

**REGULAR MEETING OF THE
CITY OF ALVARADO CITY COUNCIL
104 W. COLLEGE
MAY 19, 2025
6:30 PM
AGENDA**

The City Council of the City of Alvarado will meet in a Regular Called Session on Monday, May 19, 2025, at 6:30 p.m. in the Council Chambers at City Hall for the following agenda items.

CALL TO ORDER

- Roll Call

INVOCATION

PLEDGE OF ALLEGIANCE

CITIZEN PARTICIPATION AND PUBLIC INPUT:

This is an opportunity for citizens to address the convened City Council of this meeting on any matter. The presiding officer may ask for the citizen to hold his or her comment on an agenda item until that agenda item is reached. Any response from a member of the convened City Council to comments related to items not on the agenda is limited to a statement of specific factual information, a recitation of existing policy, or direction to staff to place the subject on the agenda for a future meeting. Citizens may obtain a form to speak by requesting it from the City Secretary or the City Marshal prior to the start of the meeting.

COUNCIL COMMENTS:

Pursuant to LGC Section 551.0415, City Council Members may make a report about items of Community interest during a meeting of the governing body without having given notice of the report. Items of community interest may include, but not necessarily limited to any of the following:

- Expressions of thanks, congratulations, or condolence;
- Information regarding holiday schedules;
- An honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of the person's public office of public employment is not an honorary or salutary recognition for purposes of this subdivision;
- A reminder about an upcoming event organized or sponsored by the governing body;
- Information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; and
- Announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

INTRODUCTION OF NEW EMPLOYEES

ANNOUNCEMENTS:

NextGen - Young Professionals Group (Hall)

CONSENT AGENDA:

1. Consideration and action to approve minutes from the 04/21/2025 Regular City Council meeting. (Walls)

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2. Discussion, consideration and action on the appointment of board members to the City of Alvarado P&Z Board. (Wheat)
3. Consideration and action to install stop signs, establishing a three-way stop at the intersection of N. Friou and E. Patton. (May)
4. Consideration and action to approve an amendment to the Interlocal Agreement between the City of Alvarado, Texas and Johnson County for the Operation of the Stop the Offender Program (S.T.O.P.) Special Crimes Unit 2024. (May) (Stop the Offender Program Interlocal Agreement)
5. Consideration and action to approve Resolution No. R2025-0017, authorizing the submission of the Motor Vehicle Crime Prevention Authority Senate Bill 224 grant application to the Texas Motor Vehicle Crime Prevention Authority. (Authorize TMVCPA grant application) (Gross)

NEW BUSINESS:

6. Swearing in of newly elected Council Members. (Walls)
7. Consideration and action to appoint one Council Member as Mayor Pro Tem who shall hold office for one (1) year as set forth in section 3.08 of the Alvarado City Charter. (Wheat)
8. Consideration and action to approve Resolution No. R2025-0018, affirming the nomination(s) for candidate(s) for the Board of Directors for the Central Appraisal District of Johnson County, Texas. (Walls)
9. Public hearing, consideration and action on the application of Darryl Tucker on behalf of 275 Alvarado LLC represented Ron Welborn for approval of a zoning change from Agricultural (A) District and Light Manufacturing/Industrial (M-1) District with portions in the Floodplain (FP) Overlay District to Planned Development (PD) District for Garden Home (GH) District uses with portions in the Floodplain (FP) Overlay on approximately 49.85 acres known as a portion of Tracts 20, 21, 22, and 34 of the A. Spiva Survey, A-770, approximately addressed at 804 E. Davis Avenue, with an amendment to the Future Land Use map in the Alvarado Comprehensive Plan and with development plan approval and deviations. (Hillcrest Addition) (French)
10. Public Hearing on the Re-creation of the Whisper Park Public Improvement District. (Whisper Park PID) (Suber)
11. Consider a resolution regarding the Re-creation of the Whisper Park Public Improvement District and ordering public improvements to be made for the benefit of such district; providing for a severability clause; providing an effective date; and containing other matters relating to the subject. (Whisper Park PID) (Suber)
12. Public Hearing on levying assessments for the costs of certain improvements to be provided in the Lone Oak Public Improvement District Improvement Area # 1 project. (Lone Oak PID) (Suber)
13. Consider an ordinance levying assessments for the costs of certain improvements to be provided in the Lone Oak Public Improvement District Improvement Area # 1 Project; fixing a charge and lien against all properties within Improvement Area # 1 of the district, and the owners thereof; providing for the manner and method of collection of such assessments; making a finding of special benefit to property in improvement area # 1 of the district; approving a service and assessment plan; providing a severability clause; and providing an effective date. (Lone Oak PID) (Suber)
14. Consider an ordinance authorizing the issuance of the "City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area # 1 Project)"; approving and authorizing an indenture of trust, a bond

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- purchase agreement, a continuing disclosure agreement and other agreements and documents in connection therewith; making findings with respect to the issuance of such bonds; and providing an effective date. (Lone Oak PID) (Suber)
15. Consider approval of a Phase Two Reimbursement Agreement for the Lone Oak Public Improvement District with GRBK Edgewood LLC and Century Land Holdings of Texas, LLC. (Lone Oak PID) (Suber)
 16. Presentation on Cooperative Agreements. (Suber)
 17. Presentation from Code Enforcement. (Roberts)
 18. Consideration and action to adopt the process to be used for involving and receiving public input in the 2025 council ward redistricting. (Walls)
 19. Consideration and action to authorize the City Manager to execute an Interlocal Cooperation Agreement regarding participation in a Cooperative Purchasing Program with Ellis County. (Chavarria)
 20. Consideration and action to approve street repairs on S. Baugh Street and S. Spears Street. (Chavarria)
 21. Discussion, consideration, and possible action on awarding bid for N. Cummings Overlay. (Chavarria)
 22. Consideration and action to approve Ordinance No. 2025-0009 providing for a residential homestead ad valorem (property tax) exemption from City ad valorem taxation. (Cox)
 23. Consideration and action to approve Resolution R2025-0019, adopting the City of Alvarado, Texas investment policy, and providing an effective date. (Cox)

EXECUTIVE SESSION:

EXECUTIVE SESSION: Pursuant to the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the City Council may convene in executive session to deliberate regarding the following matters:

1. § 551.071. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:
 - o Any item on the agenda.

RECONVENE TO REGULAR SESSION:

24. Consideration and any action necessary as a result of items legally discussed in Executive Session.

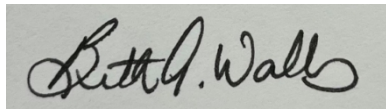
ACCESSIBILITY STATEMENT

The Alvarado City Hall and Council Chamber are wheelchair accessible. The exit and parking ramps are located in the front of the building. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's Office at 817-790-3351, FAX: 817-783-7925, e-mail: wallsb@cityofalvarado.org Please call at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

NON-DISCRIMINATION STATEMENT

The City of Alvarado does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the employment or the provision of services.

I, the undersigned authority, do hereby certify that the above Agenda was posted on the bulletin board in the City Hall of the City of Alvarado, Texas, a place convenient and readily accessible to the general public at all times, and said Agenda was posted on May 16, 2025 at 6:30 p.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

A handwritten signature in black ink, reading "Beth A. Walls", is displayed on a light gray rectangular background.

Beth A Walls, TRMC, IPMA-SCP, CPM
City SecretaryHRD

CITY OF ALVARADO
County of Johnson
State of Texas
04/21/2025
City Council Minutes

The City Council of the City of Alvarado met in Regular Called Session on Monday, April 21, 2025, at 6:30 p.m. The following were present for roll call:

Name	Title	Present	Absent	Excused
Jacob Wheat	Mayor	X		
Carrie Keeton	Council Ward 1	X		
Beverly Short	Council Ward 1	X		
Lydia Moon	Mayor Pro-Tem Ward 2	X		
Cherry Bryant	Council Ward 2	X		
Scott Arthur	Council Ward 3	X		
Kevin Thomas	Council Ward 3	X		

Others Present:

Paul DeBuff	City Manager
Beth A Walls	City Secretary
Jessica Hill	Deputy City Secretary
Laura Cox	Chief Financial Officer
Ashley Dierker	City Attorney
Donielle Suber	Director of Administrative Services
Justin French	Community Development Director
Hillary Cromer	Economic Development Director
John Rodgers	Fire Chief
Brad Hargrove	Assistant Fire Chief
Teddy May	Police Chief
Mike Dwiggins	Public Works Director
Gus Chavarria	City Engineer

Mayor Jacob Wheat called the meeting to order at 6:30 p.m. and gave the invocation.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS:

Jameye Jones – Events: Safety Day on 4/25/2025 from 5:30 p.m. – 8:30 p.m., APEC Trivia Game Night on 4/26/2025 from 4:00 p.m. – 6:00 p.m., Community Forum 1 on 04/26/2025 from 12:00 p.m. – 6:00 p.m., APEC Vendor Expo and Bake Off on 5/10/2025, Artisan Market 5/10/2025 from 10:00 a.m. – 2:00 p.m.

Martha Dean – Update on Monarchs. Rep from Master Naturalists, Master Gardeners, and the Alvarado Garden Club donated garden books and artwork created during the Spring Fling to the Library.

COUNCIL COMMENTS:

Mayor Pro Tem Lydia Moon complimented Jameye Jones for Antique Alley and Council Member Carrie Keeton on the Farmers Market.

Council Member Cherry Bryant shared a personal testimony regarding her recent recovery from an injured leg, expressing gratitude.

INTRODUCTION TO NEW EMPLOYEES:

Officer Hunter Hartman, PD

PROCLAMATION:

Child Abuse Prevention Proclamation was presented to Barbara Fuller by Mayor Jacob Wheat.

Child Abuse Hotline 1-800-422-4453.

ANNOUNCEMENTS:

The EDC Art Contest winners were awarded checks by the Economic Development Director, Hillary Cromer, for their submissions to the contest. Addie Almond won 1st place, Aleshanee Jackson won 2nd place, and Ashley Williams won 3rd place.

CONSENT AGENDA:

1. Consideration and action to approve minutes from the 03/17/2025 Regular City Council meeting.
2. Consideration and action to approve minutes from the 04/07/2025 Special City Council meeting.
3. Consideration and action to approve Resolution R2025-0010, amending the authorized representatives of the City of Alvarado who may direct the investment of funds into the Texas Local Government Investment Pool (“TexPool / Texpool Prime”), a public funds investment pool which was created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity and yield consistent with the Public Funds Investment Act.
4. Consideration and action to approve Resolution R2025-0011 amending the authorized representatives of the City of Alvarado who may direct the investment of funds Multi-Bank Securities, Inc. within the Government Code Chapter 2256 Public Funds Investment Act parameters.

5. Consideration and action to approve Resolution R2025-0012 designating certain positions as authorized signatories for all city accounts maintained by First Financial Bank.

Mayor Pro Tem, Lydia Moon, requested to remove item # 6 from the Consent Agenda.

Motion was made by Lydia Moon and seconded by Carrie Keeton to approve items # 1-5 on the consent agenda as amended.

This motion supported 6 votes in approval and 0 votes opposed. Motion carried.

NEW BUSINESS:

6. Consideration and action to install stop signs, establishing a four-way stop at the intersection of N. Friou and Elm Street, and a three-way stop at the intersection of N. Friou and Adair Street.

The Alvarado Police Department has received citizen complaints about excessive speeding on N. Friou Street, prompting the need for enhanced traffic control. After evaluating traffic patterns and public input, the following modifications are proposed:

1. Convert the N. Friou and Elm Street intersection from a 2-way stop to a 4-way stop.
2. Convert the N. Friou and Adair Street intersection from a 1-way stop to a 3-way stop.

These changes aim to slow traffic and improve safety for motorists, cyclists, and pedestrians. Research supports the effectiveness of stop signs in reducing vehicle speeds, increasing driver awareness, improving pedestrian safety, and enhancing overall traffic control. The community has shown strong support for these measures, which will help address public safety concerns, create quieter streets, and improve the overall quality of life in the neighborhood.

Mayor Pro Tem Lydia Moon requested a three-way stop be installed at Friou and Patton in the future.

Motion was made by Lydia Moon and seconded by Carrie Keeton to install stop signs, establishing a four-way stop at the intersection of N. Friou and Elm Street, and a three-way stop at the intersection of N. Friou and Adair Street.

This motion supported 6 votes in approval and 0 votes opposed. Motion carried.

7. Consideration and action regarding award of Solid Waste Collections and Disposal Services Contract.

The City of Alvarado issued RFP #2025-001 to solicit proposals from qualified solid waste management companies for municipal waste collection, disposal, and recycling services. Five (5) proposals were submitted:

1. Republic Services
2. Frontier Waste Solutions
3. Sundance Disposal Solutions
4. Community Waste Disposal (CWD)
5. Waste Connections of Texas

Council is asked to determine how to proceed with the solid waste collection contract. Staff recommends the selection of a contractor at this meeting to avoid service disruptions and ensure a smooth transition, if applicable.

Three options are available for Council consideration:

A. Award the contract and accept a proposal as submitted

Select the contractor whose proposal is deemed most advantageous based on evaluation criteria. This would involve moving forward with the submitted pricing and terms without changes.

B. Select a preferred contractor and direct staff to negotiate specific terms

Council may instruct staff to begin contract negotiations with a specific contractor, with flexibility to adjust pricing or service components.

C. Reject all proposals and reissue the RFP

Motion was made by Lydia Moon and seconded by Kevin Thomas to authorize the City Manager to negotiate and execute a contract with Republic Services.

This motion supported 6 votes in approval and 0 votes opposed. Motion carried.

8. Consider and act on a resolution accepting for filing an amended and restated petition for creation of the Whisper Park Public Improvement District within the City of Alvarado.

In July 2022, the developer originally submitted the request, and the City Council approved the creation of the PID. Recently, city staff received an updated petition requesting to cover additional infrastructure improvements (water and sewer) within the specified PID area. The additional improvements include water and sewer improvements. The total estimated cost for all improvements and related expenses is \$35,000,000 and is estimated to take four to six months to complete.

If approved, a Public Hearing will be called for Monday, May 19, 2025.

Motion was made by Lydia Moon and seconded by Beverly Short to approve Resolution No. R2025-0013, accepting for filing an amended and restated petition for creation of the Whisper Park Public Improvement District within the City of Alvarado.

This motion supported 6 votes in approval and 0 votes opposed. Motion carried.

9. Consider and act on a resolution determining costs and calling a public hearing to consider an ordinance levying assessments on property located within the Lone Oak Public Improvement District; directing the publication and mailing of notice of such public hearing.

The Preliminary Service and Assessment Plan (PSAP) for the Lone Oak Public Improvement District was prepared in accordance with Chapter 372 of the Texas Local Government Code. The PSAP outlines the estimated total costs for Authorized Improvements to be financed in the Lone Oak PID, along with the proposed assessment roll referencing the assessments proposed per lot in the PID.

The Lone Oak PID is projected to develop in multiple phases, totaling 1,657 single-family homes. The current phase in development will contain 253 50-foot lots, with an estimated buildout value of \$315,000 per lot. After approval of the Final Service and Assessment Plan, the City will issue PID Bonds to reimburse the developer for a portion of the Authorized Improvements in the PID. The projected assessment amount is \$5,640,000, with the projected assessment per lot being \$22,292.49. The projected average Annual Installment will be \$1,954, resulting in a \$0.62 tax rate equivalent for the Lone Oak PID. The Annual Installments will be collected at the same time and in the same manner as property taxes.

The total proposed improvement cost for the PID is \$11,238,442. These costs include roadway, sanitary sewer, water, and drainage improvements, as well as other soft and miscellaneous costs, such as engineering and architecture. The developer will fund the remaining \$5,598,442, which is not covered by the Lone Oak PID assessments.

If approved, a Public Hearing will be set for Monday, May 19, 2025.

Council received confirmation that the projected average annual installment would remain at \$1,954.00/month until paid off and that homeowners are informed upfront that they are purchasing a home within a PID.

Motion was made by Lydia Moon and seconded by Kevin Thomas to approve Resolution No. R2025-0014, determining costs and calling a public hearing to consider an ordinance levying assessments on property located within the Lone Oak Public Improvement District; directing the publication and mailing of notice of such public hearing.

This motion supported 5 votes in approval and 1 vote opposed (Keeton). Motion carried.

10. Consideration and action on the application of Lennar Homes for approval of the Valor Addition Phase 1 final plat on 84.559 acres known as tracts and portions of tracts out of the William Hickman Survey, A-327, approximately addressed at 9201 E. Hwy 67.

The final plat application was submitted and deemed administratively complete on March 31, 2025. Per Section 34-36.c of the Alvarado subdivision ordinance, the Planning and Zoning Commission shall:

- (1) Act within 30 days after the filing of final plat,
- (2) Submit one of the following recommendations to the City Council.
 - a. Approve.
 - b. Approve with conditions.
 - c. Disapprove with reasons.

The Future Lane Use (FLU) map within the Alvarado Comprehensive Plan designated the subject site for Low Density Residential at the time City Council approved a rezoning to the site's current Planned Development District. The proposed plat is consistent with the City's comprehensive plan. On April 17, 2025, the Planning and Zoning Commission recommended Council approve the Valor Addition Phase 1 final plat with conditions in the attached letter.

Motion was made by Kevin Thomas and seconded by Cherry Bryant to approve Valor Addition Phase 1 final plat with conditions.

This motion supported 4 votes in approval and 2 votes opposed (Moon & Keeton). Motion carried.

11. Report on 2025 Alvarado Job Fair.

The Alvarado Economic Development Corporation (EDC), in partnership with Alvarado Chamber of Commerce and Alvarado ISD, is proud to present the 2025 Alvarado Job Fair—a community hiring event designed to connect local employers with job seekers of all experience levels. Alvarado ISD has generously provided the event space, and the Alvarado Chamber of Commerce has helped recruit employer participation. The event will be held Wednesday, May 7, 2025, between 10:00 AM and 2:00 PM at the Alvarado ISD Administration Building, located at 102 S. Bill Jackson Dr, Alvarado, TX 76009.

It will feature up to 40 local businesses, with booths representing industries such as manufacturing, logistics, healthcare, education, retail, and public service.

No action taken.

12. Presentation and discussion regarding a possible general homestead exemption on residential property values.

In preparation for the FY 2025-2026 budget, staff is presenting an overview of the local option general Homestead exemption. Texas Property Tax Code 11.13(n) discusses the local option general homestead exemption for residential homes. The exemption is offered as a percentage of a property's residential appraised value (with a minimum of \$5,000) and cannot exceed 20%. The exemption needs to be approved by City Council prior to July 1st and submitted to the Central Appraisal District of Johnson County no later than July 1st.

Council received confirmation that if the No-New-Revenue rate is adopted next fiscal year, the amount will be less and that the council can raise the rate in the future. They requested to see

No action taken.

13. Discussion, consideration, and possible action regarding the resignation of a board member and the appointment of a replacement to the Prairielands Public Facility Corporation.

Shawn Goulding submitted his resignation letter on Thursday, April 17, 2025. Council member Kevin Thomas will serve in his place, effective immediately.

Motion was made by Lydia Moon and seconded by Beverly Short to accept the resignation of Shawn Goulding and appoint Kevin Thomas in his place.

This motion received 5 votes in approval and 0 votes opposed. Kevin Thomas abstained. Motion carried.

MAYOR WHEAT DECLARED COUNCIL TO BE IN EXECUTIVE SESSION AT 8:08 P.M. AND RECONVENED TO REGULAR SESSION AT 10:50 P.M.

14. Discussion, Consideration and any action necessary as a result of items legally discussed in Executive Session.

No action taken.

15. Consideration and action to authorize the Mayor to negotiate a contract with the City Manager, based on terms discussed in Executive Session.

Motion was made by Kevin Thomas and seconded by Cherry Bryant to authorize the Mayor to negotiate a contract with the City Manager, based on terms discussed in Executive Session.

This motion received 4 votes in approval and 2 votes opposed (Moon and Keeton). Motion carried.

16. Consider the use of eminent domain to condemn property and consider Resolution No. R2025-0015, authorizing the filing of eminent domain proceedings for the purpose of obtaining the necessary real property interests for the Sunflower Lane Improvement Project to serve existing and new development in the City and for other public purposes permitted by law.

I Lydia Moon move that the City Council of the City of Alvarado authorize the use of the power of eminent domain to acquire the real property described in Resolution No. R2025-0015, as presented, specifically:

- 0.071 acre (3,081 sq. ft) access easement on property described in Document No. 2023-2304 in the Official Records, Johnson County, Texas, as more fully described in Exhibit A to said Resolution; and
- 0.200 acre (8,712 sq. ft) and 0.571 acre (24,864 sq. ft) temporary construction easements on property described in Document No. 2023-2304 in the Official Records, Johnson County, Texas, as more fully described in Exhibit B to said Resolution; and
- 0.167 acre (7,276 sq. ft.) access easement abandonment of a portion of a 30 foot access easement recorded in Volume 2873 Page 406 in the Official Records, Johnson County, Texas, also being a portion of a called 1.248 acre tract of land described as Tract 2 in Document No. 2021-43660 in the Official Records, Johnson County, Texas, as more fully described in Exhibit C to said Resolution, for the public use in construction and maintenance of public roadway and utility improvements, and I further move to adopt Resolution No. R2025-0015, as presented. Kevin Thomas seconded.

This motion received 6 votes in approval and 0 votes opposed. Motion carried.

17. Consider the use of eminent domain to condemn property and consider Resolution No. R2025-0016, authorizing the filing of eminent domain proceedings for the purpose of obtaining the necessary real property interests as right-of-way to serve existing and new development in the City and for other public purposes permitted by law.

I Lydia Moon move that the City Council of the City of Alvarado authorize the use of the power of eminent domain to acquire the real property described in Resolution No. R2025-0016, as presented, specifically:

- 0.466 acre (20,309 sq. ft) parcel of property being a portion of County Road 508 lying directly south of and adjoining property described in Document No. 2022-36624 in the Official Records, Johnson County, Texas, as more fully described in **Exhibit A** to said resolution, for the public use of right-of-way and other public purposes permitted by law, and I further move to adopt Resolution Number 2025-0016, as presented.

Carrie Keeton seconded. This motion received 6 votes in approval and 0 votes opposed. Motion carried.

18. Consideration and action to authorize the Economic Development Director and the City Manager to negotiate and execute the purchase of Project Red-C-1 based on terms discussed in Executive Session.

Motion was made by Lydia Moon and seconded by Kevin Thomas to authorize the Economic Development Director and the City Manager to negotiate and execute the purchase of Project Red-C-1 based on terms discussed in Executive Session.

This motion received 6 votes in approval and 0 votes opposed. Motion carried.

19. Consideration and action to authorize the Economic Development Director and the City Manager to negotiate and execute Project Orange-C-2 based on terms discussed in Executive Session.

Motion was made by Lydia Moon and seconded by Kevin Thomas to authorize the Economic Development Director and the City Manager to negotiate and execute the purchase of Project Orange-C-2 based on terms discussed in Executive Session.

This motion received 6 votes in approval and 0 votes opposed. Motion carried.

20. Consideration and action to authorize the City Manager to negotiate and execute Project Orange-C-3 based on terms discussed in Executive Session.

Motion was made by Lydia Moon and seconded by Kevin Thomas to authorize the Economic Development Director and the City Manager to negotiate and execute the purchase of Project Orange-C-3 based on terms discussed in Executive Session.

This motion received 6 votes in approval and 0 votes opposed. Motion carried.

21. Consideration and action to amend Project Ascend based on terms as discussed in Executive Session.

Motion was made by Lydia Moon and seconded by Kevin Thomas to amend Project Ascend based on terms as discussed in Executive Session.

This motion received 6 votes in approval and 0 votes opposed. Motion carried.

There being no further business, Mayor Wheat adjourned the meeting at 10:55 P.M.

Passed and approved this the 19th day of May, 2025.

Jacob Wheat, Mayor

Respectfully Submitted,

Beth A. Walls, City Secretary/HRD



City Council Meeting Management Report

Meeting Date: 19 May 2025

Contact: Ben Moore, Asst. Chief of Police

Phone: 972-322-6864

AGENDA ITEM:

Consideration and action to install stop signs, establishing a three-way stop at the intersection of N. Friou and E. Patton.

BACKGROUND & FINDINGS:

The Alvarado Police Department has received a citizen complaint regarding the need for a stop intersection on N. Friou and Patton Ave. The concern is between College St. and Patton Ave., N. Friou is a 1-way street but turns into a two-way street North of Patton Ave., and traffic may not notice the do not enter sign before entering the 1-way portion of N. Friou. After reviewing traffic patterns and considering public input, we propose the following modifications:

1. Convert the intersection of N. Friou and Patton Ave from a 2-way stop (with Patton Ave stopping) to a 4-way stop.

The primary goal of this modification is to slow down vehicle traffic along N. Friou Street before entering the one-way portion of N. Friou. This will assist drivers with observing the one-way signs and do-not-enter signs before entering the one-way portion on N. Friou.

To improve roadway safety and reduce the chance of a vehicle driving the wrong way on a 1-way street, we strongly recommend approving this stop sign installation at Patton Ave and N. Friou. Implementing this change will create a safer, more controlled traffic environment, benefiting all road users, including drivers, cyclists, and pedestrians.

RECOMMENDATION:

Recommend approval

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

N/A



City Council Meeting Management Report

Meeting Date: 19 May 2025

Contact: Teddy May, Chief of Police

Phone: 972-921-4412

AGENDA ITEM:

Consideration and action to approve a revised Interlocal Agreement between the City of Alvarado, Texas and Johnson County for the Operation of the Stop the Offender Program (S.T.O.P.) Special Crimes Unit 2024.

BACKGROUND & FINDINGS:

From the update in December for the interlocal agreement:

“The STOP task force has been in operation since 2006. The task force is a partnership between Johnson County, Alvarado, Burleson, Cleburne, and Joshua. The task force was founded to establish cooperation and mutual aid in the investigation, apprehension, and prosecution of persons involved or associated with certain major criminal activities including but not limited to homicide, sexual assault, robbery, and homeland security, as well as activities related to the manufacture, transportation, distribution, sale, transfer or possession of controlled substances and illegal narcotics or other illegal drugs.

Alvarado has always been a part of the task force. The agreement stipulates that each agency provide at least one full-time officer to the task force. Alvarado does not provide an officer due to manpower limitations. In lieu of personnel, Alvarado provides funding in the amount of \$4854.00 yearly to the task force.

The only major change to the agreement is in the Chairman of the board. Under the existing interlocal agreement, the Chairman of the Board is the Johnson County District Attorney. Under the new agreement, the Chairman will be selected by a majority of the Board members. The Board members include: Johnson County District Attorney, the Chief of Police of each PGE, the Johnson County Sheriff, and the Johnson County Attorney.”

The agreement was amended to allow the members to appoint personnel to the task force on an “as available” basis and remain in the partnership.

FINANCIAL IMPACT:

\$4854.00

RECOMMENDATION:

Recommend approval

MANAGEMENT REVIEW:

Teddy May, Chief of Police

ATTACHMENTS:

STOP Interlocal Agreement Amended

Interlocal Agreement for the Operation of the
Stop the Offender Program (S.T.O.P.) Special Crimes Unit
(2025)

1. IDENTITY OF AGREEMENT AND PARTIES

- 1.1 This Agreement is made on the date of the last party's signature to this agreement and is between the County of Johnson, Texas, hereinafter referred to as "County and the following cities pursuant to Chapter 791 of the Texas Government Code.
- 1.2 The City of Alvarado; hereafter referred to as Alvarado;
- 1.3 The City of Burleson; hereafter referred to as Burleson;
- 1.4 The City of Cleburne; hereafter referred to as Cleburne; and
- 1.5 The City of Joshua; hereafter referred to as Joshua
- 1.6 Local Law Enforcement Units as used herein refer to the Police Department of each of the Cities named above or to the Johnson County Sheriff's Office when referring to law enforcement entity of Johnson County.
- 1.7 The Participating Cities when referenced in combination with Johnson County shall be known as the Participating Government Entities or PGEs.
- 1.8 The designated personnel or employees of the PGEs when acting in concert to carry out the purposes of this Agreement shall constitute a special crimes unit or SCU which shall also be known as the Stop the Offender Program unit (S.T.O.P.) or STOP SCU.
- 1.9 Officers or employees whose job assignment is primarily to the STOP SCU may hereafter be referred to Stop the Offender Program or STOP personnel or officers or as Special Crimes Unit Personnel (SCUP) or in the case of sworn officers only, Special Crimes Unit Officers (SCUOs).
- 1.10 This Interlocal Agreement supersedes and replaces the Interlocal Agreement for the operation of the Stop the Offender Program (S.T.O.P.) Special Crimes Unit of October 3, 2006.

2. PREAMBLE

- 2.1 **Whereas,** the Participating Government Entities desire and seek to form an agreement for cooperation and mutual aid in the investigation, apprehension, and prosecution of

persons involved or associated with certain major criminal activities including but not limited to homicide, sexual assault, robbery, and homeland security, as well as activities related to the manufacture, transportation, distribution, sale, transfer or possession of controlled substances and illegal narcotics or other illegal drugs.

- 2.2 **Whereas**, the Johnson County District Attorney's Office will, subject to its exercise of prosecutorial discretion, conduct forfeiture and prosecution proceedings on behalf of the SCU.
- 2.3 **Whereas**, the subject of this Agreement is necessary for the benefit of the public and each party has the legal authority to perform and provide the governmental function or service which is the subject of this Agreement; and
- 2.4 **Whereas**, the County and each Participating Government Entity agree to each accept the responsibility to adhere to all pertinent federal, state and local laws or regulations
- 2.5 **Whereas**, the PGEs firmly believe that the Special Crimes Unit (SCU) is vital to the protection of the health, safety, and wellbeing of the residents of the PGEs. The PGEs desire to create a Special Crimes Unit (SCU) for the purposes set forth herein.
- 2.6 **Whereas**, the parties find that the performance of this Agreement is in the common interest of all the parties and of all the residents of the PGEs.
- 2.7 **Whereas**, the Parties recognize that the investigation of certain crimes and apprehension of certain suspects may present equipment and manpower requirements beyond the capacity of each individual Party; and
- 2.8 **Whereas**, the Office of the District Attorney of Johnson County, Texas and Participating Government Entities named in this Agreement are desirous of entering into an Agreement between the parties regulating the disposition of property and moneys (as defined by law) seized by the SCU pursuant to civil and criminal statutes of the State of Texas; and
- 2.9 **Whereas**, the District Attorney has the duty to represent the State of Texas regarding forfeitures of property pursuant to various civil and criminal statutes; and
- 2.10 **Whereas**, the Parties must confront the threats to public health and safety posed by possible criminal activity capable of causing severe damage to property and danger to life; and
- 2.11 **Whereas**, the governing officials of the parties desire to secure for each Party the benefits of Mutual Aid for the protection of life and property and the investigation of certain criminal activity and the apprehension of suspects; and
- 2.12 **Whereas**, the Parties wish to make suitable arrangements for furnishing Mutual Aid in coping with the investigation of certain criminal activity and the apprehension of suspects and are so authorized to make this Agreement pursuant to Chapter 791, Texas

Government Code (Interlocal Cooperation Act); and Chapter 362, Local Government Code; and

- 2.13 **Whereas**, the Parties recognize that a formal agreement for Mutual Aid would allow for better coordination of effort, would provide that adequate equipment and manpower is available, and would help ensure that Mutual Aid is accomplished in the minimum time possible and with the maximum efficiency, and thus desire to enter into an agreement to provide Mutual Aid.

NOW THEREFORE, for the mutual consideration stated herein the parties agree as follows:

3. MEMBERSHIP

- 3.1 The person designated to control and coordinate the activities of the Special Crimes Unit shall be known as the Special Crimes Unit Commander.
- 3.2 The parties to this Agreement are the PGEs described above.
- 3.3 In order to establish and staff the Johnson County Special Crimes Unit the PGEs will assign and provide the following personnel to the Johnson County Special Crimes Unit subject to available personnel and subject to available funds being budgeted by the PGEs:
- 3.4 Johnson County will provide five (5) or more sworn peace officers and one (1) administrative person.
- 3.5 Alvarado will provide one (1) or more sworn peace officers.
- 3.6 Burleson will provide two (2) or more sworn peace officers and one (1) administrative person.
- 3.7 Cleburne will provide two (2) or more sworn peace officers.
- 3.8 Joshua will provide one (1) or more sworn peace officers.

4. BOARD OF DIRECTORS

- 4.1 The SCU shall be managed by a Board of Directors.
- 4.2 The Board of Directors, hereinafter referred to as the Board shall consist of the following persons:

Johnson County District Attorney
The Chief of Police of each PGE
The Johnson County Sheriff
The Johnson County Attorney

- 4.3 The Chairman of the Board of Directors shall be appointed by a majority of the number of board members making up the entire Board of Directors of the SCU. (EXAMPLE – With a board consisting of 7 members, 4 members would have to vote for the individual to be selected as Chairman).
- 4.4 Each Board member shall have one vote.
- 4.5 Each Board member may be represented at Board meetings by such employee of the Board members office as the Board member may choose to designate.
- 4.6 Any action (other than as described in Section 4.3) by the Board shall require a majority vote of the Board members present at the meeting.
- 4.7 A quorum of the Board members shall be in attendance at a meeting of the Board in order for the Board to take any official action.
- 4.8 The Board may delegate specified functions or actions to the Commander or other Board members or persons.
- 4.9 Any expenditure of funds for a purchase or contract in excess of \$15,000.00 shall be approved by the Board of Directors and by the governing bodies of the PGEs as required by law.
- 4.10 All contracts and purchases shall be made in accordance with Texas Government Code and Local Government Code purchasing and contracting requirements for municipalities and counties.
- 4.11 The SCU Board Chairman shall exercise oversight of the SCU.
- 4.12 Any SCU Board member or their designee may conduct audits of property, assets, or funds at their discretion.
- 4.13 The Chairman shall report any discrepancies or improprieties to the Board of Directors.
- 4.14 Any Board Member or the Commander may call a meeting of the Board of Directors.

5. MANAGEMENT, EQUIPMENT and HOUSING

- 5.1 Johnson County will provide office and storage space through the Johnson County Sheriff's Office including associated utilities, phone lines and, data lines.
- 5.2 The Johnson County Auditor's Office will collect, hold and disburse funds on behalf of the SCU and perform budgetary functions in the same manner as it performs such functions for Johnson County.

- 5.3 The Johnson County Auditor or his designee shall perform annual audits of the property, funds and expenditures of the SCU in the same manner that other County programs or departments are audited. The property, funds and expenditures of the SCU are also subject to independent audit at the Johnson County Auditor's discretion.
- 5.4 The Johnson County Auditor or his designee shall perform unannounced audits of imprest funds at his discretion and report the findings of the audit to the Chairman of the Board.
- 5.5 The Commander of the SCU shall have the authority to make expenditures not to exceed fifteen thousand dollars (\$15,000.00) without obtaining prior approval of the board of the SCU or the PGEs.
- 5.6 All proceeds of asset forfeitures and proceeds resulting from the sale of seized or forfeited assets shall be received by and maintained by the Johnson County Auditor until the SCU Commander requests that specific funds be disbursed for payment of expenses within the annual budget of the SCU, or until a written directive signed by a **majority** of the **board of directors** of the SCU authorizes disbursement of funds to a PGE.
- 5.7 Those administrative and accounting functions not performed by the Johnson County Auditor's Office shall be performed by the administrative personnel assigned to the SCU.
- 5.8 Each agency will provide fuel and maintenance for the automobiles that it contributes to the SCU. However, any PGE may provide and is authorized by all entities adopting this agreement to provide at its discretion and subject to availability of resources, maintenance on the vehicles being utilized by the SCU whether any such vehicle is owned by the PGE providing the maintenance service or some other governmental entity.
- 5.9 The SCU will adopt and utilize record retention schedules and policies aligned with the records retention schedules and policies utilized by the Johnson County Sheriff's Office and as promulgated by the Texas State Library and Archives Commission for local law enforcement entities.

6. BUDGET

- 6.1 A budget for the STOP SCU shall be established and adopted each year in accord with the resources available to the STOP SCU and those made available by the PGEs.

7. CONTRIBUTION AND DISTRIBUTION

- 7.1 SCU personnel will report to duty during the hours specified by the SCU Commander.
- 7.2 Each PGE will compensate the SCU personnel detailed from the PGE to the SCU according to the compensation plan of the PGE for which the respective SCU personnel are employed.

- 7.3 Annually, the SCU Commander shall provide a written evaluation to the PGE from which each of the SCU personnel are detailed concerning the performance of each person detailed to the SCU. This information shall be reflected in the annual evaluation of the individual SCU personnel.
- 7.4 The Commander of the SCU shall be subject to performance review by the Chairman of the Board. The Chairman of the Board shall annually review the performance of the SCU Commander.

8. TRANSFER OF CERTAIN FORMER STOP NARCOTICS TASK FORCE ASSETS

- 8.1 Certain parties to this Agreement were previously participants in a multi-jurisdictional organization known as the STOP Narcotics Task Force.
- 8.2 Said STOP Narcotics Task Force has been dissolved and the activities wound down and assets distributed to the entities which participated in said STOP Narcotic Task Force.
- 8.3 The PGEs who are or were parties to this Agreement assigned assets which were distributed or allocated to such individual governmental entities as a result of the dissolution of the STOP Narcotics Task Force to the use and benefit of the STOP SCU. The Johnson County cities which participated in the S.T.O.P. Narcotics Task Force recognize that such proceeds and equipment (program income) were transferred to and is owned by Johnson County.

9. SELECTION OF STOP SCU COMMANDER

- 9.1 The STOP SCU Commander shall serve at the pleasure of the Board of Directors and shall be selected by a majority vote of the Board.
- 9.2 Any action to dismiss or replace the selected Commander from his duties as STOP SCU Commander shall require a majority vote of the Board.

10. SCU COMMANDER SCOPE OF AUTHORITY

- 10.1 When providing assistance under the terms of this Agreement, the personnel, equipment, and resources of any PGE will be under the operational control of the SCU Commander.
- 10.2 The Commander shall set working hours, place of work, and shall have day to day control of the work activities of the persons assigned to the STOP SCU.
- 10.3 The command and control of investigations and law enforcement activities shall be under the control and supervision of the Commander.

- 10.4 The Commander has the authority to determine whether any equipment being provided by any PGE or any entity which desires to become a PGE is of a type and quality that will benefit the STOP SCU. All such equipment must be in good working order and not in need of immediate maintenance or repair.
- 10.5 All personnel who are assigned to the SCU must meet the fitness and firearms qualifications of their PGE, along with personal character standards established and interpreted by the Commander.
- 10.6 Providing and continuing to provide personnel and equipment that are reasonably satisfactory to the Commander for the purposes set out herein may be a condition of continued participation in the SCU.
- 10.7 The SCU Commander will develop and adopt a manual setting forth standards for the personnel assigned to the SCU. Such assignment to the SCU does not create additional rights of employment and does not make the SCU personnel an employee of any entity other than the one which formally identifies itself as the employer of the person.
- 10.8 The SCU Commander will report to the Chairman of the Board of the SCU.

11. DISTRICT ATTORNEY PARTICIPATION

- 11.1 The District Attorney will diligently pursue all prosecutable forfeiture actions which arise from operations initiated and investigated by the SCU.
- 11.2 Property seized by the SCU under the provisions of law shall remain in the custody of the SCU or subject to the control of the SCU Commander until final disposition of the forfeiture action.
- 11.3 Funds seized by the SCU under the provisions of law may be placed in the custody of the Johnson County Treasurer until final disposition of the forfeiture action, provided such funds are maintained and accounted for separately subject to review by the SCU and the Johnson County Auditor or Chief Financial officer of any PGE.
- 11.4 Upon final disposition of a forfeiture action, all funds, interest accrued, and property attributable to the efforts of the SCU shall be awarded to the SCU for utilization in its continued operation.
- 11.5 All property and funds awarded to the SCU under forfeiture action represent SCU income. These funds shall be added to the funds committed to the project by the PGEs. SCU income (forfeiture, etc.) may be retained by the SCU in an account established by the Johnson County Auditor's Office. The funds may be retained from year to year until such time as they are distributed among the District Attorney's Office and the PGEs pursuant to the terms of this Agreement or such other written agreement for the distribution of funds and property as may be executed by the PGEs. Retained SCU funds must be used for purposes that further the objectives of the Agreement.

- 11.6 Property awarded to the SCU may be sold by the SCU according to the laws governing disposition of seized or forfeited property and the income from such sales shall be classified as SCU income.

12. CONSIDERATION

- 12.1 The consideration for the making of this Agreement is the mutual benefit received in enhanced law enforcement capability of each Participating Governmental Entity and the benefit conferred by each making the contribution of funds and personnel described herein.

13. ALLOCATION OF FUNDS

- 13.1 Any allocation of funds from program income shall be made no more than once annually if a surplus is determined to exist by the Board of Directors.

14. OWNERSHIP OF EQUIPMENT UPON TERMINATION

- 14.1 Upon termination of this Agreement, ownership of equipment, hardware, and other non-expendable items will revert to the PGE which supplied the equipment or the PGE to which it was allocated.

15. DUTIES OF PARTIES

- 15.1 Personnel who are assigned, designated or ordered by their governing body to perform duties pursuant to this Agreement shall continue to receive the same wages, salary, pension, and other compensation and benefits for the performance of such duties, including injury or death benefits, disability payments, and workers' compensation benefits, as though the service had been rendered within the limits of the jurisdiction where the personnel are regularly employed.

16. INSURANCE

- 16.1 WORKERS' COMPENSATION COVERAGE: Each Party shall be responsible for its own actions and those of its employees and is responsible for complying with the Texas Workers' Compensation Act.
- 16.2 GENERAL LIABILITY, PUBLIC OFFICIALS LIABILITY, AND LAW ENFORCEMENT LIABILITY: To the extent permitted by law and without waiving sovereign immunity, each Party shall be responsible for any and all claims, demands, suits, actions, damages, and causes of action related to or arising out of, or in any way connected with, its own actions, and the actions of its personnel in providing services or assistance pursuant to the terms and conditions of this Agreement. Each Party agrees to obtain general liability, public official's liability and law enforcement liability, if applicable, or maintain a comparable self-insurance program.

- 16.3 OTHER COVERAGE: Each PGE shall provide and maintain their standard packages of medical and death benefit insurance coverage, while their personnel are assigned to the SCU.
- 16.4 NO WAIVER: No Party waives or relinquishes any immunity or defense on behalf of itself, its officers, employees and agents as a result of the foregoing sentence or its execution of this Agreement and the performance of the covenants contained herein.

17. MISCELLANEOUS PROVISIONS

- 17.1 This Agreement is made in Texas and shall be construed, interpreted, and governed by the laws of such state. The parties consent to the jurisdiction and venue of the courts of Johnson County, Texas for any action under this agreement.
- 17.2 The expense of any payments or performance required by this Agreement shall come from the current revenues available to the parties; and
- 17.3 By entering into this Agreement the parties do not intend to create any rights or obligations other than those specifically set forth herein and the Agreement shall not create rights in persons not a party to this Agreement.
- 17.4 It is understood that certain Parties may have heretofore contracted, or may hereafter contract with each other, for Mutual Aid in Law Enforcement situations, and it is agreed that, to the extent there is a conflict between this Agreement and any such Mutual Aid agreement, the provisions of this Agreement shall be superior to any such individual contract. Notwithstanding the foregoing, the Parties acknowledge that each Party may also be a party to agreements, similar to this Agreement, with other government entities.
- 17.5 The Parties agree that Mutual Aid, in the context contemplated herein, is a "governmental function and service", and that the Parties are "local governments", as that term is defined herein and in the Interlocal Cooperation Act, Texas Government Code Chapter 791.
- 17.6 If a provision contained in this Agreement is held invalid for any reason, the invalidity does not affect other provisions of the Agreement that can be given effect without the invalid provision, and, to this end, the provisions of this Agreement are severable.
- 17.7 If any current or future legal limitations affect the validity or enforceability of a provision of this Agreement, then the legal limitations are made a part of this Agreement and shall operate to amend this Agreement to the minimum extent necessary to bring this Agreement into conformity with the requirements of the limitations, and, as so modified, this Agreement shall continue in full force and effect.
- 17.8 This Agreement may be amended only by the mutual written consent of the Parties.

- 17.9 Any Party may at any time, by resolution or notice given to all the other Parties, decline to participate in the SCU. The governing body of a Party, which is a signatory hereto, shall, by resolution, give notice of termination of participation in this Agreement and submit a certified copy of such resolution to all parties. Such termination shall become effective not earlier than 30 days after the filing of such notice. The termination by one or more of the Parties of its participation in this Agreement shall not affect the operation of this Agreement, as between the other Parties hereto. Termination of this Agreement as to one party does not cause a dissolution of the SCU, and further; any party withdrawing from the SCU will not be entitled to withdraw any portion or the proceeds or equipment that were derived from the dissolution of the S.T.O.P. Narcotics Task Force from the SCU. Further, any party withdrawing from the SCU will not be entitled to withdraw any portion of the proceeds, property, or equipment that has been seized by, or awarded to, the SCU.
- 17.10 This Agreement is intended to inure only to the benefit of the Parties hereto. This Agreement is not intended to create, nor shall be deemed or construed to create, any rights in third parties.
- 17.11 The headings at the beginning of the various provisions of this Agreement have been included only in order to make it easier to locate the subject covered by each provision, and are not to be used in construing this Agreement.
- 17.12 This Agreement shall become effective as to each Party on the date of execution by all of the PGEs named herein and shall continue in force and remain binding on each and every Party until terminated by the terms of this Agreement.
- 17.13 Each named Participating Governmental Entity, by approval of this Agreement hereby authorizes the persons named as members of the Board of Directors from that City or from Johnson County to act in the capacity as a member of the Board of Directors of the STOP SCU and take such actions as are authorized by law. The County and each named city also delegate such authority and power to the persons constituting the board as may be lawfully delegated and as is necessary and lawful to carry out the provisions of this agreement.
- 17.14 Each Party that performs services or furnishes aid pursuant to this Agreement shall do so with funds available from current revenues of the Party. No Party shall have any liability for the failure to expend funds to provide aid hereunder.
- 17.15 The parties hereto understand and agree that this Agreement does not create an independent political subdivision, corporation or other independent legal entity. This agreement provides a structure for political subdivisions to work together to achieve certain common law enforcement goals.

18. NOTICE

- 18.1 Notice to Johnson County shall be accomplished by delivery to the Johnson County

Judge, Johnson County Judge's Office, Two North Main Street, Cleburne, Texas 76033.

- 18.2 Notice to the Johnson County Sheriff shall be accomplished by delivery of notice via certified mail to the Johnson County Sheriff at 1102 E. Kilpatrick, Cleburne, Texas 76031.
- 18.3 Notice to the City of Cleburne shall be accomplished by delivery of notice via certified mail to the Chief of Police at 302 West Henderson, Cleburne, Texas 76033.
- 18.4 Notice to the City of Burleson shall be accomplished by delivery of notice via certified mail to the Chief of Police at 1161 S.W. Wilshire Blvd., Burleson, Texas 76028.
- 18.5 Notice to the City of Alvarado shall be accomplished by delivery of notice via certified mail to the Chief of Police at 600 S Pkwy Dr., Alvarado, Texas 76009.
- 18.6 Notice to the City of Joshua shall be accomplished by delivery of notice via certified mail to the Chief of Police at 102 S. Main St., Joshua, Texas 76058.
- 18.7 Notice to the District Attorney's Office shall be accomplished by delivery of notice via certified mail to the Johnson County District Attorney, Johnson County District Attorney's Office, Guinn Justice Center, 204 South Buffalo Avenue, Second Floor, Cleburne, Texas 76033.
- 18.8 Notice to the County Attorney's Office shall be accomplished by delivery of notice via certified mail to the Johnson County Attorney, Johnson County Attorney's Office, Guinn Justice Center, 204 South Buffalo Avenue, Fourth Floor, Cleburne, Texas 76033.

19. AUTHORITY TO EXECUTE

- 19.1 This Agreement has been executed by the Parties hereto; each respective entity acting by and through its duly authorized official as required by law; on multiple counterparts, each of which shall be deemed to be an original. The date of execution shall be the date specified on the last of the multiple counterparts executed by the PGEs named herein.
- 19.2 This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding.
- 19.3 This Agreement may be amended or supplemented from time to time by the addition or modification of terms approved by the governing bodies of the entities participating herein.
- 19.4 The Agreement has been officially authorized by the governing or controlling body or agency of each Party hereto by order, ordinance, or resolution, and each signatory to this Agreement guarantees and warrants that the signatory has full authority to execute this

Agreement and to legally bind the respective Party to this Agreement.

- 19.5 The parties hereto recognize and understand that the signature hereon of the Sheriff, District Attorney, County Attorney, and Chiefs of Police of the various cities signifies an agreement to cooperate in attaining the goals of this Agreement and does not represent or purport to represent the authority to bind Johnson County or their respective cities.

EXECUTED IN DUPLICATE ORIGINALS, EACH OF WHICH SHALL HAVE THE FULL FORCE AND EFFECT OF AN ORIGINAL.

JOHNSON COUNTY, TEXAS:

NAME: Christopher Boedeker

Signature: _____
County Judge, Johnson County

DATE: _____

Attest: _____
County Clerk Johnson County

CITY OF ALVARADO:

NAME: Paul DeBuff

Signature: _____
City Manager

DATE: _____

NAME: Teddy May

Signature: _____
Chief of Police

DATE: _____

CITY OF BURLESON:

NAME: Chris Fletcher

Signature: _____
Mayor or City Manager

DATE: _____

NAME: Billy Cordell

Signature: _____
Chief of Police

DATE: _____

CITY OF CLEBURNE:

NAME: Michael Marrero

Signature: _____
Mayor or City Manager

DATE: _____

NAME: Rob Severance

Signature: _____
Chief of Police

DATE: _____

CITY OF JOSHUA:

NAME: Mike Peacock

Signature: _____
Mayor or City Manager

DATE: _____

NAME: Shawn Fullagar

Signature: _____
Chief of Police

DATE: _____

DISTRICT ATTORNEY:

NAME: Tim Good

Signature: _____

DATE: _____

COUNTY ATTORNEY:

NAME: Bill Moore

Signature: _____

DATE: _____

JOHNSON COUNTY SHERIFF:

NAME: Adam King

Signature: _____

DATE: _____



City Council Meeting Management Report

Meeting Date: 19 May 2025

Contact: Tom Gross, Lieutenant

Phone: 682-459-7031

AGENDA ITEM:

Consideration and action to apply for the Motor Vehicle Crime Prevention Authority Senate Bill 224 grant.

BACKGROUND & FINDINGS:

The Alvarado Police Department wishes to apply for the Motor Vehicle Crime Prevention Authority Senate Bill 224 grant. With this grant the Alvarado Police Department aims to purchase 8 license plate readers and 2 PTZ Cameras from Flock. These cameras enhance law enforcement's ability to respond quickly to incidents, assist in locating missing persons, and help solve crimes more efficiently. The technology allows for real-time monitoring, which can be crucial in emergencies. Additionally, the data collected can be invaluable in understanding patterns of crime and developing targeted prevention strategies. This grant fund 80% of the cost and will require a cash match of 20%. The MVCPA grant will cover \$24,000 and the City of Alvarado will cash match \$6,000.

RECOMMENDATION:

Recommend approval

MANAGEMENT REVIEW:

Teddy May, Chief of Police

ATTACHMENTS

Resolution - MVCPA

CITY OF ALVARADO, TEXAS
RESOLUTION NO. R2025-0017

Motor Vehicle Crime Prevention Authority
2025 City of Alvarado Resolution SB
224 Catalytic Converter Grant Program

WHEREAS, under the provisions of the Texas Transportation Code Chapter 1006 and Texas Administrative Code Title 43; Part 3; Chapter 57, entities are eligible to receive grants from the Motor Vehicle Crime Prevention Authority to provide financial support to law enforcement taskforces and agencies for economic motor vehicle theft, including catalytic converter theft; and

WHEREAS, this grant program will assist this jurisdiction to combat catalytic converter theft; and

WHEREAS, the City of Alvarado has agreed that in the event of loss or misuse of the grant funds, the City of Alvarado agrees and assures that the grant funds will be returned in full to the Motor Vehicle Crime Prevention Authority.

