumes Subordinate Master PID Bonds are able to be fully paid with revenue from CRA.
(b) Pursuant to the Braker Lane (FM 973 to Taylor lane) Participation Agreement between Travis County and the Developer, the County, will reimburse die Developer $30 \%$ of total costs for Braker lane improvements. The funding of the improvements is nitially funded by the Developer.
(c) $75 \%$ of Water Line 1 s capacity will be used by the Whisper Valley development, and as such only $75 \%$ of the Water Line . Costs will be funded by the

Whisper Valley project
(d) The Developer and City entered into the Water Cost Reimbursement Agreement (as defined in the PID Finance Agreement) whereby the Developer is
reimbursed certain soft costs of the wastewater treatnent plant and 30 interceptor. The City will be repaid for the wastewater soft costs it reimburses to the
Developer pursuant to the Water Cost Reimbursement Agreement. The Developer is not pledging the rembursements of the wastewater soft costs to the
Subordinate Master PID Bonds and Subordinate Master PID Bonds are not funding such costs, so although technically PD Eligibe, they, are not becng funded by
the PID.
(e) See Table M-A and Table TV A for details. Excludes Bond Issuance Costs which are identified separately
(f) The Subordinate Master PID Bonds will include a debt service reserve fund equal to the lesser of maximum amual debt service or $10 \%$ of the bond amount
(g) The Bonds wil include capitatized interest:
(h) The Bonds will have a $2 \%$ underviter's discount.
(i) Preliminary estimate.

The annual projected costs and annual projected indebtedness is shown by Table V-B. The annual projected costs and indebtedness is subject to revision and each shall be updated in the Annual Service Plan Update to reflect any changes in the costs or indebtedness expected for each year.


## Section VI

## TERMS OF THE ASSESSMENTS

## A. Amount of Assessments and Anmual Ynstallments for Parcels Located Within Master PID

The Assessment and Annual Installments for each Parcel located within the Master PID is shown on the Assessment Roll, attached as Appendix A, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act. The Annual Installments shall be collected in an amount sufficient to pay principal and interest on the Senior Master PID Bonds, or maturity value on the Subordinate Master PID Bonds, as applicable, and to cover Administrative Expenses of the PYD.

## B. Amount of Assessments and Annual Installments for Parcels Located Within Future Improvement Areas

As Improvement Area \#1 and Future Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment and Annual Installments for each Parcel located within Future Improvement Areas (e.g. Appendix A-1 will be added as the Assessment Roll for Improvement Area \#1, etc.). The Annual Installments for each Parcel locatcd within a Future Improvement Area will escalate at $2 \%$ per year. The Assessments shall not exceed the benefit received by the Assessed Property.

## C. Reallocation of Assessments for Parcels Located Within the Master PID

1. Upon Subdivision Prior to Final Subdivision Map

Upon the subdivision of any Parcel (but prior to final lots being created), the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision among the new subdivided Parcels according to the following formula:
$\mathrm{A}=\mathrm{Bx}(\mathrm{C} \div \mathrm{D})$
Where the terms have the following meanings:
$A=$ the Assessment for the new subdivided Parcel
$B=$ the Assessment for the Parcel prior to subdivision
$C=$ the acreage of the newly subdivided Parcel
$\mathrm{D}=$ the sum of the acreage for all of the new subdivided Parcels excluding NonBenefitted Property

The calculation of the acreage of a Parcel shall be performed by the Administrator based on information available regarding the Parcel. The estimate as confirmed shall be conclusive.

The sum of the Assessinents for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

## 2. Upon Subdivision From Final Subdivision Map

Upon the subdivision of any Parcel based on a Final Subdivision Map, the Administrator shall reallocate the Assessment for the Parcel prior to the subdivision among the new subdivided Parcels according to the following formula:
$A=[B \times(C \div D)] / E$
Where the terms have the following meanings:
$A=$ the Assessment for the new subdivided Parcel
$B=$ the Assessment for the Parcel prior to subdivision
$\mathrm{C}=$ the sum of the acreage of all new subdivided Parcels with same Lot Type
$\mathrm{D}=$ the sum of the acreage for all of the new subdivided Parcels excluding NonBenefitted Property
$E=$ the number of Parcels with same Lot Type
The calculation of the acreage of a Parcel shall be performed by the Administrator and confirmed by the City Council based on information available regarding the Parcel. The estimate as confirmed shall be conclusive.

The sum of the Assessments for all newly subdivided Parcels shall equal the Assessment for the Parcel prior to subdivision. The calculation shall be made separately for each newly subdivided Parcel. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

## 3. Upon Consolidation

Upon the consolidation of two or more Parcels, the Assessment for the consolidated Parcel shall be the sum of the Assessments for the Parcels prior to consolidation. The reallocation of an Assessment for a Parcel that is a homestead under Texas law may not exceed the Assessment prior to the reallocation. Any reallocation pursuant to this section shall be calculated by the

Administrator and reflected in an update to this Service and Assessment Plan approved by the City Council.

## D. Reallocation of Assessments for Parcels Located Within Future Improvement Areas

As Future Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the assessment reallocation methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within each Future Improvement Area.

## E. Mandatory Prepayment of Assessments

If a Parcel or portion thereof is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the Administrator the full amount of the Assessment, plus all Prepayment Costs, for such Parcel or portion thereof prior to any such transfer or act; provided, however that such mandatory prepayment of assessment shall not be required for portions of a Parcel that are dedicated for use as internal roads, parks and other similar, public improvements. At the time such public improvements are dedicated, the Assessment that was allocated to that certain Parcel itl which the public improvement was located will be reallocated to similarly benefitted Parcels; provided, however, that reallocation of an Assessment for a Parcel that is a homestead under Texas Law may not exceed the Assessment prior to reallocation.

## F. Reduction of Assessments

1. If after all Authorized Improvements have been completed and Actual Costs are less than the Actual Costs used to calculate the Assessments, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessment for each Parcel shall be reduced prorata such that the sum of the resulting reduced Assessments for all Parcels equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds. The Asscssments shall not be reduced to an amount less than the outstanding Bonds.
2. If the Authorized Improvements are not undcrtaken by the City or County, resulting in excess Bond proceeds being available to redeem Bonds, the Assessment for each Parcel shall be approximately reduced by the City Council to reflect only the $\Lambda$ ctual Costs that were expended and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments for each Parcel prorata such that the sum of the resulting reduced Assessments equals the Actual Costs with respect to the Authorized Improvements that were undertaken. The Assessments shall not be reduced to an amount less than the outstanding Bonds.
3. If a Reimbursement Payment is received by the Initial Trustee for an Authorized Improvement, resulting in proceeds being available to redeem the Subordinate Master

PID Bonds, then the Assessment for each Parcel shall be reduced prorata such that the sum of the resulting reduced Assessments for all Parcels equals the Actual Costs less the Reimbursement Payment and any excess proceeds shall applied to redeem Subordinate Master PID Bonds. The Assessments shall not be reduced to an amount less than the outstanding Subordinate Master PID Bonds.