NOW THEREFORE, BE IT RESOLVED and ordered that **Chief of Police, Teddy May**, is designated as the Authorized Official to apply for, accept, decline, modify, or cancel the grant application for the Motor Vehicle Crime Prevention Authority Grant Program and all other necessary documents to accept said grant; and

BE IT FURTHER RESOLVED that **Assistant Chief of Police, Ben Moore**, is designated as the Program Director and **Chief Financial Officer, Laura Cox**, is designated as the Financial Officer for this grant.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Alvarado on this 19th day of May, 2025.

Jacob Wheat, Mayor

Grant Number: _____

CENTRAL APPRAISAL DISTRICT OF JOHNSON COUNTY



www.johnsoncad.com

109 North Main Street
Cleburne Texas 76033

Metro (817) 648-3000

April 16, 2025

To: Governing Body of Taxing Unit

We are notifying you of a vacancy due to the resignation of an appointed member. You will have 45 days to nominate candidates to fill the vacancy. Please submit the name(s) of any nominee(s), by resolution adopted by your governing body, to me on or before June 2, 2025.

I will then prepare a ballot listing the candidates, and deliver a copy of the ballot to the Board of Directors at the regularly scheduled meeting in June. The Board of Directors will then determine its vote by resolution to declare the candidate who receives the largest cumulative vote totals, elected.

As you can see, timeliness is very important. Please let me know if you have any questions regarding this matter.

Sincerely,

**Brittany Vereen, RPA
Acting Chief Appraiser**

RESOLUTION R2025-0018

RESOLUTION BY CITY OF ALVARADO, TEXAS, AFFIRMING THE NOMINATION(S) FOR CANDIDATE(S) FOR THE BOARD OF DIRECTORS FOR THE CENTRAL APPRAISAL DISTRICT OF JOHNSON COUNTY, TEXAS.

This is to affirm that the City of Alvarado, Texas, on this the 19th day of May, 2025, did move and approve the following nomination(s). Furthermore, said candidate(s) is(are) eligible for election to the Board of Directors of the Central Appraisal District of Johnson County for the 2025-2026 term.

NOMINATIONS(S) _____

VOTING FOR: _____

VOTING AGAINST: _____

Said resolution was moved and approved on this the 19th day of May, 2025.

Certified by:

Jacob Wheat, Mayor

Attest:

Beth A Walls, City Secretary



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Justin French, Community Development Director

AGENDA ITEM:

Public hearing, consideration and action on the application of Darryl Tucker on behalf of 275 Alvarado LLC represented by Ron Welborn for approval of a zoning change from Agricultural (A) District and Light Manufacturing/Industrial (M-1) District with portions in the Floodplain (FP) Overlay District to Planned Development (PD) District for Garden Home (GH) District uses with portions in the Floodplain (FP) Overlay on approximately 49.85 acres known as a portion of Tracts 20, 21, 22, and 34 of the A. Spiva Survey, A-770, approximately addressed at 804 E. Davis Avenue, with an amendment to the Future Land Use map in the Alvarado Comprehensive Plan, development plan approval and deviations.

BACKGROUND & FINDINGS:

The Future Land Use (FLU) map within the Alvarado Comprehensive Plan designates the developable area of the site's north end as *Industrial/Utility* use and the developable area of site's south end as *Low Density Residential* use, while the area along the tributary through the site is designated as *Floodplain*. Accompanying this rezoning request is a request to amend the site's *Industrial/Utility* and *Low Density Residential* areas on FLU map to *Medium Density Residential* use; which generally includes single-family detached residences at approximately eight to ten dwelling units per acre. The developer proposes 137 residences on 12.6 acres, which is 10.87 dwelling units per acre. The developer also proposes approximately 28.48 acres of open space and recreational areas and continuation of the existing gas well lease pad at the far north end of the site. The requested rezoning and development plan are not consistent with recent trends in favor of *Low Density Residential*; however, the small-lot garden-style homes encourages a mix of housing options for all stages of life, which is a stated goal of the comprehensive plan. In addition, the parkland dedication proposed is generally consistent with the Parks Plan Update provided in the comprehensive plan, which proposes a future trail along the tributary onsite.

FINANCIAL IMPACT: None.

RECOMMENDATION:

On May 15, 2025, the Planning and Zoning Commission by a vote 3-0 recommended City Council approve the applicant's request to amend the Future Land Use map in the Comprehensive Plan in favor of Medium Density Residential and rezone the subject site to the PD District for GH District uses with portions in the FP Overlay District, and with concept plan approval that deviates the minimum lot width to 35 feet, the minimum lot depth to 90 feet, the minimum side yard setback to 5 feet opposite a zero setback, and the minimum principal dwelling size to 1,200 square feet.

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

Application	Zoning Map	Notices
Map	PD and GH District Quick References	Proposed Ordinance 2025-____
Future Land Use Map	Property Owner Notice List	

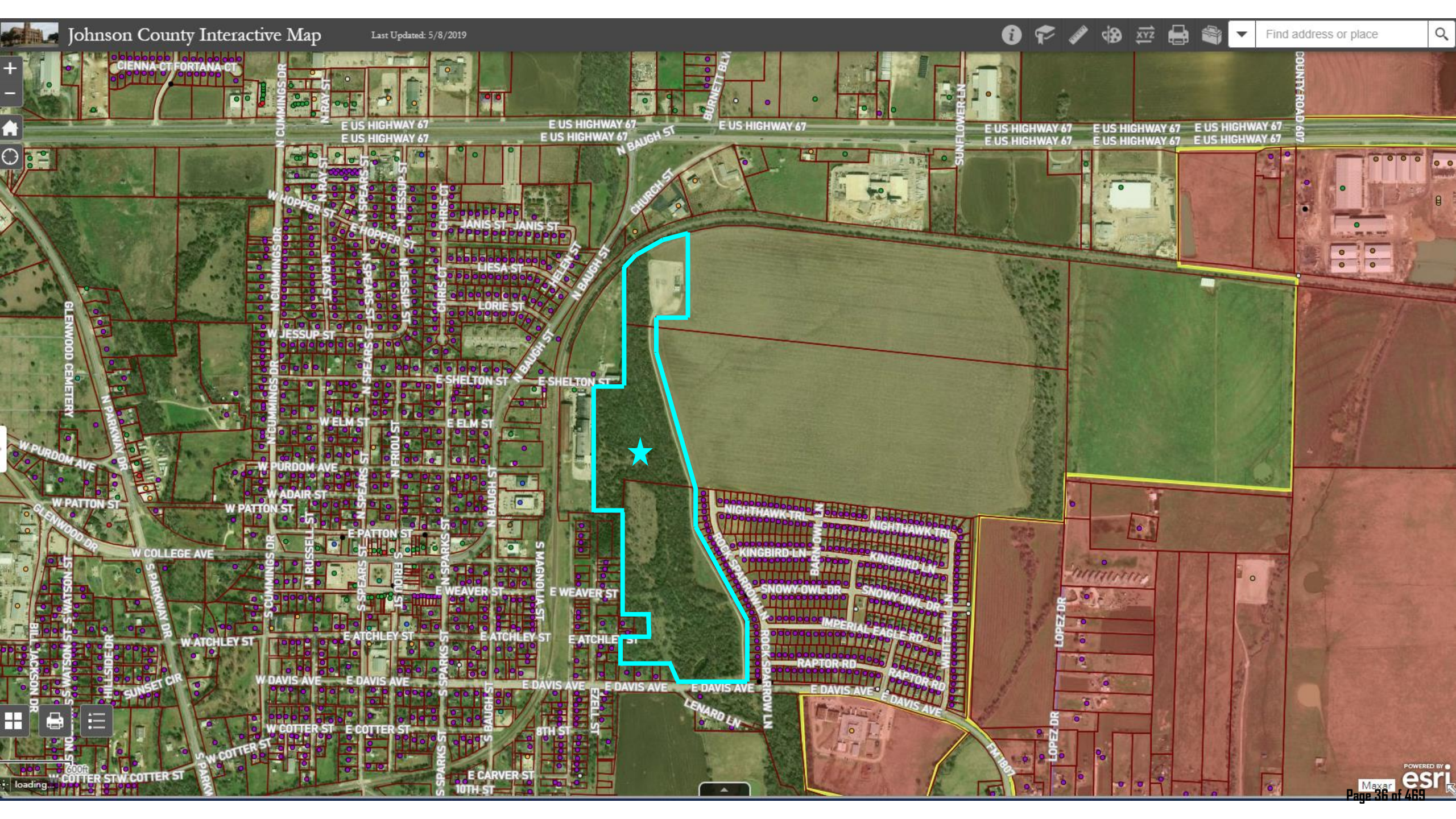


Figure 18. Future Land Use Current

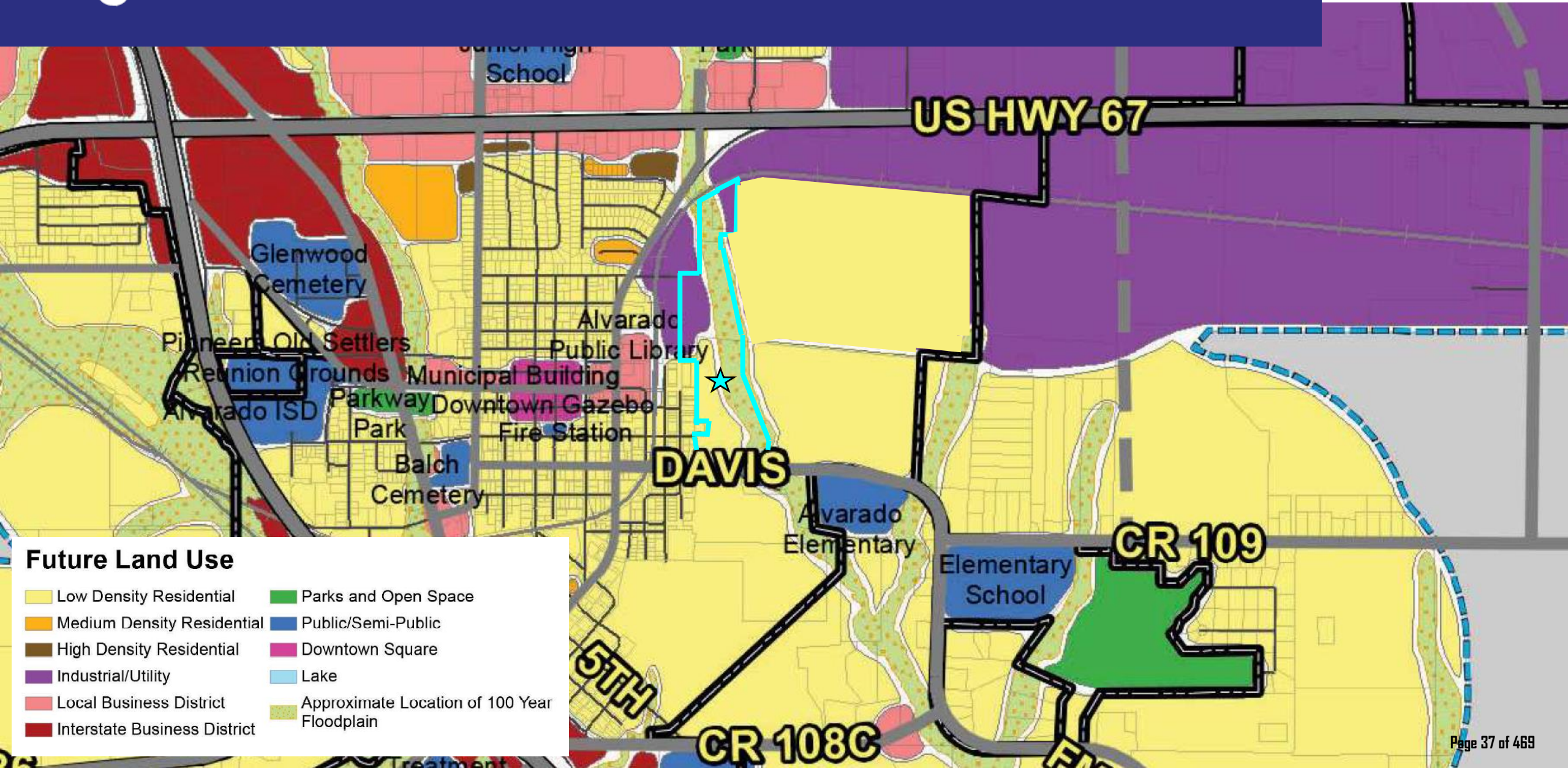
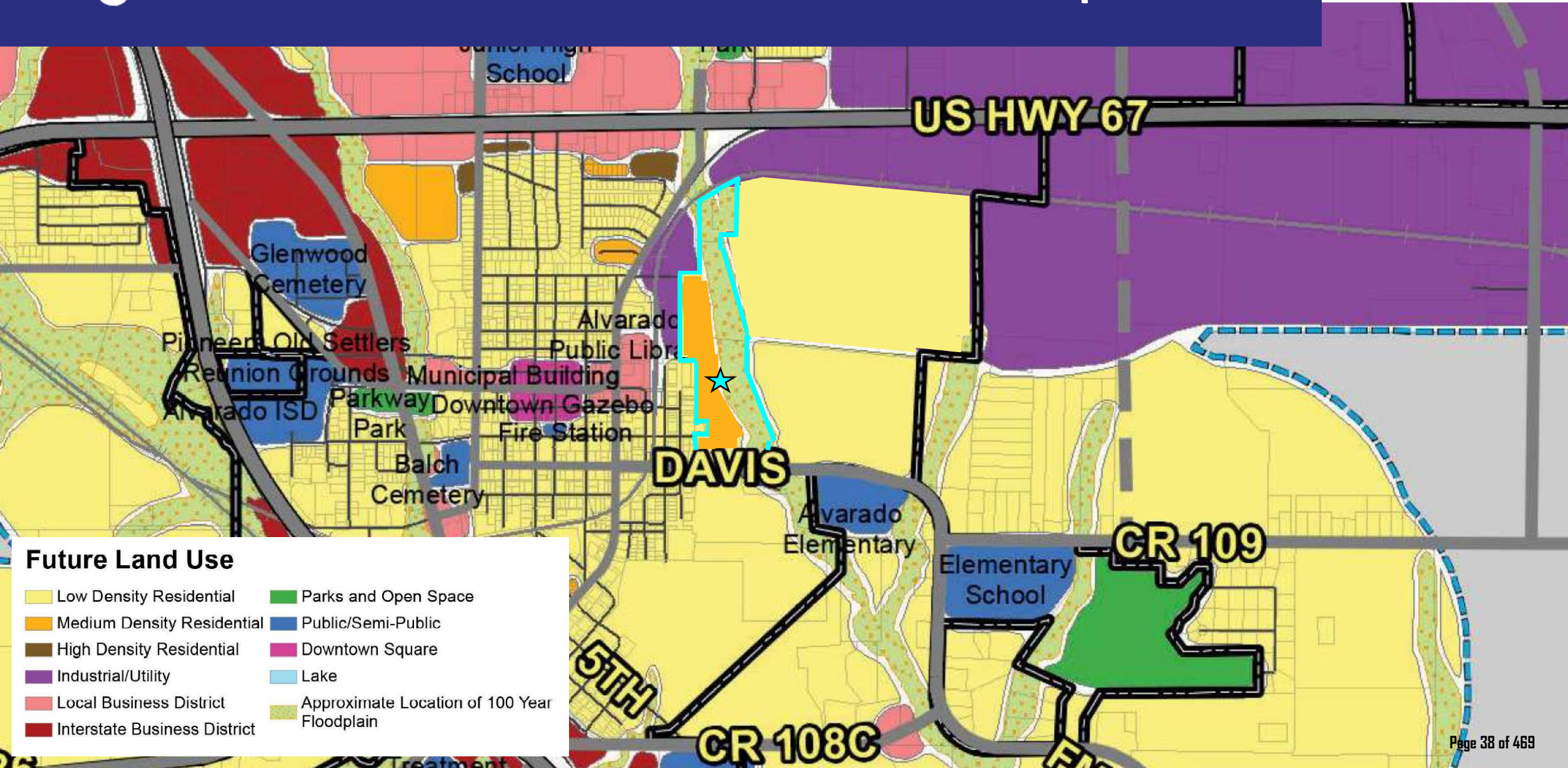
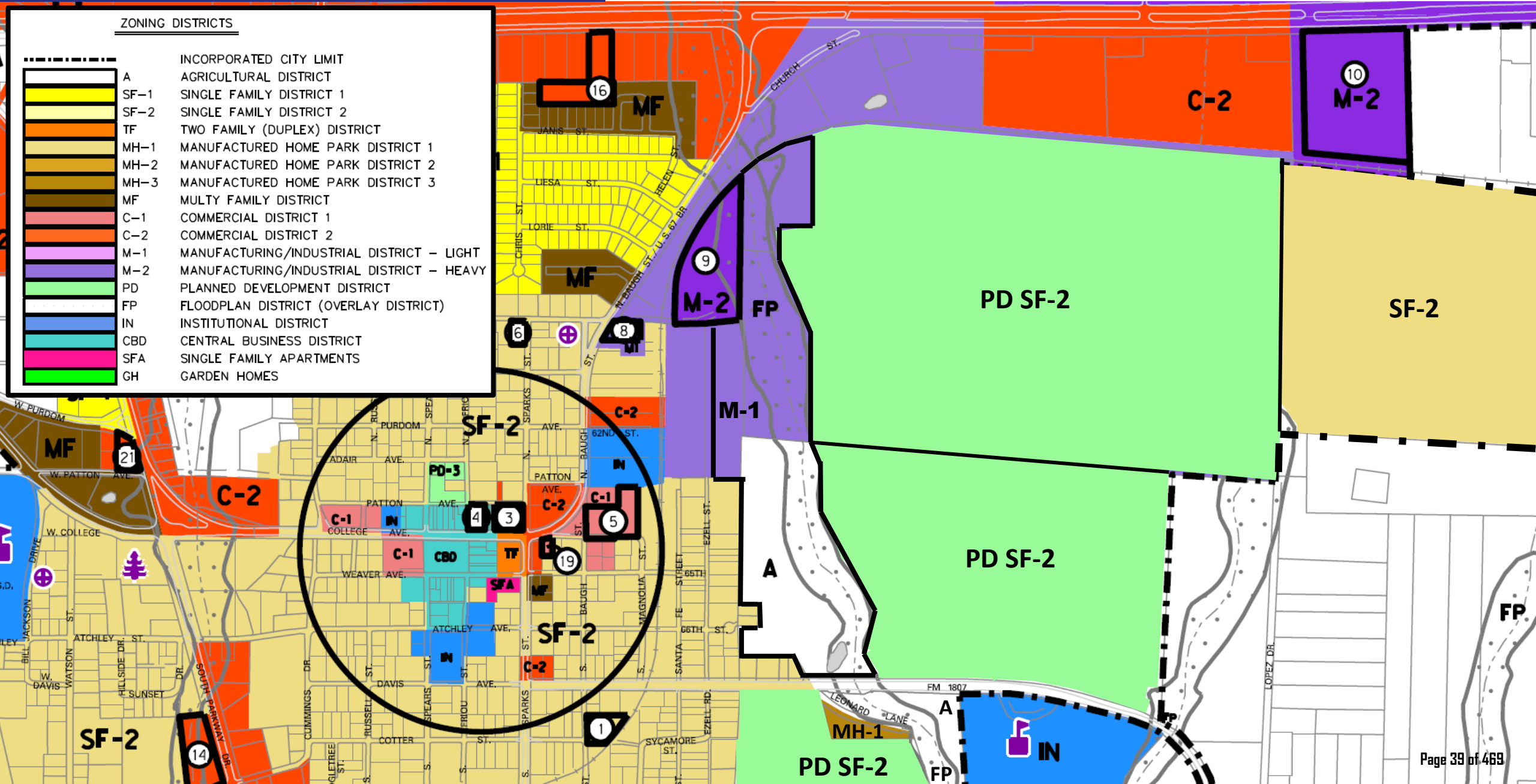


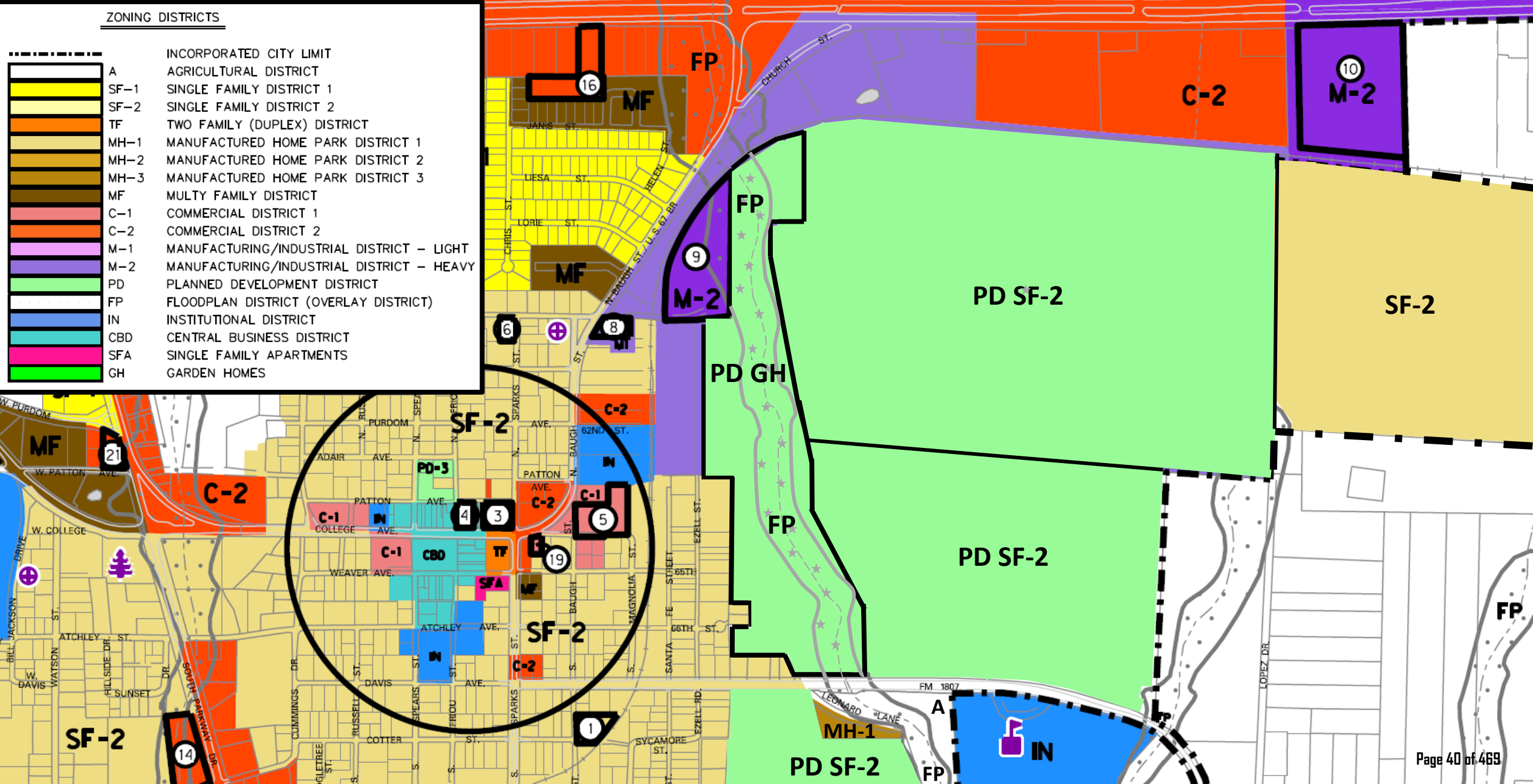
Figure 18. Future Land Use Proposed



Current Zoning Map



Zoning Map with Proposed Amendment





City of Alvarado Texas

ZONING CHANGE

Office Use Only

Clerk: _____ Project#: _____

Fee: \$ _____

Date Pd: _____ Check# or Cash: _____

Receipt#: _____ Received by: _____

SELECT APPLICATION TYPE

☐ Zoning Change

☐ Specific Use Permit

☒ Planned Development

DEVELOPMENT

Project Address 804 E Davis Ave, Alvarado, Texas

Project Name The Hillcrest at Alvarado

Legal Description ABST 770TR20,22, 34 A SPIVA Acreage 49.85

Current Zoning A Proposed Zoning PD

Current Use AGRICULTURE Proposed Use RESIDENTIAL

Adjacent Property Use: N MF S SF2 E PD W SF2

OWNER INFORMATION

Company/Name 275 ALVARADO LLC

Contact Name RON WELBORN

Address 11701 S FWY City BURLESON State TX Zip _____

Phone 817-808-7767 Email _____

For additional owners, please include additional copies of this page. The property owner MUST sign the application or submit a notarized letter of authorization.

REPRESENTATIVE/AGENT INFORMATION

DARRYL TUCKER

Company _____ Contact Name _____

Address 3672 Jefferson Dr City Frisco State Tx Zip 75034

Phone 720-630-0309 Email d_tucker@hotmail.com

CERTIFICATION

I certify that the above information is correct and complete to the best of my knowledge and ability, and that I will be fully prepared to present the proposal at a Planning and Zoning Commission and City Council public hearing. I reserve the right to withdraw this proposal at any time by filing a written request with the Planning and Development Services Department.

[Signature]
Owner Signature

3/14/25
Date

275 Alvarado, LLC
Owner Name (Print)

Agent Signature

Date

Agent Name (Print)

Alvarado Address	Owner within 200 Feet	Mailing Address	City	St	Zip Code	PID
711 E. Davis Ave	Zaddie Bell Hemphill	PO Box 742	Alvarado	TX	76009	126.0770.01620
709 E. Davis Ave	T.J. & Denise Miller	PO Box 316	Joshua	TX	76058	126.0770.01670
707 E. Davis Ave	Arferro Investments LLC	7104 Monterrey Dr.	Fort Worth	TX	76112	126.0770.01640
705 E. Davis Ave	Ashley Luttrell Etvir Travis	705 E. Davis Ave	Alvarado	TX	76009	126.2431.14291
703 E. Davis Ave	Zaddie Bell Hemphill	PO Box 742	Alvarado	TX	76009	126.2431.14290
701 E. Davis Ave	George and Latreice Cole	701 E. Davis	Alvarado	TX	76009	126.2431.14300
403 Ezell St	Maximilian Schmidt	403 Ezell St	Alvarado	TX	76009	126.2431.14280
403 Ezell St	Maximilian Schmidt	403 Ezell St	Alvarado	TX	76009	126.2431.14275
700 E. Atchley St	Hazel Lee Holbert	700 E. Atchley	Alvarado	TX	76009	126.2431.14260
401 Ezell St	Miguel Martinez	4509 Sunshine Ln	Alvarado	TX	76009	126.2431.14270
703 E. Atchley St	Moses Cephus Etux	PO Box 210	Alvarado	TX	76009	126.0770.00140
701 E. Atchley St	Jo Ann Wilcox	PO Box 980	Alvarado	TX	76009	126.0770.01680
305 Ezell St	Zaddie Bell Hemphill	PO Box 742	Alvarado	TX	76009	126.2431.14150
303 Ezell St	Barbara Ann Grant	907 Sparks Street #909	Alvarado	TX	76009	126.2431.14120
301 Ezell St	Anthony Byrd & Rachel King	301 Ezell St	Alvarado	TX	76009	126.2431.14100
207 Ezell St	Armando Ramirez	12372 Silver Mist Trl	Burleson	TX	76028	126.2431.13990
205 Ezell St	Kleinert Parker James Etux Mattie Jaye	205 Ezell St	Alvarado	TX	76009	126.2431.13970
203 Ezell St	Koch Patricia Etvir	203 Ezell St	Alvarado	TX	76009	126.2431.13955
201 Ezell St	Losawyer Kolton Etux Alexis N.	201 Ezell St	Alvarado	TX	76009	126.2431.13950
201B Ezell St	Brown Bennie & Gracie Norwood Estate &	PO Box 19456	Los Angeles	CA	90019	126.2431.13840
205 Santa Fe St	CM Jackson Enterprises LLC	7300 Hinton Dr	Mansfield	TX	76063	126.2431.12121
201 Santa Fe St	Sherman Stevenson	PO Box 182	Alvarado	TX	76009	126.2431.12120
502 E. Shelton St	I & H Management Co LLC	502 E. Shelton	Alvarado	TX	76009	126.2431.11900
404 E. Shelton St	I & H Management Co LLC	502 E. Shelton	Alvarado	TX	76009	126.0737.00030
504 N. Baugh St	Gonzales Mario A. & Martha Alejandra	8300 Marianna Way	Alvarado	TX	76009	126.3837.00020
900 Church St	Fundamental Baptist Church of Alvarado	PO Box 472	Alvarado	TX	76009	126.2354.00010
902 Church St	Fundamental Baptist Church of Alvarado	PO Box 472	Alvarado	TX	76009	126.2354.00020
908 Church St	Texas Conference Association	PO Box 800	Alvarado	TX	76009	126.3978.01010
347 Rock Sparrow Ln	HMH Eagle Glen Land LLC	1038 Texan Trl	Grapevine	TX	76051	126.0770.00895
347 Rock Sparrow Ln	HMH Eagle Glen Land LLC	1038 Texan Trl	Grapevine	TX	76051	126.0770.00485
104 Lenard Ln	Jesse Charles & Nina Lenard	102 Lenard Ln	Alvarado	TX	76009	126.0770.01390
703 Santa Fe	Bloomfield Homes LP	1050 E. Hwy 114, Ste 210	Southlake	TX	76092	126.0770.00260
101 Rock Sparrow Ln	Eagle Glen Homeowners Assoc Inc.	2425 N. Central Expwy, Ste 500	Richardson	TX	75080	126.2190.20002
105 Rock Sparrow Ln	Bloomfield Homes LP	1900 W. Kirkwood Blvd Ste 2300 B	Southlake	TX	76092	126.2190.21202
109 Rock Sparrow Ln	Bloomfield Homes LP	1900 W. Kirkwood Blvd Ste 2300 B	Southlake	TX	76092	126.2190.21203
113 Rock Sparrow Ln	Bloomfield Homes LP	1900 W. Kirkwood Blvd Ste 2300 B	Southlake	TX	76092	126.2190.21204
117 Rock Sparrow Ln	Walton Johnson V Etux Christopher	117 Rock Sparrow Ln	Alvarado	TX	76009	126.2190.21205
121 Rock Sparrow Ln	Cox Gordon R & Jan Revocable Living Trust Jan Rutledge Cox Trustee	121 Rock Sparrow Ln	Alvarado	TX	76009	126.2190.21206
125 Rock Sparrow Ln	Canas Samuel Ricardo Etux Adriana	125 Rock Sparrow Ln	Alvarado	TX	76009	126.2190.21207
129 Rock Sparrow Ln	John W Jenkins II Etux Deborah S.	129 Rock Sparrow Ln	Alvarado	TX	76009	126.2190.21208
201 Rock Sparrow Ln	Bloomfield Homes LP	1900 W. Kirkwood Blvd Ste 2300 B	Southlake	TX	76092	126.2190.21209
205 Rock Sparrow Ln	Bloomfield Homes LP	1900 W. Kirkwood Blvd Ste 2300 B	Southlake	TX	76092	126.2190.21210
209 Rock Sparrow Ln	Bloomfield Homes LP	1900 W. Kirkwood Blvd Ste 2300 B	Southlake	TX	76092	126.2190.21211
213 Rock Sparrow Ln	Emmanuel Ugbaja Etux Ifeoma	2103 Rock Sparrow Ln	Alvarado	TX	76009	126.2190.21212
217 Rock Sparrow Ln	Bloomfield Homes LP	1900 W. Kirkwood Blvd Ste 2300 B	Southlake	TX	76092	126.2190.21213

219 Rock Sparrow Ln Eagle Glen Homeowners Assoc Inc.
221 Rock Sparrow Ln Bloomfield Homes LP
225 Rock Sparrow Ln Jack Anderson Etux Katalina
229 Rock Sparrow Ln Richard Dalton II Etux Raylee Grimes
233 Rock Sparrow Ln Cardenas Leonardo Etux Laura
237 Rock Sparrow Ln Homero B. Perez & Maria Clara Perez
241 Rock Sparrow Ln Kimisha Kyrie Sanchez Etvir Miguel Angel Munoz Sanchez
301 Rock Sparrow Ln Bloomfield Homes LP
305 Rock Sparrow Ln Bloomfield Homes LP
309 Rock Sparrow Ln Thomas N. Boenisch Etux Barbara
313 Rock Sparrow Ln Sierra Ashton Lisk Etvir Vincent Greg Patrick Hernandez
317 Rock Sparrow Ln Landon Cameron J. Etux Taylor R. Quiring
321 Rock Sparrow Ln Garay David & Murillo Amy
325 Rock Sparrow Ln Borja Hunter Allen & Borja Revocable TST
329 Rock Sparrow Ln Kirsten Vail Etvir Cameron
333 Rock Sparrow Ln Elizabeth G. Rosales Etvir Carlos H.
337 Rock Sparrow Ln McDowra Mallory R. Kirkhart Etvir Joseph K. Kirkhart
341 Rock Sparrow Ln Estrello Mark Etux Karla
345 Rock Sparrow Ln Austin Mattie Etvir Matthew
1001 Nighthawk Trl Chesnut Gary R. & Shelby K Rev Family Trust Shelby K Chestnut Trustee
1000 Nighthawk Trl Smith Shontiera & Prince Nyadu
1008 Nighthawk Trl Santos Elizabeth Etvir Vincent Aguilar
901 Kingbird Ln Vicencio Rodolfo Alberto Jr. Etux Lizeth Rosas Velazquez
900 Kingbird Ln David A. Debose Etux Jennifer G.
1001 Snowy Owl Dr Bloomfield Homes LP
1000 Snowy Owl Dr Bloomfield Homes LP
901 Imperial Eagle Dr MC Clendon Alyssa Janine Etvir Khalil Amin Ibrahim
900 Imperial Eagle Dr Cox Wardle Sara
1001 Raptor Rd Dubose Model Home Investors 207 LP
1000 Raptor Rd Bloomfield Homes LP
100 Sunflower Ln Eagle Glen Homeowners Assoc Inc.

2425 N. Central Expwy, Ste 500 Richardson TX 75080 126.2190.20003
1900 W. Kirkwood Blvd Ste 2300 B Southlake TX 76092 126.2190.21215
225 Wock Sparrow Ln Alvarado TX 76009 126.2190.21216
229 Rock Sparrow Ln Alvarado TX 76009 126.2190.21217
233 Rock Sparrow Ln Alvarado TX 76009 126.2190.21218
237 Rock Sparrow Ln Alvarado TX 76009 126.2190.24249
241 Rock Sparrow Ln Alvarado TX 76009 126.2190.21220
1900 W. Kirkwood Blvd Ste 2300 B Southlake TX 76092 126.2190.21221
1900 W. Kirkwood Blvd Ste 2300 B Southlake TX 76092 126.2190.21222
309 Rock Sparrow Ln Alvarado TX 76009 126.2190.21223
313 Rock Sparrow Ln Alvarado TX 76009 126.2190.21224
317 Rock Sparrow Ln Alvarado TX 76092 126.2190.21225
321 Rock Sparrow Ln Alvarado TX 76009 126.2190.21226
325 Rock Sparrow Ln Alvarado TX 76009 126.2190.21227
329 Rock Sparrow Ln Alvarado TX 76009 126.2190.21228
333 Rock Sparrow Ln Alvarado TX 76009 126.2190.21229
337 Rock Sparrow Ln Alvarado TX 76009 126.2190.21230
341 Rock Sparrow Ln Alvarado TX 76009 126.2190.21231
345 Rock Sparrow Ln Alvarado Tx 76009 126.2190.21232
1001 Nighthawk Trl Alvarado TX 76009 126.2190.21324
1000 Nighthawk Trl Alvarado TX 76009 126.2190.21001
1008 Nighthawk Trl Alvarado TX 76009 126.2190.21002
901 Kingbird Ln Alvarado TX 76009 126.2190.21028
900 Kingbird Ln Alvarado TX 76009 126.2190.20817
1900 W. Kirkwood Blvd Ste 2300 B Southlake TX 76092 126.2190.20818
1900 W. Kirkwood Blvd Ste 2300 B Southlake TX 76092 126.2190.20601
901 Imperial Eagle Rd Alvarado TX 76009 126.2190.20624
900 Imperial Eagle Rd Alvarado TX 76009 126.2190.20318
6605 Cypresswood Dr, Ste 430 Spring TX 77379 126.2190.20319
1900 W. Kirkwood Blvd Ste 2300 B Southlake TX 76092 126.2190.20116
2425 N. Central Expwy, Ste 500 Richardson TX 75080 126.2190.20001

Owner, Applicant, ISD		Mailing Address	City	St	Zip Code
275 Alvarado LLC	Owner	11701 South Fwy	Burleson	TX	76028
Alvarado ISD	ISD	PO Box 387	Alvarado	TX	76009



City of Alvarado
104 W. College Ave. Alvarado, TX 76009
817-790-3351 ♦ www.cityofalvarado.org

April 30, 2025

Dear Property Owner,

The City of Alvarado has received the request made by 275 Alvarado LLC represented by Ron Welborn for approval of a zoning change from Agricultural (A) District and Light Manufacturing/Industrial District (M-1) with portions in the Floodplain (FP) Overlay to Planned Development (PD) District for Garden Home (GH) District uses with portion in the Floodplain (FP) Overlay on 49.85 acres known as a portion of Tracts 20, 21, 22, and 34 of the A. Spiva Survey, A-770, approximately addressed at 804 E. Davis Avenue, with an amendment to the Future Land Use map in the Alvarado Comprehensive Plan and with concept plan approval and deviations. This development is anticipated to yield 137 residencies.

NOTICE OF HEARING BEFORE PLANNING AND ZONING COMMISSION

Notice is hereby given that a public hearing will be held before the Planning and Zoning Commission of the City of Alvarado on Thursday, the 15th day of May 2025, in the Council Chambers, 104 W. College Avenue, at 6:30p.m. regarding this request. The Planning and Zoning Commission will forward a recommendation to the City Council.

NOTICE OF HEARING BEFORE CITY COUNCIL

Notice is hereby given that a public hearing will be held by the City Council of the City of Alvarado on Monday, the 19th day of May 2025, in the Council Chambers, 104 W. College Avenue, at 6:30 p.m., regarding this request.

According to City and County Tax Records, you are the owner of property which is located within two hundred (200) feet of the area of the requested zoning change. This is notice of the public hearings, at which any interested persons will be given an opportunity to be heard. In hearing this matter, the Planning and Zoning Commission and City Council may approve the request as submitted, may approve an amended request, or may deny the request. For more information on the Comprehensive Plan, its land use classifications and its role in the planning and zoning process, you may contact the Community Development Director at 817.240.9585, or via email below.

Sincerely,

Justin French, AICP
Community Development Director
City of Alvarado
frenchj@cityofalvarado.org



City of Alvarado
104 W. College Ave. Alvarado, TX 76009
817-790-3351 ♦ www.cityofalvarado.org

April 29, 2025

Darryl Tucker
3672 Jefferson Drive
Frisco, TX 75034
720.630.0309
d_tucker@hotmail.com

The City of Alvarado has received your request for approval of a zoning change from Agricultural (A) District and Light Manufacturing/Industrial District (M-1) with portions in the Floodplain (FP) Overlay to Planned Development (PD) District for Garden Home (GH) District uses with portion in the Floodplain (FP) Overlay on 49.85 acres known as a portion of Tracts 20, 21, 22, and 34 of the A. Spiva Survey, A-770, approximately addressed at 804 E. Davis Avenue, with an amendment to the Future Land Use map in the Alvarado Comprehensive Plan and with concept plan approval and deviations.

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Sincerely,

Justin French, AICP
Community Development Director
City of Alvarado
frenchj@cityofalvarado.org



City of Alvarado
104 W. College Ave. Alvarado, TX 76009
817-790-3351 ♦ www.cityofalvarado.org

April 29, 2025

275 Alvarado, LLC
Attn: Ron Welborn
11701 South Fwy
Burleson, TX 76028

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Justin French, AICP
Community Development Director
City of Alvarado
frenchj@cityofalvarado.org



City of Alvarado
104 W. College Ave. Alvarado, TX 76009
817-790-3351 ♦ www.cityofalvarado.org

April 29, 2025

Dear Dr. Kenneth Estes,

The City of Alvarado has received the request made by 275 Alvarado LLC represented by Ron Welborn for approval of a zoning change from Agricultural (A) District and Light Manufacturing/Industrial District (M-1) with portions in the Floodplain (FP) Overlay to Planned Development (PD) District for Garden Home (GH) District uses with portion in the Floodplain (FP) Overlay on 49.85 acres known as a portion of Tracts 20, 21, 22, and 34 of the A. Spiva Survey, A-770, approximately addressed at 804 E. Davis Avenue, with an amendment to the Future Land Use map in the Alvarado Comprehensive Plan and with concept plan approval and deviations. This development is anticipated to yield 137 residencies.

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This notice is provided in accordance with Section 211.007(c-1) of the Texas Local Government Code. This is notice of the public hearings, at which any interested persons will be given an opportunity to be heard. In hearing this matter, the Planning and Zoning Commission and City Council may approve the request as submitted, may approve an amended request, or may deny the request. For more information on the Comprehensive Plan, its land use classifications and its role in the planning and zoning process, you may contact the Community Development Director at 817.240.9585, or at frenchj@cityofalvarado.org.

Sincerely,

Justin French, AICP
Community Development Director
City of Alvarado
frenchj@cityofalvarado.org

Sec. 42-35. PD planned development district.

- (a) *Purpose.* The PD district is intended to permit flexibility and encourage a more creative, efficient, and aesthetically desirable design and placement of buildings, open spaces and circulation patterns, and to best utilize special site features such as topography, size and shape. It is intended that the flexibility permitted by this zoning category extends to discretionary approval, in conjunction with development plan review, not limited to, but including such requirements as those relating to parking, building setbacks, square footage of buildings and structures, protective screening, sign placement, and other specifications in order to achieve the purposes and objectives stated in conformance with good planning practices. The PD district allows for combining and mixing of uses allowed in various zoning districts with appropriate regulations to govern the development of specific sites. The PD district may be a prefix to other zoning districts or a separate zoning district approved for a particular development.
- (b) *Permitted uses.* The city council may approve any use or combination of uses in a PD district that are proposed to be developed under development controlled conditions designed to assure quality development and meet the purposes and requirements of this section. The uses may be for an entire of class of uses such as general retail or for specific types of uses such as restaurants. In reviewing an application for a PD district, the planning and zoning commission shall consider the nature and described performance of the proposed use and shall transmit its findings and recommendations to the city council.
- (c) *Development standards.*
 - (1) Development standards for each separate PD district shall be set forth in the ordinance granting the PD district and may include but shall not be limited to uses, density, lot area, lot width, lot depth, yard depths and widths, building height, building elevations, coverage, floor area ratio, parking, access, screening, landscaping, accessory buildings, signs, lighting, management associations, and other requirements as the city council may deem appropriate.
 - (2) When a PD district is approved as a prefix to another zoning district, the particular district to which uses specified in the PD are most similar shall be stated in the granting ordinance. All PD applications shall list all requested variances from the standard requirements set forth throughout this chapter.
 - (3) The ordinance granting a PD district shall include a statement as to the purpose and intent of the PD granted therein. A specific list is required of variances in each district and a general statement citing the reason for the PD request.
 - (4) The PD district shall conform to all other sections of this chapter, unless specifically exempted in the granting ordinance.
- (d) *Conceptual and development plans.* In establishing a PD district, the city council shall approve as part of the granting ordinance appropriate plans and standards for each PD district. During the review and public hearing process, the city council shall require a conceptual plan and a development plan (or detailed site plan).
 - (1) *Conceptual plan.* This plan shall be submitted by the applicant. The plan shall show the applicant's intent for the use of the land within the proposed planned development district in a graphic manner and shall be supported by written documentation of proposals and standards for development.
 - a. A conceptual plan for residential land use shall show general use, streets, and preliminary plotting arrangements. For residential development which does not propose platted lots, the conceptual plan shall set forth the size, type, and location of buildings and building sites, access, density, building height, fire lanes, screening, parking areas, landscaped areas, and other pertinent development data.

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- b. A conceptual plan for uses other than residential uses shall set forth the land use proposals in a manner to adequately illustrate the type and nature of the proposed development. Data which may be submitted by the applicant, or required by the city council, may include but is not limited to the types of use, topography, and boundary of the PD area, physical features of the site, existing streets, alleys, and easements, location of future public facilities, building heights and locations, parking ratios, and other information to adequately describe the proposed development and to provide data for approval which is to be used in drafting the final development plan.
 - c. After approval of a conceptual plan by the city council, changes of detail which do not alter the basic relationship of the proposed development to adjacent property and which do not alter the uses permitted or increase the density, building height, or coverage of the site and which do not decrease the off-street parking ratio, reduce the yards provided at the boundary of the site, or significantly alter the landscape plans as indicated on the approved conceptual plan may be authorized by the zoning administrator. If an agreement cannot be reached regarding whether or not a detail site plan conforms to the original concept plan, the city council shall determine the conformity.
- (2) *Development plan or detailed site plan.* This plan shall set forth the final plans for development of the planned development district and shall conform to the data presented and approved on the conceptual plan. Approval of the development plan shall be the basis for issuance of a building permit. The development plan may be submitted for the total area of the PD or for any section or part as approved on the conceptual plan. The development plan must be approved by the city council after a recommendation of the planning and zoning commission. A public hearing on approval of the development plan shall be required at the council level, unless such a hearing is waived pursuant to section 42-56 at the time of conceptual plan approval in the original granting ordinance. The development plan shall include:
- a. A site inventory analysis including a scale drawing showing existing vegetation, natural watercourses, creeks or bodies of water, and an analysis of planned changes in such natural features as a result of the development. This should include a delineation of any flood prone areas.
 - b. A scale drawing showing any proposed public or private streets and alleys; building sites or lots; and areas reserved as parks, parkways, playgrounds, utility easements, school sites, street widening and street changes; the points of ingress and egress from existing streets; general location and description of existing and proposed utility services, including size of water and sewer mains; the location and width for all curb cuts and the land area of all abutting sites and the zoning classification thereof on an accurate survey of the tract with the topographical contour interval of not more than five feet.
 - c. A site plan for proposed building complexes showing the location of separate buildings, and between buildings and property lines, street lines, and alley lines. Also to be included on the site plan is a plan showing the arrangement and provision of off-street parking.
 - d. A landscape plan showing screening walls, ornamental planting, wooded areas, and trees to be planted.
 - e. An architectural plan showing elevations and signage style to be used throughout the development in all districts except single-family and two-family may be required by the city council if deemed appropriate. Any or all of the required information may be incorporated on a single drawing if such drawing is clear and can be evaluated by the building official or his designated representative.

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- (3) *Procedure for establishment.* The procedure for establishing a PD district shall follow the procedure for zoning amendments as set forth in section 42-96. This procedure is expanded as follows for approval of conceptual and development plans.
- a. An application for a PD district shall be made to the planning and zoning commission in the same manner as an application for a zoning change. The application shall include and be accompanied by a conceptual plan.
 - b. Separate public hearings shall be held by the planning and zoning commission and city council for the approval of the conceptual plan and the development plan, or any section of the development plan, unless such requirement is waived by the city council upon a determination that a single public hearing is adequate. A single public hearing is adequate when:
 1. The applicant submits adequate data with the request for the PD district to fulfill the requirements for both plans; or
 2. Information on the concept plan is sufficient to determine the appropriate use of the land and the detail site plan will not deviate substantially from it; and
 3. The requirement is waived at the time the granting ordinance is approved. If the requirement is waived, the conditions shall be specifically stated in the granting ordinance.
 - c. The ordinance establishing the planned development district shall not be approved until the conceptual plan is approved. The conceptual plan shall become a part of the granting ordinance.
 - d. The development plan may be approved in sections. When the plan is approved in sections, the separate approvals by the planning and zoning commission and city council for the initial and subsequent sections will be required.
 - e. An initial development plan shall be submitted for approval within six months from the approval of the PD ordinance. If the development plan is not submitted within six months, the conceptual plan is subject to reapproval by the city council. If the entire project is not completed within two years, the city council may review the original conceptual plan to ensure its continued validity.
 - e. Regardless of whether the public hearing is waived for the development plan, approval by the city council is still required.
- (e) *Written report may be required.* When a PD is being considered, a written report may be requested of the applicant discussing the impact on planning, engineering, water utilities, electric, sanitation, building inspection, tax, police, fire, and traffic. Written comments from the applicable public school district and from private utilities may be submitted to the city council.
- (f) *Planned developments to be recorded.* All PD districts approved in accordance with the provisions of this chapter shall be referenced on the zoning map, and a list of such PD districts, together with the category of uses permitted therein, shall be maintained in an appendix attached to the zoning ordinance from which this division is derived.

(Ord. No. 2015-005, § 1, 4-20-2015)

Sec. 42-23. GH garden home district.