## G. Payment of Assessments

1. Payment in Full
(a) The Assessment for any Parcel may be paid in full at any time in accordance with applicable laws. Payment shall include all Prepayment Costs. If prepayment in full will result in a redemption of Bonds, the payment amount shall receive credit from any proceeds from the reserve fund applied to the redemption under the Indenture, net of any other costs applicable to the redemption of Bonds.
(b) If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shail be credited against the payment-in-full amount.
(c) Upon payment in full of an Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Indenture; whereupon, the Assessment shall be reduced to zero, and the owner's obligation to pay the Assessment and Annual Installments thereof shall automatically terminate.
(d) At the option of the owner, the Assessment on any Parcel plus Prepayment Costs may be paid in part in an amount sufficient to allow for a convenient redemption of Bonds as determined by the Administrator: Upon the payment of such amount for a Parcel, the Asscssment for the Parcel shall be reduced, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel shall be reduced to the extent the partial payment is made.

## 2. Payment in Annual Installments

The Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the Act authorizes the City to collect interest and collection costs on the outstanding Assessment. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which include interest on the outstanding Assessment and Administrative Expenses. The process and dates for payment of the Annual Installments shall be as determined by the Administrator.

Each Assessment for a Future Improvement Area shall bear interest at a rate of interest on the Bonds approved and issued by the City. The Annual Installments as listed on the Assessment Roll for Senior Master PID Bonds have been calculated based on the actual interest rates of the

Senior Master PID Bonds and the Subordinate Master PID Bonds. The Annual Installments may not exceed the amount amounts shown on the Assessment Roll except as pursuant to any amendment or update to this Service and Assessment Plan.

The Annual Installments shall be reduced to equal the actual costs of repaying the Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as amounts received from the City pursuant to the CRAs and interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds in accordance with Section 372.027 of the PID Act. In the event of such refunding, the Administrator shall recalculate the Annual Installments, and if necessary, may adjust, decrease, or extend the term of the Annual Installment so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the refunding bonds when due and payable as required by and cstablished in the ordinance and/or the indenture authorizing and securing the refunding bonds.

## H. Collection of Annual Instaliments

No less frequently than annually, the Administrator shall prepare, and the City Council shall approve, an Annual Service Plan Updates to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Parcel. Administrative Expenses shall be allocated among Parcels in proportion to the amount of the Annual Installments for the Parcels. Each Annual Installment shall be reduced by any credits applied under the applicable Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any amounts received from the City pursuant to the CRAs and existing deposits for a prepayment reserve. For Senior Master PID Bonds, Annual Installments shall be collected by the City (or such entity to whom the City directs) in the same manner and at the same time as ad valorem taxes. For Subordinate Master PID Bonds, Annual Installments shall be collected by the City (or such entity to whom the City directs) by hand billing on dates to be determined by the Administrator in accordance with the Indenture. Annual Installments shall be subject to the same penalties, procedures, and foreclosure sale in case of delinquencies as are provided for ad valorem taxes of the City. The City Council may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The assessments shall have lien priority as specified in the PID Act.

Any sale of property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments 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 Annual Installments against such property as they become due and payable.

## I. Surplus Funds Remaining in Senior Master PID Bond Account

If Senior Master PID Bond proceeds still remain after all of the Master PID Bond Authorized Improvements are constructed and accepted by the City, the proceeds may be utilized to finance other Authorized Improvements.

## Section VII

## THE ASSESMENT ROLL

## A. Master PID Assessment Roll

Each Parcel within the Master PID has been evaluated by the City Council (based on the PUD, developable area, proposed Owner Association Property and Public Property, the Authorized Improvements, best and highest use of land, and other development factors deemed relevant by the City Council) to determine the amount of Assessed property within the Parcel.

At this time it is impossible to determine with absolute certainty the amount of special benefit each Parcel within the PID will receive from the Authorized Improvements other than for Master PID Authorized Improvements. As such, at this time only Master PID Assessed Property will be assessed for the special benefits conferred upon the property because of the Master PID Authorized Improvements. Table IV-A summarizes the $\$ 34,405,147 \mathrm{in}$ special benefit received by Master PID Assessed Property from the Master PID Authorized Improvements. The cumulative total for the Authorized Improvements to be funded by the Senior Master PID Bonds and Subordinate Master PID Bonds, is $\$ 33,985,168$, which is less than the benefit received by Master PID Assessed Property, and as such the total assessment for all Parcels within the Master PID is $\$ 33,985,168$. The Assessment for each Parcel within the Master PID is calculated based on the allocation methodologies described in Section IV.E. of this Service and Assessment Plan. The Assessment Roll for the Master PID is attached hereto as Appendix A.

## B. Future Improvement Area Assessment Roll

As Improvement Area \#1 and Future Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment for each Parcel located within Improvement Area \# 1 and Future Improvement Areas (e.g. Appendix A-1 will be added as the Assessinent Roll for Improvement Area \#1, etc.).

## C. Aunual Assessment Roll Updates

The Administrator shall prepare, and the City Council shall review and approve, annual updates to the Assessment Roll in conjunction with the Annual Service Plan Update to reflect the following matters, together with any other changes helpful to the Administrator or the City and permitted by the Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Parcel for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.C of this Service and Assessment Plan.

Once Bonds are issued, the Assessment Roll shall be updated, which update may be done in the next Annual Service Plan Update, to reflect any changes resulting from the issuance of the Bonds. This update shall reflect the actual interest on the Bonds at which the Annual Installments
shall be paid, any reduction in the Assessments, and any revisions in the Actual Costs to be funded by the Bonds and Developer funds.

## Section VIII

## MISCELLANEOUS PROVISIONS

## A Administrative Review

The City shall serve as the Administrator until the Property is final platted at which time this practice will be re-examined and the City may elect to designate a third party to serve as Administrator. The City shall notify Developer in writing at least thirty (30) days in advance before appointing a third party Administrator.

To the extent consistent with the Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, shall send a written notice describing the error to the City no later than thirty (30) days after the date any amount which is alleged to be incorrect is due prior to seeking any other remedy. The Administrator shall promptly review the notice, and if necessary, meet with the Assessed Parcel owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Parcel owner, such change or modification shall be presented to the City Council for approval, to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Parcel owner (except for the final year during which the Annual Installment shall be collected), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to the City Council for determination. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

## B Termination of Assessinents

Each Assessment shall terminate on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of an Assessment, and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable "Notice of the PID Assessment Termination."

## C Cost Savings/Cost Overruns

Savings from one line item may be applied to a cost increase in another line item. These transfers, however, are limited to the portion of the savings related to the PID's share of the costs, and these savings may be applied only to the PID's share of the increase in the costs of another line item. With respect to CRA Improvements, cost savings and cost overruns shall be . handled in accordance with the terms and conditions set forth in the applicable CRA.

## D Cost Overrums

In the event there are cost overruns and the proceeds of the Subordinate Master PID Bonds and the funds in the Master PID Bond Holdback are not sufficient to fund the CRA Improvements specified in the Service and Assessment Plan, the Developer may request an additional amount of debt issuance of up to $\$ 4,250,000$ of bonds commencing in year 2012 with the first assessments to occur in 2014 to provide additional contingency funding.

## E Amendments

Amendments to the Service and Assessment Plan can be made as permitted by the PID Act and under Texas law.

## F Administration and Interpretation of Provisions

The City Council shall administer (or cause the administration of the PID, this Service and Assessment Plan, and all Annual Service Plan Updates consistent with the PID Act, and shall make all interpretations and determinations related to the application of this Service and Assessment Plan unless stated otherwise herein or in the Indenture, such determination shall be conclusive.

## G Severability

If any provision, section, subsection, sentence, clause or phrase of this Service and Assessment Plan, or the application of same to an Assessed Parcel or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part thereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this Service and Assessment Plan is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this Service and Assessment Plan and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

If a conflict exists between the terms of this Service and Assessment Plan and a CRA, the terms and conditions of the applicable CRA shall control.

## Appendix A

Master PID Assessment Roll


Apperdix A
Annual Irstallments-ALL PARCELS

| bistailment Due Dare $\{0\}$ | $\because$ Seniommater piot bious |  |  |  |  |  |  |  |  |  |  |  | Administradve Expenses [7] |  | prepapment Restrue $\therefore$ |  | onfinumisy reserve |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Peincipal |  | macest ${ }^{\text {a }}$ ( |  | Deht Seraices (6) |  |  |  |  |  |  |  |  |  |  |  |  |
| 01/32/17 | 5 |  | 5 |  | s |  | $s$ |  | 5 |  | S |  | 5 |  | \$ |  | 5 |  |
| 21/32/12 | 5 |  | 5 | - | 5 |  | 5 |  |  |  | 5 |  | s | 25,000.00 | s | ,000.00 | s | 46,500.00 |
| 01/31/13 | s |  | 5 | - |  |  | 5 | . | s | - | 5 | - | 5 | 25,500,00 | 5 | 1.000.08 | s | 46,500.041 |
| 01/31/24 |  |  |  | - |  |  | \$ | - |  | - | 5 |  | 5 | 25.1010 .00 | \$ | , $0 \times 00$ | s | 46,501000 |
| 01/32/15 | s | 255,000.30 |  | $2.254,968.76$ |  | 2,575,968.76 |  | - |  | . | 5 |  | 5 | 36,533.20 | 5 | 31,100.03 | 5 | 25,500.00 |
| 21/01/25 | s |  | 5 |  | 5 |  | 5 | 338,798.57 | 5 | 752201.50 |  | 5,030,000.00 | s | 27,060,80 |  | 7,000,00 | 5 |  |
| 21/32/15 | 5 | 370,000,00 | 5 | 1.233.295.76 | 5 | 2603,25s.75 |  |  |  |  |  |  | $s$ | 27,502.02 |  |  | $s$ |  |
|  | \$ |  | 5 |  | s |  | \$ | 22,515,31900 | 5 | 2424,181.00 | 5 | 24,930,030.00 | 5 | 28, 154.06 | 5 |  | 5 |  |
| 21/31/17 | s | 510,000,00 | 5 | 1,201,84376 |  | 1,71,843. 76 |  | - |  |  |  |  | $s$ | 28.717.14 | \$ |  | 5 |  |
| 2432/18 | 5 | 660,000.00 | 5 | 1,158,493.76 | \$ | 2.818893.76 |  |  |  |  |  |  | s | 20.25148 | S |  | 5 |  |
| 01/32/19 | 5 | 835,030,00 | 5 | 2, 2023393.76 | s | 2,937,353.76 |  |  |  |  |  |  | 5 | 29,677. 31 | 5 |  | $s$ |  |
| 01/32/20 | 5 | 1,235,000.00 | \$ | $2.032,762.50$ |  | 2, $567,462.50$ | 5 |  |  |  |  |  | s | \$0, 374,86 | $s$ |  | 5 |  |
| 01/3221 | 5 | 1255,000 00 | 5 | 945,783,26 |  | $2,200,78226$ |  | - |  |  |  |  | 5 | 31.054 .35 | \$ |  | 5 |  |
| 01/32/22 | 5 | 2500,00000 | 5 | $840,675.00$ |  | 2300.575 .00 | 5 |  |  |  |  |  | 5 | 31,706.04 | $s$ |  | \$ |  |
| $31 / 32 / 23$ | 5 | 1.780000 .60 | 5 | 715.050 .00 |  | 2 295850.000 |  |  |  |  |  |  |  | 32.340 .17 | 5 |  | $s$ |  |
| 0v31/24 | 5 | $2.085,000000$ | 5 | 57L, \$75.00 |  | 2.659875 .00 | $s$ |  |  |  | s |  | s | 32.586 .57 | 5 |  | $s$ |  |
| 21/31/25 | 5 | $2480,000.00$ |  | 410,531.26 |  | 2,830,682, 26 | 5 |  |  |  |  |  | S | 32,646.72 | 5 |  | 5 |  |
| 0432,25 |  | 27995,000.00 | 5 | 220,106. 26 | 5 | 3,025,106,26 | 5 |  | s |  | S |  | s | 34.369 .64 | s |  |  |  |
|  | \$ | $25.500,00000$ | 5 | 20,590,623.08 | 5 | 26,350,625.08 | 5 | 17.854,627.50 |  | 3,165.392.50 |  | 21,000,000.00 | 5 | 500, 301.77 | 5 | 131,400.00 | $s$ | 165,000.00 |
| (a) The $1 / 31 / X X$ dates represent Installment due dates for the Serior Master PID Bond which are intended to cover the March 1 and September 1 payments. <br> (b) Net of Capitalized Interest. <br> (c) Does rot include reserve fund eamings or any other funds which could reduce net debt serince. <br> (d) Subo dinate Master PID Bonds are capifalappreciation bonds, therefore interest accones until principal payment date. <br> (e) Rembursement Payments equaling the net debt service, ancluding aconed interest for the Subordinate Master PID Bonds are pledged to the Tustee, which are intended to reduce the net debt service to $\$ 0$. Unil the Reimbursement Payments are received by he Trustee, the Assessment will remain on each parce. and the anstallment will be due as scheduled. <br> (1) Peliminary Estimate. Whe administrative charges will be revised ia Amual Service Plan Updates based on actual costs: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| $\begin{aligned} & \text { lonteltrent } \\ & \text { Dwe ox:e pal } \end{aligned}$ | Primelopal |  | States moxer ap bands |  | Wee Debr Smewter |  | S4b |  |  |  |  |  | Adminberontive tiparses in |  | Preament Reserwe |  | Dechesemp Receve |  | Ampal hatimerc: |  |
|  |  |  |  | insersex |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 0134412 | 5 |  | 5 |  | 5 |  |  |  | 3 |  |  |  |  |  | 5 |  | 5 |  | 5 |  |
| 313212 | 5 | - | 5 |  |  | - |  | - |  | - | 5 |  |  | 2982.54 | 5 | 3.697.28 | 5 | 5.545.85 | 5 | 5.67888 |
| 21/32013 | 5 | - | 5 | - |  | - |  | - |  | - |  | - | 5 | 3551.37 | 5 | 3,69724 | 5 | 5,545.35 | 5 | 5,739.51 |
| cyins | 5 | 20, ${ }^{-1}$ | 5 | 7 |  | 3 |  | - |  | - |  |  | 5 | 3102.10 | 5 |  | 5 | 5,545.45 | 5 | 6,799.34 |
| viv3int | 5 | 1275 | 5 | 9,084,72 |  | 188:037,55 |  |  |  |  |  |  | 5 | 3,254,44 | 5 | 3.69724 | 5 | 3.2412\% | 5 | 2886 gesga |
| 210nts | 5 |  | s | $3: 77,089,62$ |  | -3232093 |  | 636,735.46 |  | ${ }^{19.597 .56}$ |  | 726.328.32 | 5 | $3,27.43$ <br> 3291.97 <br> 2.78 | 5 | ${ }^{822.57}$ | 5 |  | \$ | 730,43801 19459930 |
| 0132/15 | 5 | 4.428 .39 | s | 2-77,859,62 |  | -53, 310.93 |  | 2092, $708 \pi$ |  | 2878288. |  | 2780.596.66 | 5 | 3231.97 | 5 | . | 5 |  | 5 | 154589,90 |
| 120ems | 5 |  | s |  |  |  |  | 2,992,707.73 |  | 287,92809 |  | 2,7806936.66 |  | 335781 | 5 |  | 5 |  | 5 | :789,59\%48 |
| $01 / 32 / 17$ | 5 | coress 5 | \$ | 233133872 |  | $202,164.22$ |  | : |  | - |  | $\stackrel{-}{-}$ | 5 | $3,20.97$ |  |  | 5 |  | 5 | 207589,19 |
| 0139118 | 5 | 7,71535 | 5 | 138,16855 |  | 216.883 .90 |  | * |  | - |  | - | 5 |  | s |  | 5 |  | 5 | 226,37737 |
| 163229 | 5 | 97.585.85 | 5 | 1314275 | 5 | 201,044.59 |  | - |  | - |  |  |  | 3,569.34 | 5 |  | 5 |  | 5 | 234,677,93 |
| 01/3120 | 5 | 273,43998 | 5 | 123,137, 35 |  | $2 \mathrm{za}, 577.33$ |  |  |  |  | 5 |  |  | 163.51 | $\stackrel{3}{ }$ |  | 5 |  | 5 | 750,212,93 |
| 01932 La | 3 | 249,676, | 5 | 123739.25 |  | 268.47 .818 |  |  |  |  |  |  | 5 | 37.737.30 | 5 |  | 5 |  |  | $2 \mathrm{ec}, 154.55$ |
| 043102 | 5 | 178936.53 | 5 | 200,26368 |  | 279,167.25 |  | - |  |  |  |  | 5 | 3781.44 | 5 |  | 5 |  | 5 | 28.5485 |
| 91,3i23 | 5 | 21220292 | 5 | 85.781 .93 |  | 297,57385 |  |  |  |  |  |  | \$ | 3,357.0 | 5 |  | 5 |  | 5 | 301,230.92 |
| gunims | 5 | 240654.95 | \$ | 6x,56385 |  | 313,23185 |  |  |  | - |  | - | s | 3,934,21 | 5 |  | 5 | - | 5 | 32 L 1685 |
| $0291 / 25$ | 5 | 239562236 | $s$ | - 3 S385 18 | - |  |  | - | 5 |  | 5 |  | s | $5 \operatorname{cose} 8$ | s |  | 5 | - | 5 | 3426:6.03 |
| 31,32126 | 5 | 333.30754 | 5 | 25,253.12 | 5 | 359,5987 |  | - | 3 |  | \$ |  | 5 | 4,093.16 | $\frac{5}{5}$ |  | 5 |  | 5 | 363 694187 |
| (a) The $1 / 31 / X X$ dates represent Installment due dates for the Senior Master PID Bondwhich are miended to cover the March 1 and Septenber 1 payments, |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (b) Net of Capitaized Interest. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (c) Does not niclude reserve fund earnings or any other funds which could reduce net debt service. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (e) Rembursement Payments equaling the net debt serice, including accrued interest for the Subordinate Daster PiD Bends are pledged to the Trastee, which |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| are intended to reduce the net debt service to S0. Until the Reimbursement Payments are received by the Trustee the Assessment will remain on each parcel and the Instaliment will be due as scheduled. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (f) Preliminary Estmate, The administrative charges wil be revised in Annual Service Plan Updates bascdion actual costs. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |





| Imaratment <br>  | - Stotor Marzer PID Eands |  |  |  |  |  | Suborah rit mazeer sto ronds |  |  |  |  |  | Admintarather Expenses if |  |  |  | Delingotery Reserve |  | Anmal Lestanmer |  |
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|  | Primepal |  | macesetal |  |  |  | Pancipal |  | \% mimerestid: |  | thei Deber seryizetel |  |  |  | Preperment resewe |  |  |  |  |  |
| 31/32/11 | 5 | - | 5 |  | ${ }^{5}$ |  | $\stackrel{5}{5}$ |  | 5 |  | 5 |  | 5 |  | \% 5 |  | $5$ |  | 5 - |  |
| 01/32022 | 5 | - | 5 | - | 5 | - | 5 | - | $s$ |  | 5 | . | 5 | 2,14.84 |  |  | 5 | 2.125 .84 | 3 | 2559.96 |
| ci/3ins | 5 | - | 5 | - | 5 |  | 5 |  | 5 |  | 5 |  | s | 2.155 .69 | 5 | $\pm .417 .12$ | 5 | 2.185 .58 | 5 | 2.562 .81 |
| 01/312 | 5 | c | 5 | - | 5 | -020 | 5 |  | 5 |  | 5 |  | 5 | 2145.01 | \$ | 7.417.12 | 5 | 2.175 .54 | 5 | 2.606 .13 |
| 0131\%5 | 5 | 12.6269\% | s | 5,369.00 | 5 | 68,25.90 | 5 |  | 5 |  | 5 |  | 5 | 3123.77 | s | 2,413,12 | 5 | 2,165.59 | s | 21.555.s. |
| 1120115 | ; | - | 5 | . |  | - | 5 | 244053.30 |  | 34.3400 | s | 278,395.54 | 5 | 2237.04 | 5 | 33828 | 5 |  | s | 279,970.66 |
| 0 0131/15 | 5 | 26.513 .59 | 5 | 56,370.15 | 5 | 73292. 15 | $s$ | $\cdots$ | 5 |  | s |  | 5 | 1261.78. | 5 |  | 5 | - | 5 | ${ }^{74,553.93}$ |
| 1verit | 5 | 218138 | 5 | 594004 | \$ | 20, 035 | 5 | \$2,141.73 |  | 21:53500.6 | 5 | 682,502.3 | s | 1,247028 | \$ | : | 5 | - | $s$ | 583,785938 |
| $0 \mathrm{ar3n} / 2$ | 5 | 23,313-88 | 5 | $50,340.47$ | 5 | 7astis | 5 | - |  |  |  |  | 5 | 13318.75 | $s$ | - | 5 |  |  | 79,557.12 |
| arsi/s | 5 | 30.27030 | 5 | 52958.79 | 5 | 80,28969 |  |  |  |  |  |  | 5 | 2,335.02 | \$ | - | 5 | - | 5 | 54.468 .32 |
| 01/3/79 | 5 | 38.127 .26 | s | 50.354 .26 | S |  | 5 | - | 5 | - | s | - | 5 | 1.185580 | s | - | 5 | - | 5 | 83,930.52 |
| 017320 | s | 47515.45 | s | -2.297.45 | 5 | 94.510 .53 | , |  |  | - | s | - | 5 | 1393.11 | 5 | - | 5 |  | 5 | 95.504 .63 |
| 01833221 | 5 | 57.370 .43 | 5 | 43.23 .96 | 5 | 300,605,39 | 5 |  | \% |  | 5 | - | 5 | $1=20.97$ | 5 | - | 5 | $\cdot$ | 5 | :0202646 |
| 0143122 | 5 | 88.37023 | 5 | 388.430 .19 | 5 | 207,000,4 | 5 |  | 5 | $:$ | \$ | $:$ | 5 | 1.4.49. 39 | s |  | 5 |  | 5 |  |
| 043223 | 5 | 8L30.0] | 5 | 72.687, 43 | 5 | 315057/4 | 5 |  | s |  | s | $\cdot$ | 5 | 1,479.38 | 5 | - | 5 | . | 5 | 115,535:82 |
| 0143208 | 5 | 95,31208 | \$ | 26.27954 |  | 27150.36 |  |  |  |  |  | - | 5 | 250795 | 5 | - | 5 | - | 5 | 233.100 .21 |
| 01/3225 | s | 120,62564 | 5 | 78.736 | \$ | 229,20031 | 5 |  | \% |  |  | - | 5 | :53818 | , |  | 5 | - | 5 | 134,5384.42 |
| 21/32/26 | 5 | 127,76920 | 5 | 20,06. 58 | 5 | 237,83L.05 | 5 | - | 3 |  | S |  | \$ | $\underline{1669,37}$ | 5 |  | S | . | 5 | 319,399.69 |
|  | 5 | 308,559M5 | S |  | 5 | 2,197,264,80 | 5 | 8161985.82 | 5 | 244,700.67 | 5 | 966.897,49 | 5 | 22.879 .54 | 5 |  | 5 | 7,54273 | 5 | 2187,039.58 |