- (a) *Purpose.* The GH district provides for the construction of detached single family homes on zero lot line lots. In all other respects, the GH district is intended to provide the same benefits and atmosphere as other single family districts. This district can be appropriately located in proximity to multifamily residential areas and certain neighborhood local retail and office uses.
- (b) *Permitted uses and parking regulations.*

USE	PARKING REGULATIONS
Accessory building to main use	0 spaces
Carport	0 spaces
Concrete, asphalt batching plant (temporary)	1 space for each 2 employees on the maximum working shift, plus space to accommodate all vehicles used in connection therewith, but not less than 1 space for each 1,000 square feet of gross floor area, whichever is greater
Electrical transmission line	0 spaces
Garden (patio) home	2 enclosed spaces per unit, must be attached to main structure
Greenhouse or plant nursery, noncommercial	1 space per employee
Home occupation	0 spaces
Local utility distribution lines	0 spaces
Park, playground or recreation center (public or private)	1 space per acre plus additional parking per facility constructed as herein provided
Private open space as a part of a planned residential development	0 spaces required
Railroad track and right-of-way	1 space per employee
Retirement housing	1 space for each 6 beds per unit
Sewage pumping station	0 spaces
Single-family dwelling, detached	2 enclosed spaces per unit, must be attached to the main structure
Swimming pool, private	1 space for each 100 square feet of gross water surface and deck area
Telephone line	0 spaces
Transit station or turnaround	1 space per intended user
Water pumping station or well	0 spaces

- (c) *Development requirements.*

Minimum lot area:	2,800 square feet ¹
Minimum lot width:	25 linear feet on residential streets and 35 linear feet on collector and major streets
Minimum lot depth:	120 linear feet
Minimum front yard:	15 linear feet ²
Minimum side yard:	0 linear feet ³
Minimum rear yard:	5 linear feet ⁴
Maximum ground coverage:	45/65 ⁵

Maximum density per acre:	12 DU
Height:	35 linear feet

- ¹ A lot of less than 2,800 square feet may be used for a garden home or other single family residence if it was an official lot of record at the time of adoption of this chapter. No lot existing at the time of passage of this chapter shall be reduced in area below the minimum requirements set forth in this district.
- ² The minimum front yard shall be 15 feet, provided that in no case shall a garage or carport fronting onto a street be less than 20 feet from the property line adjacent to the street. The front yard setback may be staggered, varied, or reduced to a minimum setback of ten feet for lots facing cul-de-sac or loop streets not exceeding 400 feet in length, with the approval of a site plan or subdivision plat. Under this provision the maximum setback shall be 25 feet. A minimum lot depth of 65 feet, as measured from front building line to rear lot line, shall be maintained.
- ³ The minimum side yard shall be zero feet except that there shall be at least ten feet of separation between structures. When garden (patio) homes are constructed with a zero side yard, five feet on the lot adjacent to the zero setback shall be dedicated as an access/maintenance easement for the zero setback garden home. There shall be a minimum side yard setback of 20 feet from any property line adjacent to a street. Side yard setbacks and access/maintenance easements shall be shown on the subdivision plat.
- ⁴ The minimum rear yard shall be five feet for a single story structure and 15 feet for any two-story structure. If access is from an alley, the minimum setback will be 20 feet for garages or carports. A one-story wing or extension may be built to within 15 feet of the rear lot line.
- ⁵ The first number in the column refers to coverage by primary buildings; the second number refers to coverage by all buildings.
- (d) *Site plan required.* A site plan meeting the requirements of section 42-56 shall be required for each application for the development of a garden home in the GH district.
- (e) *Specific uses.* The following specific uses are allowed in the GH district when authorized under the provisions of section 42-45:

USE	PARKING REGULATIONS
Assisted living facility	1 space per employee, plus 1 space for each 6 beds
Boarding home facility	1 space per employee, plus 1 space for each 6 beds
Cemetery or mausoleum	1 space per employee plus 1 space for every 1,000 square feet of gross floor area
Child care center	1 space per ten pupils/clients (design capacity)
Church, rectory, place of worship	1 space for every 4 seats in the main auditorium
College or university	1 space for each 2 students, plus 1 space for each classroom, laboratory or instruction area
Community center, public or private	10 spaces plus 1 additional space for each 300 square feet of gross floor area in excess of 2,000 square feet. If an auditorium is included as a part of the building, its floor area shall be deducted from the total and additional parking provided on the basis of 1 space for each 4 seats that it contains
Community home	1 space per employee, plus 1 space for each 6 beds

Country club (private)	1 space for each 250 square feet of gross floor area or for every 5 members, whichever is greater
Electrical substation	1 space per employee
Farm, ranch, or orchard	1 space per employee
Gas metering station	1 space per employee
Golf course	Minimum of 30 spaces
Guest house	1 space per unit
Hospital (chronic care); long term health care facility	1 space for each 2 beds
Library	10 spaces plus 1 additional space for each 300 square feet of gross floor area in excess of 2,000 square feet. If an auditorium is included as a part of the building, its floor area shall be deducted from the total and additional parking provided on the basis of 1 space for each 4 seats that it contains
Nursery school, kindergarten	1 space per 10 pupils/clients (design capacity)
Public or private franchised utility, excluding office buildings, garages, shops, railroad yards, loading yards, and warehouses	1 space per employee
Radio, TV or microwave operation, amateur. (See further regulations in section 42-55(i))	1 space per employee
Registered family home	1 space per employee
School, private (primary and/or secondary)	1 space for each four seats in the main auditorium or 1 space for each classroom plus 1 space for each 2 students, whichever is greater
School, public (primary and/or secondary)	1 space for each four seats in the main auditorium or 1 space for each classroom plus 1 space for each 2 students, whichever is greater
Servant's, caretaker's or guard's residence	1 space per unit
Service yards of government agency	1 space per employee
Water storage, elevated or ground	0 spaces
Water treatment plant	1 space per employee

(f) *Special construction requirements.*

- (1) *Developments of ten or more lots.* All outside walls of the ground floor of every residential structure shall be constructed of 100 percent masonry and/or glass. It is provided, however, that up to, but not exceeding, 20 percent of the outside walls may be covered or constructed of other materials for decorative, architectural or other design purposes. Such other material shall be impervious material that is required for outside walls by the residential building code mandated by the state and the ordinances of the city.
- (2) *Developments of one to nine lots.* All outside walls of the ground floor of every residential structure shall be constructed of 100 percent masonry, masonry-type products and/or glass, or may be of a log cabin-type material and design. It is provided; however, that up to, but not exceeding, 20 percent of the outside walls may be covered or constructed of other materials for decorative, architectural or other design purposes. Such other material shall be impervious material that is required for outside walls by the residential building code mandated by the state and the ordinances of the city.
- (3) *Applicability of regulations.* These construction regulations shall apply to all the following:

-
- a. Newly constructed houses.
 - b. Houses moved into or within the city from a previous location.
- (4) *Attic space.* All residential structures must have at least six feet of attic space from the attic floor to the highest point of the attic framing.
- (5) *Living space.* All residential structures must have at least 1,200 square feet of living space.
- (g) *Common area maintenance.* To ensure the long-term maintenance of common land and facilities in garden home developments, the following shall be required:
- (1) Plats and site plans shall be approved subject to the submission of a legal instrument setting forth a plan or manner of permanent care and maintenance of open spaces, recreational areas and other commonly owned facilities. No such instrument shall be acceptable until approved by the city attorney as to legal form and effect. A homeowners' association (HOA) is the most widely accepted technique for managing commonly owned property. Such association shall provide proof of incorporation prior to issuance of a construction permit.
 - (2) The HOA or other similar management entity shall be organized as a nonprofit corporation with automatic membership in the management entity when property is purchased. This shall be specified in the covenants which run with the land and which bind all subsequent owners. Covenants for maintenance assessments shall also run with the land. Included in the maintenance covenants shall be procedures for changing them at stated intervals. Deeds shall also reference the rights and responsibilities of property owners to the management entity. The management entity shall also be responsible for liability insurance, local taxes, and the maintenance of all commonly held facilities through the use of a pro rata formula for all property owners.
- (h) *Usable open space requirements.* Each parcel of land developed under garden home standards shall provide usable open space totaling 15 percent of the area of the parcel. Such open space shall have a maximum slope of ten percent and shall be exclusive of street and alley rights-of-way and/or easements, individually platted lots without open space easements, private yards and patios. The 15 percent shall be computed on the percentage of total platted area in a garden home subdivision, excluding right-of-way for major and secondary streets (as described in the current comprehensive plan). At the time of site plan and/or subdivision plat approval, the city council may give full or partial credit for open areas that exceed the maximum slope or which are otherwise unusable if it is determined that such areas are environmentally or aesthetically significant and that their existence enhances the development.
- (i) *Additional landscaping.* In addition to any required landscaping for common areas, the front yard and parkway areas shall be landscaped and permanently maintained.

(Ord. No. 2015-005, § 1, 4-20-2015)

ORDINANCE NO. 2025-____

AN ORDINANCE OF THE CITY OF ALVARADO, TEXAS, REZONING FROM AGRICULTURAL (A) DISTRICT AND LIGHT MANUFACTURING/INDUSTRIAL (M-1) DISTRICT WITH PORTIONS IN THE FLOODPLAIN (FP) OVERLAY DISTRICT TO PLANNED DEVELOPMENT (PD) DISTRICT FOR GARDEN HOME (GH) DISTRICT USES WITH PORTIONS IN THE FLOODPLAIN (FP) OVERLAY DISTRICT WITH CONCEPT PLAN APPROVAL AND DEVIATIONS, ON A PORTION OF TRACTS 20, 21, 22, AND 34 OF THE A. SPIVA SURVEY, A-770, BEING 49.85 ACRES APPROXIMATELY ADDRESSED AT 804 E. DAVIS AVENUE, IN THE CITY OF ALVARADO, JOHNSON COUNTY, TEXAS; PROVIDING FOR AMENDMENT OF THE FUTURE LAND USE MAP IN THE ALVARADO COMPREHENSIVE PLAN; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, notice of a hearing before the Planning and Zoning Commission was sent to real property owners within 200 feet of the property herein described at least 11 days before such hearing; and

WHEREAS, notice of a public hearing before the City Council was published in a newspaper of general circulation in Alvarado, Texas at least 16 days before such hearing; and

WHEREAS, public hearings to change the zoning on the property herein described were held before both the Planning and Zoning Commission and the City Council, and the Planning and Zoning Commission has heretofore made a recommendation concerning the zoning change; and

WHEREAS, The City Council amends the Future Land Use map in the Alvarado Comprehensive Plan to change future land use designation of the subject site's Industrial and Low-Density Residential land use categories to the Medium-Density Residential land use category, and the proposed zoning is consistent with this land use category; and

WHEREAS, The City Council is of the opinion that the zoning change herein effectuated furthers the purpose of zoning as set forth in the Comprehensive Zoning Ordinance and is in the best interest of the citizens of the City of Alvarado;

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

SECTION 1. That the Future Land Use map in the Alvarado Comprehensive Plan is hereby amended to change the future land use designation of the hereinafter described property:

Approximately 49.85 acres known as a portion of Tracts 20, 21, 22, and 34 of the A. Spiva Survey, A-770, approximately addressed at 804 E. Davis Avenue, from Low Density Residential, Industrial/Utility, and Floodplain land use categories to Medium Density Residential and Floodplain land use categories, in the City of Alvarado, Johnson County, Texas.

SECTION 2. That the Comprehensive Zoning Ordinance and the Zoning Map of the City of Alvarado are hereby amended to change the zoning designation on the hereinafter described property and area as shown below:

Approximately 49.85 acres known as a portion of Tracts 20, 21, 22, and 34 of the A. Spiva Survey, A-770, approximately addressed at 804 E. Davis Avenue, from Agricultural (A) District and Light Manufacturing/Industrial (M-1) District with portions in the Floodplain (FP) Overlay District to Planned Development (PD) District for Garden Home (GH) District uses with portions in the Floodplain (FP) Overlay District with concept plan approval and deviations, in the City of Alvarado, Johnson County, Texas.

SECTION 3. The Permitted Uses and Development Standards attached hereto as Exhibit “A” and the Concept Plan attached hereto as Exhibit “B” as incorporated herein for all purposes allowed by law, are hereby approved as the Permitted Uses, Development Standards, and Development Plan for this Planned Development District.

SECTION 4. This ordinance shall be cumulative of all provisions and ordinances of the Code of Ordinances of the City of Alvarado, Texas, as amended, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

SECTION 5. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and section of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6. Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance involving zoning, fire safety, or public health and sanitation shall be fined not more than Two Thousand Dollars (\$2,000.00). Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 7. The City Secretary of the City of Alvarado is hereby directed to publish the caption, penalty clause, publication clause and effective date clause of this ordinance one time for two days in the official newspaper of the City, as authorized by Section 52.011 of the Local Government Code.

SECTION 8. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

AND SO IT IS ORDAINED.

Passed on this the 21st day of May, 2025 by a vote of ____ to ____.

ATTEST:

CITY OF ALVARADO

Beth A. Walls, City Secretary

By: _____
Jacob Wheat, Mayor

Exhibit “A”
Permitted Uses and Design Standards

(See Next Page)

HILLCREST OF ALVARADO

PD DEVELOPMENT STANDARDS

- I. Purpose and Intent. - The purpose of this Planned Development district is to allow for the development of the Hillcrest of Alvarado garden home residential community.
- II. Permitted Uses.
 - a. Uses are permitted in accordance with Section 42-23 and 42-30 of the Zoning Ordinance.
 - b. Model homes associated with the sale of garden home residences are permitted on the Property until all residences are occupied. Temporary sales offices (i.e., Trailers) are allowed only until model homes are built and a certificate of occupancy is issued.
- III. Residential uses.
 - a. For purposes of applying provisions in the Zoning Ordinance, residential uses shall be considered to be in a Garden Home GH District.
 - b. Section III shall apply to all residential uses, as well as temporary model homes except as noted in the PD ordinance.
 - c. Permitted uses shall be as defined in Section 42-23 of the Zoning Ordinance.
 - d. Area and height Regulations.
 - i. See Table 1 for area and height regulations.
- IV. Landscaping. See Article 42-839 of the Zoning Ordinance.
- V. Planned Development District Garden Home Design Standards. All the standards associated with Section 42-23 (GH Garden Home District) shall apply except as amended herein (Table 1).

TABLE 1
PROPOSED LOT SETBACK, HEIGHT, AND COVERAGE REGULATIONS

		Min. Lot Width	Min. Lot Depth		Side Setback*				Min. Principal Dwelling Size	
		(at front building line ft.)	(average linear feet)		(Linear feet)				(square feet)	
		35	90		0/5				1,500	

* The first number in the column is the required setback for a side yard with the structure on the lot line; the second number is the required setback for a side yard for a structure on the other side of the lot.

- VI. Concept Plan. Development of the Property shall generally comply with the attached as Exhibit “B” to this Ordinance. Inclusion of the Concept Plan to this ordinance shall satisfy sections 42-35 of the Zoning Ordinance. The residential and non-residential layout contained in the Concept Plan may be amended through the preliminary and final plat process without the need to amend this Ordinance.
- VII. Amendments to the Planned Development Ordinance. If the City receives an application to re-zone only a portion of the Property, the City shall consider the re-zoning request for that portion and shall leave the zoning for the remainder of the Property unchanged.
- VIII. Timing of Certain Improvements.
- a. Construction permits for site improvements may be issued prior to formal plan approval at the discretion of the City Manager.
 - b. Residential model homes may be constructed prior to City acceptance of improvements upon approval of the City Manager.

**Exhibit “B”
Concept Plan**

(See Next Page)

PROPOSED SITE PLAN



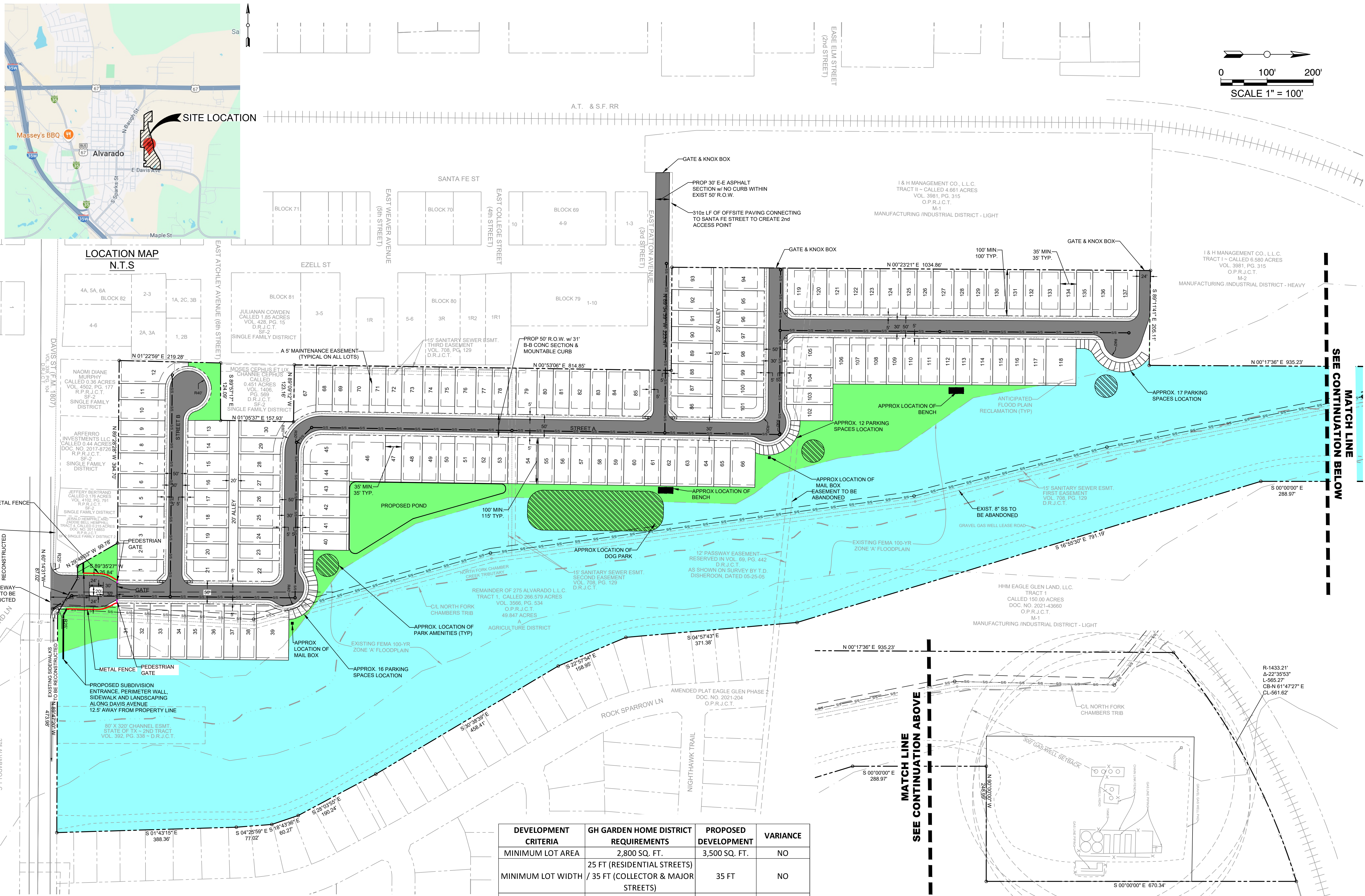
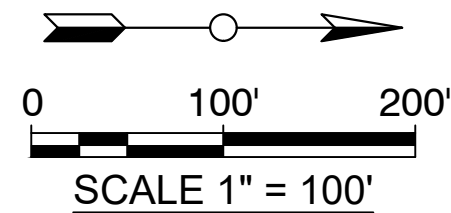
NOT FOR CONSTRUCTION

No.	Revision/Issue	Date

Firm Name and Address
TURNKEY TRACT
2770 MAIN ST #171
FRISCO, TX 75033
F-22283
nkcivilengineer@gmail.com
214-377-0388

Project Name and Address
THE HILLCREST OF ALVARADO
CITY OF ALVARADO, TEXAS

Project	Sheet
Date 05 / 12 / 2025	2
Scale	



DEVELOPMENT CRITERIA	GH GARDEN HOME DISTRICT REQUIREMENTS	PROPOSED DEVELOPMENT	VARIANCE
MINIMUM LOT AREA	2,800 SQ. FT.	3,500 SQ. FT.	NO
MINIMUM LOT WIDTH	25 FT (RESIDENTIAL STREETS) / 35 FT (COLLECTOR & MAJOR STREETS)	35 FT	NO
MINIMUM LOT DEPTH	120 FT	90 FT	YES
MINIMUM FRONT YARD	15 FT	15 FT	NO
MINIMUM SIDE YARD	0 FT	0 FT*	YES
MINIMUM REAR YARD	5 FT	5 FT	NO
MAXIMUM GROUND COVERAGE	45% / 65%	45% / 65%	NO
MAXIMUM DENSITY PER ACRE	12 DU	3 DU	NO
MAXIMUM HEIGHT	35 FT	35 FT	NO

* 5' BETWEEN BUILDINGS ON ZERO LOT LINE

LAND USE TABLE	
RESIDENTIAL LOTS (35'x100')	63 LOTS
RESIDENTIAL LOTS (45'x100')	40 LOTS
RESIDENTIAL ALLEY LOTS:	34 LOTS
TOTAL NUMBER OF LOTS	137 LOTS

SITE AREA SUMMARY	
AREA TYPE	ACREAGE
LOTS	12.60
STREETS, SIDEWALKS & OTHER PAVED SURFACES	8.77
OPEN SPACE & RECREATIONAL AREAS	28.48
TOTAL AREA	49.85

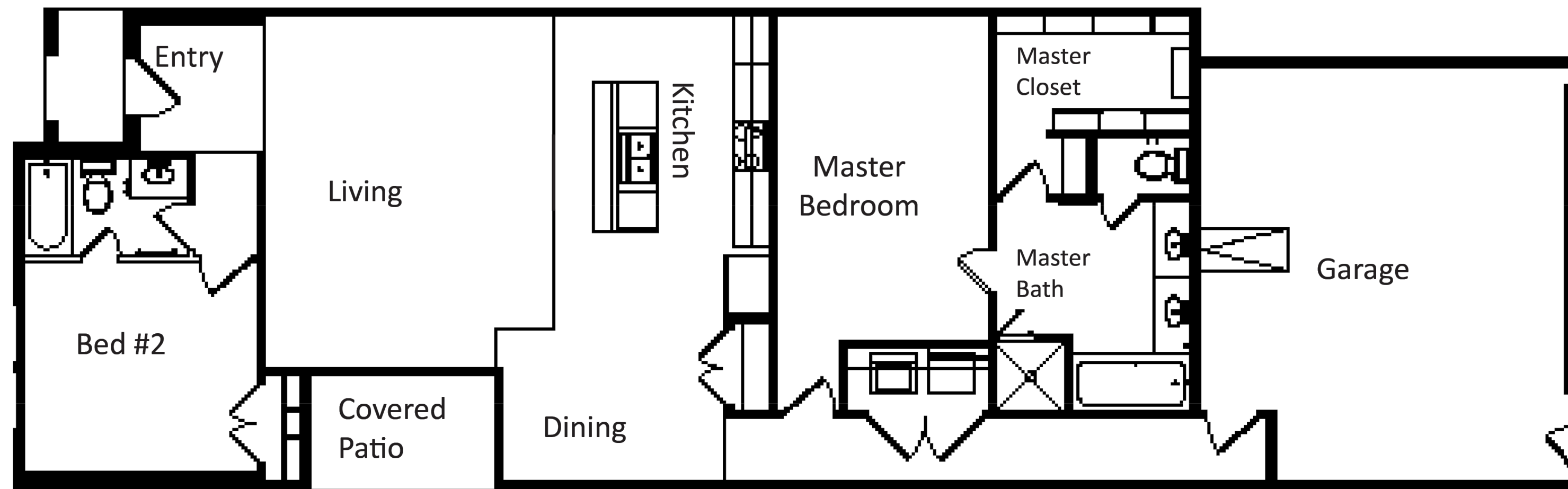
NOTE: A 6' PATHWAY WILL BE CONSTRUCTED ALONG THE GREEN SS LINE TO MINIMIZE THE DISRUPTION TO THE EXISTING TREES.

- APPROX. LIMITS OF HOA LOTS
- APPROX. LIMITS OF PARK LAND DEDICATION

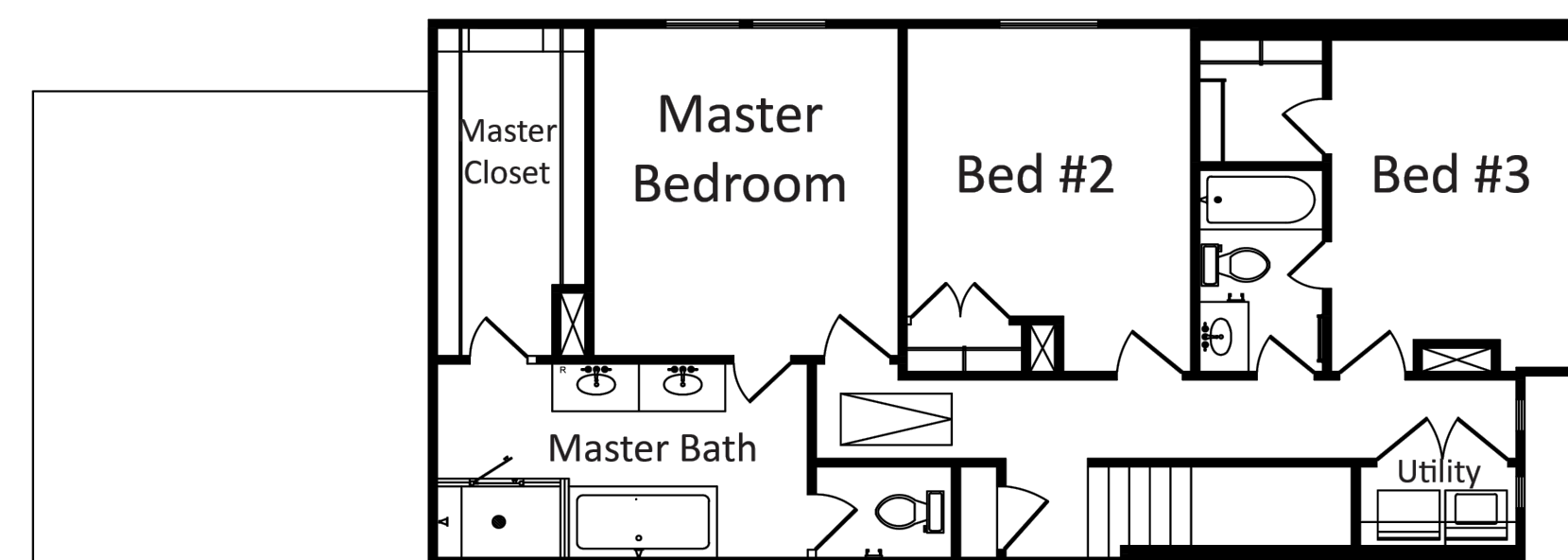
LEGEND	
---	PROPERTY LINE
---	ROAD CENTERLINE
---	BUILDING SETBACK



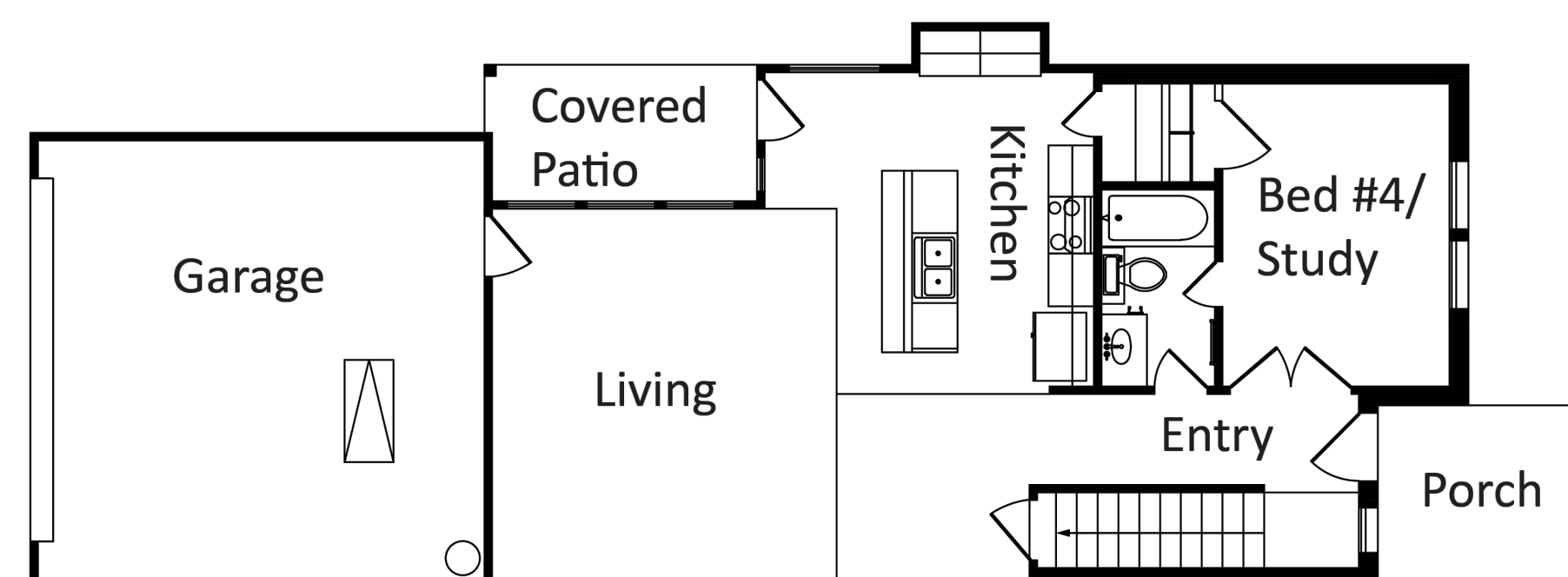
1,466 sq.ft.



1,971 sq.ft.



Second Floor



First Floor

[illegible]

PROJECT INFORMATION:

OWNER'S NAME:

DRAWING TITLE:

AREA:

SCALE:

PROJECT MANAGER:

DRAWN BY:

DATE:
05/12/2025

CHECKED BY:

DRAWING NO.

FLOOR PLAN AND ELEVATIONS

Page 43 of 69



FRONT ELEVATION - 1320 "B" W/STONE

FRONT ELEVATION - 1320 "C" W/STONE



14643 Dallas Parkway
Suite 775
Dallas, TX 75254
#####

THESE PLANS ARE INTENDED TO PROVIDE THE BASIC CONSTRUCTION INFORMATION NEEDED TO MANUALLY COMPLETE THE PERMITS. THE PERMITTING OFFICIALS ARE NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED. ANY DISCREPANCY, ERROR, OR AMBIGUITY IS TO BE BROUGHT TO THE IMMEDIATE ATTENTION OF THE DESIGNER. THE PERMITTING OFFICIALS ARE NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED. ANY DISCREPANCY, ERROR, OR AMBIGUITY IS TO BE BROUGHT TO THE IMMEDIATE ATTENTION OF THE DESIGNER. THE PERMITTING OFFICIALS ARE NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED. ANY DISCREPANCY, ERROR, OR AMBIGUITY IS TO BE BROUGHT TO THE IMMEDIATE ATTENTION OF THE DESIGNER.

ISSUE LOG	
DATE	DESCRIPTION
DATE	PRELIMINARY-I

SCALE
1/8" = 1'-0"

DATE
01/15/2025

SHEET
A1.01





FRONT ELEVATION - 1615 "B" W/STONE

FRONT ELEVATION - 1615 "C" W/STONE

Page 66 of 46



SCALE 1/8" = 1'-0" (NOTE: SCALE 1/4" = 1'-0" ON 22x34 PAPER)



SCALE $1/8" = 1'-0"$ (NOTE: SCALE $1/4" = 1'-0"$ ON 22x34 PAPER)



SCALE $1/8" = 1'-0"$ (NOTE: SCALE $1/4" = 1'-0"$ ON 22x34 PAPER)

FIRST & SECOND FLOOR PLAN

ISSUE LOG	
DATE	DESCRIPTION
DATE	PRELIMINARY-I

SCALE
1/8" = 1'-0"

DATE
01/15/2025

SHEET
A1.01

[illegible]

Business Operations
14643 Dallas Parkway
Suite 775
Dallas, TX 75254
#####



DUNHILL
HOMES
DESIGNS



FRONT ELEVATION - 1900 "B" W/STONE

FRONT ELEVATION - 1900 "C" W/STONE

SCALE $1/8" = 1'-0"$ (NOTE: SCALE $1/4" = 1'-0"$ ON 22x34 PAPER)

Page 68 of 469

NOTICE OF PUBLIC HEARING REGARDING THE CREATION OF WHISPER PARK PUBLIC IMPROVEMENT DISTRICT

Pursuant to Section 372.009(c) and (d) of the Texas Local Government Code, as amended, notice is hereby given that the City Council of the City of Alvarado, Texas (the "City"), will hold a public hearing to accept public comments and discuss the Amended and Restated Petition (the "Amended Petition"), filed by Bloomfield Homes, L.P. (the "Petitioner"), requesting that the City recreate the Whisper Park Public Improvement District (the "District") to include property owned by the Petitioner located entirely within the corporate limits of the City.

Time and Place of Public Hearing. The public hearing will start at or after 6:30 P.M. on May 19, 2025 in the regular meeting place of the City Council in the Council Chamber at the City Hall located at 104 W. College Street, Alvarado, Texas, 76009.

General Nature of the Proposed Authorized Improvements. The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code, as amended (the "Act") that are necessary for the development of the property within the District, which will include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities and facilities related thereto; (v) acquisition of real property, interests in real property, or contract rights in connection with the Authorized Improvements (as defined below); (vi) payment of costs, including, without limitation, design, engineering, permitting, legal, required payment, performance and maintenance bonds, bidding, support, construction, construction management, administrative and inspection costs, associated with developing and financing the public improvements listed in (i) through (v) above; (vii) projects similar to those listed in subsections (i) - (v) above or authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (viii) any additional improvement projects authorized in the Act; (ix) payment of costs associated with special supplemental services for improvement and promotion of the District as approved by the City including services related to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and (x) payment of costs associated with developing and financing the public improvements listed in (i) - (ix) above, as well as the interest, costs of issuance, reserve funds, or credit enhancement of bonds issued for the purposes described in (i) through (ix) above, and costs of establishing, administering and operating the District (the "Authorized Improvements").

Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in establishment, administration and operation of the District is \$35,000,000.

Proposed District Boundaries. The District includes approximately 172.322 acres of land generally located southeast of downtown Alvarado and north of Maple Street, west of FM 1807, south of Alvarado Elementary School and east of Sparks Street and as described by a metes and bounds description available for review at City Hall.

Proposed Method of Assessment. The City shall levy an assessment on each parcel within the District to pay the cost of the Authorized Improvements in a manner that results in imposing equal shares of the cost on property similarly benefited. Each assessment may be paid in full at any time (including accrued and unpaid interest) or may be paid in annual installments (including interest and debt). The installments must be paid in amounts necessary to meet annual costs for the Authorized Improvements and must continue for a period necessary to retire the indebtedness on the Authorized Improvements.

Proposed Apportionment of Cost between the District and City. The City will not be obligated to provide any funds to finance the Authorized Improvements. The cost of the Authorized Improvements will be paid from the assessments and from other sources, if any, available to the Owner.



CITY COUNCIL MEETING MANAGEMENT REPORT

Meeting Date: May 19, 2025

Contact: Donielle Suber, Administrative Services Director

AGENDA ITEM:

Consideration and action on, R2025-0020, a Resolution regarding the recreation of the Whisper Park Public Improvement District (PID).

BACKGROUND & FINDINGS:

A Public Improvement District (PID) is a defined geographical area established to provide specific types of improvements or maintenance which are financed by assessing property owners within the area. The developer has submitted a petition for updates to the previously approved Whisper Park PID. A resolution accepting the filing of an amended and restated petition for the creation of the Whisper Park PID is attached.

In July 2022, the developer originally submitted the request and City Council approved the creation of the PID. Recently, city staff received a petition requesting an updated petition to cover additional infrastructure improvements within the specified PID area. The additional improvements include water and sewer improvements

The total estimated cost for all improvements and related expenses is totaling \$35,000,000.

City Council approved the resolution for filing the amended and restated petition for creation of the Whisper Park PID within the City of Alvarado, during their meeting on April 21, 2025.

RECOMMENDATION:

Staff recommends City Council approve the Resolution for the recreation of Whisper Park Public Improvement District (PID).

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

Resolution R2025-0020

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS
JOHNSON COUNTY
CITY OF ALVARADO

We, the undersigned officers of the City of Alvarado (the "City"), hereby certify as follows:

1. The Council convened in a regular meeting on May 19, 2025, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Council, to wit:

Jacob Wheat	Mayor
Carrie Keeton	Ward 1 Place 1
Beverly Short	Ward 1 Place 4
Cherry Bryant	Ward 2 Place 5
Lydia Moon	Ward 2 Place 2
Scott Arthur	Ward 3 Place 6
Kevin Thomas	Ward 3 Place 3

and all of said persons were present, except _____ thus constituting a quorum. Whereupon, among other business the following was transacted at said meeting: a written

A RESOLUTION REGARDING THE RECREATION OF THE WHISPER PARK PUBLIC IMPROVEMENT DISTRICT AND ORDERING PUBLIC IMPROVEMENTS TO BE MADE FOR THE BENEFIT OF SUCH DISTRICT; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND CONTAINING OTHER MATTERS RELATING TO THE SUBJECT

was duly introduced for the consideration of said Council. It was then duly moved and seconded that said Resolution be passed; and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed and carried, with all members of said Council shown present above voting "Aye," except as noted below:

NAYS: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the aforesaid Resolution passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Resolution has been duly recorded in said Council's minutes of said meeting; the above and foregoing paragraph is a true, full, and correct excerpt from said Council's minutes of said meeting pertaining to the passage of said Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Council as indicated therein; that each of the officers and members of said Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that said Resolution would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of

said meeting for such purpose; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given all as required by the Texas Government Code, Chapter 551.

3. The City Council has approved and hereby approves the Resolution; and the Mayor and City Secretary hereby declare that their signing of this certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED ON MAY 19, 2025.

Beth A Walls, City Secretary/HRD

Jacob Wheat, Mayor

(CITY SEAL)

Resolution Recreating Whisper Park Public Improvement District (May 19, 2025)

A RESOLUTION REGARDING THE RECREATION OF THE WHISPER PARK PUBLIC IMPROVEMENT DISTRICT AND ORDERING PUBLIC IMPROVEMENTS TO BE MADE FOR THE BENEFIT OF SUCH DISTRICT; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND CONTAINING OTHER MATTERS RELATING TO THE SUBJECT

WHEREAS, the City of Alvarado, Texas (the **City**) is authorized by Chapter 372, Texas Local Government Code, as amended (the **Act**) to create a public improvement district and to levy special assessments against property within the district to pay the costs of public improvement projects that confer a special benefit on property within the district;

WHEREAS, Bloomfield Homes, L.P., a Texas limited partnership (the "**Petitioner**") previously submitted a Petition for Creation of the Whisper Park Public Improvement District (the "**District**") dated July 12, 2022 and the City formed the District pursuant to a resolution adopted on August 15, 2022; and

WHEREAS, Petitioner has submitted an Amended and Restated Petition (the "**Amended Petition**") and which was filed with the City Secretary requesting the financing of additional improvements in the District in accordance with the Act; and

WHEREAS, no property within the District has been assessed under the Act; and

WHEREAS, the City Council accepted the Amended Petition and held a public hearing at which the City Council considered the adequacy of the Amended Petition and heard any public testimony regarding the feasibility and advisability of recreating the proposed District; and

WHEREAS, the City Council has made findings based on the information contained in the Amended Petition presented to the City Council and the comments received at the public hearing. Now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALVARADO, TEXAS:

Section 1. The City Council hereby approves the statements contained in the preamble of this Resolution and finds that all statements are true and correct and incorporate the same in the body of this Resolution.

Section 2. The City Council, after considering the Amended Petition and the evidence and testimony presented at the public hearing, hereby finds and determines that:

- (a) the Amended Petition was filed with the City Secretary and was signed by owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current appraisal roll of the appraisal district in which the property is located, and by the record owners of real property liable for assessment under the proposal who own taxable real property that constitutes more than 50 percent of the area of all real property that is liable for assessment under the proposal;
- (b) the proposed public improvements described in the Amended Petition are of the nature of the public improvements described in Section 372.003 of the Act and are advisable and desirable improvements for the District;
- (c) the proposed public improvements will promote the interests of the City and are of the nature that will confer a special benefit on all property within the District by enhancing the value of such property located within the District;

- (d) the nature of the proposed improvements and estimated costs thereof are set forth and described in ***Exhibit A*** attached hereto and made a part hereof for all purposes;
- (e) the boundaries of the District include all of the property that is set forth and described in ***Exhibit B*** attached hereto and made a part hereof for all purposes;
- (f) the assessment of costs of the proposed public improvements will be levied on each parcel of property within the Public Improvement District in a manner that results in imposing equal shares of the costs on property similarly benefitted;
- (g) the costs of the proposed public improvements shall be paid by assessment of the property within the District. The City will pay none of the costs of the proposed public improvements. Any remaining costs of the proposed public improvements will be paid from sources other than assessment of the property within the District, as further described in Exhibit A;
- (h) the management of the District will be by the City with the assistance of a third-party administrator hired by the City and paid as part of the annual administrative cost of the District; and
- (i) the District shall be managed without the creation of an advisory body.

Section 3. Based on the foregoing, the Whisper Park Public Improvement District is hereby recreated and the public improvements described in ***Exhibit A*** are authorized to be made in accordance with the service and assessment plan to be approved by the City Council.

Section 4. After adoption of this resolution, the City Secretary is authorized and directed to cause a copy of this resolution to be filed with the Johnson County Clerk.

Section 5. If any section, article, paragraph, sentence, clause, phrase or word in this resolution or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this resolution; and the City Council hereby declares it would have passed such remaining portions of the resolution despite such invalidity, which remaining portions shall remain in full force and effect.

Section 6. The authorization of the District pursuant to this resolution shall take effect upon publication of this resolution as provided above.

[Remainder of page left blank intentionally.]

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALVARADO,
TEXAS ON MAY 19, 2025.

Mayor

ATTEST:

City Secretary

[CITY SEAL]

Resolution Recreating Whisper Park Public Improvement District (May 19, 2025)

EXHIBIT A

Proposed Improvements and Estimated Costs

The purposes of the District include the design, acquisition, construction, and improvement of public improvement projects authorized by the Public Improvement District Assessment Act, codified as Chapter 372, Texas Local Government Code, as amended (the "Act") that are necessary for the development of the property within the District, which will include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities and facilities related thereto; (v) acquisition of real property, interests in real property, or contract rights in connection with the Authorized Improvements (as defined below); (vi) payment of costs, including, without limitation, design, engineering, permitting, legal, required payment, performance and maintenance bonds, bidding, support, construction, construction management, administrative and inspection costs, associated with developing and financing the public improvements listed in (i) through (v) above; (vii) projects similar to those listed in subsections (i) - (v) above or authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (viii) any additional improvement projects authorized in the Act; (ix) payment of costs associated with special supplemental services for improvement and promotion of the District as approved by the City including services related to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement; and (x) payment of costs associated with developing and financing the public improvements listed in (i) - (ix) above, as well as the interest, costs of issuance, reserve funds, or credit enhancement of bonds issued for the purposes described in (i) through (ix) above, and costs of establishing, administering and operating the District (the "Authorized Improvements").

The estimated cost to design, acquire and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in establishment, administration and operation of the District is \$35,000,000. The estimated costs of the Authorized Improvements to be assessed against the property in the District are \$35,000,000, in addition to costs of establishing, administering and operating the District to be assessed against the property in the District. The City will pay none of the costs of the proposed improvements. The remaining costs of the proposed improvements will be paid from sources other than the City or assessments of property owners.

EXHIBIT B

METES AND BOUNDS DESCRIPTION OF PID BOUNDARY

Approximately 172.322 acres

TRACT 1: 117.994 acre tract

BEING a tract of land situated in the Robert Bell Survey, Abstract No. 44, and being all of a tract of land described by deed to M.J. Moore and wife, Joanne Moore recorded in Volume 594, Page 821 of the Deed Records of Johnson County, Texas, a portion of a tract of land described by deed to Marion J. Moore and wife, Dawn Jo Anne Moore recorded in Volume 515, Page 327 of the Deed Records of Johnson County, Texas, and a portion of a tract of land described by deed to The Marion J. Moore and Jo Anne Moore Revocable Living Trust recorded in Volume 4525, Page 851 of the Deed Records of Johnson County, Texas, and being more particularly described as follows:

BEGINNING at a 3/8 inch iron rod found for the west corner of a tract of land described by deed to The City of Alvarado recorded in Volume 1076, Page 413 of the Deed Records of Johnson County, Texas;

THENCE South 53 degrees 07 minutes 02 seconds East, along the southwest line of said City of Alvarado tract, a distance of 200.00 feet to a chain link fence post found for the south corner of same;

THENCE North 38 degrees 01 minutes 58 seconds East, along the southeast line of said City of Alvarado tract, a distance of 200.00 feet to a chain link fence post found for corner;

THENCE North 52 degrees 42 minutes 33 seconds West, along the northwest line of said City of Alvarado tract a distance of 200.00 feet to a 3/8 inch iron rod found for the north corner of same, also lying on the west occupied line of said Moore tract recorded in Volume 594, Page 821;

THENCE North 37 degrees 02 minutes 48 seconds East, along the occupied west line of said Moore tract generally along a barbed wire fence, a distance of 44.29 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 10 degrees 42 minutes 11 seconds East, continuing along the occupied west line of said Moore tract generally along a barbed wire fence a distance of 556.08 feet to a wood fence post found for corner said fence post also lying on the south line of Brown's Addition, an addition to the City of Alvarado recorded in Volume 431, Page 645 of the Plat Records of Johnson County, Texas;

THENCE South 89 degrees 42 minutes 25 seconds East, along the south line of said Brown's Addition generally along a barbed wire fence, passing a 3/4 inch iron pipe at 123.07 feet, a 1/2 inch iron rod at 373.47 feet, a 3/4 inch iron pipe at 522.88 feet for the southwest corner of Brown's Addition Section No. 2, an addition to the City of Alvarado recorded in Volume 431, Page 641 of the Plat Records of Johnson County, continuing along the south line of said Browns Addition Section No. 2, passing a 5/8 inch iron rod at 842.66 feet being the southeast corner of said addition, and continuing for a total distance of 1485.60 feet to a T-Post found for the northeast corner of said Moore tract, and an ell corner of a tract of land described by deed to Donald C. Fulbright and wife, Nan E. Fulbright recorded in Volume 505, Page 724 of the Deed Records of Johnson County, Texas;

THENCE South 00 degrees 12 minutes 57 seconds West, along the west line of said Fulbright tract and generally along a barbed wire fence, a distance of 739.84 feet to 5/8 inch iron rod with cap stamped "TNP" set for the southwest corner of same;

THENCE South 89 degrees 33 minutes 11 seconds East, along the south line of said Fulbright tract and generally along a barbed wire fence a distance of 1062.43 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the southeast corner of same;

THENCE South 88 degrees 49 minutes 14 seconds East, a distance of 151.19 feet to a 5/8 inch iron rod with cap stamped "TNP" set on the north line of a tract of land described by deed to The Marion J. Moore & Jo Anne Moore Revocable Living Trust recorded in Volume 4525, Page 851 of the Deed Records of Johnson County, Texas;

THENCE South 03 degrees 23 minutes 03 seconds East, through the interior of said Marion J. Moore & Jo Anne Moore Revocable Living Trust and the interior of the aforementioned Marion J. Moore and wife, Dawn Jo Anne Moore tract, a distance of 1573.63 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner in the near center of Maple Street;

THENCE South 89 degrees 45 minutes 42 seconds West, along the near center of said Maple Street, a distance of 1943.68 feet to a 5/8 inch iron rod with cap stamped "TNP" set in said Maple Street with the intersection with the projected northeast right-of-way of N. Fifth Street (Called 80' R.O.W.);

THENCE North 47 degrees 17 minutes 29 seconds West, along the northeast right-of-way of said N. Fifth Street, a distance of 960.48 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the south corner of a tract of land described by deed to Cecil Taylor recorded in Volume 2482, Page 677 of the Deed Records of Johnson County, Texas;

THENCE North 36 degrees 26 minutes 21 seconds East, departing said N. Fifth Street, along the southeast line of said Taylor tract and generally along a barbed wire fence, a distance of 224.91 feet to a 3 inch pipe fence post found for corner;

THENCE North 56 degrees 37 minutes 01 seconds West, generally along a barbed wire fence, a distance of 373.29 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE South 41 degrees 16 minutes 53 seconds West, a distance of 13.08 feet to a 1/2 inch iron rod found for corner;

THENCE North 47 degrees 17 minutes 29 seconds West, a distance of 52.02 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 41 degrees 16 minutes 53 seconds East, a distance of 256.62 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 53 degrees 07 minutes 02 seconds West, a distance of 479.78 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 40 degrees 30 minutes 27 seconds East, a distance of 70.14 feet to the POINT OF BEGINNING containing 5,139,828 square feet, or 117.994 acres of land.

TRACT 2: 54.328 Acre tract

BEING a tract of land situated in the Robert Bell Survey, Abstract No. 44, the Andrew Spiva Survey, Abstract No. 770, and the Andrew J. Patton Survey, Abstract No. 684, and being all of a called 50.87 acre tract of land described by deed to Donald C. Fulbright and wife, Nan E. Fulbright recorded in Volume

505, Page 724 of the Deed Records of Johnson County, Texas, and being all of Blocks 3 and 4, Browns Addition Section 2, an addition to the City of Alvarado as recorded in Volume 431, Page 641 of the Plat Records of Johnson County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2 inch iron rod found for the northwest corner of said 50.87 acre tract, also lying on the south right-of-way of F.M. Highway No. 1807 (E. Davis Road) (Variable R.O.W.);

THENCE South 89 degrees 39 minutes 42 seconds East, along the north line of said 50.87 acre tract and the south line of said F.M. Highway No. 1807, a distance of 461.60 feet to a 5/8 inch iron rod found for the occupied northwest corner of a tract of land described by deed to Nina Lenard and Jesse Charles Lenard recorded in Volume 3044, Page 393 of the Deed Records of Johnson County, Texas;

THENCE South 53 degrees 12 minutes 42 seconds East, along the occupied common line of said 50.87 acre tract and said Lenard tract, a distance of 193.30 feet to a 1/2 inch iron rod found for corner;

THENCE South 00 degrees 35 minutes 42 seconds East, continuing along said occupied common line, a distance of 183.80 feet to a 3 inch pipe fence post found for corner;

THENCE South 89 degrees 39 minutes 57 seconds East, continuing along said occupied common line and generally along a barbed wire fence, a distance of 575.85 feet to a 5/8 inch iron rod found for an easterly northeast corner of said 50.87 acre tract;

THENCE along the easterly occupied line of said 50.87 acre tract the following courses and distances:

South 20 degrees 20 minutes 53 seconds East, a distance of 284.80 feet to a 5/8 inch iron rod found for corner;

South 38 degrees 22 minutes 53 seconds East, a distance of 77.71 feet to a 5/8 inch iron rod found for corner;

South 63 degrees 34 minutes 46 seconds East, a distance of 68.32 feet to a Cross Tie Fence post with a 60 D nail found for corner;

South 52 degrees 23 minutes 03 seconds East, a distance of 76.83 feet to a wood fence post found for corner;

South 43 degrees 36 minutes 29 seconds East, a distance of 96.30 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 63 degrees 26 minutes 29 seconds East, a distance of 36.10 feet to a 5/8 inch iron rod found for the southeast corner of a tract of land described by deed to 275 Alvarado, LLC. (Tract 2) recorded in Volume 3566, Page 534 of the Deed Records of Johnson County, Texas;

THENCE South 67 degrees 23 minutes 29 seconds East, a distance of 121.78 feet to a 5/8 inch iron rod found for the most easterly northeast corner of said 50.87 acre tract, also lying on the west line of land described by deed to The Marion J. Moore & Jo Anne Moore Revocable Living Trust recorded in Volume 4525, Page 897 of the Deed Records of Johnson County, Texas;

THENCE South 00 degrees 51 minutes 39 seconds West, along the east line of said 50.87 acre tract and west line of said Moore tract generally along a barbed wire fence, a distance of 503.70 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the southwest corner of said Moore tract, same being the northwest corner of a tract of land described by deed to The Marion J. Moore & Jo Anne Moore

Revocable Living Trust recorded in Volume 4525, Page 846 of the Deed Records of Johnson County, Texas;

THENCE South 01 degrees 03 minutes 35 seconds West, along the east line of said 50.87 acre tract and the west line of last mentioned Moore tract generally along a barbed wire fence, a distance of 561.79 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the southeast corner of said 50.87 acre tract, also lying on the north line of a tract of land described by deed to Marion J. Moore and wife, Dawn Jo Anne Moore recorded in Volume 515, Page 327 of the Deed Records of Johnson County, Texas;

THENCE North 89 degrees 33 minutes 11 seconds West, along the south line of said 50.87 acre tract and the north line of last mentioned Moore tract generally along a barbed wire fence, a distance of 1062.43 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the northwest corner of said Moore tract, also lying on the east line of a tract of land described by deed to M.J. Moore and wife, Joanne Moore (Tract 8 1st/ tract and Tract 9) recorded in Volume 594, Page 821 of the Deed Records of Johnson County, Texas;

THENCE North 00 degrees 12 minutes 57 seconds East, along the east line of last mentioned Moore tract generally along a barbed wire fence, a distance of 739.84 feet to a T-Post found for the northeast corner of said Moore tract;

THENCE North 89 degrees 42 minutes 25 seconds West, along the north line of last mentioned Moore tract generally along a barbed wire fence, a distance of 962.72 feet to a 1 inch iron pipe found for the southwest corner of Block 3 of the aforementioned Browns Addition, also lying on the east right-of-way of Santa Fe Street (Called 50' R.O.W.)

THENCE North 00 degrees 17 minutes 35 seconds East, along the west line of said Block 3 and the east right-of-way of said Santa Fe Street, a distance of 338.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for the northwest corner of said Block 3;

THENCE South 89 degrees 42 minutes 25 seconds East, along the north line of said Browns Addition, a distance of 331.45 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 02 degrees 16 minutes 18 seconds East, a distance of 820.20 feet to the POINT OF BEGINNING, containing 2,366,530 square feet, or 54.328 acres of land.

CITY OF ALVARADO, TEXAS NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT a public hearing will be conducted by the City Council of Alvarado, Texas at 6:30 p.m. on May 19, 2025 at Alvarado City Hall, City of Alvarado, 104 West College Street, Alvarado, Texas 76009. The public hearing will be held to consider proposed assessments to be levied against certain assessable property within the Improvement Area #1 of the Lone Oak Public Improvement District ("District") pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Act").

The general nature of the proposed improvements authorized by the Act to be undertaken and financed for the benefit of certain property within the District include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District as approved by the City; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (vi) above; (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (vi) above; (ix) costs of establishing, administering and operating the District; and (x) costs of issuance, reserve funds, capitalized interest or credit enhancement of bonds issued for the purposes described above (the "Authorized Improvements"). These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property. The total costs of the Authorized Improvements for the District will be approximately \$12,000,000 for Improvement Area #1.

The District includes approximately 428.755 acres of land described by a metes and bounds description attached hereto and Improvement Area #1 includes 70.219 acres. All written or oral objections on the proposed assessments within the District will be considered at the public hearing.

A copy of the proposed assessment rolls relating to the Authorized Improvements to be undertaken at this time, which includes the assessments to be levied against certain assessable parcels in Improvement Area #1 of the District, is available for public inspection at the office of the City Secretary, Alvarado City Hall, 104 West College Street, Alvarado, Texas 76009.



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Donielle Suber, Administrative Services Director

AGENDA ITEM:

Consideration and action on Ordinance No. 2025-0010, an ordinance levying assessments for the costs of certain improvements to be provided in the Lone Oak Public Improvement District Improvement Area #1 Project.

BACKGROUND & FINDINGS:

MuniCap, the City of Alvarado's Public Improvement District (PID) Administrator, prepared the Final Service and Assessment Plan for the Lone Oak Public Improvement District (PID). Chapter 372 of the Texas Local Government Code requires that the Final Service Plan and Assessment Plan be approved by Council by City Ordinance.

The Final Service and Assessment Plan will be the governing document for the PID. The approval of the Final Service and Assessment Plan will also levy Assessments on Improvement Area #1. Included in the Service and Assessment Plan are the proposed development of the District, the Improvement Area #1 Improvements that will be eligible for reimbursement to the Developer, the Improvement Area #1 Assessment amount, as well as Assessment methodology.

The District is projected to be developed in multiple phases, totaling 1,657 single-family homes.

The current phase being developed, Improvement Area #1, will contain 253 50-foot Lots, with an estimated buildout value of \$315,000 per lot. After approval of the Final Service and Assessment Plan, the City Council is issuing PID Bonds to reimburse the Developer for a portion of the Improvement Area #1 Improvements.

The total Improvement Area #1 Improvements cost is \$11,238,442. These costs include Roadway Improvements, Sanitary Sewer Improvements, Water Improvements, Drainage Improvements, and other Soft and Miscellaneous Costs, such as engineering and architecture.

The Improvement Area #1 Assessment amount is \$5,640,000, with the projected Assessment per unit being \$22,292.49. The projected average Annual Installment will be approximately \$1,954, resulting in a \$0.62 tax rate equivalent for the PID.

The remaining \$5,598,442 (to be updated after final pricing), which is not covered by Improvement Area #1 Assessments, will be funded by the Developer.

The Annual Installments will be collected at the same time, in the same manner as property taxes.

RECOMMENDATION:

Staff recommends City Council approve Ordinance No. 2025-0010, an ordinance levying assessments for the costs of certain improvements to be provided in the Lone Oak Public Improvement District Improvement Area #1 Project.

MANAGEMENT REVIEW:
Paul DeBuff, City Manager

ATTACHMENTS:
Ordinance No. 2025-0010

THE STATE OF TEXAS
COUNTY OF JOHNSON
CITY OF ALVARADO

§
§

1. The City Council of said City convened in a regular meeting on May 19, 2025, via conference call, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written ordinance entitled

was duly introduced for the consideration of said City Council. It was then duly moved and seconded that said Ordinance be adopted and, after due discussion, said motion, carrying with it the adoption of said Ordinance, prevailed and carried by the following vote:

2. That a true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in said City Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor of said City has approved and hereby approves the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON MAY 19, 2025.

Mayor
City of Alvarado, Texas

City Secretary
City of Alvarado, Texas

(CITY SEAL)

*Certificate for Ordinance (Assessment Levy) May 19, 2025
City of Alvarado, Texas, Special Assessment Revenue Bonds
(Lone Oak Public Improvement District Improvement Area # 1)*

ORDINANCE NO. 2025-0010

ORDINANCE LEVYING ASSESSMENTS FOR THE COSTS OF CERTAIN IMPROVEMENTS TO BE PROVIDED IN THE LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA # 1 PROJECT; FIXING A CHARGE AND LIEN AGAINST ALL PROPERTIES WITHIN IMPROVEMENT AREA # 1 OF THE DISTRICT, AND THE OWNERS THEREOF; PROVIDING FOR THE MANNER AND METHOD OF COLLECTION OF SUCH ASSESSMENTS; MAKING A FINDING OF SPECIAL BENEFIT TO PROPERTY IN IMPROVEMENT AREA # 1 OF THE DISTRICT; APPROVING A SERVICE AND ASSESSMENT PLAN; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Subchapter A of Chapter 372 of the Texas Local Government Code (the "*Act*") authorizes the governing body (the "*City Council*") of the City of Alvarado, Texas (the "*City*") to create public improvement districts; and

WHEREAS, a petition (the "*Petition*") was submitted and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Act, requesting the creation of a public improvement district located within the corporate limits of the City to be known as "Lone Oak Public Improvement District" (the "*PID*" or "*District*"); and

WHEREAS, the Petition contained the signatures of the owners of taxable real 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 Johnson Central Appraisal District, and the signatures of record property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, the City adopted a resolution accepting the Petition and calling a public hearing on the creation of the District; and

WHEREAS, after due notice, the City Council held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the Act and, on the same date the City Council made the findings required by Section 372.009(b) of the Act and, by resolution adopted by the City Council, authorized and created the District in accordance with its finding as to the advisability of the improvement projects and services; and

WHEREAS, following the adoption of said resolution, the City published notice of its authorization and creation of the District in a newspaper of general circulation in the City; and

WHEREAS, no written protests of the creation of the District from any owners of record of property within the District were filed with the City Secretary within twenty days after the date of publication of such notice; and

WHEREAS, the City, pursuant to Section 372.016(b) of the Act, published notice of a public hearing in a newspaper of general circulation in the City where the proposed improvements are to be undertaken to consider the proposed "*Assessment Roll*" and the Service and Assessment Plan ("*Service and Assessment Plan*") and the levy of the "*Assessments*" on property in Improvement Area # 1 of the District; and

WHEREAS, the City, pursuant to Section 372.016(c) of the Act, mailed notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Assessments on property in Improvement Area # 1 of the District to the owners of the property liable for the Assessments; and

WHEREAS, the City Council convened the public hearing on May 19, 2025, at which all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Service and Assessment Plan, the Assessment Roll, and the Assessments (as defined in the Service and Assessment Plan), and to offer testimony pertinent to any issue presented on the amount of the Assessments, the allocation of costs of the Improvement Area # 1 Improvements, the purposes of the Assessments, the special benefits of the Assessments, and the penalties and interest on Annual Installments and on delinquent Annual Installments of the Assessments; and

WHEREAS, at the public hearing referenced above, there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of costs of the Improvement Area # 1 Improvements, the Assessment Roll, or the levy of the Improvement Area # 1 Assessments; and

WHEREAS, the City Council and the City staff have been presented a final Service and Assessment Plan relating to the Improvement Area # 1 Improvements and including the assessment roll attached thereto for the Assessments (the "*Assessment Roll*"), a copy of which Service and Assessment Plan is attached hereto as Exhibit A and is incorporated herein for all purposes; and

WHEREAS, the Service and Assessment Plan sets forth the estimated total costs of the Improvement Area # 1 Improvements and the Assessment Roll for Improvement Area # 1, attached to the Service and Assessment Plan and states the Assessments to be levied against each parcel of land for the Improvement Area # 1 Improvements as determined by the method of assessment chosen by the City;

WHEREAS, the owners (the "*Landowners*") of the privately-owned and taxable property located in Improvement Area # 1 of the District, and who are the persons to be assessed pursuant to this Ordinance, have indicated their approval and acceptance of the final Service and Assessment Plan, of the Assessment Roll, this Ordinance, and their approval of the levy of the Assessments against property located within Improvement Area # 1 of the District, and their agreement to pay the Assessments when due and payable and requested that the City file the Service and Assessment Plan and Assessment Roll in the real property records of Johnson County;

WHEREAS, and after considering the information, materials, evidence, and testimony offered to the City Council prior to and at the public hearing, the City Council has determined that it promotes the interests of the City to adopt and approve this Ordinance;

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

Section 1. All matters stated in the preamble of this Ordinance are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety. Unless otherwise defined in this Ordinance, capitalized terms used in this Ordinance shall have the meanings given to them in the Service and Assessment Plan for the District. All actions of the City in connection with the creation and establishment of the District and the approval of this Ordinance: (i) have been taken and performed in compliance with the Act and all other applicable laws, policies, and procedures; (ii) have been taken and performed in a regular, proper, and valid manner; and (iii) are approved and ratified.

Section 2. The Service and Assessment Plan attached as *Exhibit A* to this Ordinance is approved and adopted by the City Council as the "service plan" for Improvement Area # 1 of the District as required by Section 372.013 of the Act, the "assessment plan" for Improvement Area # 1 of the District as required by Section 372.014 of the Act, and the "assessment roll" for Improvement Area # 1 of the District as required by Section 372.016 of the Act. The Service and Assessment Plan has been reviewed by the City Council and is hereby approved and adopted. The Service and Assessment Plan for the District shall be updated annually as required by the Act.

Section 3. The costs of the Improvement Area # 1 Improvements are hereby assessed and levied against the Improvement Area # 1 Assessed Property as an assessment against the benefitted property as set forth in the Service and Assessment Plan for Improvement Area # 1 of the District. The Service and Assessment Plan for Improvement Area # 1 of the District and the Assessments are effective upon the effective date of this Ordinance.

Section 4. (a) The levy of the Assessments for a portion of the costs of the Improvement Area # 1 Improvements shall be effective on the date of adoption of this Ordinance levying such assessments and strictly in accordance with the terms of the Service and Assessment Plan.

(b) The apportionment of the costs of the Improvement Area # 1 Improvements to be assessed against the Improvement Area # 1 Assessed Property within the District shall be as set forth in the Service and Assessment Plan.

(c) The Assessments and Annual Installments shall be collected, administered and may be reallocated, and the costs of improvements paid, as set forth in: (i) this Ordinance; (ii) the Service and Assessment Plan; and (iii) any ordinance, resolution, bond indenture or agreement approved by the City Council.

(d) Each Assessment may be paid in a lump sum or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.

(e) Each Assessment shall accrue and bear interest at the rate specified in the Service and Assessment Plan.

(f) Each Annual Installment shall be due and payable and shall be collected each year in the manner set forth in the Service and Assessment Plan.

(g) Assessments and the interest thereon shall be deposited as and when received by the City into a separate fund to be used to pay the costs incurred for the Improvement Area # 1 Improvements, including debt service on Bonds issued to pay the costs of the Improvement Area # 1 Improvements, and the establishment of each such fund is hereby approved.

(h) The Annual Installments shall be reduced to equal the actual costs of repaying the related series of Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as tax increment revenues and interest income on account balances.

Section 5. Based on information, materials, evidence, and testimony available to or provided to the City Council, the City Council has found and determined that the Assessments: (i) have been levied in accordance with the Act based solely on the special benefits conferred on the Improvement Area # 1 Assessed Property by the Improvement Area # 1 Improvements; (ii) have been levied based on the enhanced value of the Improvement Area # 1 Assessed Property as a result of the Improvement Area # 1 Improvements; (iii) have taken into consideration reasonable classifications and formulas to allocate the costs of the Improvement Area # 1 Improvements; (iv) impose equal shares of the costs of the Improvement Area # 1 Improvements on property similarly benefited; (v) are in amounts necessary to pay the costs of the Improvement Area # 1 Improvements; and (vi) will continue for the period of time necessary to retire the Bonds issued to construct the Improvement Area # 1 Improvements. The City Council further finds and determines that the Improvement Area # 1 Assessed Property is benefited by the Improvement Area # 1 Improvements in an amount that equals or exceeds the Assessment against the Improvement Area # 1 Assessed Property and that the Assessment is otherwise just and equitable. The findings and determinations by the City Council represent the discretionary exercise by the City Council of its legislative and governmental authority and power.

Section 6. The City Council and the Landowner(s) intend for the obligations, covenants, and burdens on the landowners of the Improvement Area # 1 Assessed Property, including without limitation such Landowner(s)' obligations related to payment of the Assessments and the Annual Installments thereof, to constitute covenants running with the land. The Assessments and Annual Installments thereof which are levied hereby shall be binding upon the Landowner(s), as the owners of the Improvement Area # 1 Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. The Assessment shall have a lien priority as specified in the Service and Assessment Plan and the Act.

Section 7. This Ordinance incorporates by reference all provisions and requirements of the Act. If any section, article, paragraph, sentence, clause, phrase, or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Ordinance; and the City Council hereby declares it would have passed such remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 8. The City Secretary is directed to cause a copy of this Ordinance, including the Assessment Roll for Improvement Area # 1 of the District, to be recorded in the real property records of Johnson County. Copies of the Service and Assessment Plan and any updates thereto may be obtained or viewed in the City Secretary's Office located at Alvarado City Hall, 2000 E Alvarado Drive, Alvarado, TX 75407.

Section 9. This Ordinance shall take effect immediately from and after its passage and it is accordingly so ordained.

PASSED, APPROVED AND ADOPTED on MAY 19, 2025.

ATTEST:

Jacob Wheat; Mayor

Beth Walls; City Secretary

[CITY SEAL]

STATE OF TEXAS §
COUNTY OF JOHNSON §

This instrument was acknowledged before me on the _____ day of _____, 2025 by Jacob Wheat and Beth Walls, the Mayor and City Secretary, respectively, of the City of Alvarado, Texas on behalf of said City.

Notary Public, State of Texas

(Notary Seal)

EXHIBIT A

ALVARADO LONE OAK PUBLIC IMPROVEMENT DISTRICT (IMPROVEMENT AREA # 1 PROJECT) SERVICE AND ASSESSMENT PLAN

(see attached)

LONE OAK PUBLIC IMPROVEMENT DISTRICT

ALVARADO, TEXAS

PRELIMINARY SERVICE AND ASSESSMENT PLAN

_____, 2025

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

LONE OAK PUBLIC IMPROVEMENT DISTRICT

PRELIMINARY SERVICE AND ASSESSMENT PLAN

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On October 18, 2021, the City Council of the City of Alvarado, Texas (the “City Council”) passed and approved a resolution (the “Creation Resolution”) approving and authorizing the creation of the Lone Oak Public Improvement District (the “PID”) to finance the costs of certain public improvements for the benefit of property in the PID.

On April 18, 2022, the City Council passed and approved a Resolution adding approximately 76.93 acres of property into the PID and on January 22, 2024, the PID boundaries were adjusted. The PID, as expanded and adjusted, currently consists of approximately 428.755 total acres.

On April 18, 2022, the City Council passed and approved Ordinance 2022-0005 annexing approximately 352.471 acres of property in the PID into the corporate limits of the City of Alvarado.

On May 15, 2024, the City Council passed and approved Ordinance 2024-0007 annexing approximately 76.93 acres of property in the PID into the corporate limits of the City of Alvarado. All property in the PID is located within the corporate limits of the City of Alvarado.

The property in the PID is proposed to be developed in multiple phases, and the PID will finance public improvements in phases as the property is developed. As described here in, Assessments will be imposed on the parcels that receive a special benefit from the Authorized Improvements (as defined herein).

Chapter 372 of the Texas Local Government Code, as amended, the “Public Improvement District Assessment Act” (the “PID Act”), governs the creation and operation of public improvement districts within the State of Texas. This Lone Oak Public Improvement District Service and Assessment Plan (the “Service and Assessment Plan”) has been prepared in accordance with the PID Act and specifically Sections 372.013, 372.014, 372.015 and 372.016, which address the requirements of a service and assessment plan and the assessment roll. Section 372.013 of the PID Act requires a service plan to “(i) cover a period of at least five years; (ii) define the annual indebtedness and the projected costs for improvements; and (iii) include a copy of the notice form required by Section 5.014, Property Code.” The service plan is described in Section IV of this Service and Assessment Plan. The copy of the notice form required by Section 5.014 of the Texas Property Code, as amended, is attached hereto as Appendix E.

Section 372.014 of the PID Act requires that “an assessment plan must be included in the annual service plan.” The assessment plan is described in Section V of this Service and Assessment Plan.

Section 372.015 of the PID Act requires 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 costs of the Authorized Improvements and apportionment of such costs to the property in the PID is included in the Creation Resolution and Section V of this Service and Assessment Plan.

Section 372.016 of the PID Act requires 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 against each parcel of land in the district, as determined by the method of assessment chosen by the municipality or county under this subchapter.” The Assessment Roll for the PID is included as Appendix G of this Service and Assessment Plan and additional Assessment Rolls may be added to this Service and Assessment Plan in the future. The Assessments as shown on each Assessment Roll are based on the method of assessment and apportionment of costs described in Section V of this Service and Assessment Plan.

B. DEFINITIONS

Capitalized terms used herein shall have the meanings ascribed to them as follows:

“Actual Cost(s)” means, with respect to an Authorized Improvement, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvement, as specified in a payment request in a form that has been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Authorized Improvement, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (d) the costs for external professional costs associated with such Authorized Improvement, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Authorized Improvements, (f) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, City permit fees, development fees), insurance premiums, and miscellaneous expenses.

Actual Costs include general contractor’s fees in an amount up to a percentage equal to the percentage of work completed and accepted by the City or construction management fees in an amount up to five percent of the eligible Actual Costs described in a payment request in a form that has been reviewed and approved by the City. 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.

“Additional Interest” means the up to 0.50% additional interest rate charged on Assessments (if applicable) pursuant to Section 372.018 of the PID Act.

“Additional Interest Component” means the amount collected by application of the Additional Interest.

“Administrative Expenses” mean the administrative, organization, maintenance and operation costs associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of: (i) creating and organizing the PID, including conducting hearings, preparing notices and petitions, and all costs incident thereto, including engineering fees, legal fees and consultant fees, (ii) the annual administrative, organization, maintenance, and operation costs and expenses associated with, or incident and allocable to, the administration, organization, and operation of the PID, (iii) computing, levying, billing and collecting Assessments or the Annual Installments thereof, (iv) maintaining the record of installments of the Assessments and the system of registration and transfer of the Bonds, (v) invoicing, paying redeeming, and servicing payment on the Bonds, (vi) investing or depositing of monies, (vii) complying with the PID Act and other laws applicable to the Bonds, (viii) the Trustee

fees and expenses relating to the Bonds, including reasonable fees, (ix) legal counsel, engineers, accountants, financial advisors, investment bankers or other PID consultants and advisors, and (x) administering the construction of the Authorized Improvements. Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on the Bonds. Administrative Expenses collected and not expended for actual Administrative Expenses in one year shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid the over-collection of amounts to pay Administrative Expenses.

“Administrator” means the City Manager, city staff, or any person or firm specifically designated by the City, who shall have the responsibilities provided for herein.

“Annual Installment” means, with respect to each Parcel of Assessed Property, each annual payment of: (i) the Assessments including both principal and interest, as shown on the Assessment Rolls attached hereto as Appendix G or in an Annual Service Plan Update, and calculated as provided in Section VI of this Service and Assessment Plan, (ii) the Additional Interest Component designated for the Delinquency and Prepayment Reserve described in Section V of this Service and Assessment Plan, and (iii) the Administrative Expenses.

“Annual Service Plan Update” has the meaning set forth in the fourth paragraph of Section IV of this Service and Assessment Plan.

“Assessed Property” means the Parcels that benefit from the Authorized Improvements to be and on which Assessments have been imposed as shown in the Assessment Roll (as each Assessment Roll is updated each year by the Annual Service Plan Update). Assessed Property includes all Parcels shown on the Assessment Rolls and excludes Non-Benefited Property.

“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 the PID Act. An Assessment for a Parcel consists of the Annual Installments to be collected in all years including the portion of those Annual Installments collected to pay Administrative Expenses and interest on all Assessments.

“Assessment Ordinance” means each Assessment Ordinance adopted by the City Council levying the Assessments against the Assessed Property.

“Assessment Revenues” mean the revenues actually received by or on behalf of the City from the collection of Assessments.

“Assessment Roll” means, as applicable, the Improvement Area #1 Assessment Roll, or any other future Assessment Roll in an amendment or supplement to this Service and Assessment Plan or in an Annual Service Plan Update, as each may be updated, modified, or amended from time to time in accordance with the procedures set forth in this Service and Assessment Plan and in the PID Act and approved by the City Council.

“Authorized Improvements” mean those public improvements, including Major Improvements and Improvement Area #1 Improvements, described in Appendix B of this Service and Assessment Plan and Section 372.003 of the PID Act, constructed and installed in accordance with this Service and Assessment Plan, and any future updates and/or amendments.

“Bonds” mean any bonds issued by the City in one or more series and secured in whole or in part by the Assessment Revenues.

“Budgeted Cost(s)” means the amounts budgeted to construct the Authorized Improvements as used in the preparation of this Service and Assessment Plan.

“Certification for Payment” means the certificate to be provided by the Developer, or his designee, to substantiate the Actual Cost of one or more Authorized Improvements.

“City” means the City of Alvarado, Texas.

“County” means Johnson County, Texas.

“Delinquency and Prepayment Reserve” is the account funded from the Additional Interest Component of the Annual Installments and to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs as set forth in Section V.G of this Service and Assessment Plan.

“Delinquent Collection Costs” mean interest, penalties and expenses incurred or imposed with respect to any delinquent installment of an Assessment in accordance with 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, collectively, Century Land Holdings of Texas, LLC, and GRBK Edgewood LLC.

“Development Agreement” means that certain Amended and Restated Lone Oak Development Agreement by and between the City, Alvarado 429 Partners, LLC, and GRBK Edgewood, LLC, approved by the City on October 18, 2021, as partially assigned to Century Land Holdings of Texas, LLC, as amended by that Second Amended and Restated Lone Oak Development Agreement, between the City, GRBK Edgewood LLC and Century Land Holdings of Texas, LLC, effective as of January 22, 2024 and related to development of the property within the PID, and as the same may be further amended from time to time.

“Equivalent Units” means, as to any Parcel, the number of dwelling units by lot type expected to be built on the Parcel multiplied by the factors calculated and shown in Appendix F attached hereto.

“Future Improvement Area(s)” means Improvement Areas that are fully developed after Improvement Area #1, as such areas are generally depicted and described in Appendix A.

“Future Improvement Area Improvements” means those Authorized Improvements associated with any Future Improvement Area(s).

“Homeowner Association” means a homeowner’s association or property owners’ association established for the benefit of property owners within the boundaries of the PID.

“Homeowner 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 Homeowner’s Association.

“Improvement Area” means one or more Parcels within the PID that will be developed in the same general time period. The Parcels within an Improvement Area will be assessed 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.

“Improvement Area #1” means the initial improvement area to be developed and generally shown in Appendix A, as specifically depicted and described as the sum of all Parcels shown in Appendix G.

“Improvement Area #1 Assessed Property” means all Parcels within Improvement Area #1 other than Non-Benefited Property and shown in the Improvement Area #1 Assessment Roll against which an Assessment relating to the Improvement Area #1 Projects is levied.

“Improvement Area #1 Assessment Revenues” mean the actual revenues received by or on behalf of the City from the collection of Assessments levied against Improvement Area #1 Assessed Property, or the Annual Installments thereof, for the Improvement Area #1 Projects.

“Improvement Area #1 Assessment Roll” means the document included in this Service and Assessment Plan as Appendix G, as updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of Bonds or in connection with any Annual Service Plan Update.

“Improvement Area #1 Bonds” mean those certain City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project) that are secured by Improvement Area #1 Assessment Revenues.

“Improvement Area #1 Improvements” mean the Authorized Improvements which only benefit Improvement Area #1 Assessed Property, which are described in Section III.C.

“Improvement Area #1 Maximum Assessment Per Unit” means for Improvement Area #1 an Assessment per unit not to exceed \$22,292.49 as shown in Appendix F.

“Improvement Area #1 Projects” mean (i) the pro rata portion of the Major Improvements allocable to Improvement Area #1, and (ii) the Improvement Area #1 Improvements.

“Lot” means a tract of land described as a “lot” in a subdivision plat recorded in the official public records of the County.

“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 as shown in Appendix F. In the case of single family residential lots, the Lot Type shall be further defined by classifying the residential lots by the estimated average home value for each home at the time of assessment levy, considering factors such as density, lot size, proximity to amenities, view premiums, location, and any other factors that may impact the average home value on the lot, as determined by the Administrator and confirmed by the City Council.

“Major Improvements” mean the Authorized Improvements which benefit all Assessed Property within the PID and are described in Section III.B.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements, including Homeowner Association Property, Public Property and easements that create an exclusive use for a public utility provider to the extent they accrue no special benefit. 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 the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.E.

“Parcel” or “Parcels” means a parcel or parcels within the PID identified by either a tax map identification number assigned by the Johnson Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of the County.

“PID” has the meaning set forth in Section I.A of this Service and Assessment Plan.

“PID Act” means Texas Local Government Code Chapter 372, Public Improvement District Assessment Act, Subchapter A, Public Improvement Districts, as amended.

“Prepayment Costs” mean interest and expenses to the date of prepayment, plus any additional expenses related to the prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment 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, the County, the City, a school district or any other public agency, whether in fee simple or through an exclusive use easement.

“Service and Assessment Plan” means this Service and Assessment Plan prepared for the PID pursuant to the PID Act, as the same may be amended from time to time.

“Trustee” means the fiscal agent or trustee as specified in the Trust Indenture, including a substitute fiscal agent or trustee.

“Trust Indenture” means an indenture of trust, ordinance or similar document setting forth the terms and other provisions relating to the Bonds, as modified, amended, and/or supplemented from time to time.

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II. PROPERTY INCLUDED IN THE PID

A. PROPERTY INCLUDED IN THE PID

The PID is located within the corporate limits of the City and contains approximately 428.755 acres of land. A map of the property within the PID is shown on Appendix A to this Service and Assessment Plan.

At completion, the PID is expected to consist of approximately 1,657 single family residential units and includes infrastructure necessary to provide roadways, water, drainage, and utilities to the PID.

The property within the PID is proposed to be developed as follows:

Table II-A
Proposed Development

Proposed Development	Quantity	Measurement
Lot Type 1 (50 Ft)	964	Units
Lot Type 2 (45 Ft)	693	Units
Total	1,657	Units

B. PROPERTY INCLUDED IN IMPROVEMENT AREA #1

Improvement Area #1 consists of approximately 70.219 acres and is projected to consist of 253 single family residential units, to be developed as Improvement Area #1, as further described in Section III. A map of the property within Improvement Area #1 is shown in Appendix A.

The property within Improvement Area #1 is proposed to be developed as follows:

Table II-B
Proposed Development – Improvement Area #1

Proposed Development	Quantity	Measurement
Lot Type 1 (50 Ft)	253	Units
Total	253	Units

C. PROPERTY INCLUDED IN THE FUTURE IMPROVEMENT AREA

The Future Improvement Area consists of approximately 358.536 acres and is projected to consist of approximately 1,404 residential units. A map of the property within the Future Improvement Area is shown in Appendix A.

The property within the Future Improvement Area is proposed to be developed as follows:

Table II-C
Proposed Development – Future Improvement Area

Proposed Development	Quantity	Measurement
Lot Type 1 (50 Ft)	711	Units
Lot Type 2 (45 Ft)	693	Units
Total	1,404	Units

As Future Improvement Areas are developed, Bonds may be issued for each new Improvement Area. In connection with the issuance of each new series of Bonds, this Service and Assessment Plan will be updated to add additional details of each new Improvement Area(s) as shown for Improvement Area #1 in Section II.B. A map of the projected property within each Future Improvement Area is shown in Appendix A. The Future Improvement Area(s) are shown for illustrative purposes only and are subject to adjustment. The current Parcels in the PID are shown on the Assessment Roll included as Appendix G and additional Assessment Rolls may be added to this Service and Assessment Plan as the Future Improvement Area(s) are developed.

The estimated number of units at the build-out of the PID is based on the land use approvals for the property, the anticipated subdivision of property in the PID, and the Developer's estimate of the highest and best use of the property within the PID.

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III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

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 malls;
- (v) acquisition and installation of pieces of art;
- (vi) acquisition, construction, or improvement of libraries;
- (vii) acquisition, construction, or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement, or 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;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) the development, rehabilitation, or expansion of affordable housing

After analyzing the public improvement projects authorized by the PID Act, the City has determined at this time to undertake only Authorized Improvements listed in Section III.B and Section III.C and shown in the opinion of probable costs shown in Appendix B and on the diagrams included as Appendix D for the benefit of the Assessed Property. Any change to the list of Authorized Improvements will require the approval of the City and an update to this Service and Assessment Plan.

B. DESCRIPTIONS AND COSTS OF MAJOR IMPROVEMENTS

The Major Improvements benefit the entire PID. The costs of the Major Improvements are allocated proportionally throughout the entire PID, excluding Non-Benefited Property, in a manner that anticipates planned development of the PID based on the anticipated number of Equivalent Units. The Budgeted Costs of Major Improvements will be proportionally allocated to Improvement Area #1 and the Future Improvement Area, as shown on Table III-A, and further described in Section V.C.

The Budgeted Costs of the Major Improvements are shown in Table III-A and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

A description of the Major Improvements are as follows:

Roadway Improvements – County Road 508 Right Turn Lane

The roadway improvement portion of the Major Improvements consists of subgrade stabilization, concrete pavement with curb and gutter, concrete sidewalk with ADA ramps, and drainage, which benefit the Assessed Property. All related traffic control, earthwork, excavation, erosion control, and demolition of existing pavement within the proposed right-of-way is included. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Sanitary Sewer Improvements – Gravity Sanitary Sewer, Sanitary Sewer Lift Station, and Sanitary Sewer Force Main

The sanitary sewer improvement portion of the Major Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, lift stations, testing, related earthwork, excavation, and erosion control, and all necessary appurtenances constructed to City and utility provider standards required to upgrade the existing wastewater service capacity for the development. The sanitary sewer improvements will be designed and constructed according to City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Improvements

The other soft and miscellaneous portion of the Major Improvements consist of designing, constructing, installing, and financing the Major Improvements, including land planning and design, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, District Formation Costs, and other PID costs incurred and paid by the Developer.

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Table III-A
Estimated Major Improvement Costs

Authorized Improvements	Total Major Improvement Costs	Improvement Area #1 Allocated Amount	Future Improvement Area Allocated Amount
<i>Hard costs</i>			
Roadway Improvements	\$557,601	\$86,219	\$471,381
Sanitary Sewer Improvements	\$3,791,973	\$586,336	\$3,205,637
<i>Sub-total Hard Costs</i>	<i>\$4,349,574</i>	<i>\$672,556</i>	<i>\$3,677,018</i>
<i>Soft and Miscellaneous Costs</i>			
Other Soft and Miscellaneous Costs	\$1,106,340	\$171,069	\$935,272
<i>Sub-total Soft and Miscellaneous Costs</i>	<i>\$1,106,340</i>	<i>\$171,069</i>	<i>\$935,272</i>
Total Authorized Improvements	\$5,455,914	\$843,624	\$4,612,290

Note: Costs provided by JBI Partners. The figures shown in Table III-A may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Major Improvements amount does not change.

C. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #1 IMPROVEMENTS

The Improvement Area #1 Improvements descriptions are presented below as provided by the Project Engineer. The Budgeted Costs of the Improvement Area #1 Improvements are shown in Table III-B and may be revised in Annual Service Plan Updates, including such other improvements as deemed necessary to further improve the properties within the PID.

Roadway Improvements

The road improvement portion of the Improvement Area #1 Improvements consists of the construction of road improvements, including related subgrade stabilization, concrete pavement with curb and gutter, concrete sidewalk with ADA ramps, signage, lighting, earthwork, excavation, erosion control, and testing which benefit the Improvement Area #1 Assessed Property. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Water Improvements

The water improvements portion of the Improvement Area #1 Improvements consists of construction and installation of a looped water main network, which includes trench excavation and embedment, trench safety, piping, valves, fire hydrant assemblies, service connections, testing, related earthwork, erosion control and all necessary appurtenances constructed to Johnson County Special Utility District ("JCSUD") standards required to provide water service to the Improvement Area #1 Assessed Property. The water improvements will be designed and constructed in accordance with JCSUD standards and specifications and will be owned and operated by the JCSUD.

Sanitary Sewer Improvements

The sanitary sewer improvement portion of the Improvement Area #1 Improvements consists of trench excavation and embedment, trench safety, piping, lift station, force main, manholes, service connections, testing, related earthwork, excavation, and erosion control to provide sanitary sewer service to Improvement Area #1 Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Storm Drainage Improvements

The storm drainage improvement portion of the Improvement Area #1 Improvements consist of trench excavation and embedment, trench safety, piping, manholes, inlets, headwalls, testing, related earthwork, and erosion control. Also included are retention ponds consisting of clearing, excavation, piping for inbound and outbound drainage lines, outlet structures, and erosion control to provide adequate drainage to the Improvement Area #1 Assessed Property constructed within the boundaries of the PID. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

Other Soft and Miscellaneous Improvements

The other soft and miscellaneous portion of the Improvement Area #1 Improvements consist of fees, related to designing, constructing, installing, and financing the Improvement Area No. 1 Improvements, including land planning and design, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, District Formation Costs, and other PID costs incurred and paid by the Developer.

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Table III-B
Estimated Improvement Area #1 Project Costs

Authorized Improvements	Improvement Area #1 Improvements	Improvement Area #1's Proportional Share of Major Improvements ¹	Total Improvement Area #1 Projects ²
<i>Hard costs</i>			
Roadway Improvements	\$3,014,673	\$86,219	\$3,100,892
Water Improvements	\$1,412,890	\$0	\$1,412,890
Sanitary Sewer Improvements	\$1,302,265	\$586,336	\$1,888,601
Drainage Improvements	\$1,656,011	\$0	\$1,656,011
<i>Sub-total Hard Costs</i>	<i>\$7,385,838</i>	<i>\$672,556</i>	<i>\$8,058,394</i>
<i>Soft and Miscellaneous Costs</i>			
Other Soft and Miscellaneous Costs	\$1,896,080	\$171,069	\$2,067,149
<i>Sub-total Soft and Miscellaneous Costs</i>	<i>\$1,896,080</i>	<i>\$171,069</i>	<i>\$2,067,149</i>
Total Authorized Improvements	\$9,281,918	\$843,624	\$10,125,542

¹See Table III-A. Allocation of Major Improvements are based on the methodologies described in Section V.C and shown in Table V-A.

²Costs provided by JBI Partners. The figures shown in Table III-B may be revised in Annual Service Plan Updates and may be reallocated between line items so long as the total Improvement Area #1 Improvements does not change.

D. FUTURE IMPROVEMENT AREAS

As Future Improvement Areas are developed and Bonds are issued, this Service and Assessment Plan will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the property inside each Future Improvement Area (e.g. a Table III-C will be added to show the costs for the Future Improvement Area Improvements financed within the specific Future Improvement Area being developed.)

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IV. SERVICE PLAN

A. PROJECTED SOURCES AND USES OF FUNDS

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. The Improvement Area #1 Projects to be financed with the Improvement Area #1 Bonds are expected to be constructed and accepted by the City in the second quarter of 2025. At some point after all or a portion of the Improvement Area #1 Projects are constructed, development in Future Improvement Areas will begin, with each Future Improvement Area to be subsequently developed corresponding to the Service and Assessment Plan to be updated with that development.

The Budgeted Costs for the Improvement Area #1 Projects plus costs related to the issuance of the Improvement Area #1 Bonds and the expenses incurred in the establishment, administration, and operation of the PID allocable to Improvement Area #1 are \$11,238,442 as shown in Table IV-A.

The service plan shall be reviewed and updated at least annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Authorized Improvement costs, and updating the Assessment Roll(s). Any update to this Service and Assessment Plan is herein referred to as an “Annual Service Plan Update.”

As Future Improvement Areas are developed in connection with the issuance of Bonds, this Service and Assessment Plan will be amended (e.g. a new table will be added to show the projected sources and uses and five-year service plan for Improvement Area #2, etc.).

Improvement Area #1

The Improvement Area #1 Bonds shown in Table IV-A are anticipated to be issued in 2025 and will be used to finance a portion of the costs of the Improvement Area #1 Projects.

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Table IV-A
Estimated Sources and Uses – Improvement Area #1

Sources of Funds	Total
Par Amount	\$5,640,000
Other Funding Sources ¹	\$5,598,442
Total Sources	\$11,238,442
Uses of Funds	
<i>Major Improvements²:</i>	
Roadway Improvements	\$86,219
Sanitary Sewer Improvements	\$586,336
Other Soft and Miscellaneous Costs	\$171,069
<i>Subtotal Major Improvements</i>	<i>\$843,624</i>
<i>Improvement Area #1 Improvements:</i>	
Roadway Improvements	\$3,014,673
Water Improvements	\$1,412,890
Sanitary Sewer Improvements	\$1,302,265
Drainage Improvements	\$1,656,011
Other Soft and Miscellaneous Costs	\$1,896,080
<i>Subtotal Improvement Area #1 Improvements</i>	<i>\$9,281,918</i>
<i>Estimated Bond Issuance Costs:</i>	
Debt Service Reserve Fund	\$416,350
Administrative Expenses	\$50,000
Capitalized Interest	\$110,750
Cost of Issuance	\$366,600
Underwriter's Discount	\$169,200
<i>Subtotal Estimated Bond Issuance Costs</i>	<i>\$1,112,900</i>
Total Uses	\$11,238,442

¹The other funding sources represent projects costs of the Improvement Area #1 Projects to be paid by the Developer without reimbursement from the City.

² See Table III-A for details.

Future Improvement Areas

As Future Improvement Areas are developed, Bonds may be issued to finance the Authorized Improvements required for each new Improvement Area.

B. PROJECTED FIVE-YEAR SERVICE PLAN

Improvement Area #1

The annual projected costs and annual projected indebtedness for Improvement Area #1 is shown in Table IV-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.

Table IV-B
Annual Projected Costs and Annual Projected Indebtedness – Improvement Area #1

Year	Annual Projected Cost	Annual Projected Indebtedness	Other Funding Sources	Projected Improvement Area #1 Annual Installments
2025	\$11,238,442	\$5,640,000	\$5,598,442	\$0
2026	\$0	\$0	\$0	\$495,550
2027	\$0	\$0	\$0	\$495,151
2028	\$0	\$0	\$0	\$494,518
2029	\$0	\$0	\$0	\$494,650
2030	\$0	\$0	\$0	\$494,485
2031	\$0	\$0	\$0	\$494,023
Total	\$11,238,442	\$5,640,000	\$5,598,442	\$2,968,378

The annual projected costs shown in Table IV-B are the annual expenditures relating to the Improvement Area #1 Projects shown in Table III-B, and the costs associated with setting up the PID allocable to Improvement Area #1 and bond issuance costs including reserves shown in Table IV-B. The difference between the total projected cost and the total projected indebtedness, if any, is the amount contributed by the Developer.

As Future Improvement Areas are developed, in association with issuing Future Improvement Area Bonds and/or execution of a reimbursement agreement for each Future Improvement Area, a Table IV-C be added to identify the Authorized Improvements to be financed by each new series of the Future Improvement Area Bonds and/or reimbursement agreements and the projected indebtedness resulting from each additional series of the Future Improvement Area Bonds and/or reimbursement agreements.

C. PID ASSESSMENT NOTICE

The PID Act requires that this Service and Assessment Plan and each Annual Service Plan update include a copy of the notice form required by Section 5.014 of the Texas Property Code(the “PID Assessment Notice”). The PID Assessment Notice is attached hereto as Appendix E and may be updated in an Annual Service Plan Update.

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V. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the costs of the Authorized Improvements on the basis of special benefits conferred upon the property because of the Authorized Improvements. The PID Act provides that the costs of the Authorized Improvements 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 of improvements.

The proposed bond issuance program entails a series of bond financings that are intended to finance the public infrastructure required for the development. This financing will necessarily be undertaken in phases to coincide with the private investment and development of the Authorized Improvements. Following the issuance of the Improvement Area #1 Bonds anticipated to be issued in 2025, subsequent financings may be issued over the upcoming decade as the Future Improvement Areas of the development are gradually constructed.

The purpose of this gradual issuance of bonds in phases is to mirror the actual private development of the Authorized Improvements. The Bonds to be issued are most prudently and efficiently utilized when directly coinciding with construction of public infrastructure needed for private development that is to occur once the infrastructure is completed; it is most effective to issue the Bonds when the infrastructure is needed, not before. Furthermore, there is no economic advantage, and several disadvantages, to issuing debt and encumbering property within the PID prior to the need for the Authorized Improvements.

For the purposes of this Service and Assessment Plan, the City Council has determined that the Budgeted Costs of the Authorized Improvements shall be allocated as described below:

1. The costs of the Improvement Area #1 Projects shall be allocated on the basis of Equivalent Units calculated using the average home price of each Lot Type once such property is developed, and that such method of allocation will result in the imposition of equal shares of the costs of the Improvement Area #1 Projects to Parcels similarly benefited.
2. The Major Improvement costs are proportionally allocated to Future Improvement Areas and Improvement Area #1 Assessed Property based on estimated Equivalent Units calculated using the average home price for the Future Improvement Areas and Improvement Area #1 Assessed Property.

Table V-A provides the estimated allocation of costs of the Major Improvements between the Future Improvement Areas and Improvement Area #1.

At this time, it is impossible to determine with absolute certainty the amount of special benefit each Parcel within Future Improvement Areas will receive from the direct Authorized Improvements that will benefit each individual Improvement Area and that are to be financed with Bonds. Therefore, Parcels will only be assessed for the special benefits conferred upon the Parcel at this time because of the Improvement Area #1 Projects.

In connection with the issuance of Bonds, this Service and Assessment Plan will be updated to reflect the special benefit each Parcel of Assessed Property within a Future Improvement Area receives from the specific Future Improvement Area Improvements funded with those Bonds issued with respect to that Future Improvement Areas. Prior to assessing Parcels located within Future Improvement Areas in connection with issuance of Bonds, each owner of the Parcels to be assessed must acknowledge that the Future Improvement Area Improvements to be financed confer a special benefit on their Parcel and must consent to the imposition of the Assessments to pay for the Actual Costs of such Future Improvement Area Improvements.

This section of this Service and Assessment Plan currently (i) describes the special benefit received by each Parcel within the PID as a result of the Improvement Area #1 Projects, as applicable, (ii) provides the basis and justification for the determination that this special benefit exceeds the amount of the Assessments to be levied on the Improvement Area #1 Assessed Property for such improvements, and (iii) establishes the methodologies by which the City Council allocates and reallocates the special benefit of the Improvement Area #1 Projects to Parcels in a manner that results in equal shares of the Actual Costs of such improvements being apportioned to Parcels similarly benefited. 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 Developer and all future owners and developers of the Assessed Property.

As Future Improvement Areas are developed, in connection with the issuance of Bonds, this Service and Assessment Plan will be updated based on the City's determination of the assessment methodology for each Future Improvement Area.

B. SPECIAL BENEFIT

Assessed Property must receive a direct and special benefit from the Authorized Improvements, and this benefit must be equal to or greater than the amount of the Assessments. The Authorized Improvements are provided specifically for the benefit of the Assessed Property. The Authorized Improvements (more particularly described in line-item format in Appendix B to this Service and Assessment Plan) and the costs of issuance and payment of costs incurred in the establishment of the PID shown in Table IV-A are authorized by the PID Act. These Authorized Improvements are provided specifically for the benefit of the Assessed Property.

Each owner of the Assessed Property has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and has consented to the imposition of the Assessments to pay for the Actual Costs associated therewith. Each of the owners is acting in its interest in consenting to this apportionment and levying of the Assessments because the special benefit conferred upon the Assessed Property by the Authorized Improvements exceeds the amount of Assessments.

The Authorized Improvements provide a special benefit to the Assessed Property as a result of the close proximity of these improvements to the Assessed Property and the specific purpose of these improvements of providing infrastructure for the Assessed Property. In other words, the Assessed Property could not be used in the manner proposed without the construction of the Authorized Improvements. The Authorized Improvements are being provided specifically to meet the needs of the Assessed Property as required for the proposed use of the property.

The Assessments are being levied to provide the Authorized Improvements that are required for the highest and best use of the Assessed Property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as “the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” (*Dictionary of Real Estate Appraisal, Third Edition.*) The Authorized Improvements are expected to be required for the proposed use of the Assessed Property to be physically possible, appropriately supported, financially feasible, and maximally productive.

The Developer has evaluated the potential use of the property and has determined that the highest and best use of the property is the use intended and the legal use for the property as described in Section II of this Service and Assessment Plan. The use of the Assessed Property as described herein will require the construction of the Authorized Improvements.

The Assessments will repay financing that is on advantageous terms, as the Bonds issued to finance the Authorized Improvements will pay interest that is exempt from federal income tax. As a result, all other terms being equal (e.g., maturity, fixed vs. variable rate, credit quality), the tax-exempt bonds will have a lower interest rate than debt that is not tax-exempt. The Bonds also have a longer term than other available financings and may either be repaid or assumed by a buyer at the buyer’s option. As a result of these advantageous terms, the financing provided by the PID is the most beneficial means of financing the Authorized Improvements.

Each owner of the Assessed Property will ratify, confirm, accept, agree to and approve: (i) the determinations and finding by the City Council as to the special benefits described in this Service and Assessment Plan and the Assessment Ordinance; (ii) the Service and Assessment Plan and the Assessment Ordinance, and (iii) the levying of Assessments on the Assessed Property. Use of the Assessed Property as described in this Service and Assessment Plan and as authorized by the PID Act requires that Authorized Improvements be acquired, constructed, installed, and/or improved. Funding the Actual Costs of the Authorized Improvements through the PID has been determined by the City Council to be the most beneficial means of doing so. As a result, the Authorized Improvements 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.

In summary, the Authorized Improvements result in a special benefit to the Assessed Property for the following reasons:

1. The Authorized Improvements are being provided specifically for the use of the Assessed Property, are necessary for the proposed best use of the property and provide a special benefit to the Assessed Property as a result;
2. The Developer has consented to the imposition of the Assessments for the purpose of providing the Authorized Improvements and the Developer is acting in its interest by consenting to this imposition;
3. The Authorized Improvements are required for the highest and best use of the property;
4. The highest and best use of the Assessed Property is the use of the Assessed Property that is most valuable (including any costs associated with the use of the Assessed Property);
5. Financing of the costs of the Authorized Improvement through the PID is determined to be the most beneficial means of providing for the Authorized Improvements; and,
6. As a result, the special benefits to the Assessed Property from the Authorized Improvements will be equal to or greater than the Assessments.

C. ALLOCATION OF COSTS TO ASSESSED PROPERTY

The Major Improvements will provide a special benefit to all property in the PID. Accordingly, the Budgeted Costs of the Major Improvements must be allocated throughout all Assessed Property in the District. Table V-A summarizes the allocation of Actual Costs for each type of Major Improvement. The costs shown in Table V-A are estimates and may be revised in Annual Service Plan Updates, but the related Assessment may not be increased.

The total projected Equivalent Units in the PID is calculated to be 1,636.21 (i.e., $253.00 + 1,383.21 = 1,636.21$). Improvement Area #1 contains 253 residential units. As shown in Appendix F, the total Equivalent Units for Improvement Area #1 is calculated as 253.00. The Future Improvement Area is projected to contain 1,404 residential units resulting in a total of 1,383.21 Equivalent Units as shown in Appendix F. As a result, 15.46 percent of the Actual Costs of the Major Improvements (i.e. $253.00 \div 1,636.21 = 15.46\%$) are allocated to the Improvement Area #1 Assessed Property and 84.54 percent of the Actual Costs Major Improvements (i.e. $1,383.21 \div 1,636.21 = 84.54\%$) are allocated to the Future Improvement Area. The Improvement Area #1 Bonds will fund Improvement Area #1's proportionate share of the Actual Costs of the Major Improvements.

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Table V-A
Allocation of Major Improvement Costs

Authorized Improvement	Total
Roadway Improvements	\$557,601
Sanitary Sewer Improvements	\$3,791,973
Other Soft and Miscellaneous Costs	\$1,106,340
Total Major Improvements	\$5,455,914
Improvement Area #1	
Projected Equivalent Units	253.00
% of total units	15.46%
Proportionate share of costs	\$843,624
Future Improvement Areas	
Projected Equivalent Units	1,383.21
% of total units	84.54%
Proportionate share of costs	\$4,612,290

D. ASSESSMENT METHODOLOGY

The costs of the Authorized Improvements 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 equals or exceeds the Assessments. The costs of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited.

1. Assessment Methodology for the Improvement Area #1 Projects

For purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #1 Improvements, were allocated to the Improvement Area #1 Assessed Property by spreading the corresponding Assessment across the Parcels based on the estimated Equivalent Units as calculated and shown in Appendix F using the types and number of lots anticipated to be developed on each Parcel within Improvement Area #1.

Based on the estimates of the costs of the Improvement Area #1 Projects, as set forth in Table III-B, the City Council has determined that the benefit to Improvement Area #1 Assessed Property of the Improvement Area #1 Projects is at least equal to the Assessments levied on the Improvement Area #1 Assessed Property.

Upon subsequent divisions of any Parcel, the Assessment applicable to it will then be apportioned pro rata based on the estimated Equivalent Units of each newly created Parcel. For residential Lots, when final residential building sites are platted, Assessments will be apportioned proportionately among each Parcel based on the ratio of the estimated Equivalent Units at the time residential Lots

are platted to the total estimated Equivalent Units for Lots in the platted Parcel, as determined by the Administrator and confirmed by the City Council.

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 is shown on the Improvement Area #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan or the PID Act.

2. Assessment Methodology for Future Improvement Areas

When any given Future Improvement Area is developed, and Future Improvement Area Bonds for that Future Improvement Areas are to be issued and/or a reimbursement agreement is executed, 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.

E. ASSESSMENTS

The Assessments will be levied on each Parcel of Assessed Property within Improvement Area #1 according to the Assessment Roll, attached hereto as Appendix G. The Annual Installments of the Assessments will be collected at the time and in the amounts shown on the Assessment Rolls, subject to any revisions made during an Annual Service Plan Update. Non-Benefitted Property will not be subject to any Assessments.

See Appendix F for Assessment per unit, leverage, and estimated tax rate equivalent calculation details.

F. 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 as part of and in the same manner as Annual Installments in the amounts shown on each Assessment Roll, which may be revised based on actual costs incurred in Annual Service Plan Updates.

G. DELINQUENCY AND PREPAYMENT RESERVE

Pursuant to the PID Act, the interest rate for any portion of the Assessments which secure a series of Bonds may exceed the actual interest rate per annum paid on the related Bonds by no more than one half of one percent (0.50%). The interest rate used to determine the Assessments that secure the Bonds is one half of one percent (0.50%) per annum higher than the actual rate paid on the Bonds, with the Additional Interest Component of the Annual Installments allocated to fund a reserve to be used for paying interest associated with a prepayment and to offset any possible delinquency related costs. The Delinquency and Prepayment Reserve shall be funded until it reaches 5.50% of the outstanding Bonds unless otherwise stipulated in the Bond documents. Once the Delinquency and Prepayment Reserve is funded in full, the City may allocate the Additional Interest Component of the Annual Installments as provided in the applicable Trust Indenture. No Additional Interest will

be collected from any portion of an Assessment which secures a reimbursement obligation and not a series of Bonds.