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| 1nstav:\|rientDue Date !at | $\therefore \quad \therefore$ Sontor huster PID Bands |  |  |  |  |  | Subontinuce Rester Pro Bands$\qquad$ |  |  |  |  |  | Admintatrotive Expensers (f) |  | Prepurment ficserve |  | Delinguency Reseves |  | Ammul (nstibment |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
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|  |  | Prinepzi |  | marecst (b) | \| Nee Debt servise ici |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 5ijus/12 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 5 |  | s |  |
| 02/31/22 |  | $\checkmark$ |  | - |  | . | 5 | : |  | $\cdots$ |  |  |  | 2226.34 <br> 2291.27 <br> 1 |  | ${ }_{3}^{2785.46}$ | s | 4.174 .19 4.17819 | S | ${ }_{5}^{5.537 .820 .73}$ |
| n/32/4 |  | . | s |  | s |  | s | - |  |  |  |  |  | 2,337.09 | 5 | $2,785.46$ | 5 | 417318 | s | 5,122.55 |
| 01/31/15 | 5 | 22.912.65 |  | 327, 36.43 | S | 235.678 .39 |  | - |  | - | 5 |  |  | 2383383 | $s$ | 2.785 .46 | s | 2,284.27 | 5 | 1440885.39 |
| $21 / 6215$ |  | . |  |  | 5 |  | s | 478,20.2.4 |  | 67.498.12 | s | 547,238,28 |  | 2831.51 | s | 66:92 | 5 |  | 5 | S50,304.73 |
| 3y3n/26 | 5 | 33,245.82 |  | 210,855.86 |  | 061.68 | 5 | $12450{ }^{-14}$ |  | 216,97280 |  |  |  | 22580.14 |  |  | 5 |  | 5 | 246581.82 |
| $21 / 21 / 16$ $90,32 / 17$ |  | ,825.32 |  | - | 5 | 5.28 |  | 2,244,591, |  | 216.372 .80 |  | 2361,513.9 |  | ${ }_{2}^{2.529 .74}$ |  |  | 5 |  | s | $12354,043.6$ |
| 3i3248 | 5 | 58,303,36 | 5 | 10,0,094,8t | 5 | 363.35812\% | 5 | - |  |  | 5 |  |  | 2631.94 |  |  | $s$ |  | 5 | 2660301ㅣ |
| 01/31/49 | 5 | 75.027.74 | s | 9s,054 02 |  | 174,081,75 | 5 |  |  | - |  |  | 5 | 2684.58 | 5 |  | 5 |  |  | 276,766.3 |
| 01/31/29 | 5 | 98998.45 |  | 92770,45 |  | 285,788.90 | 5 |  |  | - |  |  | 5 | 2,739.28 | s |  | 5 |  | 5 | 288,507. |
| 31/3, 212 | 5 | 21276654 |  | ${ }^{54,981883}$ |  | 207, 38.07 |  | $\cdots$ |  | $-$ |  |  |  | 2733.04 |  |  | 5 |  | 5 | 206,541.11 |
| $01231 / 22$ 043123 | s | $236,780,37$ 269,93937 |  | 73,537,.66 $66,245,80$ |  | 220,318.021 | 5 | $\cdots$ |  |  |  |  | 5 |  |  |  | 5 |  | s | 213,155 |
| 0133/23 | s | 297344,76 | \% | 51,654,57 | 5 | 238,999,28 | 5 | - |  | - | 5 | - | 5 | 2,960.00 | $s$ |  | 5 |  | s | 242.863 .28 |
| 013:35 | 5 | $217,465,66$ $251,140.5$ | 5 | $\underset{\substack{36,901.18 \\ \hline 9.7733}}{ }$ | S | 256,3 cosed |  | : |  |  | 5 |  |  | 3,62338 $3,043,74$ | \$ |  | 5 |  | s | 237737.12 |
|  | $\frac{5}{5}$ | 1,392, 3 30. 24.54 | $\frac{5}{5}$ | 960,sposo | 5 | 2353,322.36 | $\frac{5}{5}$ | 2.649,302. 2.2 |  | $28.4 \times 20,94$ | 5 | 2888,72.18 | 5 | 4,9,953.50 | \$ | 21.806. 76 | 5 | 24.62583 | 5 | $\stackrel{4}{498880419}$ |
| (a) The $1 / 31 / X X$ dates represent Installmeat due dates for theSeaior Master PiD Bond which arcentended to cover the March 1 and September 1 payments <br> (b) Net of Capitalized Interest: <br> (c) Does not inchade reserve find earnings or any other funds which could reduce net debt service. <br> (d) Subordinate Master 2 D Bonds are capatal appreciation bonds therefore miterest accrues until prucipal payment date. <br> (e) Reimbirsement Payments equaling the net debt service, including accred interest for the Subordinate Master PID Bonds are pledged to the Trustee, which are intended to reduce the net debt service to $\$ 0$. Until the Reimbursement Payments are received by the Trustee, the Assessment will temain on each parcel and the Installment will be dae as scheduled. <br> (f) Prelininary Estmate. The administrative charges will be revised in Annual Service Plan Updates based on actaal costs. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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## Appendix B