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VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1

The Assessment and Annual Installments for each Assessed Property located within the PID is shown on the Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

The Annual Installments shall be collected from the Assessed Property in an amount sufficient to pay (i) principal and interest on the Improvement Area #1 Bonds, (ii) to fund the Delinquency and Prepayment Reserve described in Section V.G, and (iii) to pay Administrative Expenses related to Improvement Area #1.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS 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 and Annual Installments for each Assessed Property located within Future Improvement Areas (e.g., an appendix will be added as the Assessment Roll for Improvement Area #2, etc.). The Assessments shall not exceed the benefit received by the Assessed Property.

C. REALLOCATION OF ASSESSMENTS

1. Subdivision

Upon the subdivision of any Parcel, the Assessment for the Parcel prior to the subdivision shall be reallocated among the new subdivided Parcels according to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meanings:

- A = the Assessment for each new subdivided Parcel
- B = the Assessment for the Parcel prior to subdivision
- C = the estimated number of Equivalent Units to be built on each new subdivided Parcel
- D = the sum of the estimated number of Equivalent Units to be built on all of the new subdivided Parcels

The calculation of the estimated number of Equivalent Units to be built on a Parcel shall be performed by the Administrator and confirmed by the City Council based on the information available regarding the use of the Parcel. The estimate as confirmed shall be conclusive. The number of Equivalent Units to be built on a Parcel may be estimated by net land area and reasonable density ratios.

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 and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the subdivision of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

2. 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 and to the extent the reallocation would exceed such amount, it shall be prepaid by such amount by the party requesting the consolidation of the Parcels. Any reallocation pursuant to this section shall be reflected in an Annual Service Plan Update approved by the City Council.

D. MANDATORY PREPAYMENT OF ASSESSMENTS

1. If a Parcel subject to Assessments is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel subject to Assessments to become Non-Benefited Property, the owner of such Parcel shall pay to the City the full amount of the principal portion of the Assessment on such Parcel, plus all Prepayment Costs, prior to any such transfer or act.
2. If at any time the Assessment per unit on a Parcel in Improvement Area #1 exceeds the applicable Improvement Area #1 Maximum Assessment Per Unit calculated in this Service and Assessment Plan as a result of any changes in land use, subdivision, consolidation or reallocation of the Assessment authorized by this Service and Assessment Plan and initiated by the owner of the Parcel, then such owner shall pay to the City prior to the recordation of the document subdividing the Parcel the amount calculated by the Administrator by which the Assessment per unit for the Parcel exceeds the applicable Improvement Area #1 Maximum Assessment Per Unit calculated in this Service and Assessment Plan.
3. The payments required above shall be treated the same as any Assessment that is due and owing under the PID Act, the Assessment Ordinance, and this Service and Assessment Plan, including the same lien priority, penalties, procedures, and foreclosure specified by the PID Act.

E. REDUCTION OF ASSESSMENTS

1. If after all Authorized Improvements to be funded with a series of Bonds have been completed and Actual Costs for such Authorized Improvements are less than the Budgeted Costs of the Authorized Improvements used to calculate the Assessments securing such series of Bonds, resulting in excess Bond proceeds being available to redeem Bonds of such series, then the Assessment securing such series of Bonds for each Parcel of Assessed Property shall be reduced by the City Council pro rata such that the sum of the resulting reduced Assessments for all

Assessed Properties equals the actual reduced Actual Costs and such excess Bond proceeds shall applied to redeem Bonds of such series. The Assessments shall not be reduced to an amount less than the related outstanding series of Bonds. If all of the Authorized Improvements are not completed, the City may reduce the Assessments in another method if it determines such method would better reflect the benefit received by the Parcels from the Authorized Improvements completed.

2. If all the Authorized Improvements are not undertaken, resulting in excess Bond proceeds being available to redeem Bonds, then the Assessments and Annual Installments for each Parcel shall be appropriately reduced by the City Council to reflect only the amounts required to repay the Bonds, including interest on the Bonds and Administrative Expenses, and such excess Bond proceeds shall be applied to redeem Bonds. The City Council may reduce the Assessments and the Annual Installments for each Parcel (i) in an amount that represents the Authorized Improvements provided for each Parcel or (ii) by an equal percentage calculated based on number of Equivalent Units, if determined by the City Council to be the most fair and practical means of reducing the Assessments for each Parcel, such that the sum of the resulting reduced Assessments equals the amount required to repay the Bonds, including interest on the Bonds and Administrative Expenses. The principal portion of the Assessment for each Parcel shall be reduced pro rata to the reduction in the Assessments for each Parcel such that the sum of the resulting reduced principal portion of the Bonds is equal to the outstanding principal amount of the Bonds.

F. PAYMENT OF ASSESSMENTS

1. Payment in Full

- (a) The Assessment for any Parcel may be paid in full at any time. Such payment shall include all Prepayment Costs. If prepayment in full will result in redemption of Bonds, the payment amount shall be reduced by the amount, if any, of interest through the date of redemption of Bonds and reserve funds applied to the redemption under the Trust 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 shall be credited against the payment-in-full amount.
- (c) Upon payment in full of the Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the Trust 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 amounts for a Parcel, the Assessment 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 PID Act provides that an Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the Assessment to be paid in installments and additionally allows the City to collect interest, administrative expenses and other authorized charges in installments. An Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown on the Assessment Roll, as updated as provided for herein, which include interest, Administrative Expenses, and payments required for the Delinquency and Prepayment Reserve. Payment of the Annual Installments shall commence with tax bills mailed after the initial issuance of Bonds.

Improvement Area #1

Each Assessment for the Improvement Area #1 Assessed Property shall be paid with interest of no more than the lesser of the actual interest rate paid on the Improvement Area #1 Bonds. The Improvement Area #1 Assessment Roll sets forth for each year the Annual Installment for each Parcel within Improvement Area #1 based on an estimated interest rate of 5.875% and additional interest at the rate of 0.5% for the Delinquency and Prepayment Reserve. Furthermore, the Annual Installments related to the Improvement Area #1 Bonds may not exceed the amounts shown on the Improvement Area #1 Assessment Roll. The Improvement Area #1 Assessment Roll is shown as Appendix G.

The Annual Installments shall be reduced to equal the actual costs of repaying the Improvement Area #1 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 interest income on account balances.

The City reserves and shall have the right and option to refund the Bonds and/or issue additional 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, or decrease, the amount of the Annual Installments 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 established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute Bonds for purposes of this Service and Assessment Plan.

G. COLLECTION OF ANNUAL INSTALLMENTS

No less frequently than annually, the Administrator shall prepare, and the City Council shall consider, 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. 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 Trust Indenture, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, including any existing deposits for a prepayment reserve. Annual

Installments shall be collected by the City in the same manner and at the same time as 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 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 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.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be calculated as of September 1 and updated annually. 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 relating to the Improvement Area #1 Bonds will be due when billed and will be delinquent if not paid prior to February 1, 2026.

H. SURPLUS FUNDS REMAINING IN THE IMPROVEMENT AREA # 1 BOND ACCOUNT

If proceeds from the Improvement Area #1 Bonds remain after all of the Improvement Area #1 Projects are constructed and accepted by the City, the proceeds may be utilized in accordance with the applicable Trust Indenture.

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VII. THE ASSESSMENT ROLL

A. IMPROVEMENT AREA #1 ASSESSMENT ROLL

The City Council has evaluated each Parcel in Improvement Area #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Homeowner Association Property, the Public Property, the types of public improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within the Improvement Area #1.

The Improvement Area #1 Assessed Property will be assessed for the special benefits conferred upon the property resulting from the Improvement Area #1 Projects. Table VII-A summarizes the \$11,238,442 in special benefit received by the Improvement Area #1 Assessed Property from the Improvement Area #1 Projects, the costs of the PID formation, and the Improvement Area #1 Bond issuance costs. The par amount of the Improvement Area #1 Bonds is \$5,640,000, which is less than the benefit received by the Improvement Area #1 Assessed Property. Accordingly, the total Assessment to be applied to all the Improvement Area #1 Assessed Property is \$5,640,000 plus, interest, Additional Interest, and annual Administrative Expenses. The Assessment for each Improvement Area #1 Assessed Property is calculated based on the allocation methodologies described in Section V.D. The Improvement Area #1 Assessment Roll is attached hereto as Appendix G.

Table VII-A
Special Benefit Summary – Improvement Area #1

Special Benefit	Total Cost
Total Improvement Area #1 Projects ¹	\$10,125,542
<u>Bond Issuance Costs:</u>	
Debt Service Reserve Fund	\$416,350
Administrative Expenses	\$50,000
Capitalized Interest	\$110,750
Cost of Issuance	\$366,600
Underwriter's Discount	\$169,200
<i>Subtotal Bond Issuance Costs</i>	<i>\$1,112,900</i>
Total Special Benefit	\$11,238,442
<u>Special Benefit:</u>	
Total Special Benefit	\$11,238,442
Projected Assessment	\$5,640,000
Excess Benefit	\$5,598,442

¹See Table III-B for details.

B. FUTURE IMPROVEMENT AREAS ASSESSMENT ROLLS

As Future Improvement Areas are developed, this Service and Assessment Plan will be amended to determine the Assessment for each Parcel or Lot located within such Future Improvement Areas (e.g. an appendix will be added as the Assessment Roll for Future Improvement Areas).

C. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall prepare, and shall submit to the City Council for approval, annual updates to each 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 PID Act: (i) the identification of each Parcel (ii) the Assessment for each Parcel of Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.G of this Service and Assessment Plan.

Once Bonds are issued, the Assessment Rolls 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 on 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.

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VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

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 PID Act, an owner of an Assessed Parcel claiming that a calculation error has been made in the Assessment Roll(s), including the calculation of the Annual Installment, 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 applicable 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 or if it is determined there are sufficient funds to meet the expenses of the PID for the current year), 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 an Assessment Roll may be appealed to the City Council. Any amendments made to the Assessment Roll(s) pursuant to calculation errors shall be made pursuant to the PID Act.

The decision of the Administrator, or if such decision is appealed to the City Council, the decision of the City Council shall be conclusive as long as there is a reasonable basis for such determination. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any other appeal or legal action by such owner.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall be extinguished on the date the Assessment is paid in full, including unpaid Annual Installments and Delinquent Collection Costs, if any. After the extinguishment 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. AMENDMENTS

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

The City Council reserves the right to the extent permitted by the PID Act to amend this Service and Assessment Plan without notice under the PID Act and without notice to property owners of Parcels:(i) to correct mistakes and clerical errors; (ii) to clarify ambiguities; and (iii) to provide procedures for the collection and enforcement of Assessments, Prepayment Costs, collection costs, and other charges imposed by the Service and Assessment Plan.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The City Council shall administer 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 Trust Indenture, such determination shall be conclusive.

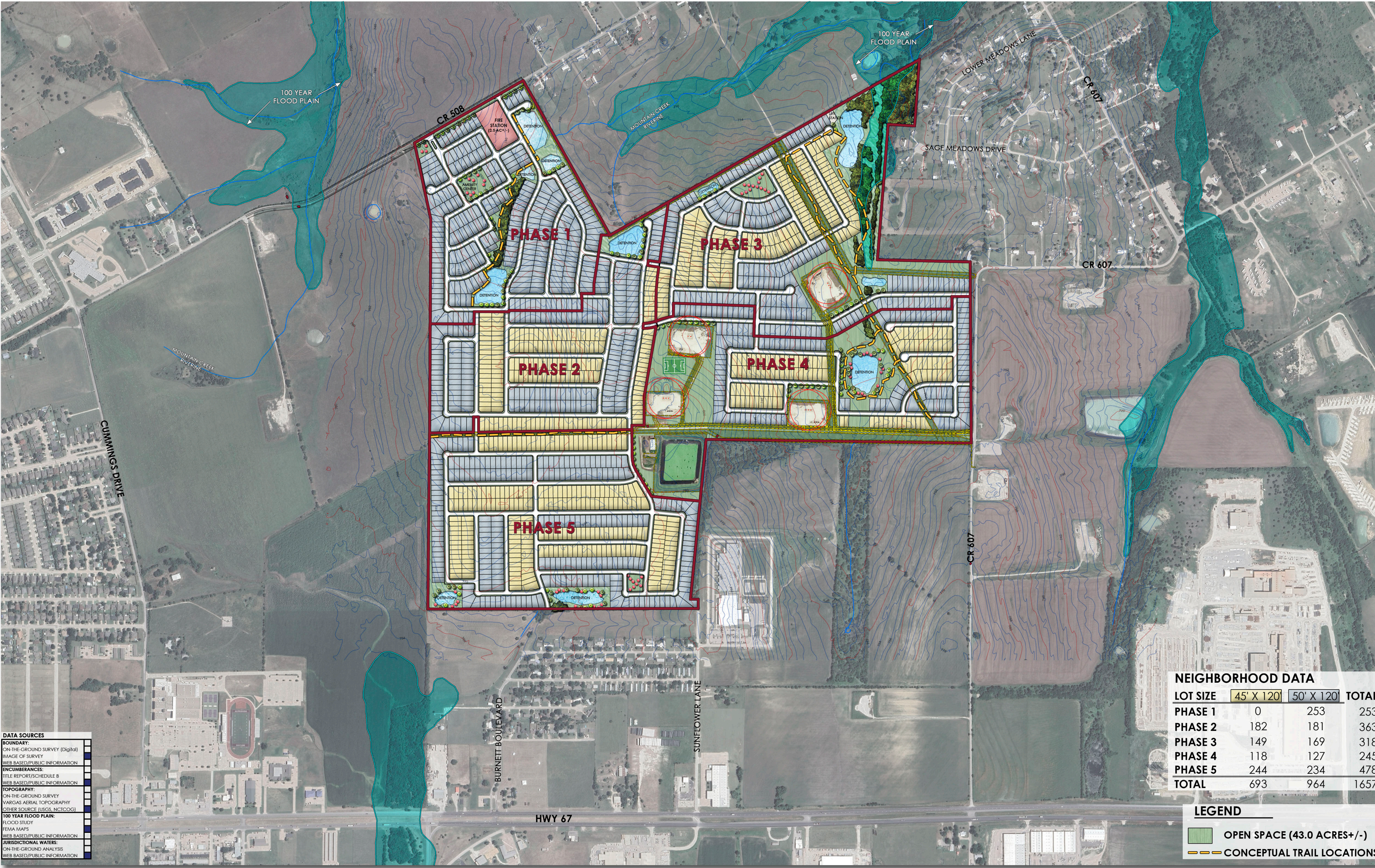
E. SEVERABILITY

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 hereof 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.

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APPENDIX A
PID MAP



APPENDIX B
ESTIMATED COSTS OF AUTHORIZED IMPROVEMENTS

Lone Oak

Public Improvement District Engineer's Report Improvement Area #1

Prepared by:

JBI
PARTNERS



Chris Wall, P.E.
February 04, 2025

TBPE No. F-438
TBPELS No. 10076000



LONE OAK
PUBLIC IMPROVEMENT DISTRICT ENGINEER'S REPORT
IMPROVEMENT AREA #1

February 04, 2025

Introduction:

Lone Oak is a proposed single-family residential development consisting of 1,657 residential homes on approximately 428.755 acres of land. This development is generally located south of C.R. 508 and west of C.R. 607; approximately 1,900 feet north of U.S. Hwy. 67 in the City of Alvarado, Texas. The development will include walking trails, an amenity center, reserved fire station lot, programmable open space areas, and detention ponds that will serve as site detention as well as public amenities. Lone Oak is to be constructed in five phases and is anticipated to take 6-8 years to reach full buildout. Improvement Area No. 1 is anticipated to consist of Phase 1, which includes 70.219 acres and 253 residential homes, all of which are 50-foot front entry lots.

This report includes the supporting documentation for issuance of Improvement Area No. 1 PID bonds by the City. The bonds are to be used to finance the public infrastructure items listed below that are necessary for buildout of the development.

Development Improvements:

- **Major Infrastructure Improvements**
 - **County Road 508 Right Turn Lane**
 - **Roadway – (See Major Infrastructure Improvements Roadway Exhibit)**
 - Improvements to include subgrade stabilization, concrete pavement with curb and gutter, concrete sidewalk with ADA ramps, and drainage. All related traffic control, earthwork, excavation, erosion control, and demolition of existing pavement within the proposed right-of-way is included.
 - **Gravity Sanitary Sewer, Sanitary Sewer Lift Station and Sanitary Sewer Force Main**
 - **Sewer - (See Major Infrastructure Improvement Sewer Exhibit)**
 - Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, lift stations, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City and utility provider standards required to upgrade the existing wastewater service capacity for the development.
 - **Soft Costs**
 - Costs, including fees, related to designing, constructing, installing, and financing the Major Infrastructure Improvements, including land planning and design, engineering, soil testing, survey, construction management,

legal fees, consultant fees, contingency, inspection fees, District Formation Costs, and other PID costs incurred and paid by the Developer.

- **Improvement Area No. 1 Improvements**

- **Roadway - (See Improvement Area No. 1 Improvements - Roadway)**
 - Improvements to include subgrade stabilization, concrete pavement with curb and gutter, concrete sidewalk with ADA ramps, signage, lighting, earthwork, excavation, erosion control, and testing.
- **Water - (See Improvement Area No. 1 Improvements - Water)**
 - Improvements include trench excavation and embedment, trench safety, piping, valves, fire hydrant assemblies, service connections, testing, related earthwork, erosion control and all necessary appurtenances constructed to JCSUD standards required to provide water service to Improvement Area No. 1.
- **Sewer - (See Improvement Area No. 1 Improvements - Sewer)**
 - Improvements include trench excavation and embedment, trench safety, piping, manholes, service connections, testing, related earthwork, excavation, and erosion control and all necessary appurtenances constructed to City standards required to provide wastewater service to Improvement Area No. 1.
- **Drainage - (See Improvement Area No. 1 Improvements - Drainage)**
 - Improvements include trench excavation and embedment, trench safety, piping, manholes, inlets, headwalls, testing, related earthwork, and erosion control. Also included are retention ponds consisting of clearing, excavation, piping for inbound and outbound drainage lines, outlet structures, and erosion control.
- **Soft Costs**
 - Costs, including fees, related to designing, constructing, installing, and financing the Improvement Area No. 1 Improvements, including land planning and design, engineering, soil testing, survey, construction management, legal fees, consultant fees, contingency, inspection fees, District Formation Costs, and other PID costs incurred and paid by the Developer.

Development Costs:

The Developer/Engineer is providing a detailed cost summary for the Major Infrastructure Improvements & Improvement Area No. 1 Improvements, outlining both public and private costs based on contracted values and actuals spent.

Development & Construction Schedule:

Improvement Area No. 1:

- Begin Construction June 2024
- Complete Construction June 2025

Major Infrastructure Improvements:

- Begin Construction June 2024
- Complete Construction June 2025

DRAFT

Lone Oak, Improvement Area No. 1 - Cost Breakdown

PUBLIC IMPROVEMENTS IA#1	IA#1 PUBLIC COSTS
Erosion Control (Public)	\$ 70,507.56
Earthwork (Public)	\$ 122,236.75
Paving	\$ 2,827,301.80
Water	\$ 1,412,889.70
Sanitary Sewer	\$ 1,302,264.90
Storm Drainage	\$ 1,656,011.00
Bonds	\$ 94,864.00
Soft Costs (Public)	\$ 1,801,216.07
SUBTOTAL PUBLIC IMPROVEMENTS A#1	\$ 9,287,291.78

PUBLIC IMPROVEMENTS MAJOR	MAJOR PUBLIC COSTS
Paving	\$ 557,600.88
Sanitary Sewer	\$ 3,791,972.90
Bonds	\$ 18,636.00
Soft Costs (Major Public)	\$ 1,087,704.07
SUBTOTAL MAJOR PUBLIC IMPROVEMENTS	\$ 5,455,913.85

TOTAL (PUBLIC IA#1 + PUBLIC MAJOR)	\$ 14,743,205.63
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PRIVATE IMPROVEMENTS IA#1	IA#1 PRIVATE COSTS
Erosion Control (Private)	\$ 56,885.38
Earthwork (Private)	\$ 997,846.00
Retaining Walls	\$ 964,037.50
Hardscape / Open Space (Private)	\$ 338,505.00
Soft Costs (Private)	\$ 499,502.84
Total	\$ 2,856,776.72

TOTAL (ALL PUBLIC + PRIVATE)	\$ 17,599,982.35
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PUBLIC EROSION CONTROL IA#1				
	QTY	UNIT	UNIT PRICE	AMOUNT
1	CONSTRUCTION ENTRANCE	1	EA	\$ 2,600.00 \$ 2,600.00
2	SILT FENCE	4570	LF	\$ 1.95 \$ 8,911.50
3	ROCK CHECK DAM	2	EA	\$ 1,050.00 \$ 2,100.00
4	INLET PROTECTION	45	EA	\$ 165.00 \$ 7,425.00
5	8' CURLEX ALONG BACK OF CURB	27965	LF	\$ 1.50 \$ 41,947.50
6	SEEDING	107500	SF	\$ 0.02 \$ 2,150.00
7	TAX			\$ 5,373.56
TOTAL PUBLIC				\$ 70,507.56
PRIVATE EROSION CONTROL - IA#1				
	QTY	UNIT	UNIT PRICE	AMOUNT
1	SEED & HARROW LOTS	40	AC	\$ 350.00 \$ 14,000.00
2	MAINTENANCE	257	LT	\$ 150.00 \$ 38,550.00
3	TAX			\$ 4,335.38
TOTAL PRIVATE				\$ 56,885.38

PUBLIC GRADING IA#1				
	QTY	UNIT	UNIT PRICE	AMOUNT
1	GENERAL SITE PREP	9.67	AC	\$ 500.00 \$ 4,835.00
2	DE-WATER EXISTING PONDS	2	EA	\$ 5,000.00 \$ 10,000.00
3	UNCLASSIFIED EXCAVATION	17545	CY	\$ 2.15 \$ 37,721.75
4	PROCESS AND PLACE SPOILS	17420	CY	\$ 4.00 \$ 69,680.00
TOTAL PUBLIC				\$ 122,236.75

PRIVATE GRADING IA#1				
	QTY	UNIT	UNIT PRICE	AMOUNT
1	GENERAL SITE PREP	60.47	AC	\$ 500.00 \$ 30,235.00
2	REMOSE EXISTING FENCE	3620	LF	\$ 0.75 \$ 2,715.00
3	UNCLASSIFIED EXCAVATION	111710	CY	\$ 2.10 \$ 234,591.00
4	8' MOISTURE CONDITIONING	60	EA	\$ 1,650.00 \$ 99,000.00
5	10' MOISTURE CONDITIONING	197	EA	\$ 1,750.00 \$ 344,750.00
6	6-MIL POLY SHEETING	257	EA	\$ 700.00 \$ 179,900.00
7	ROUGH LOT BENCHING	257	EA	\$ 200.00 \$ 51,400.00
8	FINAL LOT BENCHING	257	EA	\$ 215.00 \$ 55,255.00
TOTAL PRIVATE				\$ 997,846.00

PAVING PUBLIC IA#1		QTY	UNIT PRICE		AMOUNT
1	6" 3600 PSI CONCRETE	43,919.00	\$	48.40	\$ 2,125,679.60
2	8" LIME STABILIZED SUBGRADE	46,724.00	\$	3.05	\$ 142,508.20
3	HYDRATED LIME 36 LBS	842.00	\$	330.00	\$ 277,860.00
4	CONCRETE STREET HEADER	124.00	\$	15.00	\$ 1,860.00
5	TYPE 3 STREET BARRICADE	124.00	\$	49.50	\$ 6,138.00
6	30" STOP SIGN	22.00	\$	93.50	\$ 2,057.00
7	STREET NAME BLADE	56.00	\$	96.25	\$ 5,390.00
8	STREET SIGN POST	28.00	\$	247.50	\$ 6,930.00
9	STRIPING FOR PARKING	1.00	\$	1,485.00	\$ 1,485.00
TOTAL PAVING PUBLIC IA#1					\$ 2,569,907.80

PAVING SIDEWALKS & RAMPS PUBLIC IA#1		QTY	UNIT PRICE		AMOUNT
1	SITE FACILITIES	1.00	\$	1,250.00	\$ 1,250.00
2	4' WIDE CONCRETE SIDEWALK	19,176.00	\$	6.50	\$ 124,644.00
3	ADA DIRECTIONAL BARRIER FREE RAMP	34.00	\$	2,250.00	\$ 76,500.00
4	ADA BI-DIRECTIONAL BARRIER FREE RAMP	10.00	\$	4,500.00	\$ 45,000.00
5	ADA PARALLEL RAMP	4.00	\$	2,500.00	\$ 10,000.00
TOTAL SIDEWALK & RAMPS PUBLIC IA#1					\$ 257,394.00

TOTAL PAVING + SIDEWALK/RAMPS PUBLIC IA#1				\$	2,827,301.80
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WATER PUBLIC IA#1		QTY	UNIT PRICE	AMOUNT
1	4" PVC PIPE	320.00	\$ 31.30	\$ 10,016.00
2	12" PVC PIPE	2,335.00	\$ 73.60	\$ 171,856.00
3	8" PVC PIPE	10,085.00	\$ 46.90	\$ 472,986.50
4	BORE FOR 12" PVC	40.00	\$ 650.00	\$ 26,000.00
5	12" GATE VALVE	14.00	\$ 3,835.00	\$ 53,690.00
6	8' GATE VALVE	48.00	\$ 2,115.00	\$ 101,520.00
7	6' GATE VALVE	27.00	\$ 1,450.00	\$ 39,150.00
8	FIRE HYDRANT	27.00	\$ 5,400.00	\$ 145,800.00
9	FITTINGS	6.34	\$ 7,775.00	\$ 49,293.50
10	2" FLUSH VALVE	6.00	\$ 6,800.00	\$ 40,800.00
11	4"X2" TAP CAP	2.00	\$ 315.00	\$ 630.00
12	8"X2" TAP CAP	3.00	\$ 425.00	\$ 1,275.00
13	12"X2" TAP CAP	1.00	\$ 565.00	\$ 565.00
14	12"X12" CUT IN TEE @ EX 8"	1.00	\$ 7,065.00	\$ 7,065.00
15	1" DOM SERVICE (AMENITY CENTER)	1.00	\$ 870.00	\$ 870.00
16	3/4" DOM SERVICE	21.00	\$ 800.00	\$ 16,800.00
17	3/4" DOM SERVICE W/1.5" SLEEVES	18.00	\$ 850.00	\$ 15,300.00
18	1"X3/4" COPPER "BH" SERVICE	51.00	\$ 1,160.00	\$ 59,160.00
19	1"X3/4" COPPER "BH" SERVICE	58.00	\$ 995.00	\$ 57,710.00
20	1" IRR SERVICE	5.00	\$ 1,200.00	\$ 6,000.00
21	SCHEDULE 40 PVC IRR SLEEVES	485.00	\$ 33.50	\$ 16,247.50
22	TRENCH SAFETY	12,740.00	\$ 0.10	\$ 1,274.00
23	TESTING	12,740.00	\$ 2.00	\$ 25,480.00
24	21" PVC CASING W/SPACERS	60.00	\$ 240.00	\$ 14,400.00
25	15" PVC CASING W/SPACERS	20.00	\$ 233.00	\$ 4,660.00
TOTAL WATER PUBLIC IA#1				\$ 1,338,548.50

FIRE HYDRANT FOR CONSTRUCTION WATER PUBLIC IA#1		QTY	UNIT PRICE	AMOUNT
1	8"PVC PIPE	82.00	\$ 67.00	\$ 5,494.00
2	16" STEEL CASING	60.00	\$ 675.00	\$ 40,500.00
3	8" GATE VALVE	1.00	\$ 2,025.00	\$ 2,025.00
4	8" GATE VALVE ON EXISITNG	2.00	\$ 3,900.00	\$ 7,800.00
5	FIRE HYDRANT W/8" TEE & 6" VALVE	1.00	\$ 6,800.00	\$ 6,800.00
6	8" CUT-IN-TEE MJXF	1.00	\$ 11,550.00	\$ 11,550.00
7	TRENCH SAFETY	82.00	\$ 0.10	\$ 8.20
8	CHLORINATE & PRESSURE TEST	82.00	\$ 2.00	\$ 164.00
TOTAL FIRE HYDRANT FOR CONSTRUCTION WATER PUBLIC IA#1				\$ 74,341.20

TOTAL WATER & FIRE HYDRANT FOR CONSTRUCTION WATER PUBLIC IA#1	\$ 1,412,889.70
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	SANITARY SEWER PUBLIC IA#1	QTY	UNIT PRICE	AMOUNT
1	8" SDR-35	9,600.00	\$ 54.60	\$ 524,160.00
2	8" SDR-26	1,959.00	\$ 88.00	\$ 172,392.00
3	CEMENT STABILIZED SAND	400.00	\$ 50.00	\$ 20,000.00
4	5' MANHOLE	5.00	\$ 12,050.00	\$ 60,250.00
5	4' MANHOLE	32.00	\$ 6,800.00	\$ 217,600.00
6	4' DROP MANHOLE	1.00	\$ 8,415.00	\$ 8,415.00
7	4" SERVICE	257.00	\$ 1,020.00	\$ 262,140.00
8	6" SERVICE	1.00	\$ 1,475.00	\$ 1,475.00
9	TRENCH SAFETY	11,559.00	\$ 0.10	\$ 1,155.90
10	TESTING	11,559.00	\$ 3.00	\$ 34,677.00
TOTAL SANITARY SEWER PUBLIC IA#1				\$ 1,302,264.90

STORM DRAINAGE PUBLIC IA#1		QTY	UNIT PRICE		AMOUNT
1	9x3 RCB	122.00	\$	758.00	\$ 92,476.00
2	5X4 RCB	85.00	\$	377.00	\$ 32,045.00
3	5X2 RCB	92.00	\$	324.00	\$ 29,808.00
4	48" RCP	44.00	\$	214.00	\$ 9,416.00
5	42" RCP	376.00	\$	184.00	\$ 69,184.00
6	36" RCP	295.00	\$	150.00	\$ 44,250.00
7	33" RCP	150.00	\$	139.00	\$ 20,850.00
8	30" RCP	717.00	\$	125.00	\$ 89,625.00
9	27" RCP	400.00	\$	119.00	\$ 47,600.00
10	24" RCP	813.00	\$	95.00	\$ 77,235.00
11	21" RCP	1,457.00	\$	86.00	\$ 125,302.00
12	18" RCP	3,604.00	\$	78.00	\$ 281,112.00
13	10' CURB INLET BOTTOM	4.00	\$	3,740.00	\$ 14,960.00
14	20' CURB INLET	1.00	\$	9,655.00	\$ 9,655.00
15	15' CURB INLET	2.00	\$	9,115.00	\$ 18,230.00
16	10' CURB INLET	38.00	\$	7,995.00	\$ 303,810.00
17	4X4 Y-INLET W/APRON	4.00	\$	6,150.00	\$ 24,600.00
18	6X5 MANHOLE	2.00	\$	8,625.00	\$ 17,250.00
19	4X4 MANHOLE	3.00	\$	7,360.00	\$ 22,080.00
20	3X4 MANHOLE	1.00	\$	6,785.00	\$ 6,785.00
21	3X3 MANHOLE	3.00	\$	6,450.00	\$ 19,350.00
22	PEDESTRIAN HANDRAIL AT HEADWALLS	112.00	\$	240.00	\$ 26,880.00
23	9X3 HEADWALL	2.00	\$	19,800.00	\$ 39,600.00
24	5X4 HEADWALL	1.00	\$	8,625.00	\$ 8,625.00
25	5X2 HEADWALL	4.00	\$	7,475.00	\$ 29,900.00
26	42" HEADWALL	3.00	\$	6,100.00	\$ 18,300.00
27	30" HEADWALL	3.00	\$	4,715.00	\$ 14,145.00
28	24" HEADWALL	2.00	\$	4,540.00	\$ 9,080.00
29	21" HEADWALL	4.00	\$	4,400.00	\$ 17,600.00
30	18" HEADWALL	3.00	\$	4,370.00	\$ 13,110.00
31	6" CONCRETE SPILLWAY	209.00	\$	115.00	\$ 24,035.00
32	8"-12" ROCK RIP RAP	260.00	\$	98.00	\$ 25,480.00
33	12"-18" ROCK RIP RAP	350.00	\$	104.00	\$ 36,400.00
34	INLET PROTECTION	45.00	\$	175.00	\$ 7,875.00
35	TRENCH SAFETY	8,155.00	\$	0.10	\$ 815.50
36	TESTING	8,155.00	\$	3.50	\$ 28,542.50
TOTAL STORM DRAINAGE PUBLIC IA#1					\$ 1,656,011.00

	BONDS IA#1	QTY	UNIT PRICE	AMOUNT
1	MAINTENACE BOND (WTR/SS/STM)	1.00	\$ 58,140.00	\$ 58,140.00
2	P&P BOND (WTR/SS/STM)	1.00	\$ 874.00	\$ 874.00
3	MAINT BOND (PAVING)	1.00	\$ 31,000.00	\$ 31,000.00
4	MAINT BOND (SIDEWALK/RAMPS)	1.00	\$ 4,850.00	\$ 4,850.00
TOTAL BONDS IA#1				\$ 94,864.00

SOFT COSTS PUBLIC IA#1	TOTAL
1 Engineering and Surveying	\$ 627,634.80
2 Landscape Architect	\$ 3,425.00
3 Final Geotech CO#2 Pavement Recommendation	\$ 6,600.00
4 City Inspection Fees & Review Fees	\$ 223,417.53
5 Developer Bond Fees	\$ 886,417.55
6 Construction Management Fees	\$ 53,721.20
TOTAL SOFT COSTS PUBLIC IA#1	\$ 1,801,216.07

SOFT COSTS PRIVATE IA#1	TOTAL
1 Engineering and Surveying	\$ 107,288.00
1 TOPO	\$ 3,780.00
2 Landscape Architect	\$ 10,275.00
3 Landscape Architect - Amenity Center	\$ 49,970.00
4 Landscape Architect - Amenity Center CO#1 Upgraded	\$ 18,500.00
5 Prelim Geotech and ESA	\$ 10,300.00
6 Final Geotech	\$ 58,900.00
7 Final Geotech CO#1 1st Amenity Center Location	\$ 7,100.00
8 Final Geotech CO#3 AC/Lot Layout Change	\$ 6,336.00
9 CMT (Lots)	\$ 111,795.10
10 CBU's	\$ 60,272.74
11 IES - WOTUS	\$ 4,900.00
12 SWPPP Inspections	\$ 20,136.00
13 Bi-Weekly Drone Footage	\$ 29,950.00
TOTAL SOFT COSTS PRIVATE IA#1	\$ 499,502.84

	PAVING MAJOR	QTY	UNIT PRICE	AMOUNT
1	2" HOT MIX ASPHALT OVERLAY	759.00	\$ 50.90	\$ 38,633.10
2	6" HOT MIX ASPHALT BASE, TYPE B	850.00	\$ 80.45	\$ 68,382.50
3	6" FLEXBASE FOR ASPHALT PAVEMENT	492.00	\$ 49.60	\$ 24,403.20
4	SAWCUT 2' INTO EX PAVEMENT	454.00	\$ 20.00	\$ 9,080.00
5	CONNECT TO EX PAVEMENT	2.00	\$ 2,800.00	\$ 5,600.00
6	6" SOLID WHITE STRIPING CR 508	492.00	\$ 8.40	\$ 4,132.80
7	TRAFFIC CONTROL	1.00	\$ 12,000.00	\$ 12,000.00
8	EXCAVATION DECEL LANE	1.00	\$ 10,000.00	\$ 10,000.00
9	RELOCATE EXISTING POLES ON 508 FOR TURNLANE	1.00	\$ 66,044.28	\$ 66,044.28
10	ROW Value/Acre			\$ 319,325.00
	TOTAL PAVING MAJOR			\$ 557,600.88

SANITARY SEWER MAJOR		QTY	UNIT PRICE	AMOUNT
1	15" SDR-35	3,035.00	\$ 97.50	\$ 295,912.50
2	15" SDR-26	222.00	\$ 130.00	\$ 28,860.00
3	12" SDR-26	2,986.00	\$ 126.00	\$ 376,236.00
4	8" SDR 26	295.00	\$ 88.00	\$ 25,960.00
5	12" C-900 FORCE MAIN	4,436.00	\$ 86.25	\$ 382,605.00
6	CEMENT STABILIZED SAND	20.00	\$ 50.00	\$ 1,000.00
7	5' DROP MANHOLE	2.00	\$ 15,335.00	\$ 30,670.00
8	5' MANHOLE	22.00	\$ 12,050.00	\$ 265,100.00
9	4" SERVICE (FUTURE PH 3)	55.00	\$ 1,500.00	\$ 82,500.00
10	4" SERVICE (FUTURE PH 5)	110.00	\$ 1,755.00	\$ 193,050.00
11	COMBO ARV/VAC VALVE ON FM	1.00	\$ 8,000.00	\$ 8,000.00
12	CONNECT TO EXISTING MANHOLE	1.00	\$ 2,090.00	\$ 2,090.00
13	TRENCH SAFETY	10,974.00	\$ 0.10	\$ 1,097.40
14	TESTING	10,974.00	\$ 3.00	\$ 32,922.00
TOTAL SANITARY SEWER MAJOR				\$ 1,726,002.90

SS LIFT STATION MAJOR		QTY	UNIT PRICE	AMOUNT
1	LIFT STATION	1.00	\$ 2,057,770.00	\$ 2,057,770.00
2	CO #1 - Electric Fence	1.00	\$ 8,200.00	\$ 8,200.00
TOTAL LIFT STATION MAJOR IA#1				\$ 2,065,970.00

TOTAL SANITARY SEWER & LIFT STATION MAJOR			\$ 3,791,972.90	
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BONDS IA#1		QTY	UNIT PRICE		AMOUNT
1	MAINTENACE BOND (SS)	1.00	\$	18,636.00	\$ 18,636.00
TOTAL BONDS IA#1					\$ 18,636.00

SOFT COSTS MAJOR PUBLIC		TOTAL
1 Engineering and Surveying	\$	337,957.20
2 ROW Acquisitions	\$	86,580.00
3 CMT (including lift station)	\$	100,774.50
4 Final Geotech CO#3 Lift Station	\$	3,168.00
5 City Inspection Fees & Review Fees	\$	120,301.74
6 Developer Legal	\$	69,066.00
7 Developer Bond Fees	\$	340,929.83
8 Construction Management Fees	\$	28,926.80
TOTAL SOFT COSTS MAJOR PUBLIC	\$	1,087,704.07

RETAINING WALLS IA#1		QTY	UNIT PRICE		AMOUNT
1	PERMITS	1.00	\$	2,500.00	\$ 2,500.00
2	SITE FACILITIES	1.00	\$	1,800.00	\$ 1,800.00
3	ENGINEERING AND STRUCTURAL INSPECTIONS	1.00	\$	27,950.00	\$ 27,950.00
4	MOSAIC SANDSTONE (7.4' MAX HEIGHT)	16,205.00	\$	57.50	\$ 931,787.50
TOTAL					\$ 964,037.50

HARDSCAPE IA#1		QUANTITY	PRICE	TOTAL
1	PERMITS	1.00	\$ 1,920.00	\$ 1,920.00
2	ENGINEERING INSPECTIONS	1.00	\$ 3,200.00	\$ 3,200.00
3	SITE FACILITIES	1.00	\$ 1,280.00	\$ 1,280.00
4	10' HT. MAIN ENTRY SIGN MONUMENT	1.00	\$ 108,584.00	\$ 108,584.00
5	7' HT. STONE COLUMN AT GRADE	11.00	\$ 2,025.00	\$ 22,275.00
6	7' HT. STONE COLUMN ATOP RETAINING WALL	1.00	\$ 2,330.00	\$ 2,330.00
7	6' HT. BRICK THINKWALL ON BEAM	881.00	\$ 127.00	\$ 111,887.00
8	6' HT. BRICK THINKWALL ON BEAM ATOP RETAINING WALL	135.00	\$ 157.00	\$ 21,195.00
9	9' HT. LOGO COLUMN WITH STONE BASE	1.00	\$ 10,986.00	\$ 10,986.00
10	9' HT. LOGO COLUMN WITH STONE BASE ATOP RETAINING WALL	1.00	\$ 13,536.00	\$ 13,536.00
11	LED STRIP LIGHTS FOR LETTERS FOR MONUMENT SIGN	1.00	\$ 9,192.00	\$ 9,192.00
12	ELECTRICAL SERVICE AND HOOK-UP TO IRRIGATION	1.00	\$ 28,920.00	\$ 28,920.00
13	HAUL-OFF OF ALL SPOILS	1.00	\$ 3,200.00	\$ 3,200.00
TOTAL - PUBLIC				\$ -
TOTAL - PRIVATE				\$ 338,505.00

APPENDIX C
LEGAL DESCRIPTION

BEING a 429.401 acre tract of land situated in the **DAVID MITCHELL SURVEY, ABSTRACT NO. 586, JAMES B. CONGER SURVEY, ABSTRACT NO. 150, GEORGE S. McINTOSH SURVEY, ABSTRACT NO. 625, AMOS M. JAMES SURVEY, ABSTRACT NO. 466, JAMES NICHOLSON SURVEY, ABSTRACT NO. 1079**, in the City of Alvarado, Johnson County, Texas, being all of that certain tract of land described in a deed to Dale Harvey Robinson, et al, recorded in Document Number 2019-09415, Deed Records, Johnson County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod with cap stamped "FORTWORTH SURVEYING" found for the common corner of said Robinson tract, and Lot 3, Block 1, SR20 Addition, an addition in the City of Alvarado, Johnson County, Texas, according to the plat thereof recorded in Volume 10, Page 742, Plat Records, Johnson County, Texas, said point being in the west right-of-way line of County Road 607;

THENCE N 89°12'10" W, along the common line of said Robinson tract, and said Lot 3, Block 1, a distance of 2585.01 feet to a 1/2 inch iron rod with cap stamped "FORTWORTH SURVEYING" found for the common corner of said Robinson tract, and said Lot 3, Block 1;

THENCE S 05°36'42" W, along the common line of said Robinson tract, and said Lot 3, Block 1, passing the common corner of said Lot 3, Block 1, and Lot 2, Block 1, of said SR20 Addition, and continuing a total distance of 1565.44 feet to a 1/2 inch iron rod with cap stamped "FORTWORTH SURVEYING" found for the common corner of said Robinson tract, and said Lot 2, Block 1;

THENCE S 89°51'19" E, along the common line of said Robinson tract, and said Lot 2, Block 1, a distance of 76.81 feet to a 1/2 inch iron rod found for the common corner of said Robinson tract, and said Lot 2, Block 1;

THENCE S 00°06'33" W, along the common line of said Robinson tract, and said Lot 2, Block 1, a distance of 90.02 feet to a 1/2 inch iron rod with plastic cap stamped "BLUESTAR SURVEYING" set for the common corner of said Robinson tract, said Lot 2, Block 1, and a tract of land described in a deed to Dixie Partners 8, LLC, recorded in Document Number 2018-04925, Deed Records, Johnson County, Texas;

THENCE S 88°54'58" W, along the common line of said Robinson tract, and said Dixie Partners 8, LLC tract, passing a 1/2 inch iron rod found at a distance of 4.08 feet, and continuing a total distance of 2602.59 feet to a 1/2 inch iron rod with plastic cap stamped "BLUESTAR SURVEYING" set for the common corner of said Robinson tract, and said Dixie Partners 8, LLC tract, said point being in the east line of a tract of land described in a deed to Alvarado ISD, recorded in Volume 2691, Page 258, Deed Records, Johnson County, Texas;

THENCE N 00°37'20" W, along the common line of said Robinson tract, and said Alvarado ISD tract, a distance of 1672.90 feet to a 2 inch iron pipe found for the common

corner of said Robinson tract, Alvarado tract, and a tract of land described in a deed to Robert Lee Franklin, recorded in Volume 1085, Page 578, Deed Records, Tarrant County, Texas;

THENCE N 00°19'20" E, along the common line of said Robinson tract, and said Franklin tract, a distance of 2169.58 feet to a 1/2 inch iron rod found for the common corner of said Robinson tract, and said Franklin tract;

THENCE N 12°02'50" W, along the common line of said Robinson tract, and said Franklin tract, a distance of 761.63 feet to a 1/2 inch iron rod with plastic cap stamped "BLUESTAR SURVEYING" set for the common corner of said Robinson tract, and said Franklin tract, said point being in the centerline of County Road 508, more or less;

THENCE N 60°07'21" E, along the north line of said Robinson tract, and along the centerline of said County Road 508, more or less, a distance of 1221.36 feet to a 1/2 inch iron rod with plastic cap stamped "BLUESTAR SUREYING" set for the common corner of said Robinson tract, and a tract of land described in a deed to Simla Investments, LLC, recorded in Document Number 2018-05552, Deed Records, Johnson County, Texas;

THENCE S 29°22'14" E, along the common line of said Robinson tract, and said Simla Investments, LLC tract, passing a 1/2 inch iron rod found online at a distance of 23.38 feet, passing a 1/2 inch iron rod with cap stamped "FORTWORTH SURVEYING" found at the common corner of said Simla Investments, LLC tract, and a tract of land described in a deed to Nava Legacy 49, LLC, recorded in Document Number 2019-34549, Deed Records, Johnson County, Texas at a distance of 441.15 feet, and continuing a total distance of 1730.13 feet to a 4 inch steel post found for the common corner of said Robinson tract, said Nava Legacy 49, LLC tract;

THENCE N 60°23'20" E, along the common line of said Robinson tract, and said Nava Legacy 49, LLC tract, a distance of 1883.36 feet to a 1/2 inch iron rod with plastic cap stamped "FORTWORTH SURVEYING" found for the common corner of said Robinson tract, said Nava Legacy 49, LLC tract, and a tract of land described in a deed to Silken Inc., recorded in Volume 2271, Page 110, Deed Records, Johnson County, Texas;

THENCE N 60°27'35" E, along the common line of said Robinson tract, and said Silken Inc tract, a distance of 1584.29 feet to a 5/8 inch iron rod found for the common corner of said Robinson tract, Block 1 Sage Meadows, an addition in the City of Alvarado, Johnson County, Texas, according to the plat thereof recorded in Volume 8, Page 541, Plat Records, Johnson County, Texas;

THENCE S 04°15'09" W, along the common line of said Robinson tract, and said Block 1, a distance of 647.86 feet to a 5/8 inch iron rod found for the common corner of said Robinson tract, and said Block 1;

THENCE N 86°29'36" W, along the common line of said Robinson tract, and said Block 1, a distance of 257.82 feet to a 1/2 inch iron rod with plastic cap stamped "BLUESTAR SURVEYING" set for the common corner of said Robinson tract, and said Block 1;

THENCE S 04°30'31" W, along the common line of said Robinson tract, and said Block 1, passing the common corner of said Block 1, and a tract of land in a deed to Carolyn K. Myers, recorded in Volume 3272, Page 803, Deed Records, Johnson County, Texas, described in Volume 2196, Page 326, Deed Records, Johnson County Texas, passing the common corner of said Myers tract, and a tract of land described in a deed to Antonino Alegria and Jeanette F. Alegria, recorded in Document Number 2012-05342, Deed Record, Johnson County, Texas, and continuing a total distance of 1325.63 feet to a 1/2 inch iron rod with plastic cap stamped "BLUESTAR SURVEYING" set for the common corner of said Robinson tract, and said Alegria tract;

THENCE S 88°42'17" E, along the common line of said Robinson tract, and said Alegria tract, a distance of 904.65 feet to a 5/8 inch iron rod found for the common corner of said Robinson tract, and said Alegria tract;

THENCE S 00°19'40" E, along the common line of said Robinson tract, and said Alegria tract, passing a 5/8 inch iron rod found for an interior corner of said Alegria tract, said point being in the right-of-way line of said County Road 607, at a distance of 26.31 feet, and continuing along the east line of said Robinson tract, and along the west right-of-way line of said County Road 607, a total distance of 1765.89 feet to the **POINT OF BEGINNING** and containing 18,704,726 square feet or 429.401 acres of land more or less.

NEIGHBORHOOD IMPROVEMENT AREA NO. 1

PAGE 1 OF 1

LEGEND

POC POINT OF COMMENCING
POB POINT OF BEGINNING
IRF IRON ROD FOUND
CM CONTROL MONUMENT
S.F. SQUARE FEET

N

1"=400'

DAVID MITCHELL SURVEY
ABSTRACT NO. 586
JAMES B. CONGER SURVEY
ABSTRACT NO. 150

C.R. 508
N60°07'21"E 1,221.36'

P.O.B.

SIMLA INVESTMENTS, LLC
INST. 2018-5852
CALLED 1.519 AC.

NAVA LEGACY 49 LLC
INST. NO. 2019-34549
D.R.J.C.T.
CALLED 58.71 AC.

3,058,735 S.F.
70.219 ACRES

(PART OF 428.755 ACRES)
GRBK EDGEWOOD, LLC (50% INTEREST)
DOC. NO. 2023-26644
CENTURY LAND HOLDINGS
OF TEXAS, LLC. (50% INTEREST)
DOC. NO. 2024-2622

JAMES B. CONGER SURVEY
ABSTRACT NO. 150

GEORGE S. MCINTOSH SURVEY
ABSTRACT NO. 625

ROBERT LEE FRANKLIN
VOL. 1085, PG. 578
CALLED 135.76 AC.