Authorized Improvements

|  | Appendix B Autlionzed mprovements |  |  |
| :---: | :---: | :---: | :---: |
| $n$ <br> 0 <br> 0 <br> 0 <br> 0 <br> 0 <br> 0 <br> $\sum$ | PROJECT NAME | TOTAL COST |  |
|  | BRAKER LANE EXTENSION PHASE $182, \%$, \% |  | 8,570,721 |
|  | BRAKER LANE EXTENSION PHASE 3 | \$ | 3,344,164 |
|  | BRAKER LANE EXTENSION PHASE 4 | \$ | 4,243,939 |
|  | BRAKER LANEPHASE $1 \& 2 \square$ CDESTAIA N WALKWAY, | \$ | 599,850 |
|  | BRAKER LANE PHASE 3 PEDESTRIAN WALKWAY | \$ | 299,925 |
|  | BRAKER LANE PHASE 4 PEDESTRIAN WALKWAY | \$ | 299,925 |
|  | SUBTOTAL | \$ | 17,358,523 |
|  | WASTE WATER TREATMENT PLANT (b) 30' NTERCEPTOR STONEEAKE NORTHWEST LINE PARCEL 1 |  | $\begin{aligned} & 8 \cdot 410,990 \\ & 2936,198 \end{aligned}$ |
|  | $12^{\prime \prime}$ INTERCEPTOR NORTH LINE PARCEL 1 | \$ | 687,735 |
|  | 30'INTERCEPTOR STONELAKE NORTHWEST LINE PARCEL 4 | \$ | 933,265 |
|  | 12" INTERCEPTOR NORTH LINE PARCEL 6 | \$ | 415,013 |
|  | $30^{\prime \prime}$ INTERCEPTOR STONELAKE NORTHWEST LINE PARCEL 18 | \$ | 684,876 |
|  | SUBTOTAL | \$ | 14,068,076 |
| y330000n | Line 2 - Approximately $17,900 \mathrm{LF}$ of $24^{\prime \prime}$ water line commencing on LIndell Lane and commencing at Blue Bluff Road, continuing east on Bloor Road, crossing SH 130, continuing north on FM 973 and then continues to Whisper Valley boundary. <br> Line 1-19,684 LF of 48" commencing on Zachary Drive and Decker Lake Road, continuing east along Decker Lake Road to | \$ | 4,994,100 |
|  | SH130 <br> Line 5 - Approximately 18,096 LF of $48^{\prime \prime}$ commencing at Decker Lake Road and SH130, then generally following SH130 north towards Whisper Valley | \$ | $10,709,080$ 9,845,129 |
|  | SUBTOTAL | \$ | 25,548,309 |
|  | NEIGHBORHOOD PARKS PARCEL 1 | \$ | 659,617 |
|  | COLLECTOR ROW PARCEL 1 | \$ | 44,752 |
|  | FM 973 | \$ | 109,438 |
|  | BRAKER LANE PARCEL 1 | \$ | 1,036,302 |
|  | COLLECTOR ROW PARCEL 2 | \$ | 80,860 |
|  | BRAKER LANE PARCEL 2 | \$ | 657,564 |
|  | POCKET PARKS PARCEL 3 | \$ | 434,478 |
|  | COLLECTOR ROW PARCEL 3 | \$ | 43,703 |
|  | POCKET PARKS PARCEL 4 | \$ | 814,267 |







## Exhibit "D"

BOND CHART

| Improvement | $\begin{gathered} \$ \\ \text { (millions) } \end{gathered}$ | CRA | Bond/Invest or Capital | End Construction | Reimbursement Date from City |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Water Line 1 | \$7,8 | W | Subordinate Master PID Bonds | 5/31/13 | $\begin{aligned} & 1 / 2 \text { Oct. } 31,2015 \\ & 1 / 2 \text { Oct. } 31,2016 \end{aligned}$ |
| Water Line 2 | \$4.8 | W | Subordinate Master PID Bonds | 6/28/12 | $\begin{aligned} & 1 / 2 \text { Oct. } 31,2015 \\ & 1 / 2 \text { Oct. } 31,2016 \end{aligned}$ |
| WWTP | \$6.2 | W/W | Subordinate Master PID Bonds | 9/30/13 | 3/1/2015 |
| W/W Interceptor | \$2.9 | W/W | Subordinate <br> Master PID <br> Bonds | Ph. $1-4 / 30 / 13$ <br> Ph. $2-3 / 31 / 14$ <br> Ph. 3 -9/30/14 <br> Ph. 4-9/30/14 | $\begin{aligned} & 3 / 1 / 2015 \\ & 3 / 1 / 2016 \\ & 3 / 1 / 2016 \\ & 3 / 1 / 2016 \end{aligned}$ |
| W/W Soft Costs | \$1.8 | W | Investor Capital | N/A | 8/1/2012 |
| Braker | \$4.0 | County | Investor <br> Capital/ <br> Senior <br> Master PID <br> Bonds | Ph.1-6/28/13 <br> Ph. $2-6 / 28 / 13$ <br> Ph. 3-9/30/14 <br> Ph. $4-11 / 30 / 15$ | Monthly Draws |
| Indirect Costs |  | N/A | Investor Capital | N/A | N/A |
| Landscaping/ Entry <br> Monumentation | PID Bond Overage, if any | N/A | Senior Master PID Bonds | N/A | N/A |

## Exhibit "E"

FORM OF CERTIFICATION FOR PAYMENT
[See attached]

CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP ("Construction Manager") hereby requests payment for the perccntage of design costs completed (the "Design Costs') described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Whisper Valley Public Improvement District Financing Agreement between Construction Manager and the City of Austin, Texas (the "City"), dated as of $\qquad$ (the "Finance Agreement"). In connection with this Certification for Payment, the undersigned, in his or her capacity as the $\qquad$ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth hercin.
2. The design work described in Attachment A has been completed in the percentages stated therein.
3. The true and correct Design Costs for which payment is requested is set forth in Attachment A.
4. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
5. Attached hereto as Attachment $C$ are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Design Costs for which payment is requested.
[Signature Page Follows]

## FORM OF CERTIFICATION FOR PAYMENT

Date: $\qquad$

CLUB DEAL 120 WHISPER VALLEY, LIMITED
PARTNERSHIP, a Delaware limited partnership qualified to do business in Texas

By: CD120 GP, LLC, a Delaware limited liability company qualified to do business in '「exas

Its: General Partner
By:
Douglas H. Gilliland, Manager

## APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified and approved by the [Director of Public Works of the City] or [Director of Austin Water Utility]. Payment of the Design Costs are hereby approved.

## Date:

$\qquad$ CITY OF AUSTIN, TEXAS

By:
[Director of $\qquad$

## ATTACHMENT A

| Description of Design | Percentage | Design Costs | Total Percentage of |
| :---: | :---: | :---: | :---: |
| Work | of Design |  | Design Work |
|  | Work |  | Completed |
|  | Completed |  |  |
|  | under this |  |  |
|  | Certification |  |  |
|  | for Payment |  |  |

## ATTACHMENT B

[attached - bills paid affidavit]

## ATTACHMENT C

[attached - receipts]

# FORM OF CERTIFICATION FOR PAYMENT (Construction - Whisper Valley) 

CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP ("Construction Manager") hereby requests payment of the Actual Cost of the work described in Attachment A attached hereto (the "Draw Actual Costs"). Capitalized undefined terms shall have the meanings ascribed thereto in the Whisper Valley Public Improvement District Financing Agreement between Construction Manager and the City of Austin, Texas (the "City"), dated as of $\qquad$ (the "Finance Agreement"). In connection with this Certification for Payment, the undersigned, in his or her capacity as the $\qquad$ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized representative of Construction Manager, qualified to execute this rcquest for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The true and correct Draw Actual Costs for which payment is requested is set forth in Attachment A.
3. Attached hereto as Attachment $B$ is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification for Payment.
4. Attached hereto as Attachment C are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow the City to verify the Draw Actual Costs of each Segment for which payment is requested.

> [Signature Page Follows]

Date: $\qquad$

CLUB DEAL 120 WHISPER VALLEY, LIMITED PARTNERSHIP, a Delaware limited partnership qualified to do business in Texas

By: CD120 GP, LLC, a Delaware limited liability company qualified to do business in Texas

Its: General Partner
By:
Douglas H. Gilliland, Manager

## JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification for Payment solely for the purposes of certifying that the representations made by Construction Manager in Paragraph 2 above are true and correct in all material respects.

## Project Engineer

## APPROVAL BY THE CITY

The Draw Actual Costs of each Segment described in Attachment A has been reviewed, verified and approved by the [Director of Public Works of the City] or [Director of Austin Water Utility]. Payment of the Draw Actual Costs of each such Segment is hereby approved.