N12°02'50"W 761.63'
N00°19'20"E 1,018.18'

427.60' N89°40'40"W
340.00' N89°40'40"W
711.26' N89°40'40"W
429.401 ACRES

GRBK EDGEWOOD, LLC
(REMAINDER OF 429.401 ACRES)
DOC. NO. 2021-23404

L1
485.24' N08°31'11"E
L2
L3
L4
L5
L6
L7
L8

LINE TABLE

NO.	BEARING	LENGTH
L1	N87°07'12"W	85.65'
L2	S00°19'20"W	92.45'
L3	N89°40'40"W	121.84'
L4	S00°19'20"W	50.00'
L5	S89°40'40"E	5.99'
L6	S00°19'20"W	120.00'
L7	S00°19'20"W	13.63'
L8	S00°19'20"W	121.00'

SCALE:
1" = 400'

DATE
01/07/2025

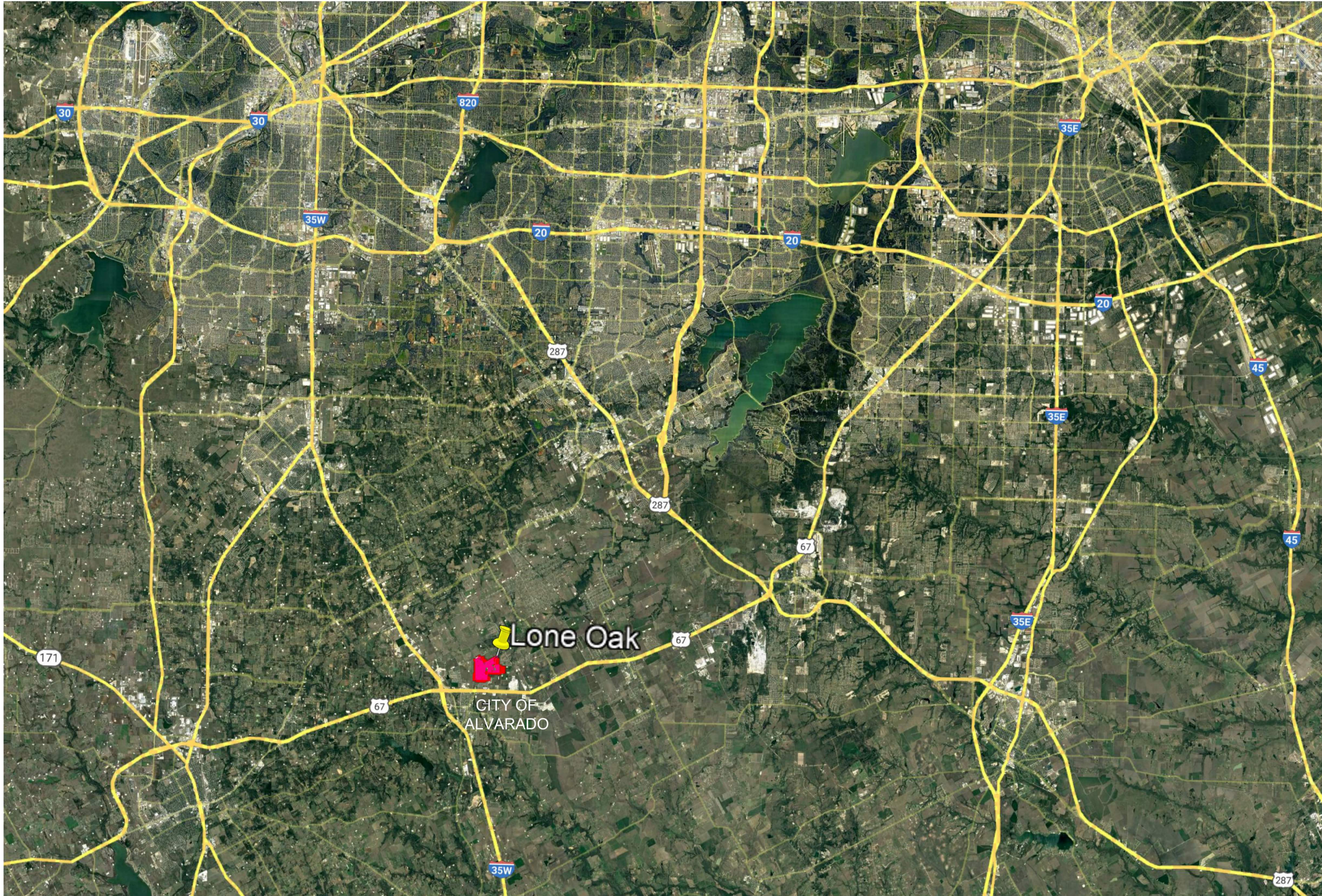
DRAWN
WJJ

PROJECT
PRO# BBC010

JBI
PARTNERS

2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 10760056

APPENDIX D
DIAGRAMS OF THE AUTHORIZED IMPROVEMENTS



REGIONAL LOCATION OF DISTRICT

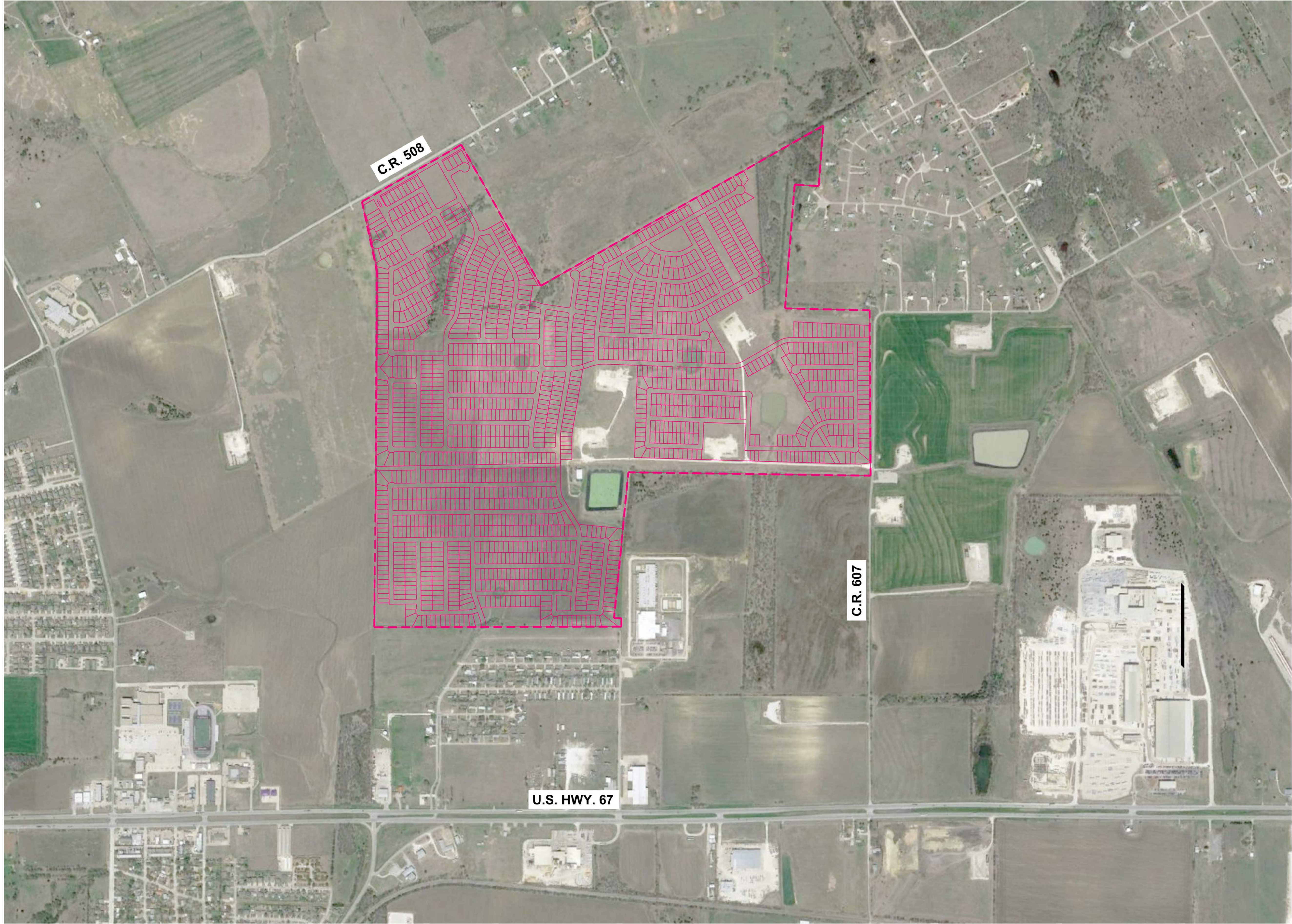
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LONE OAK DEVELOPMENT

PUBLIC IMPROVEMENT DISTRICT
Alvarado, Texas
February 4, 2025

JB
I
PARTNERS

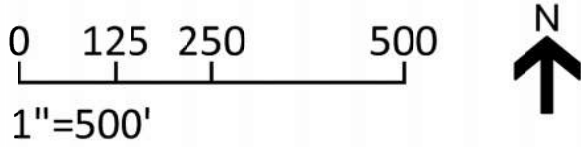


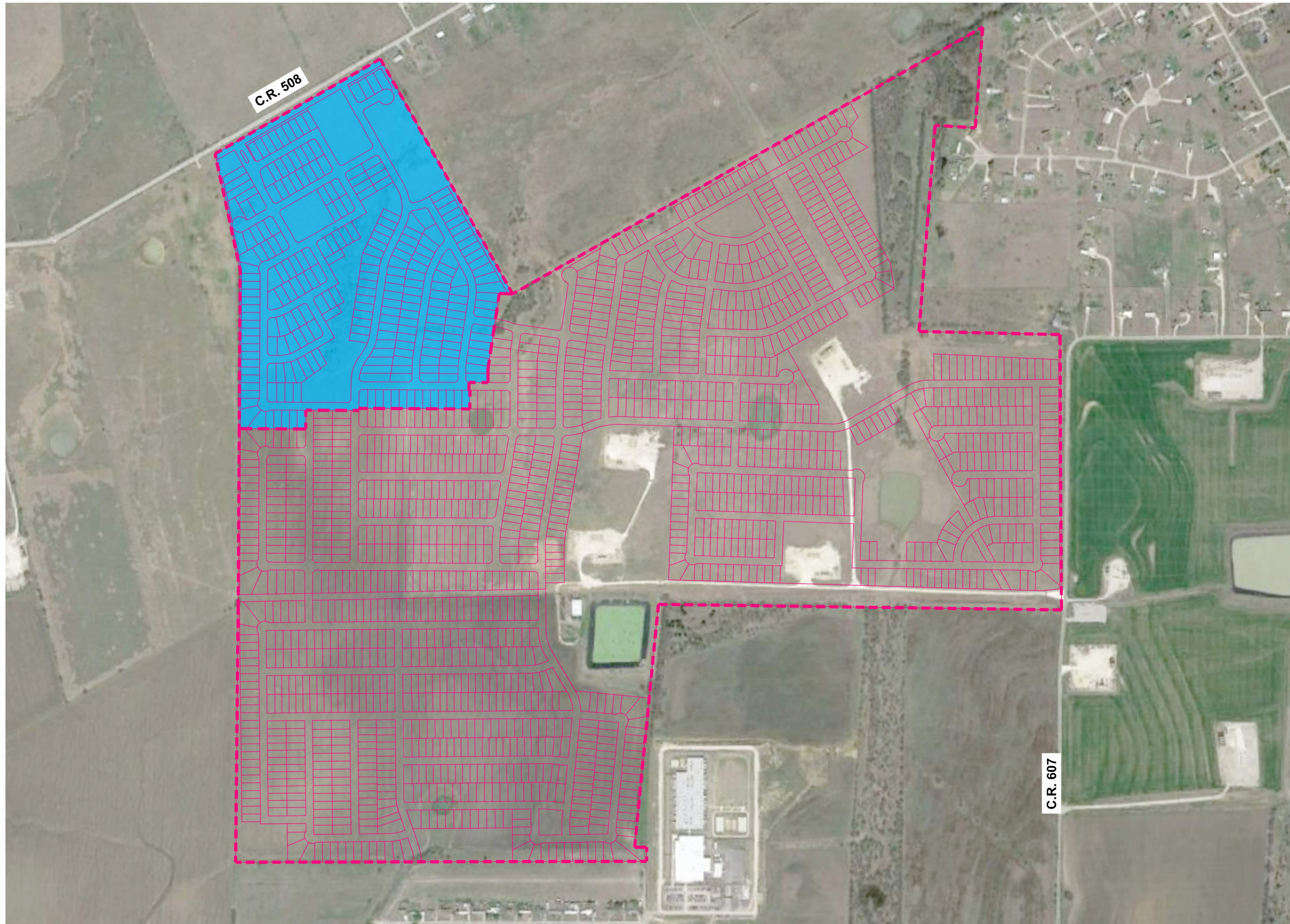
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— LONE OAK BOUNDARY

PROJECT LOCATION MAP

LONE OAK DEVELOPMENT



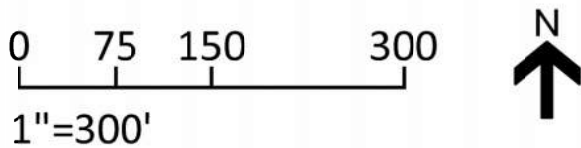


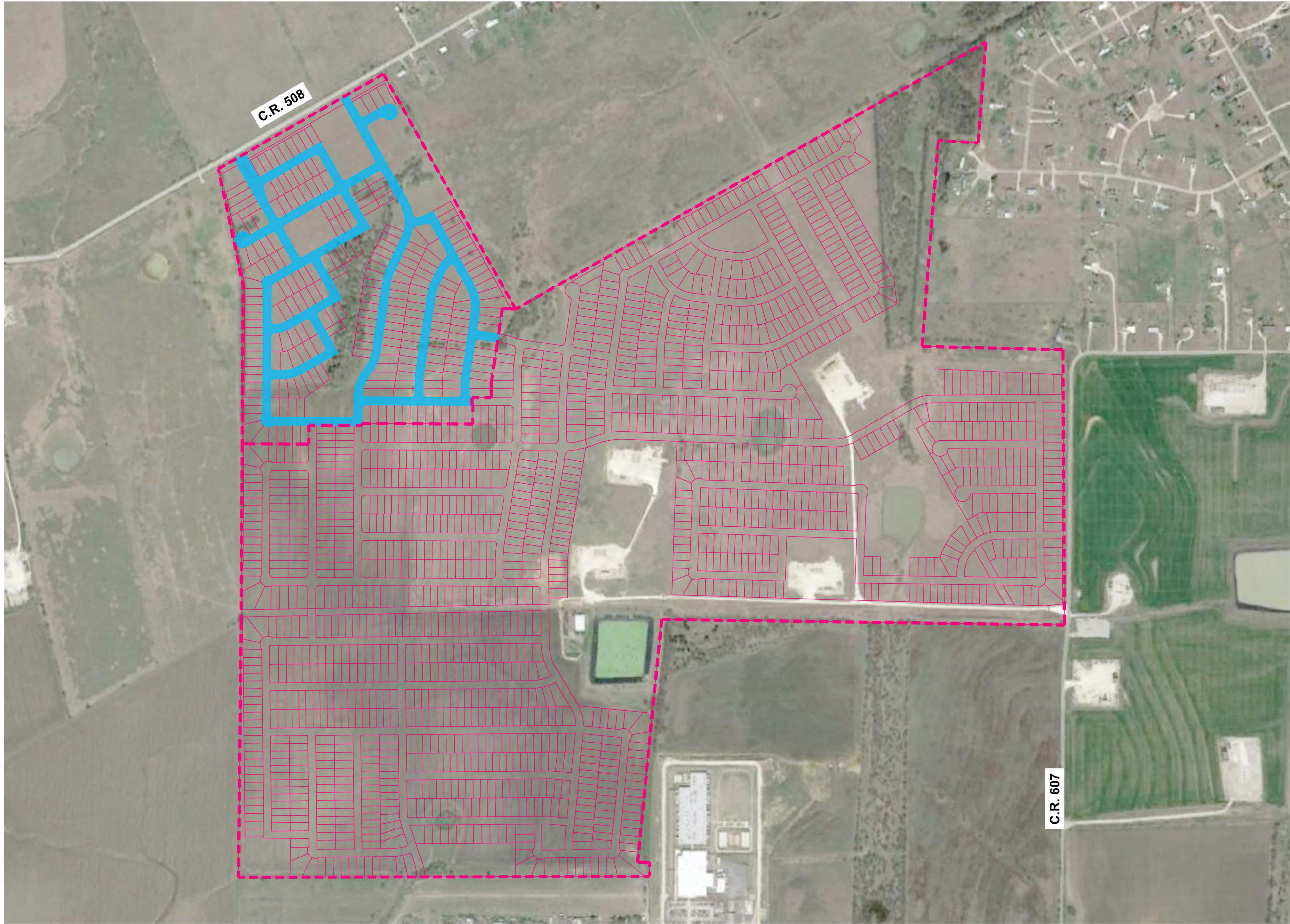
LEGEND

- LONE OAK BOUNDARY
- IMPROVEMENT AREA #1

IMPROVEMENT AREA #1

LONE OAK DEVELOPMENT

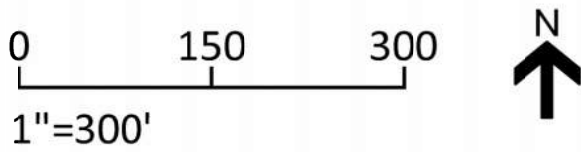




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- LONE OAK BOUNDARY
- ROADWAY IMPROVEMENTS

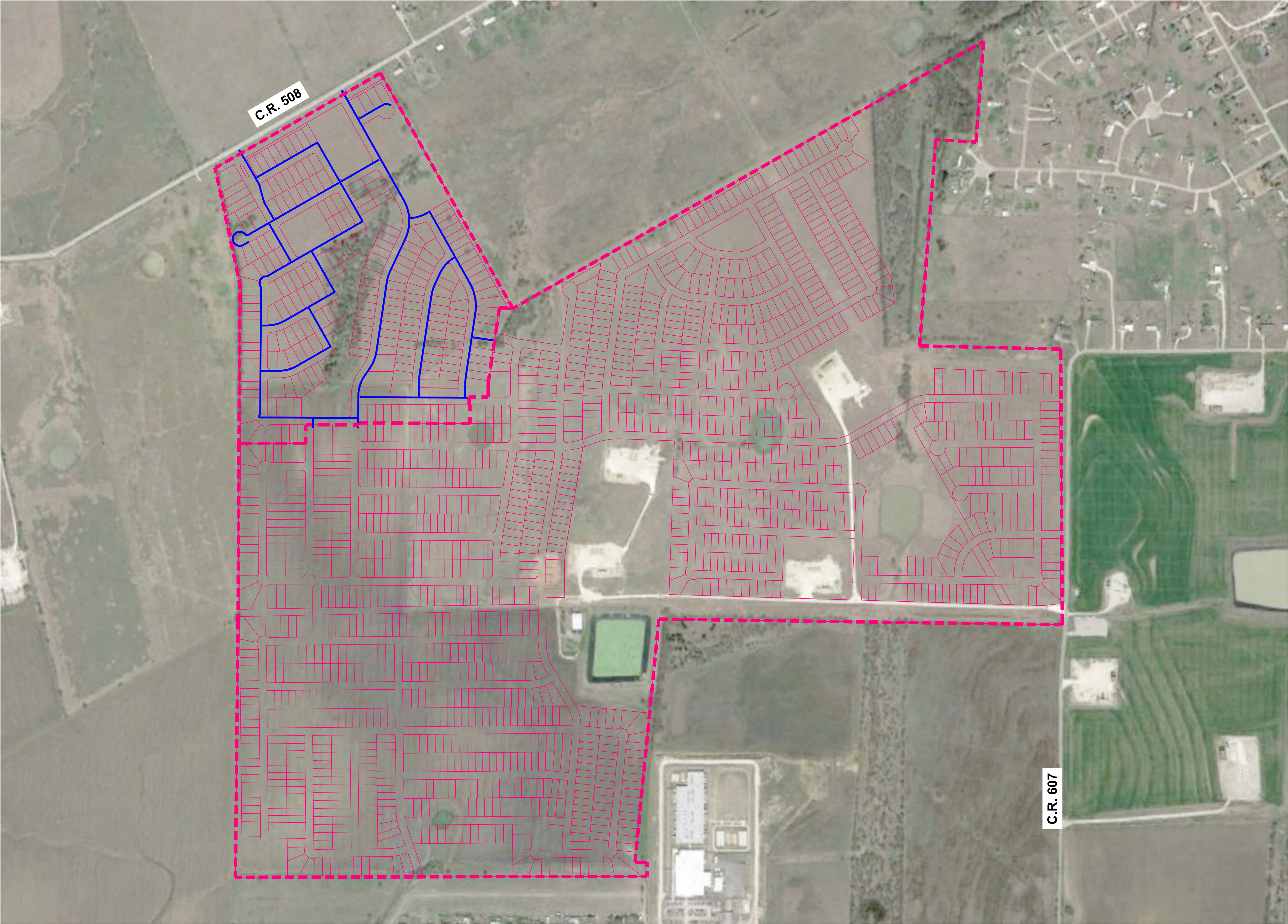
IMPROVEMENT AREA NO. 1 IMPROVEMENTS - ROADWAY



LONE OAK DEVELOPMENT

PUBLIC IMPROVEMENT DISTRICT
Alvarado, TEXAS
February 4, 2025



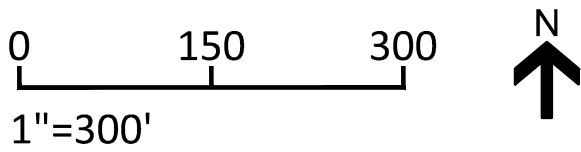


LEGEND

- LONE OAK BOUNDARY
- WATER IMPROVEMENTS

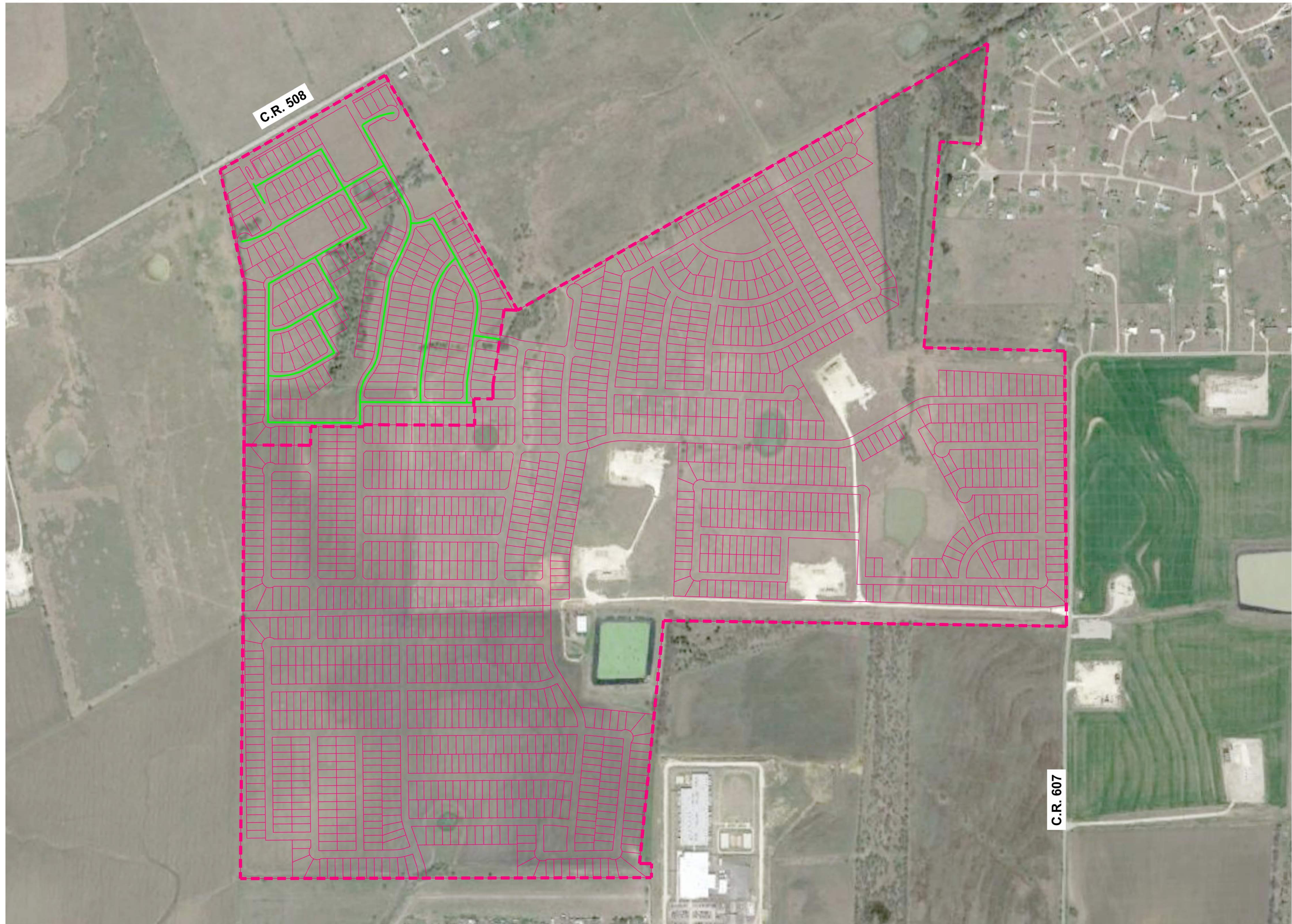
IMPROVEMENT AREA NO. 1 IMPROVEMENTS - WATER

LONE OAK DEVELOPMENT



PUBLIC IMPROVEMENT DISTRICT
Alvarado, TEXAS
February 4, 2025



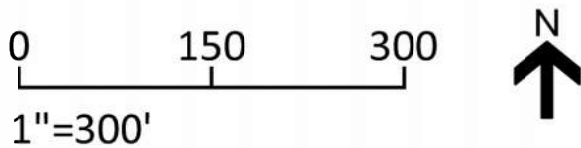


LEGEND

- LONE OAK BOUNDARY
- SEWER IMPROVEMENTS

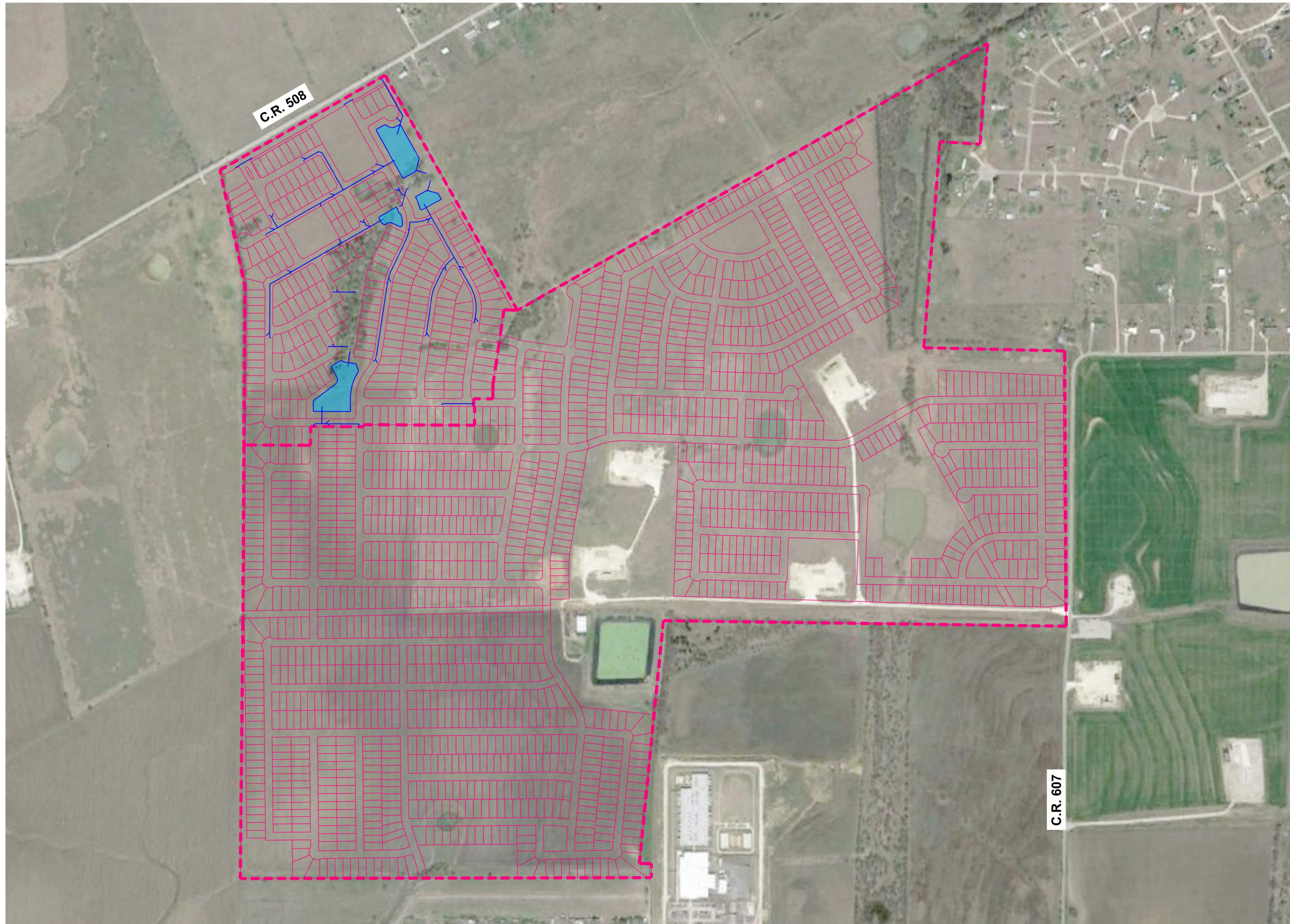
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LONE OAK DEVELOPMENT



PUBLIC IMPROVEMENT DISTRICT
Alvarado, TEXAS
February 4, 2025



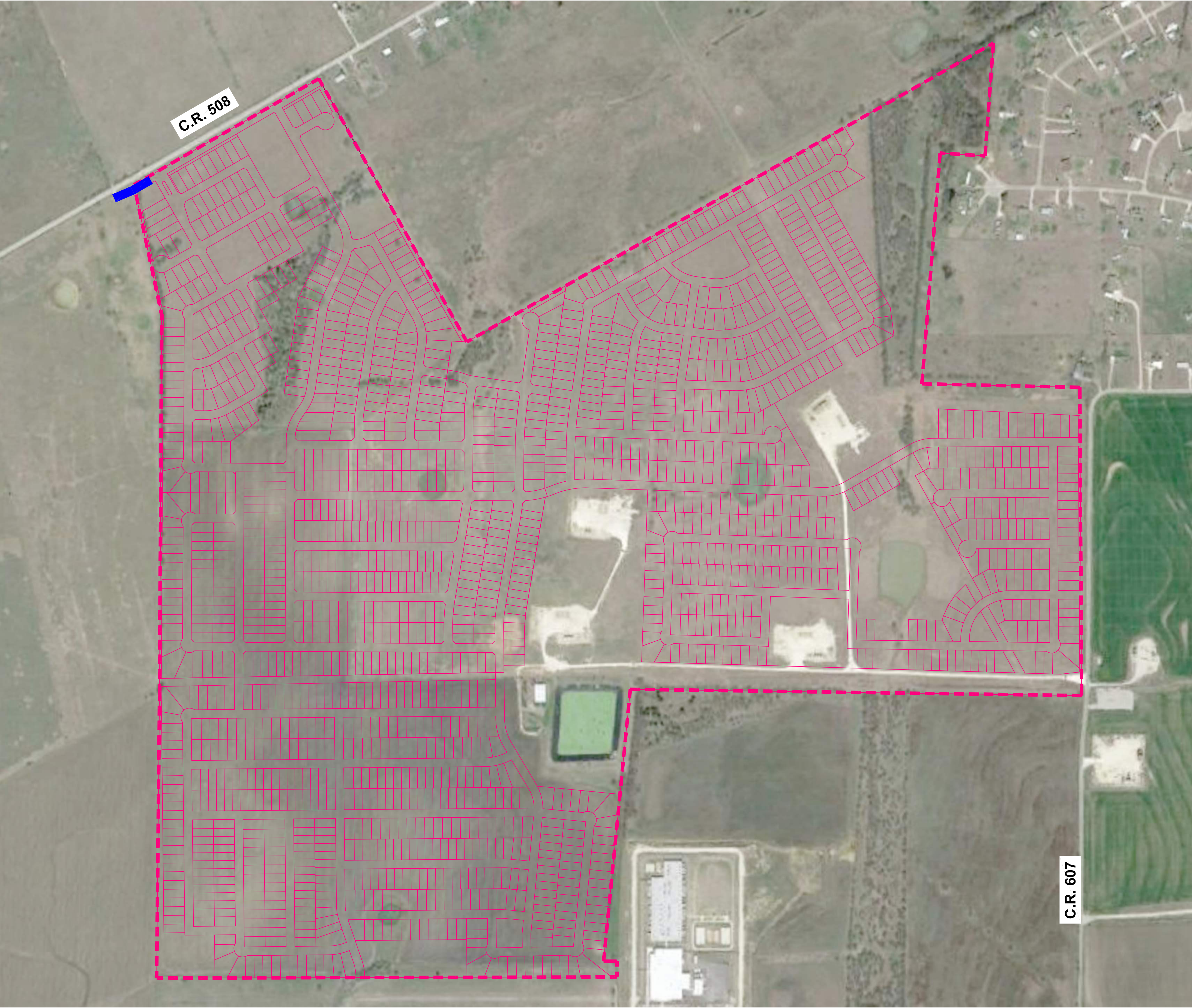


LEGEND

- LONE OAK BOUNDARY
- STORM IMPROVEMENTS
- DRAINAGE / RETENTION POND IMPROVEMENTS

IMPROVEMENT AREA NO. 1 IMPROVEMENTS - DRAINAGE

LONE OAK DEVELOPMENT

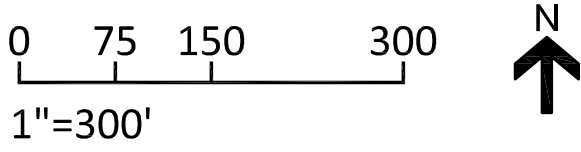


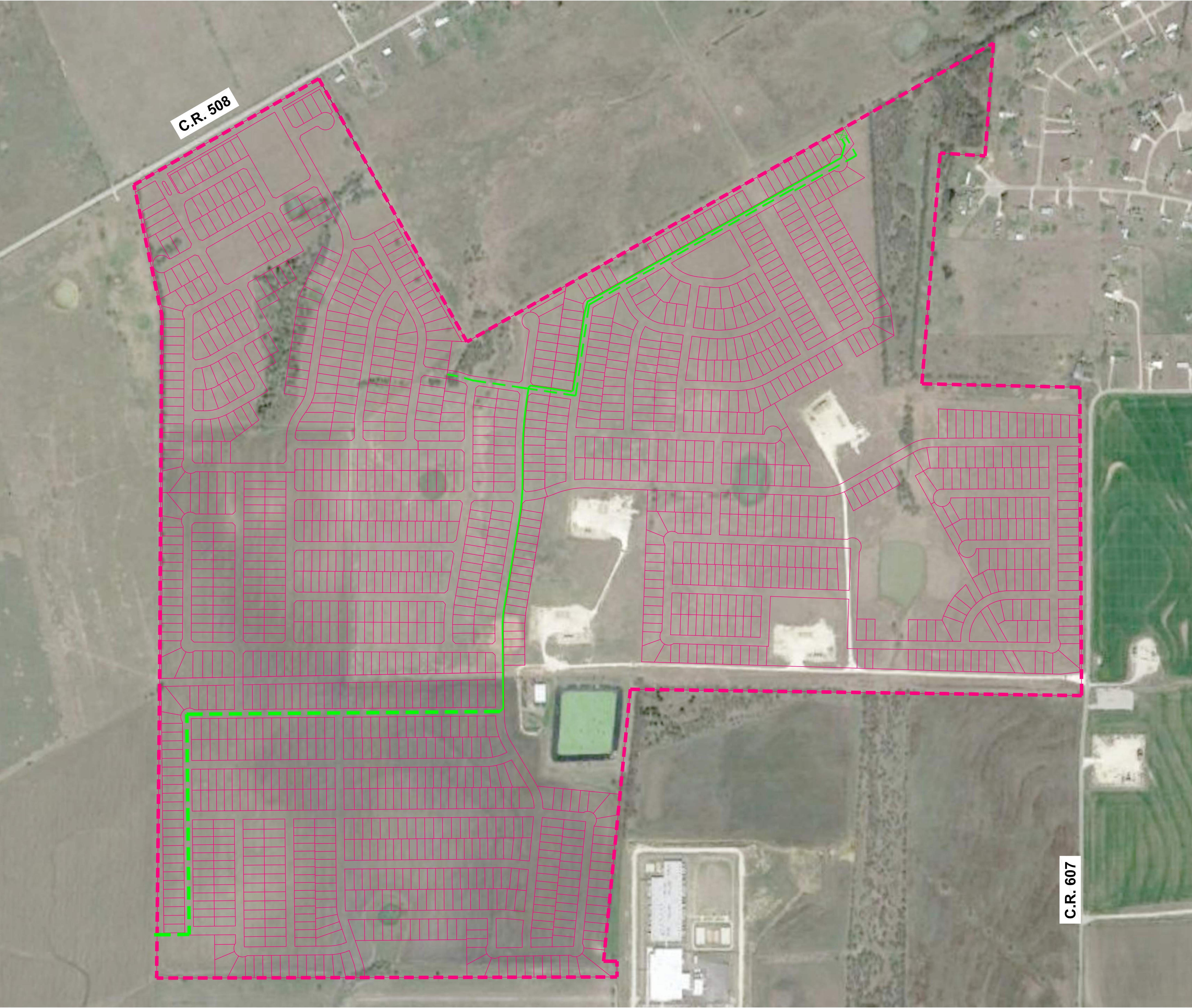
LEGEND

- LONE OAK BOUNDARY
- PROPOSED COUNTY ROAD 508 (RIGHT TURN LANE)

MAJOR INFRASTRUCTURE IMPROVEMENTS - ROADWAY

LONE OAK DEVELOPMENT





LEGEND

LONE OAK BOUNDARY

SEWER GRAVITY MAIN IMPROVEMENT

SEWER FORCE MAIN IMPROVEMENT

LIFT STATION IMPROVEMENT

MAJOR INFRASTRUCTURE IMPROVEMENTS - SEWER

LONE OAK DEVELOPMENT

NEIGHBORHOOD IMPROVEMENT AREA NO. 1

PAGE 1 OF 1

LEGEND

POC POINT OF COMMENCING
POB POINT OF BEGINNING
IRF IRON ROD FOUND
CM CONTROL MONUMENT
S.F. SQUARE FEET

N

1" = 400'

DAVID MITCHELL SURVEY
ABSTRACT NO. 586
JAMES B. CONGER SURVEY
ABSTRACT NO. 150

P.O.B.

C.R. 508
1,221.36'

SIMLA INVESTMENTS, LLC
INST. 2018-5852
CALLED 1.519 AC.

NAVA LEGACY 49 LLC
INST. NO. 2019-34549
D.R.J.C.T.
CALLED 58.71 AC.

3,058,735 S.F.
70.219 ACRES

GRBK EDGEWOOD, LLC
(PART OF 429.401 ACRES)
DOC. NO. 2021-23404

JAMES B. CONGER SURVEY
ABSTRACT NO. 150

GEORGE S. MCINTOSH SURVEY
ABSTRACT NO. 625

ROBERT LEE FRANKLIN
VOL. 1085, PG. 578
CALLED 135.76 AC.

N12°02'50"W 761.63'
N00°19'20"E 1,018.18'

N89°40'40"W 427.60'

340.00'
N89°40'40"W 711.26'
N89°40'40"W

GRBK EDGEWOOD, LLC
(REMAINDER OF 429.401 ACRES)
DOC. NO. 2021-23404

L1
485.24'
N08°31'11"E
L2
L3
L4
L5
L6
L7
L8

LINE TABLE

NO.	BEARING	LENGTH
L1	N87°07'12"W	85.65'
L2	S00°19'20"W	92.45'
L3	N89°40'40"W	121.84'
L4	S00°19'20"W	50.00'
L5	S89°40'40"E	5.99'
L6	S00°19'20"W	120.00'
L7	S00°19'20"W	13.63'
L8	S00°19'20"W	121.00'

SCALE:
1" = 400'

DATE
12/16/2024

DRAWN
WJJ

PROJECT
PRO# BBC010

JBI
PARTNERS

2121 Midway Road
Suite 300
Carrollton, Texas 75006
972.248.7676
TBPE No. F-438
TBPLS No. 100760007

APPENDIX E
PID ASSESSMENT NOTICE

AFTER RECORDING RETURN TO:

_____]¹

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO
CITY OF ALVARADO, TEXAS
CONCERNING THE FOLLOWING PROPERTY

STREET ADDRESS

LOT TYPE _____ PRINCIPAL ASSESSMENT: \$ _____

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Alvarado, Texas (the “City”), for the costs of a portion of a public improvement or services project (the “Authorized Improvements”) undertaken for the benefit of the property within ***Lone Oak Public Improvement District*** (the “District”) created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from the City. The exact amount of each annual installment will be approved each year by the City Council in the annual service plan update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City.

Your failure to pay any assessment or any annual installment may result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

¹ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Johnson County.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

The undersigned seller acknowledges providing this notice to the potential purchaser before the effective date of a binding contract for the purchase of the real property at the address described above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER]²

² To be included in copy of the notice required by Section 5.014, Tex. Prop. Code, to be executed by seller in accordance with Section 5.014(a-1), Tex. Prop. Code.

[The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above. The undersigned purchaser acknowledged the receipt of this notice including the current information required by Section 5.0143, Texas Property Code, as amended.

DATE:

DATE:

SIGNATURE OF
PURCHASER

SIGNATURE OF
PURCHASER

STATE OF TEXAS §
 §
COUNTY OF JOHNSON §

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]³

³ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Johnson County.

The undersigned seller acknowledges providing a separate copy of the notice required by Section 5.014 of the Texas Property Code including the current information required by Section 5.0143, Texas Property Code, as amended, at the closing of the purchase of the real property at the address above.

DATE:

DATE:

SIGNATURE OF SELLER

SIGNATURE OF SELLER

STATE OF TEXAS

§

§

COUNTY OF JOHNSON

§

The foregoing instrument was acknowledged before me by _____ and _____, known to me to be the person(s) whose name(s) is/are subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes therein expressed.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas]⁴

⁴ To be included in separate copy of the notice required by Section 5.0143, Tex. Prop. Code, to be executed at the closing of the purchase and sale and to be recorded in the deed records of Johnson County.

APPENDIX F
ASSESSMENT PER UNIT, PROJECTED LEVERAGE AND PROJECTED TAX RATE
EQUIVALENTS

Appendix F

For purposes of calculating and allocating the Assessments, the Assessed Property has been classified in one Lot Type.

“**Lot Type 1**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 50 feet.

“**Lot Type 2**” means lots identified as such on the Assessment Roll, being lots typically with a Lot width of approximately 45 feet.

A) Proposed Development

Table F-1 shows the proposed residential units to be developed within the PID.

Table F-1
Proposed Development within the PID

Description	Proposed Development	
Lot Type 1 (50 Ft)	964	Units
Lot Type 2 (45 Ft)	693	Units
Total	1,657	Units

Table F-2 shows the proposed residential units within Improvement Area #1.

Table F-2
Proposed Development – Improvement Area #1

Description	Proposed Development	
Lot Type 1 (50 Ft)	253	Units
Total	253	Units

Table F-3 shows the proposed residential Lots within the Future Improvement Area

Table F-3
Proposed Development – Future Improvement Area

Description	Proposed Development	
Lot Type 1 (50 Ft)	711	Units
Lot Type 2 (45 Ft)	693	Units
Total	1,404	Units

B) Calculation of Equivalent Units

As explained under Section V.D, for purpose of this Service and Assessment Plan, the City Council has determined that the Actual Costs of the Improvement Area #1 Projects be financed with the Improvement Area #1 Bonds were allocated to Improvement Area #1 Assessed Property by spreading the entire Assessment across the Parcels based on the estimated Equivalent Units.

For purposes of this Service and Assessment Plan, the City Council has determined that the Assessments were allocated to the Improvement Area #1 Assessed Property on the basis of the average home value of each Lot Type, and that such method of allocation will result in the imposition of equal shares of the Assessments on Parcels similarly benefited. In determining the average home value of each Lot Type, the City Council has taken into consideration (i) the type of lots (i.e., 50 Ft, 45 Ft, etc.); (ii) current and projected home prices; (iii) the costs of the Authorized Improvements, and (iv) the ability of different property types to utilize and benefit from the Authorized Improvements.

Having taken into consideration the matters described above, the City Council has determined that allocating the Assessments among Parcels based on average home value is best accomplished by creating classifications of benefited Parcels based on the “Lot Types” defined above. These classifications from Lot Type 1 (50 Ft Lots) representing the highest value to Lot Type 2 (45 Ft Lot) representing the lowest value for residential lots are set forth in Table F-4. Assessments are allocated to each Lot Type on the basis of the average home value for each class of lots. This is accomplished by giving each Lot Type an Equivalent Unit factor. Equivalent Units are the ratio of the average value of lots within each assessment class, setting the Equivalent Unit factor for Lot Type 1 (50 Ft Lots) to 1.0.

Table F-4
Equivalent Unit Factors

Lot Type	Estimated Average Unit Value¹	Equivalent Unit Factor
Lot Type 1 (50 Ft)	\$315,000	1.00 per dwelling unit
Lot Type 2 (45 Ft)	\$305,000	0.97 per dwelling unit

The total estimated Equivalent Units for Improvement Area #1 are shown in Table F-5 as calculated based on the Equivalent Unit factors shown in Table F-4, estimated Lot Types, and number of units estimated to be built within Improvement Area #1.

Table F-5
Estimated Equivalent Units - Improvement Area #1

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (50 Ft)	253	1.00	253.00
Total	253		253.00

The total estimated Equivalent Units for the Future Improvement Area is shown in Table F-6 as calculated based on the Equivalent Unit factors shown in Table F-4, estimated Lot Types and number of units estimated to be built within the Future Improvement Area.

Table F-6
Estimated Equivalent Units – Future Improvement Area

Lot Type	Planned No. of units	Equivalent Unit Factor	Total Equivalent Units
Lot Type 1 (50 Ft)	711	1.00	711.00
Lot Type 2 (45 Ft)	693	0.97	672.21
Total	1,404		1,383.21

C) Allocation of Assessments to Lots within Improvement Area #1

As shown in Section IV of this Service and Assessment Plan, the total amount of the Improvement Area #1 Bonds which represents the total Assessment to be allocated on all Parcels within Improvement Area #1, is \$5,640,000. As shown in Table F-5, there are a total of 253.00 estimated Equivalent Units in Improvement Area #1, resulting in an Assessment per Equivalent Unit of \$22,292.49.

The Assessment per dwelling unit or acre is calculated as the product of (i) \$22,292.49 multiplied by (ii) the applicable Equivalent Unit value for each Lot Type. For example, the Assessment for a Lot Type 1 (50 Ft Lot) dwelling unit is \$22,292.49 (i.e. \$22,292.49 × 1.00). Table F-7 sets forth the Assessment per dwelling unit for each Lot Type in Improvement Area #1.

Table F-7
Assessment Per Unit – Improvement Area #1

Description	Planned No. of Units	Assessment per Equivalent Unit	Equivalent Unit Factor	Assessment per Unit	Total Assessments
Lot Type 1 (50 Ft)	253	\$22,292.49	1.00	\$22,292.49 per dwelling unit	\$5,640,000.00
Total	253				\$5,640,000.00

The projected leverage calculated based on the estimated finished lot values and home values for each Lot is shown in Table F-8.

Table F-8
Projected Leverage – Improvement Area #1

Description	No. of Units	Estimated Finished Lot Value Per Unit	Projected Home Value Per Unit	Assessment Per Unit	Leverage (Lot Value)	Leverage (Home Value)
Lot Type 1 (50 Ft)	253	\$74,000	\$315,000	\$22,292.49	3.32	14.13

The projected tax rate equivalent per unit calculated based on the estimated finished lot values and home values for each Lot is shown in Table F-9.

Table F-9
Estimated Tax Rate Equivalent Per Unit – Improvement Area #1

Description	No. of Units	Estimated Finished Lot Value Per Unit	Projected Home Value Per Unit	Projected Average Annual Installment Per Unit	Tax Rate Equivalent (Per \$100 Lot Value)	Tax Rate Equivalent (Per \$100 Home Value)
Lot Type 1 (50 Ft)	253	\$74,000	\$315,000	\$1,954	\$2.64	\$0.62

The Assessment and Annual Installments for each Parcel or Lot located within Improvement Area #1 is shown on the Improvement Area #1 Assessment Roll, attached as Appendix G, and no Assessment shall be changed except as authorized by this Service and Assessment Plan and the PID Act.

APPENDIX G
PROPOSED IMPROVEMENT AREA #1 ASSESSMENT ROLL

Appendix G-1
Proposed Improvement Area #1 Assessment Roll

Parcel
Equivalent Units
Assessment

R000117698
253.00
\$5,640,000

Year¹	Principal	Interest²	Administrative Expenses³	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	\$0	\$110,750	\$0	\$0	(\$110,750)	\$0
9/1/2026	\$85,000	\$331,350	\$51,000	\$28,200	\$0	\$495,550
9/1/2027	\$89,000	\$326,356	\$52,020	\$27,775	\$0	\$495,151
9/1/2028	\$93,000	\$321,128	\$53,060	\$27,330	\$0	\$494,518
9/1/2029	\$98,000	\$315,664	\$54,122	\$26,865	\$0	\$494,650
9/1/2030	\$103,000	\$309,906	\$55,204	\$26,375	\$0	\$494,485
9/1/2031	\$108,000	\$303,855	\$56,308	\$25,860	\$0	\$494,023
9/1/2032	\$114,000	\$297,510	\$57,434	\$25,320	\$0	\$494,264
9/1/2033	\$120,000	\$290,813	\$58,583	\$24,750	\$0	\$494,145
9/1/2034	\$126,000	\$283,763	\$59,755	\$24,150	\$0	\$493,667
9/1/2035	\$133,000	\$276,360	\$60,950	\$23,520	\$0	\$493,830
9/1/2036	\$140,000	\$268,546	\$62,169	\$22,855	\$0	\$493,570
9/1/2037	\$147,000	\$260,321	\$63,412	\$22,155	\$0	\$492,888
9/1/2038	\$155,000	\$251,685	\$64,680	\$21,420	\$0	\$492,785
9/1/2039	\$164,000	\$242,579	\$65,974	\$20,645	\$0	\$493,198
9/1/2040	\$173,000	\$232,944	\$67,293	\$19,825	\$0	\$493,062
9/1/2041	\$183,000	\$222,780	\$68,639	\$18,960	\$0	\$493,379
9/1/2042	\$193,000	\$212,029	\$70,012	\$18,045	\$0	\$493,086
9/1/2043	\$204,000	\$200,690	\$71,412	\$17,080	\$0	\$493,182
9/1/2044	\$216,000	\$188,705	\$72,841	\$16,060	\$0	\$493,606
9/1/2045	\$228,000	\$176,015	\$74,297	\$14,980	\$0	\$493,292
9/1/2046	\$242,000	\$162,620	\$75,783	\$13,840	\$0	\$494,243
9/1/2047	\$256,000	\$148,403	\$77,299	\$12,630	\$0	\$494,331
9/1/2048	\$271,000	\$133,363	\$78,845	\$11,350	\$0	\$494,557
9/1/2049	\$287,000	\$117,441	\$80,422	\$9,995	\$0	\$494,858
9/1/2050	\$304,000	\$100,580	\$82,030	\$8,560	\$0	\$495,170
9/1/2051	\$322,000	\$82,720	\$83,671	\$7,040	\$0	\$495,431
9/1/2052	\$341,000	\$63,803	\$85,344	\$5,430	\$0	\$495,577
9/1/2053	\$362,000	\$43,769	\$87,051	\$3,725	\$0	\$496,545
9/1/2054	\$383,000	\$22,501	\$88,792	\$1,915	\$0	\$496,208
Total	\$5,640,000	\$6,298,946	\$1,978,404	\$526,655	(\$110,750)	\$14,333,255

¹The 9/30/XX dates represent the fiscal year end for the Bonds.

²Represents the principal and interest on the Improvement Area #1 Bonds. Interest is calculated using an estimated interest rate of 5.875% and will be updated at the time of Bond issuance.

³Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.

Appendix G-2
Proposed Improvement Area #1 Assessment Roll by Per Lot

Lot	Lot Type 1
Equivalent Units	(50 Ft)
Assessment	1.00
	\$22,292

Year¹	Principal	Interest²	Administrative Expenses³	Additional Interest	Capitalized Interest	Total Annual Installment
9/1/2025	\$0	\$438	\$0	\$0	(\$438)	\$0
9/1/2026	\$336	\$1,310	\$202	\$111	\$0	\$1,959
9/1/2027	\$352	\$1,290	\$206	\$110	\$0	\$1,957
9/1/2028	\$368	\$1,269	\$210	\$108	\$0	\$1,955
9/1/2029	\$387	\$1,248	\$214	\$106	\$0	\$1,955
9/1/2030	\$407	\$1,225	\$218	\$104	\$0	\$1,954
9/1/2031	\$427	\$1,201	\$223	\$102	\$0	\$1,953
9/1/2032	\$451	\$1,176	\$227	\$100	\$0	\$1,954
9/1/2033	\$474	\$1,149	\$232	\$98	\$0	\$1,953
9/1/2034	\$498	\$1,122	\$236	\$95	\$0	\$1,951
9/1/2035	\$526	\$1,092	\$241	\$93	\$0	\$1,952
9/1/2036	\$553	\$1,061	\$246	\$90	\$0	\$1,951
9/1/2037	\$581	\$1,029	\$251	\$88	\$0	\$1,948
9/1/2038	\$613	\$995	\$256	\$85	\$0	\$1,948
9/1/2039	\$648	\$959	\$261	\$82	\$0	\$1,949
9/1/2040	\$684	\$921	\$266	\$78	\$0	\$1,949
9/1/2041	\$723	\$881	\$271	\$75	\$0	\$1,950
9/1/2042	\$763	\$838	\$277	\$71	\$0	\$1,949
9/1/2043	\$806	\$793	\$282	\$68	\$0	\$1,949
9/1/2044	\$854	\$746	\$288	\$63	\$0	\$1,951
9/1/2045	\$901	\$696	\$294	\$59	\$0	\$1,950
9/1/2046	\$957	\$643	\$300	\$55	\$0	\$1,954
9/1/2047	\$1,012	\$587	\$306	\$50	\$0	\$1,954
9/1/2048	\$1,071	\$527	\$312	\$45	\$0	\$1,955
9/1/2049	\$1,134	\$464	\$318	\$40	\$0	\$1,956
9/1/2050	\$1,202	\$398	\$324	\$34	\$0	\$1,957
9/1/2051	\$1,273	\$327	\$331	\$28	\$0	\$1,958
9/1/2052	\$1,348	\$252	\$337	\$21	\$0	\$1,959
9/1/2053	\$1,431	\$173	\$344	\$15	\$0	\$1,963
9/1/2054	\$1,514	\$89	\$351	\$8	\$0	\$1,961
Total	\$22,292	\$24,897	\$7,820	\$2,082	(\$438)	\$56,653

¹The 9/30/XX dates represent the fiscal year end for the Bonds.