## Date:

$\qquad$

## CITY OF AUSTIN, TEXAS

By:
[Director of $\qquad$

## ATTACHMENT A

Segment $\quad$\begin{tabular}{ll}

Description of Work Completed under \& | Draw |
| :--- |
| this Certification for Payment | <br>

$\underline{\text { Actual }}$ <br>
\& $\underline{\text { Costs }}$
\end{tabular}

## ATTACHMENT B

[bills paid affidavit - attached]

## ATTACHMENT C

[receipts - attached]
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# FIRST AMENDMENT TO WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT 

This FIRST AMENDMENT TO WHISPER VALLEY PUBLIC IMPROVEMENT DISTRICT FINANCING AGREEMENT (this "Amendment") is made effective the 28th day of March, 2019 (the "Effective Date"), by and between Club Deal 120 Whisper Valley, Limited Partnership, a Delaware limited partnership (including its successors, assigns, or transferees, the "Developer"), and the City of Austin, Texas (the "City"), a municipal corporation, acting by and through its duly authorized representative (each individually referred to as a "Party" and collectively as the "Parties").

## RECITALS

A. The City and Developer are parties to that certain Whisper Valley Public Improvement District Finance Agreement dated effective November 1, 2011 (as amended, the "Agreement").
B. Pursuant to the Agreement, it was contemplated that Phased PID Bonds would be issued periodically in the future as individual Improvement Areas of the Project are developed and such Phased PID Bonds would fund Phased PID Bond Public Improvements within each Improvement Area.
C. In order to allow for the efficient development of the Project, the Parties agreed that the Developer may receive reimbursements for the Phased PID Bond Public Improvements within each given Improvement Area once such Phased PID Bond Public Improvements have been constructed and accepted by the City or County, as applicable.
D. All the Subordinate Master PID Bonds have been paid off, but the Senior Master PID Bonds remain outstanding.
E. On June 15, 2017, the City levied a Special Assessment on the District that was only in the amount of the Annual Installment (as defined in the Service and Assessment Plan) for one calendar year (the " 2017 Special Assessments"). The revenue from the 2017 Special Assessments has been collected by the City for the reimbursement of Actual Costs.
F. Developer has already commenced and completed the Improvement Area \#1 Authorized Improvements, and pursuant to the 2018 Addendum to Whisper Valley Public Improvement District Service and Assessment Plan adopted pursuant to Ordinance No. 20180823-073 (the "2018 SAP Addendum"), additional Special Assessments have been levied on Improvement Area \#1, and the Improvement Area \#1 Authorized Improvements have been identified.
G. The City passed Ordinance No. 20190207-002 on February 7, 2019 ratifying and confirming the Special Assessments levied for Improvement Area \#1.

NOW, THEREFORE, Developer and City hereby agree as follows:

1. Recitals/Defined Terms. The foregoing Recitals are true and correct in all material respects and are incorporated by reference herein and made a part of this Amendment for all purposes. Unless otherwise defined in this Amendment, any capitalized terms used in this Amendment shall have the meanings given to them in the Agreement.
2. Definitions. The following definitions, as well as the defined terms in the Recitals above, are hereby added to Exhibit "A."
"2018 SAP Addendum" means the 2018 Addendum to Whisper Valley Public Improvement District Service and Assessment Plan adopted pursuant to Ordinance No. 20180823-073.
"2019 Amended and Restated SAP" means the Whisper Valley Public Improvement District 2019 Amended and Restated Service and Assessment Plan, approved contemporaneously herewith.
"City Representative" means any official or agent of the City authorized by the City Council to undertake the action referenced herein.
"Future Improvement Area(s)" means the Improvement Areas of the Property that do not include Improvement Area \#1.
"Improvement Area \#1" shall be the area identified as such in the Assessment Plan.
"Improvement Area \#1 Improvements" shall mean a portion of the costs of the local infrastructure benefitting Improvement Area \#1
"Phased PID Bond Public Improvements" means those Public Improvements to be funded by Phased PID Bonds.

## 3. Amendment of Provision Related to Public Bidding.

## Section 3.07(a) of the Agreement is hereby deleted and replaced with the following:

(a) The Public Improvements shall be subject to City's construction, policies, bidding, and contract documents, unless the Public Improvements meet the requirements set forth in Texas Local Government Code Section 252.022(a)(9), and are exempt from competitive bidding ("Exemption"). Section 252.022(a)(9) provides that a project will be exempt from competitive bidding for "paving, drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements."
(b) For any Public Improvement that (i) complies with the Exemption, and (ii) any Public Improvement which is not funded with either Senior Master PID Bonds or Improvement Area \#1 Bonds, and for which Developer is requesting reimbursement from

PID proceeds, the Developer shall endeavor to procure bids from at least three (3) independent, competent contractors for the construction of the Public Improvements and provide copies of the bids to the City. Developer shall not be required to enter into a contract with the apparent low bidder and may select the contractor who provides, in Developer's sole discretion, the best value. The Public Improvements shall be bid based on the construction plans and specifications approved by the City. In addition to the foregoing, bidders for contracts for the Public Improvements will be required to submit the following to Developer:
(i) itemized bids that identify separately the portions of the contract that are for construction of the Public Improvements, and for the construction of any improvements other than the Public Improvements;
(ii) documentation showing the contractor has at least five years of experience constructing projects in and around the City and is eligible to work on City projects;
(iii) documentation showing that the contractor has completed projects similar in scope, cost, and type to that which is being bid upon;
(iv) documentation demonstrating the percentage of the work that will be performed by the contractor, and the percentage of the work that will be performed by a subcontractor; and
(v) documentation showing the contractor is bondable.

The documents described in clauses (i) through (v) above shall be promptly provided to the City after receipt by the Developer.
4. Amendment of Provisions Related to Funding of Phased PID Bond Public Improvements and Levy of Special Assessments.

## Section 4.02 of the Agreement is hereby amended through the addition of subsection (e):

(e) Payoff of Senior Master PID Bonds. In conjunction with the Phased PID Bonds issuance for any Future Improvement Area, some of the proceeds of those Phased PID Bonds may be used to pay off that portion of the Senior Master PID Bonds allocable to such Future Improvement Area, such that the Special Assessments attributable to the Future Improvement Area levied and pledged as security for Senior Master PID Bonds shall be discharged and deemed paid in full upon the defeasance of such Senior Master PID Bonds.
5. Provisions Related to Improvement Area \#1. The following is hereby added as a new Sections 4.02(A) and 4.02(B) to the Agreement:

## Section 4.02(A). Improvement Area \#1

Notwithstanding the terms contained in Section 4.02, since Improvement Area \#1 Improvements have been constructed and accepted by either the County or the City (as applicable), and the Special Assessments to fund the Improvement Area \#1 Improvements have been levied pursuant to Ordinance No. 20180823-

073 , the process set forth in Section 4.02 is hereby adjusted as follows as to Improvement Area \#1 only:
(1) It is hereby acknowledged that provisions for the prepayment of the Senior Master PID Bonds that are allocable to Improvement Area \#1 have been made through a (a) prepayment of assessments and (b) transfer of certain funds held pursuant to the terms of the indenture of trust applicable to the Senior Master PID Bonds. As a result of such prepayment, the lien and Special Assessments associated with the Master PID Bonds allocable to Improvement Area \#1 will be extinguished.
(2) In conjunction with the issuance of the Improvement Area \#1 PID Bonds, Developer is required to submit Certification for Payment in accordance with the provisions of Section 4.01 for the amount of Actual Costs for the Improvement Area \#1 Improvements to be funded by the bonds as well as any other qualified and permitted costs submitted to the City (e.g. bond issuance costs or consultant fees). Any disbursement of funds shall be made in accordance with the trust indenture applicable to the Improvement Area \#1 Bonds.