²Represents the principal and interest on the Improvement Area #1 Bonds. Interest is calculated using an estimated interest rate of 5.875% and will be updated at the time of Bond issuance.

³Administrative Expenses are estimated and will be updated each year in the Annual Service Plan Updates. Assumes a 2% increase per year.



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Donielle Suber, Administrative Services Director

AGENDA ITEM:

Consideration and action on Ordinance No. 2025-0011, an ordinance levying assessments for the costs of certain improvements to be provided in the Lone Oak Public Improvement District Improvement Area #1 Project.

BACKGROUND & FINDINGS:

MuniCap, the City's PID and TIRZ Administrator, has prepared the Final Service and Assessment Plan for the Lone Oak Public Improvement District. Chapter 372 of the Texas Property Code requires that the Final Service Plan and Assessment Plan be approved by Council by City Ordinance.

The Final Service and Assessment Plan will be the governing document for the PID. The approval of the Final Service and Assessment Plan will also levy Assessments on Improvement Area #1.

In connection with the levy of Assessments on Improvement Area #1, the City is also issuing Improvement Area #1 Bonds through the approval of the Bond Ordinance.

The City is issuing PID Bonds to reimburse the Developer for a portion of the Improvement Area #1 Improvements.

The Improvement Area #1 Bonds paramount equals the total Improvement Area #1 Assessments, which will be repaid over 30 years through Annual Installments.

The Bond Ordinance includes approving and authorizing an indenture of trust, a bond purchase agreement, final limited offering memorandum, a continuing disclosure agreement, and other agreements and documents in connection with the issuance of the Improvement Area #1 Bonds.

RECOMMENDATION:

Staff recommends City Council approve Ordinance No. 2025-0011, an ordinance levying assessments for the costs of certain improvements to be provided in the Lone Oak Public Improvement District Improvement Area #1 Project.

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

Ordinance No. 2025-0011

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS
JOHNSON COUNTY
CITY OF ALVARADO

We, the undersigned officers of the City of Alvarado (the "City"), hereby certify as follows:

1. The Council convened in a regular meeting on May 19, 2025, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of said Council, to wit:

Jacob Wheat	Mayor
Carrie Keeton	Ward 1 Place 1
Beverly Short	Ward 1 Place 4
Cherry Bryant	Ward 2 Place 5
Lydia Moon	Ward 2 Place 2
Scott Arthur	Ward 3 Place 6
Kevin Thomas	Ward 3 Place 3

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business the following was transacted at said meeting: a written Ordinance entitled

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF ALVARADO, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA # 1 PROJECT)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

was duly introduced for the consideration of said Council. It was then duly moved and seconded that said Ordinance be passed; and, after due discussion, said motion, carrying with it the passage of said Ordinance, prevailed and carried, with all members of said Council shown present above voting "Aye," except as noted below:

NAYS: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the aforesaid Ordinance passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Ordinance has been duly recorded in said Council's minutes of said meeting; the above and foregoing paragraph is a true, full, and correct excerpt from said Council's minutes of said meeting pertaining to the passage of said Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Council as indicated therein; that each of the officers and members of said Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that said Ordinance would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given all as required by the Texas Government Code, Chapter 551.

3. The City Council has approved and hereby approves the Ordinance; and the Mayor and City Secretary hereby declare that their signing of this certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED ON MAY 19, 2025.

Beth Walls
City Secretary

Paul DeBuff
Mayor

(CITY SEAL)

Certificate for Ordinance (May 19, 2025)
Authorizing the Issuance of City of Alvarado, Texas Special Assessment Revenue Bonds, Series 2025
(Lone Oak Public Improvement District Improvement Area # 1 Project)

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE "CITY OF ALVARADO, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA # 1 PROJECT)"; APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Alvarado, Texas (the "City"), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, has previously established the "Lone Oak Public Improvement District" (the "District"); and

WHEREAS, pursuant to the PID Act, the City Council of the City (the "Council") adopted an ordinance on May 19, 2025 levying special assessments against property within Improvement Area # 1 of the District (the "Assessment Ordinance"); and

WHEREAS, in the Assessment Ordinance, the Council approved and accepted the Service and Assessment Plan (as defined and described in the Assessment Ordinance, the "SAP") relating to Improvement Area # 1 of the District and levied the Assessments (as defined in the SAP, the "Assessments") against the Assessment Roll (as defined and described in the SAP, the "Assessment Roll") for Improvement Area # 1. Capitalized terms used in this preamble and not otherwise defined shall have the meaning assigned thereto in the Service and Assessment Plan; and

WHEREAS, the Council has found and determined that it is in the best interests of the City to issue its bonds to be designated "City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area # 1 Project)" (the "Bonds"), such Bonds to be payable from and secured by the Trust Estate, as defined in the Indenture (defined below); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purpose of (i) paying or reimbursing for all or a portion of the costs of the Improvement Area # 1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, and (iv) paying the costs of issuance of the Bonds; and

WHEREAS, the Council has found and determined to approve (i) the issuance of the Bonds to reimburse for Improvement Area # 1 Improvements constructed in the District, (ii) the form, terms and provisions of an indenture of trust securing the Bonds authorized hereby, (iii) the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the underwriter of the Bonds, (iv) a Limited Offering Memorandum (defined below) and (v) a Continuing Disclosure Agreement (defined below); and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

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

Section 1. Findings. The findings and determinations set forth in the preamble hereof are hereby incorporated by reference for all purposes as if set forth in full herein.

Section 2. Approval of Issuance of Bonds and Indenture of Trust.

(a) The issuance of the Bonds in the principal amount of \$[-] for the purpose of (i) paying or reimbursing for all or a portion of the Improvement Area # 1 Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, and (iv) paying the costs of issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Indenture of Trust (the "Indenture"), dated as of June 1, 2025, between the City and BOKF, NA, as trustee (the "Trustee"), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture, which Indenture is hereby approved in substantially final form attached hereto as **Exhibit A** and incorporated herein as a part hereof for all purposes. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture and the City Secretary is hereby authorized and directed to attest such signature of the Mayor or Mayor Pro Tem.

(c) The Bonds shall be dated, shall mature on the date or dates and in the principal amount or amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions and modifications as may be required to conform the form of Bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Trust Estate and other assets of the Trust Estate (as defined in the Indenture) pledged to the Bonds, and shall never be payable from ad valorem taxes or any other funds or revenues of the City.

(d) The SAP as updated merely to reflect the principal, interest and additional interest on the Bonds is approved.

Section 3. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to FMSbonds, Inc. (the "Underwriter") at the price and on the terms and provisions set forth in that certain Bond Purchase Agreement (the "Bond Purchase Agreement"), dated the date hereof, between the City and the Underwriter, attached hereto as **Exhibit B** and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interest of the City. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. The Mayor's or Mayor Pro Tem's signature on the Bond Purchase Agreement may be attested by the City Secretary.

Section 4. Limited Offering Memorandum. The form and substance of the final Limited Offering Memorandum for the Bonds and any addenda, supplement or amendment thereto (the "Limited Offering Memorandum") presented to and considered at the meeting at which this Ordinance is considered are hereby in all respects approved and adopted. The Limited Offering Memorandum, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Secretary is hereby authorized and directed to include and maintain a copy of the Preliminary Limited Offering Memorandum and Limited Offering Memorandum and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The Preliminary Limited Offering Memorandum is deemed final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as of its date, except for the omission of information specified in Section (b)(1) of Rule 15c2-12, as permitted by Section (b)(1) of Rule 15c2-12. The City hereby approves the distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in

the reoffering of the Bonds by the Underwriter, and the use and distribution of the Preliminary Limited Offering Memorandum in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the approval and delivery of such Preliminary Limited Offering Memorandum and Limited Offering Memorandum by the Council, the Council is not responsible for and proclaims no specific knowledge of the information contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum pertaining to the Developer or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

Section 5. Continuing Disclosure Agreement. The Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City, MuniCap, Inc. and HTS Continuing Disclosure Services, a Division of Hilltop Securities Inc. is hereby authorized and approved in substantially final form attached hereto as **Exhibit C** and incorporated herein as a part hereof for all purposes and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of this Ordinance and approved by the Mayor or Mayor Pro Tem, such approval to be evidenced by the execution thereof.

Section 6. Additional Actions. The Mayor, the Mayor Pro Tem, the City Manager, Chief Financial Officer and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Manager, Chief Financial Officer and the City Secretary are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

Section 7. Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 8. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

EXHIBIT A

INDENTURE OF TRUST

INDENTURE OF TRUST

By and Between

CITY OF ALVARADO, TEXAS

and

**BOKF, NA
as Trustee**

DATED AS OF JUNE 1, 2025

SECURING

\$(Par)

**CITY OF ALVARADO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT
AREA #1 PROJECT)**

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INDENTURE OF TRUST

THIS INDENTURE, dated as of June 1, 2025, is by and between the CITY OF ALVARADO, TEXAS (the "*City*"), and BOKF, NA, as trustee (together with any 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 (the "*Petition*") was submitted and filed with the City Secretary of the City (the "*City Secretary*") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "*Act*" or "*PID Act*"), requesting the creation of a public improvement district located within the corporate and extra-territorial limits of the City to be known as Lone Oak Public Improvement District (the "*District*" or "*PID*"); and

WHEREAS, after due notice, the City Council of the City (the "*City Council*") held the public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Section 372.009 of the PID Act and the City Council made the findings required by Section 372.009(b) of the PID Act and, by resolution 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 April 21, 2025, the City Council made findings and determinations relating to the Costs of certain Authorized Improvements and received and accepted a preliminary service and assessment plan and proposed assessment rolls, called a public hearing to consider an ordinance levying assessments on property located within Improvement Area #1 of the District, and directed City staff to (i) file said proposed assessment rolls with the City Secretary and to make it available for public inspection as required by Section 372.016(b) of the PID Act, and (ii) publish such notice as required by Section 372.016(b) of the PID Act relating to the hearing; and

WHEREAS, on May 19, 2025, the City Council held a public hearing on the levy of assessments and there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of Costs, the Assessment Roll, or the levy of the Assessments; and

WHEREAS, the City Council closed the public hearing and, after considering all written and documentary evidence presented at the public hearing, including all written comments and statements filed with the City, at a meeting held on May 19, 2025, approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted the Assessment Ordinance, which Assessment Ordinance approved the Assessment Roll and levied the Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue revenue bonds payable from the Assessments for the purpose of (i) paying or reimbursing a portion of the Costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, (iv) paying capitalized interest on the Bonds, and (v) paying the costs of issuance of the Bonds; and

WHEREAS, the City Council now desires to issue its revenue bonds, in accordance with the PID Act, such bonds to be entitled "City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project)" (the "*Bonds*"), such Bonds being payable solely from the Assessments and other funds pledged under this Indenture to the payment of the Bonds and for the purposes set forth in this preamble; and

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

NOW, THEREFORE, the City, in consideration of the foregoing premises and acceptance by the Trustee of the trusts herein created, of the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, PLEDGE, TRANSFER, ASSIGN, and DELIVER to the Trustee for the benefit of the Owners, a security interest in all of the moneys, rights and properties described in the Granting Clauses hereof, as follows (collectively, the "*Trust Estate*");

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, including all moneys and investments held in the Pledged Funds, including any contract or any evidence of indebtedness related thereto or other rights of the City to receive any of such moneys or investments, whether now existing or hereafter coming into existence, and whether now or hereafter acquired; and

SECOND GRANTING CLAUSE

Any and all other property or money of every name and nature which is, from time to time hereafter by delivery or by writing of any kind, conveyed, pledged, assigned or transferred, to the Trustee as additional security hereunder by the City or by anyone on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property or money at any and all times and to hold and apply the same subject to the terms thereof; and

THIRD GRANTING CLAUSE

Any and all proceeds of the foregoing property and proceeds from the investment of the foregoing property;

TO HAVE AND TO HOLD the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors or assigns;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds 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, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price of and the interest on the Bonds 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;

IN ADDITION, the Bonds are special obligations of the City payable solely from the Trust Estate, as and to the extent provided in this Indenture. The Bonds do not give rise to a charge against the general credit or taxing powers of the City and are not payable except as provided in this Indenture. Notwithstanding anything to the contrary herein, the Owners of the Bonds shall never have the right to demand payment thereof out of any funds of the City other than the Trust Estate. The City shall have no legal or moral obligation to pay for the Bonds out of any funds of the City other than the Trust Estate.

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:

"*Account*", in the singular, means any of the accounts established pursuant to Section 6.1 of this Indenture, and "*Accounts*", in the plural, means, collectively, all of the accounts established pursuant to Section 6.1 of this Indenture.

"*Additional Interest*" means the 0.50% additional interest charged on the Assessments pursuant to Section 372.018 of the PID Act.

"*Administrative Expenses*" means the reasonable expenses incurred by the City and the Developer in the establishment, administration, and operation of the PID. The expenses of administration and operation of the PID (i.e., collection costs), may include, but are not limited to, the costs of (i) direct and contracted costs incurred by the City including legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) organizing the PID and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof to the City, Trustee or other applicable financial institution, (iv) maintaining the record of Assessments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act, arbitrage rebate requirements and/or securities disclosure requirements, (vii) paying the paying agent/registrars

and Trustee's fees and expenses (including the fees and expenses of its legal counsel) related to the Bonds, and (viii) the City's costs of administering the construction of the Improvement Area #1 Projects. Administrative Expenses shall also include the administrative costs and expenses of issuing, making debt service payments on, and redeeming Bonds; provided, however, that for the avoidance of doubt, Administrative Expenses do not include payment of the actual principal of, redemption premium, if any, and interest on Bonds. Administrative Expenses collected and not encumbered or expended shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid over collection.

"*Administrative Fund*" means that Fund established by Section 6.1 and administered pursuant to Section 6.9 of this Indenture.

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

"*Annual Installment*" means the sum of the annual installment on the Assessment, including the annual installment on interest and principal, Additional Interest and Administrative Expenses.

"*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 or of the United States of America, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

"*Assessed Property*" means the Improvement Area #1 Assessed Property and as defined in the Service and Assessment Plan.

"*Assessment*" means an assessment levied against Assessed Property based on the special benefit conferred on such Parcels by the Improvement Area #1 Projects.

"*Assessment Ordinance*" means Ordinance [] adopted by the City Council on May 19, 2025, as may be amended or supplemented, that levied the Assessments on the Assessed Property.

"*Assessment Revenues*" means the revenues received by the City from the collection of Assessments, including Prepayments, Annual Installments and Foreclosure Proceeds.

"*Assessment Roll*" means the Improvement Area #1 Assessment Roll which is attached to the Service and Assessment Plan as updated, modified or amended from time to time in accordance with the procedures set forth in the Service and Assessment Plan and in the PID Act.

"*Attorney General*" means the Attorney General of the State.

"*Authorized Denomination*" means \$25,000 and any integral multiple of \$1,000 in excess thereof. Except as provided in Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$[-] and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$[-], and any attempt to accomplish either of the foregoing shall be void and of no effect.

"*Authorized Improvements Costs*" mean the actual costs of all or any portion of the Authorized Improvements, as described in the Service and Assessment Plan including, but not limited to, all costs paid or incurred in connection with the issuance of the Bonds, and including all costs otherwise paid or incurred in connection with the transaction that results in the issuance of Bonds (whether such costs are characterized as interest, costs of issuance, reserve fund, or other costs of the transaction).

"*Bond*" means any of the Bonds.

"*Bond Counsel*" means McCall, Parkhurst & Horton L.L.P. or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

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

"*Bond Fund*" means the Fund established pursuant to Section 6.1 and administered pursuant to Section 6.4 of this Indenture.

"*Bond Ordinance*" means ordinance [] adopted by the City Council on May 19, 2025 authorizing the issuance of the Bonds pursuant to this Indenture.

"*Bond Pledged Revenue Account*" means the Account in the Pledged Revenue Fund established pursuant to Section 6.1 of this Indenture.

"*Bond Year*" means the one-year period beginning on [September 1] in each year and ending on the day prior to [September 1] in the following year.

"*Bonds*" means the City's bonds authorized to be issued by Section 3.1 of this Indenture entitled "City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project)" and, in the event the City issues Refunding Bonds pursuant to Section 13.2 hereof, the term "Bonds" shall include such Refunding Bonds.

"*Business Day*" means any day other than a Saturday, Sunday or legal holiday in the State observed as such by the City or the Trustee or any national holiday observed by the Trustee.

"*Capitalized Interest Account*" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

"*Certificate for Payment*" means a certificate substantially in the form of Exhibit A hereto and executed by a Person approved by the City Representative that is delivered to the City Representative and the Trustee specifying the amount of work performed and the Costs thereof, and requesting payment for such Costs from money on deposit in the Project Fund as further described in Section 6.5 of this Indenture.

"*City Directive*" means a certificate containing written instructions, signed by the City Representative.

"*City Representative*" means, individually, the Mayor and City Manager (or another official or agent of the City subsequently designated in writing as a City Representative) which are 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.

"*Comptroller*" means the Comptroller of Public Accounts of the State.

"*Development Agreement*" means the Amended and Restated Lone Oak Development Agreement by and between the City, Alvarado 429 Partners, LLC, and GRBK Edgewood LLC, approved by the City on October 18, 2021, as partially assigned to Century Land Holdings of Texas, LLC, as amended by that Second Amended and Restated Lone Oak Development Agreement, between the City, GRBK Edgewood LLC and Century Land Holdings of Texas, LLC, effective as of January 22, 2024 and related to development of the property within the PID, and as the same may be further amended from time to time.

"*Costs*" means the Improvement Area #1 Projects Costs (excluding Administrative Expenses), for the Improvement Area #1 Projects, as such budgeted amounts are set forth in the Service and Assessment Plan.

"*Costs of Issuance Account*" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

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

"*Delinquency and Prepayment Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

"*Delinquency and Prepayment Reserve Requirement*" means an amount equal to 5.5% of the principal amount of the then Outstanding Bonds to be funded from the Additional Interest transferred from the Bond Pledged Revenue Account.

"*Delinquent Collection Costs*" means, for a Parcel, interest, penalties and attorneys' fees that are authorized by the PID Act and by the Assessment Ordinance and that directly or indirectly relate to the collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent payments due under the Service and Assessment Plan, including costs and expenses related to the foreclosure of liens.

"*Delivery Date*" means June [-], 2025, which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

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

"*Developer*" means Century Land Holdings of Texas, LLC and GRBK Edgewood LLC.

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

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

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

"*Fund*", in the singular, means any of the funds established pursuant to Section 6.1 of this Indenture, and "*Funds*", in the plural, means, collectively, all of the funds established pursuant to Section 6.1 of this Indenture.

"*Improvement Area #1*" means the phase of development relating to the Bonds and as in Appendix A of the Service and Assessment Plan.

"*Improvement Area #1 Project Account*" means the Account in the Project Fund established pursuant to Section 6.1 of this Indenture.

"Improvement Area #1 Projects" means (i) those public improvements described in the Service and Assessment Plan and Section 372.002 of the PID Act which are to be constructed for the benefit of property in Improvement Area #1 of the District and (ii) the pro rata portion of the Major Improvements allocable to Improvement Area #1 of the District.

"Improvement Area #1 Project Costs" mean the actual costs of all or any portion of the Improvement Area #1 Projects, as described in the Service and Assessment Plan including, but not limited to, all costs paid or incurred in connection with the issuance of the Bonds, and including all costs otherwise paid or incurred in connection with the transaction that results in the issuance of Bonds (whether such costs are characterized as interest, costs of issuance, reserve fund, or other costs of the transaction).

"Indenture" means this Indenture of Trust as originally executed or as it may be from time to time supplemented or amended by one or more indentures supplemental hereto and entered into pursuant to the applicable provisions hereof.

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

"Initial Bonds" means the Initial Bonds authorized by Section 5.2 of this Indenture.

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

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

"Major Improvements" means the Authorized Improvements that confer special benefit to the District described in Section III.B. of the Service and Assessment Plan.

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

"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, (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 and (iv) any Bond alleged to have been mutilated, destroyed, lost or stolen, which has been paid as provided in this Indenture.

"*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.

"*Parcel*" or "*Parcels*" means a parcel or parcels within the District identified by either a tax map identification number assigned to the Parcel by the Johnson County Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Johnson County.

"*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.

"*Pledged Funds*" means, collectively, the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

"*Pledged Revenue Fund*" means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.3 of this Indenture.

"*Pledged Revenues*" means, collectively, the (i) Assessment Revenues (excluding the portion of Annual Installments collected for the payment of Administrative Expenses and Delinquent Collection Costs, as set forth in the Service and Assessment Plan), (ii) the moneys held in any of the Pledged Funds and (iii) any additional revenues that the City may pledge to the payment of the Bonds.

"*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*" means interest, Administrative Expenses, any applicable Delinquent Collection Costs, and expenses to the date of Prepayment, plus any additional expenses related to the Prepayment, reasonably expected to be incurred by or imposed upon the City as a result of any Prepayment.

"*Principal and Interest Account*" means the Account in the Bond Fund established pursuant to Section 6.1 of this Indenture.

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

"*Purchaser*" means the initial purchaser of the Bonds.

"*Rebatable Arbitrage*" means rebatable arbitrage as defined in Section 1.148-3 of the Treasury Regulations.

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

"*Record Date*" means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

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

"*Redemption Price*" means, when used with respect to any Bond or portion thereof, the principal amount of such Bond or such portion thereof plus the applicable premium, if any, plus accrued and unpaid interest on such Bond to the date fixed for redemption payable upon redemption thereof pursuant to this Indenture.

"*Refunding Bonds*" means bonds issued to refund all or any portion of the Outstanding Bonds and secured by a parity lien with the Outstanding Bonds on the Pledged Revenues, as more specifically described in the indenture authorizing such Refunding Bonds.

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

"*Reserve Account*" means the Account in the Reserve Fund established pursuant to Section 6.1 of this Indenture.

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

"*Reserve Fund Obligations*" means cash or Investment Securities.

"*Reserve Account Requirement*" means the lesser of (i) 100% of the Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of the average annual debt service on the Bonds measured 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 Section 6.7(d); and provided further that as a result of (A) an optional redemption pursuant to Section 4.3 or (B) an extraordinary optional redemption pursuant to Section 4.4, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the Closing Date, the Reserve Account

Requirement is \$[-] which is an amount equal to 100% of the Maximum Annual Debt Service on the Bonds as of the date of issuance.

"*Service and Assessment Plan*" and "*SAP*" each mean the document, including the Assessment Roll, which is attached to the Assessment Ordinance, as may be updated in an annual update or amended and supplemented from time to time.

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

"*Special Record Date*" has the meaning set forth in in the form of Bond included in Section 5.2 hereof.

"*State*" means the State of Texas.

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

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

"*Treasury Regulations*" shall have the meaning assigned to such term in Section 7.5(c).

"*Trust Estate*" means the Trust Estate described in the granting clauses of this Indenture, and the Trust Estate shall only include Pledged Revenues related to the Assessments levied on the Assessed Property, unless the City pledges additional revenues to the payment of the Bonds, which additional pledge may only be created in a Supplemental Indenture.

"*Trustee*" means BOKF, NA, with offices located in [-], Texas and any 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.

"*Value of Investment Securities*" means the amortized value of any Investment Securities, provided, however, that all United States of America, United States Treasury Obligations – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable. The computations shall include accrued interest on the investment securities paid as a part of the purchase price thereof and not collected. For the purposes of this definition "amortized value," when used with respect to a security purchased at par means the purchase price of such security and when used with respect to a security purchased at a premium above or discount below par, means as of any subsequent date of valuation, the value obtained by dividing the total premium or discount by the number of interest payment dates remaining to maturity on any such security after such purchase and by multiplying the amount as calculated by the number of interest payment

dates having passed since the date of purchase and (i) in the case of a security purchased at a premium, by deducting the product thus obtained from the purchase price, and (ii) in the case of a security purchased at a discount, by adding the product thus obtained to the purchase price.

Section 1.2. Findings.

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

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

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

(b) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.

(c) Any reference to a particular Article or Section shall be to such Article or Section of this Indenture unless the context shall require otherwise.

(d) This Indenture and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

ARTICLE II

THE BONDS

Section 2.1. Security for the Bonds.

(a) The Bonds, as to principal, interest and redemption premium, if any, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

(b) The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after the Closing Date, which is the date of the delivery of this Indenture, without physical delivery or transfer of control of the Trust Estate, the filing of this Indenture or

any other act; all as provided in Chapter 1208 of the Texas Government Code, as amended, which applies to the issuance of the Bonds and the pledge of the Trust Estate granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds 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. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful and/or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and/or convenient to carry out and effectuate the purposes herein described.

Section 2.4. Contract with Owners and Trustee.

(a) The purposes of this Indenture are to establish a lien and the security for, and to prescribe the minimum standards for the authorization, issuance, execution and delivery of, the Bonds 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, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State, including particularly the PID Act. The Bonds shall be issued in the aggregate principal amount of \$[Par] for the purpose of (i) paying or reimbursing a portion of the Costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal of and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, (iv) paying capitalized interest on the Bonds, and (v) paying the costs of issuance of the Bonds.

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

(a) The Bonds shall be dated June 1, 2025 (the "*Bond Date*") and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the Closing Date, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below, or on a date of earlier redemption, or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2025, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the years and in the principal amounts and shall bear interest at the rates set forth below:

\$[] []% Term Bonds Due [September 1], 20[], Priced to Yield []%
CUSIP []

\$[] []% Term Bonds Due [September 1], 20[], Priced to Yield []%
CUSIP []

(d) The Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Section 5.2.

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

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery to the Trustee of:

- (a) a certified copy of the Assessment Ordinance;
- (b) a certified copy of the Bond Ordinance;
- (c) a copy of this Indenture executed by the Trustee and the City; and
- (d) an executed City Directive 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.
- (e) an executed Signature Identification and No-Litigation Certificate;
- (f) an executed opinion of Bond Counsel; and
- (g) the approving opinion of the Attorney General of the State and the State Comptroller's registration certificate.

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

- (a) Principal of and interest on the Bonds shall be paid in lawful money of the United States of America, as provided in this Section.
- (b) Interest on the Bonds shall be payable to the Owners thereof as shown in the Register at the close of business on the relevant Record Date or Special Record Date, as applicable.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.
- (d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.
- (e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the City where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next

succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain. Subject to any escheat, abandoned property, or similar law of the State, any such payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all Outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, none of the City, the Paying Agent/Registrar, or any other Person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law of the State.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City Secretary (or Deputy City Secretary), by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Indenture unless and until there appears thereon the Certificate of Trustee substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Trustee. It shall not be required that the same officer or authorized signatory of the Trustee sign the Certificate of Trustee on all of the Bonds. In lieu of the executed Certificate of Trustee described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General, is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser, or its designee, executed with the manual or facsimile signatures of the Mayor and the City Secretary (or Deputy City Secretary), approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered

to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and 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, including in its capacity as the Paying Agent/Registrar, and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not such Bond is overdue, and none of the City, the Trustee, including in its capacity as 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, including in its capacity as the Paying Agent/Registrar, upon such Bond to the extent of the sums paid.

Section 3.7. Registration, Transfer and Exchange.

(a) So long as any Bond remains Outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a Register in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Indenture. The Paying Agent/Registrar represents and warrants that it will maintain a copy of the Register, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to

the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different 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. Whenever in this Indenture provision is made for the cancellation by the Trustee of any Bonds, the Trustee shall dispose of cancelled Bonds in accordance with its record retention policies.

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 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, including in its capacity as the Paying Agent/Registrar, and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.11. Book-Entry-Only System.

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

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant will respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date or Special Record Date, as applicable, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.12. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository; or (ii) notify DTC and DTC Participants of the availability through DTC of certificated Bonds and cause the Paying Agent/Registrar to transfer one or more separate registered Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

Section 3.13. **Payments to Cede & Co.**

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

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1. **Limitation on Redemption.**

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

Section 4.2. **Mandatory Sinking Fund Redemption.**

(a) The Bonds maturing on September 1 in each of the years [] (collectively, the "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at the redemption price equal to the principal amount of the Term Bonds called for redemption, plus accrued and unpaid interest to the date fixed for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds maturing [September 1], 20[]	
<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>

[†]Stated maturity.

(b) At least thirty (30) days prior to each mandatory sinking fund redemption date, the Trustee shall select a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installment amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced, at the option of the City, by the principal amount of any Term Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.2 shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Term Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption provisions in Section 4.3 hereof or the extraordinary optional redemption provisions in Section 4.4 hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20[], such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed for redemption. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the City in accordance with this section.

Section 4.4. Extraordinary Optional Redemption.

The City reserves the right and option to redeem Bonds before their respective scheduled maturity dates, in whole or in part, on any 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 Prepayments (including related transfers to the Redemption Fund as provided in Section 6.7(d)) or any other transfers to the Redemption Fund under the terms of this Indenture. The City shall notify the Trustee in writing no less than forty-five (45) days before the scheduled redemption date fixed by the City in accordance with this section.

Section 4.5. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed pursuant to either Sections 4.2, 4.3 or 4.4, Bonds shall be redeemed in increments of \$1,000 by lot or any other customary method selected by the Trustee that results in a random selection, provided that no redemption shall cause the principal amount of any Bond to be less than the minimum Authorized Denomination for such Bond. Notwithstanding the foregoing, if any Bonds are to be partially redeemed and such redemption results in the redemption of a portion of a single Bond in an amount less than the Authorized Denomination in effect at that time, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond or Bonds by the minimum Authorized Denomination for such Bond.

(b) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.7 of this Indenture, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge.

Section 4.6. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond or portion thereof to be redeemed, at the address shown in the Register.

(b) The notice shall state the redemption date, the Redemption Price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds Outstanding are to be redeemed, and subject to Section 4.5, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

Section 4.7. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.8. Effect of Redemption.

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

ARTICLE V

FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General may be typewritten and photocopied or otherwise reproduced.

Section 5.2. Form of the Bonds.

(a) Form of Bond.

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

REGISTERED
NO. _____

UNITED STATES OF AMERICA
STATE OF TEXAS

REGISTERED
\$ _____

CITY OF ALVARADO, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____ %	September 1, 20__	_____	_____

The City of Alvarado, Texas (the "*City*"), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date, as specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified

above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing September 1, 2025.

Capitalized terms appearing herein that are defined terms in the Indenture (defined below) have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in [-], Texas (the "*Designated Payment/Transfer Office*"), of BOKF, NA, as trustee and paying agent/registrar (the "*Trustee*"), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the fifteenth calendar day (whether or not a Business Day) of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of assessment revenue bonds of the City having the designation specified in its title (herein referred to as the "Bonds"), dated as of June 1, 2025 and issued in the aggregate principal amount of \$[Par] and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of June 1, 2025 (the "*Indenture*"), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying or reimbursing the Costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal and interest on the Bonds, (iii) paying a portion

of the costs incidental to the organization of the District, (iv) paying capitalized interest on the bonds and (v) paying the costs of issuance of the Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

IN THE INDENTURE, THE CITY HAS RESERVED THE RIGHT to issue Refunding Bonds payable from and secured by a lien on and pledge of the sources described above on a parity with this Bond.

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 denominations of \$[-] and any multiple of \$1,000 in excess thereof ("*Authorized Denominations*"). The City prohibits the breaking up or allocation of CUSIP numbers to any Bond or Bonds in denominations of less than \$[-], and any attempt to do so will be void and of no effect.

The Bonds maturing on [September 1] in each of the years [] (collectively, "*Term Bonds*"), are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part a redemption price equal to the principal amount thereof plus accrued and unpaid interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

<u>Term Bonds maturing September 1, 20[]</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment Amount</u>

[†]Stated maturity.

At least thirty (30) days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds of such maturity equal to the Sinking Fund Installments of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.6 of the Indenture.

The principal amount of Term 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 Term Bonds of such maturity which, at least 45 days prior to the sinking fund redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Term 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 Term Bonds which, at least 45 days prior to the sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem Bonds before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20[], such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date of redemption.

Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any 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 Prepayments or any other transfers to the Redemption Fund under the terms of the Indenture.

The Trustee shall give notice of any redemption of Bonds by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or 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 City has the right to rescind any optional redemption or extraordinary optional redemption described in the Indenture 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.

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, 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.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, JOHNSON 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.

City Secretary

Mayor

[CITY SEAL]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Bond, and that this Bond has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Trustee.

CERTIFICATE OF TRUSTEE

It is hereby certified that this is one of the Bonds of the series of Bonds referred to in the within mentioned Indenture.

BOKF, NA, as Trustee

DATED: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name and address, including zip code, of Transferee.)

(Social Security or other identifying number: _____) the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed by:

Authorized Signatory

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

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this section, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date, as specified above, the sum of _____ DOLLARS" shall be deleted and the following will be inserted: "on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
--------------	-------------------------------	-----------------------

(Information to be inserted from Section 3.2(c)); and

(iii) the Initial Bond shall be numbered T-1.

Section 5.3. CUSIP Registration.

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and none of the City, the attorneys approving said Bonds as to legality or the Trustee are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. Except as authorized under Section 4.5 hereof, the City prohibits any Bond to be issued in a denomination of less than \$[-] and further prohibits the assignment of a CUSIP number to any Bond with a denomination of less than \$[-], and any attempt to accomplish either of the foregoing shall be void and of no effect. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the City nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 5.4. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VI

FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Creation of Accounts.

Fund: (i) The following Accounts are hereby created and established under the Bond

- (A) Capitalized Interest Account; and
- (B) Principal and Interest Account.

Reserve Fund: (ii) The following Accounts are hereby created and established under the

- (A) Reserve Account; and
- (B) Delinquency and Prepayment Reserve Account.

Project Fund: (iii) The following Accounts are hereby created and established under the

- (A) Improvement Area #1 Project Account;
- (B) Costs of Issuance Account.

Revenue Fund: (iv) The following Account is hereby created and established under the Pledged

- (A) Bond Pledged Revenue Account.

(c) Each Fund and each Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds. Amounts on deposit in the Funds and Accounts shall be used solely for the purposes set forth herein.

(d) Interest earnings and profit on each respective Fund and Account established by this Indenture shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(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 Reserve Account of the Reserve Fund: \$[-], which is equal to the initial Reserve Account Requirement;
- (ii) to the Delinquency and Prepayment Reserve Account of the Reserve Fund: \$0.00
- (iii) to the Costs of Issuance Account of the Project Fund: \$[-];
- (iv) to the Improvement Area #1 Project Account: \$[-]
- (v) to the Capitalized Interest Account of the Bond Fund: \$[-];
- (vi) to the Administrative Fund: \$[-].

Section 6.3. Pledged Revenue Fund.

(a) Immediately upon receipt thereof, the City shall transfer to the Trustee for deposit to the Pledged Revenue Fund the Assessment Revenues (other than the portion of the Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, which shall be deposited to the Administrative Fund pursuant to Section 6.9 hereof), as set forth in the Service and Assessment Plan. Specifically, the City shall deposit or cause to be deposited the foregoing amounts as follows: (i) first, to the Bond Pledged Revenue Account of the Pledged Revenue Fund in an amount sufficient to pay debt service on the Bonds next coming due, (ii) second, to the Reserve Account of the Reserve Fund in an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement, and (iii) third, to pay other costs permitted by the PID Act. Notwithstanding the foregoing, if any funds remain on deposit in the Pledged Revenue Fund after the deposits required by (i) and (ii) above are made, the City shall have the option, in its sole and absolute discretion, to deposit such excess funds into the Redemption Fund to redeem Bonds as provided in Article IV. Notwithstanding the foregoing, the Additional Interest shall only be utilized for the purposes set forth in Section 6.7 hereof and, immediately following the initial deposit to the Pledged Revenue Fund, the Additional Interest will be deposited into the Delinquency and Prepayment Reserve Account and/or the Redemption Fund, as applicable. In addition, in the event the City owes Rebatable Arbitrage to the United States Government pursuant to Section 6.8 hereof, the City shall provide a City Directive to the Trustee, directing the Trustee to transfer to the Rebate Fund, prior to any other transfer under this Section 6.3(a), the full amount of Rebatable Arbitrage owed by the City, as further described in Section 6.10(f) hereof. If any funds remain on deposit in the Pledged Revenue Fund after the foregoing deposits are made, the City shall have the option, in its sole and absolute discretion, to use such excess funds for any one or more of the following purposes: (1) pay other Costs of the Improvement Area #1 Projects, (2) pay other costs permitted by the PID Act, or (3) deposit such

excess into the Redemption Fund to redeem Bonds as provided in Article IV. Along with each transfer to the Trustee, the City shall provide a certificate as to the funds, accounts and payments into which the amounts are to be deposited or paid.

(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, 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 transfer Prepayments to the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

(e) Promptly after the deposit of Foreclosure Proceeds into the Pledged Revenue Fund, the Trustee shall, pursuant to a City Directive, transfer such Foreclosure Proceeds first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the particular Assessed Property to which the Foreclosure Proceeds relate, and second, to the Redemption Fund as follows. After deposit of Foreclosure Proceeds into the Reserve Fund, the Trustee shall deposit such Foreclosure Proceeds first into the Reserve Account if the Reserve Account does not contain the Reserve Account Requirement and if it does contain the Reserve Account Requirement, such Foreclosure Proceeds shall be deposited into the Delinquency and Prepayment Reserve Account. If both the Reserve Account and Delinquency and Prepayment Reserve Account contain their respective amounts required to be on deposit, the Trustee shall transfer such Foreclosure Proceeds to the Redemption Fund.

(f) After satisfaction of the requirement to provide for the final payment of the principal and interest on the Bonds and to fund any deficiency that may exist in the Reserve Fund, the Trustee shall, pursuant to a City Directive, transfer any Pledged Revenues remaining in the Pledged Revenue Fund to the City, which monies may be used for any lawful purpose for which 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 pursuant to subsection (c) 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 pursuant to Section 6.7(f). Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

(c) Moneys in the Capitalized Interest Account shall be used for the payment of all interest due on the Bonds on September 1, 2025. Not later than five Business Days prior to the September 1, 2025, Interest Payment Date, the Trustee shall withdraw from the Capitalized Interest Account and transfer to the Principal and Interest Account of the Bond Fund all interest due on the Bonds on such September 1, 2025, Interest Payment Date. Any amounts on deposit to the Capitalized Interest Account after the foregoing payments shall be transferred to the Improvement Area #1 Project Account, or, if the Improvement Area #1 Project Account has been closed as provided in Section 6.5(d) or (f), such amounts shall be transferred to the Redemption Fund to be used to redeem Bonds pursuant to Section 4.4 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.

(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 Directives. 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 Certificate for Payment. The funds from such other Accounts of the Project Fund shall be disbursed in accordance with a Certificate for Payment. Each such City Directive shall include a list of the payees and the payments to be made to such payees as well as a statement that all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such City Directive or in the invoices submitted therewith and the Trustee is entitled to rely on such payment instructions with no duty to investigate or inquire as to the authenticity of or authorization for the invoice or the payment instructions contained therein.

(c) Except as provided in Sections 6.5(d) and (f), money on deposit in the Project Fund shall be used solely to pay Costs.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvement Area #1 Project Account of the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of one or more of the Improvement Area #1 Projects such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvement Area #1 Project Account will ever be expended for the purposes of the Project Fund, the City Representative shall file a City Directive with the Trustee, and provide a copy of such City Directive to the Developer prior to filing with the Trustee, which identifies the amounts then on deposit in the Improvement Area #1 Project Account that are not expected to be used for purposes of the Project Fund. If such City

Directive is so filed, the amounts on deposit in the Improvement Area #1 Project Account shall be transferred to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee. Upon such transfers, the Improvement Area #1 Project Account shall be closed.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a certificate of an Independent Financial Consultant.

(f) Upon the filing of a City Directive stating that all Improvement Area #1 Projects have been completed and that all Costs have been paid, or that any Costs are not required to be paid from the Project Fund pursuant to a Certificate for Payment, the Trustee shall transfer the amount, if any, remaining within the Improvement Area #1 Project Account of the Project Fund to the Bond Fund or to the Redemption Fund as directed by the City Representative in a City Directive filed with the Trustee.

(g) 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 the Improvement Area #1 Project Account and used to pay Costs, as directed in a City Directive filed with the Trustee.

Section 6.6. Redemption Fund.

The Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.2; 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.2; 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, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Principal and Interest Account of the Bond Fund as provided in this Indenture. Subject to 6.3(a) herein, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Delinquency and Prepayment Reserve Account on March 1 of each year, commencing [March 1], 2026, an amount equal to the Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been accumulated in the Delinquency and Prepayment Reserve Account. At any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has been met. Furthermore, once the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account, any amounts in excess of the Delinquency and

Prepayment Reserve Requirement shall be transferred by the Trustee first to the Redemption Fund to redeem Bonds as provided in Article IV provided, however, that at any time the amount on deposit in the Delinquency and Prepayment Reserve Account is less than Delinquency and Prepayment Reserve Requirement, the Trustee shall resume depositing such Additional Interest into the Delinquency and Prepayment Reserve Account until the Delinquency and Prepayment Reserve Requirement has accumulated in the Delinquency and Prepayment Reserve Account. In calculating the amounts to be transferred pursuant to this Section, the Trustee may conclusively rely on the Annual Installments as shown on the Assessment Roll in the Service and Assessment Plan unless and until it receives a City Directive specifying that a different amount be used. The Additional Interest shall continue to be collected and deposited pursuant to this Section 6.7 until the Bonds are no longer Outstanding. 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 or account of said funds.

(c) In the event of an extraordinary optional redemption of Bonds from the proceeds of a Prepayment pursuant to Section 4.4, the Trustee, pursuant to prior written directions from the City, shall transfer from the Reserve Account of the Reserve Fund to the Redemption Fund the amount specified in such directions, which shall be an amount equal to the principal amount of Bonds to be redeemed multiplied by the lesser of: (i) the amount required to be in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption, and (ii) the amount actually in the Reserve Account of the Reserve Fund divided by the principal amount of Outstanding Bonds prior to the redemption. If after such transfer, and after applying investment earnings on the Prepayment toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Bonds to the date fixed for redemption of the Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Delinquency and Prepayment 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 request of a City Representative, the value of cash and Value of Investment Securities on deposit in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4, unless within thirty days of such notice to the City Representative, the Trustee receives a City Directive 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 Administrative Expenses for the Bonds, (iii) to the Improvement Area #1 Project Account of the Project Fund to pay Costs if such application and the expenditure of funds is expected to occur within three years of the date hereof, or (iv) to the Redemption Fund to be applied to the redemption of the Bonds.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amounts on deposit in the Delinquency and Prepayment Reserve Account exceed the Delinquency and Prepayment Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess, and the Trustee shall apply such excess: (i) to the Reserve Account of the Reserve Fund, if the amount on deposit therein is less than the

Reserve Account Requirement, (ii) to pay amounts due under Section 6.8 hereof, (iii), at the written direction of the City pursuant to a City Directive, to the Administrative Fund, or (iv) if the City does not provide written direction to the Trustee pursuant to Section 6.7(e)(iii) above, to the Redemption Fund to be applied to the redemption of the Bonds. In the event that the Trustee does not receive a City Directive directing the transfer of such excess to the Administrative Fund pursuant to Subsection 6.7(e)(iii) hereof within 45 days of providing notice to the City of such excess, the Trustee shall transfer such excess to the Redemption Fund pursuant to Section 6.7(e)(iv) hereof and provide the City with written notification of the transfer. The Trustee shall incur no liability for the accuracy or validity of the transfer so long as the Trustee made such transfer in full compliance with this Section.

(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 Delinquency and Prepayment Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund to the Bond Fund the amounts necessary to cure such deficiency. Additional Interest shall be used to replenish first the Reserve Account of the Reserve Fund and second the Delinquency and Prepayment Reserve Account of the Reserve Fund.

(g) Reserved.

(h) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Delinquency and Prepayment Reserve Account shall be transferred to the Principal and Interest Account and applied to the payment of the principal of the Bonds.

(i) If, after a Reserve Account withdrawal, the amount on deposit in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account the amount of such deficiency, but only to the extent that such amount is not required for the timely payment of principal, interest, or Sinking Fund Installments.

(j) If the amount held in the Reserve Fund together with the amount held in the Pledged Revenue Fund, the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next date, the Bonds may be optionally redeemed by the City at a redemption price of par, together with the unpaid interest accrued on such Bonds as of such date, and the moneys shall be transferred to the Redemption Fund and thereafter used to redeem all Bonds on such date.

Section 6.8. Rebate Fund: Rebatable Arbitrage.

(a) The Rebate Fund is to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Rebate Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

(b) In order to assure that Rebatable Arbitrage is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made in accordance with the Code and the Tax Certificate, as further set forth in a City Directive delivered to the

Trustee. The Trustee may conclusively rely on such City Directive and shall not be responsible for any loss or liability resulting from the investment of funds under this Section, but only so long as the Trustee complies with such City Directive.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and shall not be liable or responsible if it follows the written instructions of the City and shall not be required to take any action under this Section in the absence of instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the amount of the Rebatable Arbitrage, the City may direct the Trustee, pursuant to a City Directive, to transfer the amount in excess of the Rebatable Arbitrage to the Bond Fund.

Section 6.9. Administrative Fund.

(a) Immediately upon receipt thereof, the City shall deposit or cause to be deposited to the Administrative Fund the portion of the Assessments and Annual Installments allocated to the payment of Administrative Expenses, and Delinquent Collection Costs, as set forth in the Service and Assessment Plan.

(b) Moneys in the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Directive solely for the purposes set forth in the Service and Assessment Plan, including payment of Administrative Expenses and Delinquent Collection Costs. The Administrative Fund shall not be part of the Trust Estate and shall not be security for the Bonds.

Section 6.10. Investment of Funds.

(a) Money in any Fund or Account, other than the Reserve Fund, shall be invested by the Trustee as directed by the City pursuant to a City Directive filed with the Trustee in Investment Securities; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund or Account will be available at the proper time or times. Money in the Reserve Fund shall be invested in such Investment Securities as directed by the City pursuant to a City Directive filed with the Trustee, provided that the final maturity of any individual Investment Security shall not exceed 270 days and the average weighted maturity of any investment pool or no-load money market mutual fund shall not exceed 90 days. Each such City Directive shall be a certification, upon which the Trustee is entitled to conclusively rely without investigation or inquiry, that the investment directed therein constitutes an Investment Security and that such investments meet the maturity and average weighted maturity requirements set forth in the preceding sentence. Such investments shall be valued each year in terms of the Value of Investment Securities as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in the Funds and Accounts may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund or Account are held by

or on behalf of each such Fund or Account. If necessary, such investments shall be promptly sold to prevent any default under this Indenture. To ensure that cash on hand is invested, if the City does not give the Trustee written or timely instructions with respect to investments of funds, the Trustee is hereby directed and authorized, to invest and re-invest cash balances in Morgan Stanley, Fidelity or Federated family of funds, but only so long as such funds are authorized and 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, and only so long as such investments constitute Investment Securities and the money required to be expended from any Fund will be available at the proper time or times.

(b) Obligations purchased as an investment of moneys in any Fund or Account shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to this Section. The Trustee shall not be required to determine the legality of any investments.

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

(e) The Trustee will furnish to the City, upon the City's written request, periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(f) In the event it is found, after an annual calculation has been done pursuant to Section 6.8 hereof, that the City owes Rebatale Arbitrage to the United States Government, the City shall direct the Trustee, pursuant to a City Directive, to transfer to the Rebate Fund the investment earnings on funds on deposit in the Pledged Funds in an amount equal to the Rebatale Arbitrage owed by the City. The City Directive shall specify the amount to be transferred and the Pledged Fund or Pledged Funds from which the investment earnings shall be transferred.

Section 6.11. Security of Funds.

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

ARTICLE VII

COVENANTS

Section 7.1. Confirmation of Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Assessments against the Assessed Property from which the 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 reasonable actions permissible under Applicable Laws to cause the Assessments to be collected and the liens thereof to be enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Assessments.

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

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

(d) The City shall not be required under any circumstances to expend any funds for Delinquent Collection Costs or Administrative Expenses in connection with its covenants and agreements under this Section or otherwise other than funds on deposit in the Administrative Fund.

Section 7.3. Against Encumbrances.

(a) Other than Refunding Bonds issued to refund all or a portion of the Bonds, the City shall not create and, to the extent Pledged Revenues are received, shall not suffer to remain, any lien, encumbrance or charge upon the Trust Estate 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 Refunding Bonds issued to refund all or a portion of the Bonds, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any Bonds are Outstanding, 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 or duly authorized representative, as applicable. The City shall provide the Trustee or duly authorized representative, as applicable, an opportunity to inspect such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants Regarding Tax Exemption of Interest on Bonds.

(a) The City covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Bonds as an obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Article or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not

"disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Bonds being treated as a "private activity bond" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Bonds, other than investment property acquired with –

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of an advance refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds is issued, and in the case of a current refunding bond, for a period of 90 days or less,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings).

(b) In order to facilitate compliance with the above covenant (a)(8), the Rebate Fund is established by the City pursuant to Section 6.1 for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered Owner. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto (the "*Treasury Regulations*"). In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor and, City Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for Costs on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Improvement Area #1 Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds is retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) The City covenants that the projects funded with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes

of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

ARTICLE VIII

LIABILITY OF CITY

Section 8.1. **Liability of City.**

(a) Neither the full faith and credit nor the general taxing power of the City is pledged to the payment of the Bonds, and no City taxes, fee or revenues from any source are pledged to the payment of, or available to pay any portion of, the Bonds or any other obligations relating to the District. The City shall never be liable for any obligations relating to the Bonds or other obligations relating to the District, other than as specifically provided for in this Indenture.

(b) The City shall not incur any responsibility in respect of the Bonds 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.

(c) In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

(d) No provision of this Indenture, the Bonds, 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 (collectively, the "*Bond Documents*"), shall require the City to expend or risk its own general funds or other funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

(e) Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking,

representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues. 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.

(f) The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

(g) In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX

THE TRUSTEE

Section 9.1. Acceptance of Trust; Trustee as Registrar and Paying Agent.

(a) The Trustee accepts and agrees to execute the respective trusts imposed upon it by this Indenture, but only upon the terms and conditions and subject to the provisions of this Indenture to all of which the parties hereto and the respective Owners of the Bonds agree.

(b) The Trustee is hereby designated and agrees to act also in the capacity 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 its satisfaction by the Owners against any and all costs and expenses, outlays, and counsel fees and other reasonable disbursements, and against all liability except as a consequence of its own gross negligence or willful misconduct; provided, however, that in no event shall the Trustee request or require indemnification as a condition to making any deposits, payments or transfers when directed in writing and required hereunder, or to deliver any notice when directed in writing and required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else proper to be done by it as the Trustee, and in such case the Trustee may make transfers from the Pledged Revenue Fund and 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.