## Section 4.02(B). 2017 Special Assessments

Notwithstanding the terms contained in Section 4.02 and 4.02(A), on June 15, 2017, the 2017 Special Assessments were levied to fund a portion of the costs of the Improvement Area \#1 Improvements. The revenues collected from the 2017 Special Assessments are not included in the pledged revenues which serve as the security for the Phased PID Bonds for Improvement Area \#1 pursuant to the trust indenture thereto. The City and the Developer intend for this Amendment to provide for the payment to the Developer of a portion of such costs of the Improvement Area \#1 Improvements from proceeds of the 2017 Special Assessments. The process set forth in Section 4.02 is hereby adjusted as follows as to Improvement Area \#1 and the proceeds of the 2017 Special Assessments which have been previously collected thereby discharging the lien associated with such assessments:
(1) The City has collected the 2017 Special Assessments and holds and will continue to hold such revenues in a designated account separate from the City's other accounts.
(2) To receive funds from the proceeds of the 2017 Special Assessments to pay a portion the Actual Cost of the Phased PID Bond Improvements, the Developer is required to provide the City with (i) a Certification for Payment evidencing the actual cost, (ii) evidence of acceptance by the City or County of the Phased PID Bond Public Improvements to be funded by the 2017 Special Assessments in question in compliance with the process set forth in Section 4.02 above, and (iii) an
assignment of the warranties and guarantees, if applicable, for the Phased PID Bond Public Improvements to be funded by the 2017 Special Assessments in question, in a form reasonably acceptable to the City. Nothing herein shall prohibit Developer from being reimbursed for design costs associated with a Phased PID Bond Public Improvement.
(3) In conjunction with the Certification for Payment being submitted to the City, the City shall conduct a review to confirm those Phased PID Bond Public Improvements to be funded by the 2017 Special Assessments were constructed in accordance with the plans therefor and to verify the Actual Cost of the Phased PID Bond Public Improvements specified in such Certification for Payment. The City agrees to conduct such review in connection with the Certification for Payment that is to be submitted to the City and the Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Upon confirmation by the City that Phased PID Bond Public Improvements to be funded by the 2017 Special Assessments have been constructed in accordance with the plans therefor, and verification and approval of the Actual Cost of those Phased PID Bond Public Improvements, the City shall sign the Certification for Payment and forward the same to the City Representative. The City Representative shall then forward the executed Certification for Payment to the City Controller. The City Controller shall then have up to thirty (30) days to disburse payment to the Developer.
6. Section References. Unless expressly stated otherwise, any and all references to sections or other enumerated provisions in this Amendment shall refer to the corresponding sections or provisions in the Agreement.
7. Ratification; Entire Agreement. The Agreement, as amended by this Amendment, is hereby ratified and affirmed and continues in full force and effect. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment control.
8. Counterparts. This Amendment may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

This Amendment is signed as of the date of the acknowledgement below, but shall be effective as of the Effective Date of this Amendment.

## [Signature pages to follow]

CITY OF AUSTIN, a home rule city and Texas municipal corporation

By:
Name: $\qquad$
Title:
[CITY SIGNATURE PAGE]

# CLUB DEAL 120 WHISPER VALLEY, 

 LIMITED PARTNERSHIP, a Delaware limited partnership qualified to do business in TexasBy: CD120 GP, LLC, a Delaware limited liability company qualified to do business in Texas Its: General Partner

By:

$$
\overline{\text { Douglas H. Gilliland, Manager }}
$$

[DEVELOPER SIGNATURE PAGE]

APPENDIX H
MARKET STUDY
(THIS PAGE IS INTENTIONALLY LEFT BLANK.)

City of Austin, Texas

301 W. 2nd Street
Austin, Texas 78701

Norton Rose Fulbright US LLP 98 San Jacinto Boulevard Austin, Texas 78701

FMSbonds, Inc.
100 Crescent Court, Suite 700
Dallas, Texas 75201
U.S. Bank National Association

111 Fillmore Avenue East
St. Paul, Minnesota 55107-1402
2. To the best of my professional knowledge and belief, as of the date of my Market Study, the portion of the Limited Offering Memorandum described above does not contain an untrue statement of a material fact as to the information and data set forth therein, and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.
3. EPS agrees to the inclusion of the Market Study in the Limited Offering Memorandum and the use of its name in the Limited Offering Memorandum for the Bonds.
4. EPS agrees that, to the best of its ability, it will inform you immediately should it learn of any event(s) or information of which you are not aware subsequent to the date of this letter and prior to the actual time of delivery of the Bonds (anticipated to occur on or about April $16,2019)$ which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any statement in the Market Study materially misleading.
5. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.
[The remainder of this page left intentionally blank.]

Sincerely yours,

## Economic \& Planning Systems, Inc.


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[^0]:    (a)

    CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S\&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City's Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.
    (b) The Bonds maturing on and after November 1, 2039 are subject to redemption, in whole or in part, prior to stated maturity, at the option of the City, on any date on or after November 1, 2029, at the redemption price set forth herein under "DESCRIPTION OF THE BONDS — Redemption Provisions."
    (c)

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

[^1]:    Source: Texas Workforce Commission.

[^2]:    Notes
    [a] See Exhibit G for summary of funding from Non-District sources.

[^3]:    *Excluding Audited Financial Statements of the Issuer

[^4]:    ${ }^{1}$ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Bond Assessments, which dates and procedures are subject to adjustment by the Issuer.

[^5]:    ${ }^{1}$ Black's Law Dictionary, $8^{\text {th }}$ ed. (St. Paul, MN: Thomson West, 2007), 648-649.
    ${ }^{2}$ City of Austin vs. Cannizzo, et al., 267 S.W.2d 808,815 (1954)
    ${ }^{3}$ There is no relationship between Paul Hornsby and Hornsby Land Partners, LP.

[^6]:    e2018 Est

[^7]:    "Lot Type" means a classification of final building lots with similar characteristics (e.g. commercial, light industrial, multifamily residential, single family residential, etc.), as determined by the Administrator and confirmed by the City Council. In the case of single family residential, the Lot Type shall be further defined by classifying the residential lots by density or lot size, as determined by the Administrator and confirmed by the City Council.

[^8]:    (a) The $1 / 31$ XX dates represent Insfallment due dates for the Senior Master PID Bond which are intended to cover the March 1 and September 1 payments.
    (b) Net of Capitalized Interest:
    (c) Does not include reserve fund eamings or any other funds which could reduce net debt service.
    (d) Suborcinate Master PID Bonds are capital appreciation bouds therefore interestaccrues until primcipal payment date
    (e) Rembursement Payments equaling the net debt seryice including accrued interest, for the Subordinate Master PID Bonds are pledged to the Trustee, which are intended to reduce the net debl serviee to S0. Until the Renbursement Payments are received by the Trustec, the Assessment will remain on each parcel and the Installment will be due as scheduled.
    (t) Preliminary Estimate. The administrative charges will be revised in Annal Service Plan Lpdates based on acmal costs