(a) 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 and undertakes no duty to verify the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of any offering memorandum for the Bonds, 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 the Trustee as consideration for serving in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to the Trustee as consideration for serving in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code or (v) to undertake any other action unless specifically authorized or required pursuant to a written City Directive or pursuant to this Indenture.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable for the performance of its duties and obligations as are specifically set forth in this Indenture, except for the Trustee's own negligence or willful misconduct. The Trustee will, prior to any Event of Default and after curing of any Event of Default, perform such duties and only such duties as are specifically set forth herein. The Trustee will, during the existence of an Event of Default, exercise such rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his/her own affairs.

(c) The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture, except for its own gross negligence or willful misconduct. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from this Indenture for the existence, furnishing, or use of the District. The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in

principal amount of the Bonds then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or 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 and in good faith by it hereunder.

(e) The Trustee is not responsible for force majeure events including but not limited to cyber attacks on bank systems, pandemics and civil unrest.

Section 9.4. Property Held in Trust.

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

Section 9.5. Trustee Protected in Relying on Certain Documents.

(a) The Trustee is entitled to 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 that the Trustee shall in good faith reasonably believe to be qualified in relation to the subject matter or is selected by the City in accordance with this Indenture, and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained, the validity thereof, or matters referred to in any such instrument. Subject to Section 9.1 and 9.3, the Trustee may consult with counsel selected by the Trustee with due care, who may or may not be Bond Counsel, and any advice from such counsel with respect to compliance with the provisions of this Indenture shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder, reasonably and in good faith, in accordance with such advice.

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

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

Section 9.6. Compensation.

Unless otherwise provided by contract with the Trustee, the Trustee shall transfer from the Administrative Fund, the previously determined and agreed upon reasonable compensation for all services rendered by it hereunder, including its services as Paying Agent/Registrar, together with all costs for any extraordinary services rendered, and 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, all pursuant to a City Directive and subject to any limit on the amount of such compensation or recovery of expenses or other charges as shall be prescribed by such City Directive, and the Trustee shall have a lien therefor on any and all funds at any time held by it in the Administrative Fund. 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 the Trustee has 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 shall make such payment from lawfully available funds (other than funds designated by the City for Rebutable Arbitrage) in its possession under the provisions of this Indenture.

Section 9.7. Permitted Acts.

The Trustee and its directors, officers, employees, or agents may become the owner of or may in good faith buy, sell, own, hold and deal in Bonds 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 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 sixty (60) days' notice, specifying the date when such resignation shall take effect, to the City and each Owner of any Outstanding Bond. Notwithstanding the foregoing, such resignation shall take effect upon the appointment of a successor as provided in Section 9.10 and the acceptance of such appointment by such successor. Notwithstanding the foregoing, if, after 60 days following receipt of the notice, the City has not appointed a successor Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a successor Trustee, at no expense to the Trustee, and such resignation shall take effect upon the court's appointment of a successor Trustee.

Section 9.9. Removal of Trustee.

The Trustee may be removed at any time by (i) the Owners of at least a majority 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 10% of the principal amount of the Bonds then Outstanding.

Section 9.10. Successor Trustee.

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

(b) If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, a successor Trustee may be appointed within one year after any such vacancy shall have occurred by the Owners of at least 25% 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.

(c) 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. The City shall mail notice of any such appointment to each Owner of any Outstanding Bonds within 30 days after such appointment. Any appointment of a successor Trustee made by the City immediately and without further act shall be superseded and revoked by an appointment subsequently made by the Owners of Bonds.

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

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

(f) Each successor Trustee shall mail, in accordance with the provisions of the Bonds, 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. Transfer of Rights and Property to Successor Trustee.

Any successor Trustee appointed under the provisions of Section 9.10 shall execute, acknowledge, and deliver to its predecessor and the City an instrument in writing accepting such appointment, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers, duties, obligations, and trusts of its predecessor hereunder, with like effect as if originally appointed as Trustee. However, the Trustee then ceasing to act shall nevertheless, on request of the City or of such successor, 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, upon the receipt of payment of its outstanding charges of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

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

Section 9.13. Trustee To File Continuation Statements.

If necessary, the Trustee shall file or cause to be filed, at the City's expense, such continuation statements as may be delivered to the Trustee and which may be required by the Texas Uniform Commercial Code, as from time to time in effect (the "UCC"), in order to continue perfection of the security interest 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; provided unless the Trustee is otherwise notified by the City, the Trustee may conclusively rely upon (and be fully protected in relying upon) the initial filing statements delivered to it in filing any continuation statements hereunder. The Trustee is not responsible for the initial filing of any financing statements.

Section 9.14. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 9.15. 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.

ARTICLE X

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

(a) This Indenture and the rights and obligations of the City and of the Owners of the Bonds 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 the Bonds of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding and City approval of such modification or amendment. 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 shall not modify any of the rights or obligations of the Trustee without its prior written consent.

(b) This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law, and only for anyone or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds 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.

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.

(a) 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, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, if such consent is required pursuant to Section 10.1, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

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

(c) After the Owners of the required percentage of Bonds 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. Procedure for Amendment Not Requiring Owner Consent.

(a) The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1(b), to take effect when and as provided in this Section. The City shall direct the Trustee in writing to provide a copy of such Supplemental Indenture, together with a notice stating that the Supplemental Indenture does not require Owner consent, to mail by first-class mail to each Owner of Bonds, but failure to mail copies of such Supplemental Indenture shall not affect the validity of the Supplemental Indenture. The Trustee shall retain the proof of its mailing of such notice. A record, consisting of the papers required by this Section 10.4, shall be proof of the matters therein stated until the contrary is proved.

(b) The Supplemental Indenture shall become effective upon the execution and delivery of such Supplemental Indenture by the Trustee and the City, and the Supplemental Indenture shall be deemed conclusively binding upon the City, the Trustee and the Owners of all Bonds as of the date of such execution and delivery.

Section 10.5. Effect of Supplemental Indenture.

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

Section 10.6. Endorsement or Replacement of Bonds 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 10.7. 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.

Section 10.8. Waiver of Default.

With the written consent of at least a majority in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under this Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.9. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

ARTICLE XI

DEFAULT AND REMEDIES

Section 11.1. Events of Default.

Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(i) The failure of the City to deposit the Pledged Revenues to the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Assessments including the prosecution of foreclosure proceedings, in accordance with Section 7.2;

(iii) Default in the performance or observance of any covenant, agreement or obligation of the City under this Indenture, other than a default under (iv) below, and the continuation thereof for a period of ninety (90) days after written notice specifying such default and requiring same to be remedied shall have been given to the City by the Trustee, which shall give such notice at the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding; provided, however, if the default stated in the notice is capable of cure but cannot reasonably be cured within the applicable period, the City shall be entitled to a further extension of time reasonably necessary to remedy such default so long as corrective action is instituted by the City within the applicable period and is diligently pursued

until such failure is corrected, but in no event for a period of time of more than one hundred eighty (180) days after such notice; and

(iv) 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 thereafter.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than fifty-one percent (51%) in principal amount of the Bonds then Outstanding hereunder shall proceed, to protect and enforce the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted.

(b) PURSUANT TO SECTION 11.7, 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 Directive, 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 Directive, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and the Trustee shall not be liable to any Owner, or other Person, or the City by reason of the following selection process, liquidation or sale.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms, specifically in inverse order of value pursuant to a certified appraisal or real or personal property or market value of investments as set forth in the United States Stock Exchange, 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 judgement 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 received prior notice in writing as provided in Section 11.1, (ii) such default has become an Event of Default and the Owners of not less than fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee directing the Trustee 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 written evidence of indemnity as provided in Section 9.2, (iv) the Trustee has for 60 days after such prior written 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 not less than fifty-one percent (51%) 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 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 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 of Bonds shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners of Bonds, then and in every such case the City, the Trustee and the Owners of Bonds shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection

of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2, be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on the 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.

Following its receipt of written directions from the City, the Trustee shall make payments to the Owners of Bonds pursuant to this Section 11.4 within 30 days of receipt of such good and available funds, and the record date shall be the date the Trustee receives such good and available funds.

(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.

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 any Bond 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, 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.

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) Subject to Section 7.2(d), the City will take all steps reasonably necessary and appropriate, and will provide written direction to 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.

Section 12.2. **General.**

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

ARTICLE XIII

SPECIAL COVENANTS

Section 13.1. **Further Assurances; Due Performance.**

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Other Obligations or Other Liens; Refunding Bonds.

(a) The City reserves the right to issue obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

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

(c) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture, secured by any pledge of or other lien or charge on the Trust Estate or other property pledged under this Indenture, other than Refunding Bonds as described below. The City reserves the right to issue Refunding Bonds, the proceeds of which would be utilized to refund all or any portion of the Outstanding Bonds or Outstanding Refunding Bonds and to pay all costs incident to the Refunding Bonds, as authorized by the laws of the State.

(d) The City reserves the right to issue additional bonds to finance the cost of future local improvements within a proposed development area or phase (or a portion thereof) in the District as the development proceeds. Such additional bonds will be secured by separate assessments levied on the future development area and will be reflected in an amended and restated SAP or updated SAP. The proposed development area projects will be identified and the determination of their cost will be deferred until a later date, and will be reflected in an amended and restated SAP or updated SAP. The City may but is under no obligation to issue additional bonds, including for future development areas or phases in the District, for any purpose permitted by the PID Act and in accordance with the conditions set forth in this Section.

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealings, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture.

ARTICLE XIV

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 14.1. **Trust Irrevocable.**

The trust created by the terms and provisions of this Indenture is irrevocable until the Bonds secured hereby are fully paid or provision is made for their payment as provided in this Article.

Section 14.2. **Satisfaction of Indenture.**

If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners, principal of and interest on all of the Bonds, 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 principal of and interest on all of the Bonds has been paid so that the City may determine if this Indenture is satisfied; if so, the Trustee shall pay over or deliver all moneys held by it in the Funds and Accounts held hereunder to the Person entitled to receive such amounts, or, if no Person is entitled to receive such amounts, then to the City.

Section 14.3. **Bonds Deemed Paid.**

(a) Any Outstanding Bonds shall, prior to the Stated Maturity or redemption date thereof, be deemed to have been paid and no longer Outstanding within the meaning of this Indenture (a "*Defeased Debt*"), and particularly this Article XIV, when payment of the principal of, and premium, if any, on such Defeased Debt, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), either (1) shall have been made in accordance with the terms thereof, or (2) shall have been provided by irrevocably depositing with the Trustee, in trust, and irrevocably set aside exclusively for such payment, (A) money sufficient to make such payment or (B) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amount and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation, and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

(b) Any determination not to redeem Defeased Debt that is made in conjunction with the payment arrangements specified in Sections 14.3(a)(1) or 14.3(a)(2) shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the Defeased Debt for redemption; (2) the City gives notice of the reservation of that right to the Owners of the Defeased Debt immediately following the defeasance; (3) the City directs that notice of the reservation be included in any defeasance or redemption notices that it authorizes; and (4) at or prior to the time of the redemption, the City satisfies the conditions of clause (a) of this Section 14.3 with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

(c) Until all Defeased Debt shall have become due and payable, the Trustee and the Paying Agent/Registrar each shall perform the services of Trustee and Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Indenture.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

(a) Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

(b) Except as otherwise expressly provided herein, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(c) Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

(d) Any request, declaration or other instrument or writing of the Owner of any Bond 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. No Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided herein, all notices or other instruments required or permitted under this Indenture shall be in writing and shall be faxed, delivered by hand, or mailed by first class mail, postage prepaid, and addressed as follows:

If to the City

City of Alvarado, Texas
Attn: City Manager
104 West College Street
Alvarado, Texas 76009

with a copy to:

McCall, Parkhurst & Horton LLP
Attn: Jeff Gulbas
717 North Harwood, Suite 900
Dallas, Texas 75201

And

Taylor Olson Adkins Sralla & Elam, LLP
Attn: Ashley Dierker
6000 Western Place II, Ste 200
Fort Worth, TX 76107

If to the Trustee
and initially acting
in the capacity of
Paying Agent/Registrar

BOKF, NA
1401 McKinney Street, Suite 1000
Houston, Texas 77010

(b) 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.

(c) Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(d) The Trustee shall mail to each Owner of a Bond notice of (1) any substitution of the Trustee; or (2) the redemption or defeasance of all Bonds Outstanding.

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 anyone 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 applicable to contracts made and performed in the State.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds 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. No Boycott of Israel; No Terrorist Organization; No Boycott of Energy Companies; No Discrimination Against Firearm Entities

The Trustee makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Indenture. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of verifications (a) through (e) during the term of this Indenture shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Indenture, notwithstanding anything in this Indenture to the contrary.

(a) The Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 808.001, Government Code.

(b) The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(c) The Trustee hereby verifies that it and any parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(d) The Trustee hereby verifies that it and any parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed as of the date hereof.

CITY OF ALVARADO, TEXAS

By: _____
Mayor

Attest:

City Secretary

(CITY SEAL)

BOKF, NA
as Trustee

By: _____
Authorized Officer

EXHIBIT A

CERTIFICATE FOR PAYMENT

The undersigned is an agent for [] (the "Developer") and requests payment to the Developer (or to the person designated by the Developer) from the Improvement Area #1 Project Account of the Project Fund from _____ (the "Trustee") in the amount of _____ (\$ _____) to be transferred from the Improvement Account of the Project Fund upon the delivery of the Bonds for costs incurred in the establishment, administration, and operation of the Lone Oak Public Improvement District (the "District") and costs incurred for the creation, acquisition and construction of the Improvement Area #1 Projects, as follows. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of June 1, 2025 relating to the "CITY OF ALVARADO, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)" (the "Indenture").

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment on behalf of the Developer, and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the Bonds have not been the subject of any prior payment request submitted to the City. The payment requested for the below referenced Improvement Area #1 Projects has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the below costs is a true and accurate representation of the costs associated with the establishment, administration and operation of the District at the time of the delivery of the Bonds, and such costs are in compliance with the Service and Assessment Plan. The amount listed for the Improvement Area #1 Projects below is a true and accurate representation of the actual Costs associated with the creation, acquisition, or construction of said Improvement Area #1 Projects, and such costs (i) are in compliance with the Development Agreement, and (ii) are consistent with the Service and Assessment Plan.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Indenture, the Developer Continuing Disclosure Agreement and the Service and Assessment Plan.

5. All conditions set forth in the Indenture and the Development Agreement for the payment hereby requested have been satisfied.

6. The work with respect to the Improvement Area #1 Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Improvement Area #1 Improvements (or its completed segment).

7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review. In no event shall the City require both an all-bills-paid affidavit and copies of cleared checks to be provided as part of supporting documentation. The City acknowledges that providing either an all-bills-paid affidavit or copies of cleared checks shall be sufficient.

Payments requested hereunder shall be made as directed below:

Attached hereto are receipts, purchase orders, change orders, and similar instruments which support and validate the above requested payments. Also attached hereto are either "bills paid" affidavits or copies of cleared checks and supporting documentation in the standard form for City construction projects.

[Information regarding Payee, amount, and deposit instructions attached]
I hereby declare that the above representations and warranties are true and correct.

GRBK Edgewood LLC

By: _____
Name: _____
Title: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, and finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and shall include said payments in the City Directive (as defined in the Indenture) submitted to the Trustee directing payments to be made from the applicable account upon delivery of the Bonds.

CITY OF ALVARADO, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

BOND PURCHASE AGREEMENT

\$(PAR AMOUNT)
CITY OF ALVARADO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

BOND PURCHASE AGREEMENT

May 19, 2025

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

Ladies and Gentlemen:

The undersigned, FMSbonds, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Agreement”) with the City of Alvarado, Texas (the “City”), which will be binding upon the City and the Underwriter upon the acceptance of this Agreement by the City. This offer is made subject to its acceptance by the City by execution of this Agreement and its delivery to the Underwriter on or before 10:00 p.m., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Indenture (defined herein) between the City and BOKF, NA, as trustee (the “Trustee”), authorizing the issuance of the Bonds (defined herein), and in the Limited Offering Memorandum (defined herein).

1. Purchase and Sale of Bonds. Upon the terms and conditions and upon the basis of representations, warranties, and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$(PAR AMOUNT) aggregate principal amount of the “City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project)” (the “Bonds”), at a purchase price of \$_____ (representing the aggregate principal amount of the Bonds, less an original issue discount of \$_____, and less an Underwriter’s discount of \$_____).

Inasmuch as this purchase and sale represents a negotiated transaction, the City understands, and hereby confirms, that the Underwriter is not acting as a municipal advisor or fiduciary of the City (including, without limitation, a “municipal advisor” (as such term is defined in Section 975(e) of the Dodd Frank Wall Street Reform and Consumer Protection Act)), but rather is acting solely in its capacity as Underwriter for its own account. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s length

commercial transaction between the City and the Underwriter, (ii) in connection with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, municipal advisor, financial advisor, or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering described herein or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently providing other services to the City on other matters) and the Underwriter has no obligation to the City with respect to the offering described herein except the obligations expressly set forth in this Agreement, (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, (v) the Underwriter has financial and other interests that differ from those of the City, and (vi) the Underwriter has provided to the City prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (“MSRB”), which have been received by the City. The City further acknowledges and agrees that following the issuance and delivery of the Bonds, the Underwriter has indicated that it may have periodic discussions with the City regarding the expenditure of Bond proceeds and the construction of the Improvement Area #1 Projects (as defined in the Limited Offering Memorandum) financed with the Bonds and, in connection with such discussions, the Underwriter shall be acting solely as a principal and will not be acting as the agent or fiduciary of, and will not be assuming an advisory or fiduciary responsibility in favor of, the City.

The Bonds shall be dated June 1, 2025, and shall have the maturities and redemption features, if any, and bear interest at the rates per annum shown on Schedule I hereto. Payment for and delivery of the Bonds, and the other actions described herein, shall take place on June 17, 2025 (or such other date as may be agreed to by the City and the Underwriter) (the “Closing Date”).

2. Authorization Instruments and Law. The Bonds were authorized by an ordinance enacted by the City Council of the City (the “City Council”) on May 19, 2025 (the “Bond Ordinance”), and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “Act”), and the Indenture of Trust, dated as of June 1, 2025, between the City and the Trustee, authorizing the issuance of the Bonds (the “Indenture”). The Bonds shall be substantially in the form described in, and shall be secured under the provisions of, the Indenture.

The Bonds and interest thereon shall be secured by the Trust Estate (as defined in the Indenture) consisting primarily of revenue from proceeds of special assessments (the “Assessments”) levied on the assessable parcels within Improvement Area #1 of the Lone Oak Public Improvement District (the “District”). The District was created by resolution of the City adopted October 18, 2021, and expanded pursuant to a resolution of the City adopted April 18, 2022, each in accordance with the PID Act (together, the “Creation Resolution”). The Assessments were levied in accordance with a service and assessment plan, adopted by the City Council on May 19, 2025 (the “Service and Assessment Plan”), pursuant to an ordinance (the “Assessment Ordinance” and, together with the Creation Resolution, the Indenture, and the Bond Ordinance, the “Authorizing Documents”). The Bonds shall be further secured by certain applicable funds and accounts created under the Indenture.

The Bonds shall be as described in Schedule I, the Indenture, and the Limited Offering Memorandum. The proceeds of the Bonds shall be used for (i) paying or reimbursing a portion of

the costs of the Improvement Area #1 Projects, (ii) funding a reserve fund for payment of principal of and interest on the Bonds, (iii) paying a portion of the costs incidental to the organization of the District, (iv) paying capitalized interest on the Bonds, and (v) paying the costs of issuance of the Bonds.

3. Public Offering. The Underwriter agrees to make a bona fide limited public offering of all of the Bonds in accordance with Section 4 hereof to no more than thirty-five persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended and as then in effect (the “Securities Act”)) or “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act). On or before the third (3rd) business day prior to the Closing Date, the Underwriter shall execute and deliver to Bond Counsel (defined herein) the Issue Price Certificate (defined herein), in substantially the form attached hereto as Appendix B.

4. Establishment of Issue Price.

a. The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on or before the third (3rd) business day prior to the Closing Date an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B (the “Issue Price Certificate”), with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this Section to establish the issue price of the Bonds may be taken on behalf of the City by the City’s Financial Advisor identified herein and any notice or report to be provided to the City may be provided to the City’s Financial Advisor or to Bond Counsel.

b. The Underwriter confirms that it has offered all of the Bonds of each maturity to the public on or before the date of this Agreement at the respective offering price (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. The City will treat the first price at which 10% of each maturity of the Bonds is sold to the public as of the sale date as the issue price of that maturity (the “10% test”). At or promptly after the execution of this Agreement, the Underwriter shall report to the City on Schedule A to the Issue Price Certificate the first price at which the Underwriter has sold to the public each maturity of Bonds, and shall identify to the City on Schedule A to the Issue Price Certificate those maturities of the Bonds for which the 10% test has not been satisfied. If different interest coupons apply within a maturity, each separate CUSIP number within that maturity will be treated as a separate maturity for this purpose.

c. The City and the Underwriter agree that the restrictions set forth in the next sentence shall apply to those maturities of the Bonds for which the 10% test has not been met as of the date of this Agreement, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor

sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if such sale occurs prior to the close of the fifth (5th) business day after the sale date.

d. The Underwriter confirms that any selling group agreement and each third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires, (B) promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public, and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

e. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (i) “public” means any person other than an underwriter or a related party to an underwriter,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Agreement by all parties.

5. Limited Offering Memorandum.

a. Delivery of Limited Offering Memorandum. The City previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Limited Offering Memorandum for the Bonds dated May 5, 2025 (the “Preliminary Limited Offering Memorandum”), in a “designated electronic format,” as defined in the MSRB Rule G-32 (“Rule G-32”). The City will prepare, or cause to be prepared, a final Limited Offering Memorandum relating to the Bonds (as more particularly defined below, the “Limited Offering Memorandum”) which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (“Rule 15c2-12”), (iii) in a “designated electronic format,” and (iv) substantially in the form of the most recent version of the Preliminary Limited Offering Memorandum provided to the Underwriter before the execution hereof, except for the inclusion of the information permitted to be excluded from the Preliminary Limited Offering Memorandum by Section (b)(1) of Rule 15c2-12. The Limited Offering Memorandum, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds are collectively referred to herein as the “Limited Offering Memorandum.” Until the Limited Offering Memorandum has been prepared and is available for distribution, the City shall provide to the Underwriter, upon request, sufficient quantities (which may be in electronic format) of the Preliminary Limited Offering Memorandum as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under Rule 15c2-12 with respect to distribution to each potential customer.

b. Preliminary Limited Offering Memorandum Deemed Final. The Preliminary Limited Offering Memorandum has been prepared for use by the Underwriter in connection with the public offering, sale, and distribution of the Bonds. The City hereby represents and warrants that the Preliminary Limited Offering Memorandum has been deemed “final” by the City as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12.

c. Use of Limited Offering Memorandum in Offering and Sale. The City hereby authorizes the Limited Offering Memorandum and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The City consents to the use by the Underwriter prior to the date hereof of the Preliminary Limited Offering Memorandum in connection with the public offering of the Bonds. The City shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the City’s acceptance of this Agreement (but, in any event, not later than the earlier of the Closing Date or seven (7) business days after the City’s acceptance of this Agreement) copies of the Limited Offering Memorandum which is complete as of the date of its delivery to the Underwriter. The City shall provide the Limited Offering Memorandum, or cause the Limited Offering Memorandum to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

d. Updating of Limited Offering Memorandum. If, after the date of this Agreement, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than the twenty-fifth (25th) day after the “end of the underwriting period” for the Bonds), the City becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the City will promptly notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the City will forthwith prepare and furnish, at no expense to the Underwriter (in a form and manner approved by the Underwriter), either an amendment or a supplement to the Limited Offering Memorandum so that the statements therein as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading or so that the Limited Offering Memorandum will comply with law; provided, however, that for all

purposes of this Agreement and any certificate delivered by the City in accordance herewith, the City makes no representations with respect to the following information (collectively, the “Non-City Disclosures”) (i) the descriptions in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system, and (ii) the information in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in any of the maps included therein or under the captions and subcaptions “PLAN OF FINANCE” (except for the information under the subcaption “– The Bonds”), “LIMITATIONS APPLICABLE TO INITIAL PURCHASERS,” “BOOK-ENTRY ONLY SYSTEM,” “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPERS,” “THE ADMINISTRATOR,” “APPRAISAL,” “BONDHOLDERS’ RISKS” (only as it pertains to the Developers, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developers,” “CONTINUING DISCLOSURE – The Managing Developer” and “ – The Managing Developer’s Compliance with Prior Undertakings,” “INFORMATION RELATING TO THE TRUSTEE,” and “APPENDIX E-2.” If such notification shall be subsequent to the Closing (as defined herein), the City, at no expense to the Underwriter, shall furnish such legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Limited Offering Memorandum. The City shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of Rule 15c2-12 and the rules of the MSRB.

e. Filing with MSRB. The Underwriter hereby agrees to timely file the Limited Offering Memorandum with the MSRB through its Electronic Municipal Market Access system within one (1) business day after receipt but no later than the Closing Date. Unless otherwise notified in writing by the Underwriter, the City can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 is the Closing Date.

f. Limited Offering. The Underwriter hereby represents, warrants and covenants that the Bonds were initially sold pursuant to a limited offering. The Bonds were sold to not more than thirty-five (35) persons that qualify as “Accredited Investors” (as defined in Rule 501 of Regulation D under the Securities Act) or “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act).

6. City Representations, Warranties and Covenants. The City represents, warrants and covenants that:

a. Due Organization, Existence and Authority. The City is a political subdivision of the State of Texas (the “State”), and has, and at the Closing Date will have, full legal right, power and authority:

(i) to enter into and perform its duties and obligations under:

- (1) this Agreement;
 - (2) the Indenture;
 - (3) the Phase One Reimbursement Agreement Lone Oak Public Improvement District (the “Reimbursement Agreement”), between the City, GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), and Century Land Holdings of Texas, LLC, a Texas limited liability company (the “Co-Developer”), effective as of May 28, 2024;
 - (4) the Lone Oak Development Agreement, effective as of June 25, 2021, between the City and Alvarado 429 Partners, LLC, a Texas limited liability company (the “Original Landowner”), as predecessor-in-interest to the Managing Developer, as amended by the Amended and Restated Lone Oak Development Agreement, between the City, the Managing Developer and the Original Landowner, effective as of October 18, 2021, and as further amended by the Second Amended and Restated Lone Oak Development Agreement (the “Second Amendment”) among the City, the Managing Developer and the Co-Developer, effective as of January 22, 2024 (collectively, the “Development Agreement”); and
 - (5) the Continuing Disclosure Agreement of Issuer with respect to the Bonds, dated as of June 1, 2025 (the “Continuing Disclosure Agreement of Issuer”), executed and delivered by the City, MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent;
- (ii) to issue, sell, and deliver the Bonds to the Underwriter as provided herein; and
- (iii) to carry out and consummate the transactions on its part described in (1) the Authorizing Documents, (2) this Agreement, (3) the Development Agreement, (4) the Reimbursement Agreement, (5) the Continuing Disclosure Agreement of Issuer, (6) the Limited Offering Memorandum, and (7) any other documents and certificates described in any of the foregoing (the documents described by subclauses (1) through (7) being referred to collectively herein as the “City Documents”).

b. Due Authorization and Approval of City. By all necessary official action of the City, the City has duly authorized and approved the adoption or execution and delivery by the City of, and the performance by the City of the obligations on its part contained in, the City Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded, except as may have been approved by the Underwriter. When validly executed and delivered by the other parties thereto, the City Documents will constitute the legally valid and binding obligations of the City enforceable upon the City in accordance with their

respective terms, except insofar as enforcement may be limited by principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors' rights generally. The City has complied, and will at the Closing be in compliance, in all material respects, with the obligations on its part to be performed on or prior to the Closing Date under the City Documents.

c. Due Authorization for Issuance of the Bonds. The City has duly authorized the issuance and sale of the Bonds pursuant to the Bond Ordinance, the Indenture, and the Act. The City has, and at the Closing will have, full legal right, power and authority (i) to enter into, execute, deliver, and perform its obligations under this Agreement and the other City Documents, (ii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture, the Bond Ordinance, the Act, and as provided herein, and (iii) to carry out, give effect to and consummate the transactions on the part of the City described by the Bond Ordinance and the other City Documents.

d. No Breach or Default. As of the time of acceptance hereof, and to the best of its knowledge, the City is not, and as of the Closing Date the City will not be, in material breach of or in default in any material respect under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument related to the Bonds and to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument which breach, default or event could have a material adverse effect on the City's ability to perform its obligations under the Bonds or the City Documents; and, as of such times, the authorization, execution and delivery of the Bonds and the City Documents and compliance by the City with obligations on its part to be performed in each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties securing the Bonds or under the terms of any such law, regulation or instrument, except as may be permitted by the City Documents.

e. No Litigation. At the time of acceptance hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending against the City with respect to which the City has been served with process, nor to the knowledge of the City is any Action threatened against the City, in which any such Action (i) in any way questions the existence of the City or the rights of the members of the City Council to hold their respective positions, (ii) in any way questions the formation or existence of the District, (iii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery

of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City described therein, or contests the exclusion of the interest on the Bonds from federal income taxation, or (iv) which may result in any material adverse change in the financial condition of the City; and, as of the time of acceptance hereof, to the City's knowledge, there is no basis for any action, suit, proceeding, inquiry, or investigation of the nature described in clauses (i) through (iv) of this sentence.

f. Bonds Issued Pursuant to Indenture. The City represents that the Bonds, when issued, executed, and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the City subject to the terms of the Indenture, entitled to the benefits of the Indenture and the security of the pledge of the proceeds of the levy of the Assessments received by the City, all to the extent provided for in the Indenture. The Indenture creates a valid pledge of certain revenues and the monies in certain funds and accounts described in and established pursuant to the Indenture to the extent provided for in the Indenture, including the investments thereof, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

g. Assessments. The Assessments constituting the security for the Bonds have been levied by the City in accordance with the Assessment Ordinance and the Act on those parcels of land identified in the Assessment Roll (as defined in the Service and Assessment Plan). According to the Act, such Assessments constitute a valid and legally binding first and prior lien against the properties assessed, superior to all other liens and claims, except liens or claims for state, county, school district, or municipality ad valorem taxes.

h. Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters which are required by the Closing Date for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the City of, its obligations in connection with the City Documents have been duly obtained or made and are in full force and effect, except the approval of the Bonds by the Attorney General of the State, registration of the Bonds by the Comptroller of Public Accounts of the State, and the approvals, consents and orders as may be required under Blue Sky or securities laws of any jurisdiction.

i. Public Debt. Prior to the Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by a pledge of the Assessments which secure the Bonds without the prior approval of the Underwriter, such approval not to be unreasonably or arbitrarily withheld.

j. Preliminary Limited Offering Memorandum. The information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and such information does not contain any untrue statement of a material fact or omit to

state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures.

k. Limited Offering Memorandum. At the time of the City's acceptance hereof and (unless the Limited Offering Memorandum is amended or supplemented pursuant to paragraph (d) of Section 5 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the information contained in the Limited Offering Memorandum does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the City makes no representations with respect to the Non-City Disclosures; and further provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

l. Supplements or Amendments to Limited Offering Memorandum. If the Limited Offering Memorandum is supplemented or amended pursuant to paragraph (d) of Section 5 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the "end of the underwriting period," the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that if the City notifies the Underwriter of any fact or event as required by Section 5(d) hereof, and the Underwriter determines that such fact or event does not require preparation and publication of a supplement or amendment to the Limited Offering Memorandum, then the Limited Offering Memorandum in its then-current form shall be conclusively deemed to be complete and correct in all material respects.

m. Compliance with Rule 15c2-12. During the past five (5) years, the City has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with Rule 15c2-12, except as described in the Limited Offering Memorandum.

n. Use of Bond Proceeds. The City will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Indenture and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

o. Blue Sky and Securities Laws and Regulations. The City will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request, at no expense to the City, (i) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the initial distribution of the Bonds by the Underwriter (provided, however, that the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the City of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

p. Certificates of the City. Any certificate signed by any official of the City authorized to do so in connection with the transactions described in this Agreement shall be deemed a representation and/or warranty, as applicable in the legal context, by the City to the Underwriter as to the statements made therein and can be relied upon by the Underwriter as to the statements made therein.

q. Intentional Actions Regarding Representations and Warranties. The City covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

r. Financial Advisor. The City has engaged Hilltop Securities Inc. as its financial advisor (the “Financial Advisor”) in connection with its offering and issuance of the Bonds.

By delivering the Limited Offering Memorandum to the Underwriter, the City shall be deemed to have reaffirmed, with respect to the Limited Offering Memorandum, the representations, warranties and covenants set forth above.

7. Developer Letters of Representations. At the signing of this Agreement, the City and Underwriter shall receive from the Managing Developer an executed Managing Developer Letter of Representations (the “Managing Developer Letter of Representations”) in the form of Appendix A-1 hereto, and at the Closing, a certificate signed by the Managing Developer as set forth in Section 10(e) hereof (the “Managing Developer Closing Certificate”). In addition, at the signing of this Agreement, the City and Underwriter shall receive from the Co-Developer an executed Co-Developer Letter of Representations (the “Co-Developer Letter of Representations”) in the form of Appendix A-2 hereto, and at the Closing, a certificate signed by the Co-Developer as set forth in Section 10(e) hereof (the “Co-Developer Closing Certificate”).

8. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter, (i) the City will deliver or cause to be delivered to DTC through its “FAST” System, the Bonds in the form of one fully registered Bond for each maturity, registered in the

name of Cede & Co., as nominee for DTC, duly executed by the City and authenticated by the Trustee as provided in the Indenture, and (ii) the City will deliver the closing documents hereinafter mentioned to McCall, Parkhurst & Horton L.L.P. (“Bond Counsel”), or a place to be mutually agreed upon by the City and the Underwriter. Settlement will be through the facilities of DTC. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer in federal funds payable to the order of the City or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” The Bonds will be made available to the Underwriter or Greenberg Traurig, LLP (“Underwriter’s Counsel”) for inspection not less than twenty-four (24) hours prior to the Closing.

9. Underwriter’s Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations and covenants herein and in the Managing Developer Letter of Representations and the performance by the City of its obligations under this Agreement, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Agreement to purchase, accept delivery of, and pay for the Bonds shall be conditioned upon the performance by the City of its obligations to be performed hereunder at or prior to Closing and shall also be subject to the following additional conditions:

a. Bring-Down Representations of the City. The representations and covenants of the City contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

b. Executed Agreements and Performance Thereunder. At the time of the Closing

(i) the City Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter;

(ii) the Authorizing Documents shall be in full force and effect;

(iii) there shall be in full force and effect such other resolutions or actions of the City as, in the opinion of Bond Counsel and Underwriter’s Counsel, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the City described in this Agreement and the City Documents;

(iv) there shall be in full force and effect such other resolutions or actions of the Managing Developer as, in the opinions of General Counsel of the Managing Developer and Cinclair Law, PLLC (“Managing Developer’s Special Counsel”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Managing Developer described in the Managing Developer Letter of Representations, the Reimbursement Agreement, the Development Agreement, the Assignment and Assumption of Amended and Restated Lone Oak Development Agreement, effective January 30, 2024, executed and delivered by the Managing Developer and the Co-Developer (the “Assignment of Development Agreement”), and the Continuing Disclosure Agreement of Managing Developer with respect to

the Bonds, dated as of June 1, 2025, executed and delivered by the Managing Developer, MuniCap, Inc., as Administrator, and HTS Continuing Disclosure Services, a division of Hilltop Securities Inc., as dissemination agent (the “Continuing Disclosure Agreement of Managing Developer” and, together with the Managing Developer Letter of Representation, the Reimbursement Agreement, the Development Agreement, the Assignment of Development Agreement and the Assignment of Development Agreement, the “Managing Developer Documents”); and (vi) the City shall perform or have performed its obligations required or specified in the City Documents to be performed at or prior to Closing.

c. No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Indenture, the City Documents, the Managing Developer Documents or other documents relating to the financing and construction of the Improvement Area #1 Projects and the Development (as defined in the Limited Offering Memorandum), and the Managing Developer shall not be in default in the payment of principal of or interest on any of its indebtedness which default shall materially adversely impact the ability of the Managing Developer to pay the Assessments when due or complete the Improvement Area #1 Projects.

d. Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 10 below.

e. Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Agreement without liability therefor by written notification to the City if, between the date of this Agreement and the Closing, in the Underwriter’s sole and reasonable judgment, any of the following shall have occurred:

(i) the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by the occurrence of any of the following:

(1) legislation shall have been introduced in or enacted by the Congress of the United States or adopted by either the House or the Senate thereof, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release, other form of notice, or otherwise) by the President of the United States, the Treasury Department of the United States, or the Internal Revenue Service or legislation shall have been proposed for consideration by either the U.S. Senate Committee on Finance or the U.S. House of Representatives Committee on Ways and Means or legislation shall have been favorably reported for passage to either the House or the Senate of the Congress of the United States by a Committee of the House or the Senate to which such legislation has been referred for consideration, or a decision by a court of the United States or the Tax Court of the United States shall

be rendered or a ruling, regulation, or official statement (final, temporary, or proposed) by or on behalf of the Treasury Department of the United States, the Internal Revenue Service, or other federal agency shall be made, which would result in federal taxation of revenues or other income of the general character expected to be derived by the City or upon interest on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the holders thereof, and which, in either case, makes it, in the reasonable judgment of the Underwriter, impracticable or inadvisable to proceed with the offer, sale, or delivery of the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(2) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as described herein or by the Limited Offering Memorandum, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect (the “Securities Act”), or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the “Trust Indenture Act”); or

(3) a general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so; or

(4) there shall have occurred (whether or not foreseeable) (i) any outbreak of hostilities (including, without limitation, an act of terrorism) including, but not limited to, an escalation of hostilities that existed prior to the date hereof, (ii) national or international calamity or crisis, including, but not limited to, an escalation in the scope or magnitude of any pandemic or natural disaster, or (iii) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States, and the effect of any such event on the financial markets of the United States shall be such as would make it

impracticable, in the reasonable judgment of the Underwriter, for it to sell the Bonds on the terms and in the manner described in the Limited Offering Memorandum; or

(5) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the City, except as disclosed or described in the Limited Offering Memorandum; or

(6) any state blue sky or securities commission or other governmental agency or body in any state in which more than ten percent (10%) of the Bonds have been offered and sold shall have withheld registration, exemption, or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(7) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the validity or enforceability of the Assessments pledged to pay principal of and interest on the Bonds; or

(ii) the New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(iii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Limited Offering Memorandum, or has the effect that the Limited Offering Memorandum contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, which change shall occur subsequent to the date of this Agreement and shall not be due to the malfeasance, misfeasance or nonfeasance of the Underwriter; or

(iv) any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum; or

(v) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and shall be in force; or

(vi) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(vii) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as described in this Agreement or the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws on the Closing Date, including the Securities Act, the Securities Exchange Act of 1934 and the Trust Indenture Act; or

(viii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, which prohibition shall occur subsequent to the date hereof and shall not be due to the malfeasance, misfeasance, or nonfeasance of the Underwriter.

With respect to the conditions described in subparagraphs (ii), (vii) and (viii) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

10. Closing Documents. At or prior to the Closing, the Underwriter (or Underwriter's Counsel on behalf of the Underwriter) shall receive the following documents:

a. Bond Opinion. The approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix D to the Limited Offering Memorandum, together with a reliance letter from Bond Counsel, dated the Closing Date and addressed to the Underwriter, which may be included in the supplemental opinion required by Section 10(b) hereof, to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

b. Supplemental Opinion. A supplemental opinion of Bond Counsel dated the Closing Date and addressed to the City and the Underwriter, in form and substance acceptable to Underwriter's Counsel, to the following effect:

(i) Except to the extent noted therein, Bond Counsel has not verified and is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum but that Bond Counsel has reviewed the statements and information appearing in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum under the captions and subcaptions "PLAN OF FINANCE – The Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS," "ASSESSMENT PROCEDURES" (except for the subcaptions "Assessment Methodology" and "Assessment Amounts," "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings" (first paragraph only) and "– Legal Opinions," "SUITABILITY FOR INVESTMENT," "CONTINUING

DISCLOSURE – The City,” “REGISTRATION AND QUALIFICATION OF BONDS FOR SALE,” “LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS,” “INVESTMENTS” and “APPENDIX B” and Bond Counsel is of the opinion that the information relating to the Bonds and legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Ordinance, the Assessment Ordinance, the Service and Assessment Plan and the Indenture;

(ii) The Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act;

(iii) The City has or at the time of the adoption thereof had full power and authority to adopt the Creation Resolution, the Assessment Ordinance, the Service and Assessment Plan, and the Bond Ordinance (collectively, the foregoing documents are referred to herein as the “City Actions”) and perform its obligations thereunder and the City Actions have been duly adopted, are in full force and effect and have not been modified, amended, or rescinded; and

(iv) The Indenture, the Reimbursement Agreement, the Development Agreement, the Continuing Disclosure Agreement of Issuer, and this Agreement have been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instruments, documents, and agreements by the other parties thereto, constitute the legal, valid, and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors’ rights, or by the application of equitable principles if equitable remedies are sought and to the application of Texas law relating to governmental immunity applicable to governmental entities.

c. City Legal Opinion. An opinion of Taylor Olson Adkins Sralla & Elam, LLP (the “City Attorney”), dated the Closing Date and addressed to the Underwriter, Underwriter’s Counsel, the City, and the Trustee, with respect to matters relating to the City, substantially in the form of Appendix C hereto or in form otherwise agreed upon by the Underwriter.

d. Opinions of Managing Developer’s Counsels. Opinions of General Counsel of the Managing Developer and Managing Developer’s Special Counsel, substantially in the form of Appendix D-1 and Appendix D-2, respectively, hereto, each dated the Closing Date and addressed to the City, Bond Counsel, the City Attorney, the Underwriter, Underwriter’s Counsel and the Trustee.

e. Developer Closing Certificates. The Managing Developer Closing Certificate dated as of the Closing Date, signed by authorized officers of the Managing Developer in substantially the form of Appendix E-1 hereto and Co-Developer Closing

Certificate dated as of the Closing Date, signed by authorized officers of the Co-Developer, in substantially the form of Appendix E-2 hereto.

f. City Closing Certificate. A certificate of the City, dated the Closing Date, signed by an appropriate City official, to the effect that:

(i) the representations and warranties of the City contained herein and in the City Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Authorizing Documents and City Documents are in full force and effect and have not been amended, modified, or supplemented;

(iii) except as disclosed in the Limited Offering Memorandum, no litigation or proceeding against the City is pending or, to the best of the knowledge of such person, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the City to hold and exercise their respective positions, (b) contest the due organization and valid existence of the City or the establishment of the District, (c) contest the validity, due authorization and execution of the Bonds or the City Documents, or (d) attempt to limit, enjoin or otherwise restrict or prevent the City from levying and collecting the Assessments pledged to pay the principal of and interest on the Bonds, or the pledge thereof; and

(iv) the City has, to the best of such person's knowledge, complied with all agreements and covenants and satisfied all conditions set forth in the City Documents, on its part to be complied with or satisfied hereunder at or prior to the Closing.

g. Trustee's Counsel Opinion. An opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, the City and Bond Counsel, in form and substance acceptable to Underwriter's Counsel, the City and Bond Counsel to the following effect:

(i) The Trustee is duly organized and validly existing as a national banking association organized under the laws of the United States of America, and has not been dissolved, cancelled, or terminated, and is authorized to carry out corporate trust powers as Trustee in accordance with the Indenture;

(ii) The Trustee has all necessary corporate right, power, and authority to enter into the Indenture, to perform its obligations under, and to carry out and consummate all of the transactions involving the Trustee contemplated by, the Indenture; and

(iii) The Indenture has been duly authorized, executed and delivered by the Trustee and is valid and enforceable against the Trustee in accordance with its terms, except (a) as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting

the enforcement of creditors' rights generally, (b) as enforcement thereof is subject to general principles of equity (regardless of whether enforcement is considered a proceeding at law or in equity) and the discretion of the court before which any proceeding therefor may be brought, (c) as the exculpation provisions and rights to indemnification thereunder may be limited by U.S., federal and state securities laws and public policy considerations and (d) as the waiver of rights and defense contained in the Indenture may be limited by applicable law;

h. Trustee's Certificate. A customary authorization and incumbency certificate dated prior to the Closing Date, signed by authorized officers of the Trustee in form and substance acceptable to the Underwriter, Underwriter's Counsel, and Bond Counsel.

i. Underwriter Counsel's Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Underwriter's Counsel, to the effect that:

(i) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) Such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness, or fairness of any of the statements contained in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and it has not independently verified the accuracy, completeness or fairness of any such statements. In its capacity as counsel to the Underwriter, to assist the Underwriter in part of its responsibility with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, such counsel has participated in conferences with representatives of the Underwriter, representatives of the City, and its counsel, McCall, Parkhurst & Horton L.L.P., as bond counsel, Hilltop Securities Inc., as financial advisor, the public improvement district administrator, the Managing Developer, and its engineers and others, during which the contents of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum and related matters were discussed. Based on such counsel's participation in the above-mentioned conferences (which, with respect to the Preliminary Limited Offering Memorandum, did not extend beyond the date of this Agreement, and, with respect to the Limited Offering Memorandum, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the City, the Managing Developer and others and on the records, documents, certificates, opinions and matters herein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's representation of the Underwriter on this matter, (a) no facts had come to the attention of the attorneys in such counsel's firm rendering legal services to the Underwriter in connection with the Preliminary Limited Offering Memorandum which caused such counsel to believe, as of the date of the Preliminary Limited Offering Memorandum and as of the date of this Agreement, based on the documents, drafts, and facts in existence and reviewed as of those dates, that the Preliminary Limited Offering Memorandum contained any

untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Limited Offering Memorandum), and (b) no facts had come to the attention of the attorneys in such counsel's firm rendering legal service to the Underwriter in connection with the Limited Offering Memorandum which caused such counsel to believe that the Limited Offering Memorandum as of its date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no opinion or conclusion, with respect to both the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, feasibility, valuation, appraisals, absorption, real estate or environmental matters, relationship among the parties, Appendices, or any information about book-entry, DTC, Cede & Co., tax exemption, underwriters, or underwriting, included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; and

(iii) The Continuing Disclosure Agreement of Issuer satisfies the requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) for an undertaking by the City for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by said Rule; provided that, for purposes of this opinion, such counsel is not expressing any view regarding the content of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum that is not expressly stated in numbered paragraph ii, above.

j. Limited Offering Memorandum. The Limited Offering Memorandum and each supplement or amendment, if any, thereto.

k. Delivery of City Documents and Managing Developer Documents. The City Documents and the Managing Developer Documents shall have been executed and delivered in form and content satisfactory to the Underwriter.

l. Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

m. Federal Tax Certificate. A certificate of the City in form and substance satisfactory to Bond Counsel and Underwriter's Counsel 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 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

n. Attorney General Opinion and Comptroller Registration. The approving opinion of the Attorney General of the State regarding the Bonds and the Comptroller of the State’s Certificate of Registration for the Initial Bond.

o. Continuing Disclosure Agreements. The Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Managing Developer shall have been executed by the parties thereto in substantially the forms attached to the Limited Offering Memorandum as Appendix E-1 and Appendix E-2.

p. Letter of Representation of Administrator. Letter of Representation of Administrator, substantially in the form of Appendix G hereto, addressed to the City, Bond Counsel, the Underwriter, Underwriter’s Counsel and the Trustee, or in form otherwise agreed upon by the Underwriter.

q. Letter of Representation of the Appraiser. (i) Letter of Representation of the Appraiser, substantially in the form of Appendix F hereto, addressed to the City, Bond Counsel, the Underwriter, Underwriter’s Counsel, and the Trustee, or in form otherwise agreed upon by the Underwriter, and (ii) a copy of the real estate appraisal of the property within Improvement Area #1 attached as APPENDIX F to the Limited Offering Memorandum.

r. Evidence of Filing of Creation Resolution and Assessment Ordinance. Evidence that the Creation Resolution and the Assessment Ordinance have been filed of record in the real property records of Johnson County, Texas.

s. General Certificate of Managing Developer. The General Certificate of Managing Developer, including (i) fully executed copies of the Managing Developer’s organizational documents, (ii) a Certificate of Status from the Texas Secretary of State, and (iii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Managing Developer.

t. Rule 15c2-12 Certification. Evidence that the City has deemed the Preliminary Limited Offering Memorandum final as of its date, except for permitted omissions, as contemplated by Rule 15c2-12 in connection with the offering of the Bonds, which certification may be included in the Bond Ordinance.

u. Dissemination Agent. Evidence acceptable to the Underwriter in its sole discretion that the City and the Managing Developer have engaged a dissemination agent acceptable to the Underwriter for the Bonds, with the execution of the Continuing Disclosure Agreement of Issuer and the Continuing Disclosure Agreement of Managing Developer by other parties thereto being conclusive evidence of such acceptance by the Underwriter.

v. BLOR. A copy of the current Blanket Issuer Letter of Representation to DTC signed by the City.

w. Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or their counsel may reasonably deem necessary.

11. City's Closing Conditions. The obligation of the City hereunder to deliver the Bonds shall be subject to receipt on or before the Closing Date of the purchase price set forth in Section 1 hereof, the Attorney General Opinion, the opinion of Bond Counsel described in Section 10(a) hereof and all documents required to be delivered by the Managing Developer.

12. Consequences of Termination. If the City shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Underwriter and the City shall have no further obligation hereunder, except as further set forth in Sections 13, 15, and 16 hereof.

13. Costs and Expenses.

a. The Underwriter shall be under no obligation to pay, and the City shall cause to be paid from proceeds of the Bonds the following expenses incident to the issuance of the Bonds and performance of the City's obligations hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the cost of preparation, printing, and mailing of the Preliminary Limited Offering Memorandum, the final Limited Offering Memorandum and any supplements and amendments thereto; (iii) the fees and disbursements of the City's Financial Advisor, the Trustee's counsel, Bond Counsel, General Counsel of the Managing Developer, Managing Developer's Special Counsel, and the Trustee relating to the issuance of the Bonds; (iv) the Attorney General's review fees; (v) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the City or the Managing Developer, including but not limited to the fees and expenses of the Administrator; and (vi) the expenses incurred by or on behalf of City employees and representatives that are incidental to the issuance of the Bonds and the performance by the City of its obligations under this Agreement.

b. The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the limited offering of the Bonds; (ii) fees of Underwriter's Counsel; and (iii) all other expenses, including CUSIP fees (including out-of-pocket expenses and related regulatory expenses), incurred by it in connection with its public offering and distribution of the Bonds, except as noted in subsection 13(a) above.

c. The City acknowledges that the Underwriter will pay from the Underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a nonprofit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

14. Notice. Any notice or other communication to be given to the City under this Agreement may be given by delivering the same in writing to: City of Alvarado, Texas, 104 W. College Ave, Alvarado, Texas 76009, Attention: Chief Financial Officer, with a copy provided to Bond Counsel.

Any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to: FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Attention: Tripp Davenport, Director.

15. Entire Agreement. This Agreement is made solely for the benefit of the City and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Underwriter, provided the City shall have no liability with respect to any matter of which the Underwriter has actual knowledge prior to the purchase of the Bonds; or (ii) delivery of any payment for the Bonds pursuant to this Agreement. The agreements contained in this Section and in Section 16 shall survive any termination of this Agreement.

16. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in or by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

17. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. The City and the Underwriter agree that electronic signatures to this Agreement may be regarded as original signatures.

18. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

19. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State.

20. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

21. No Personal Liability. None of the members of the City Council, nor any officer, representative, agent, or employee of the City, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement,

or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

22. Statutory Verifications. The Underwriter makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

a. Not a Sanctioned Company. The Underwriter represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Underwriter and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

23. Term of this Agreement. Except for the representations and warranties designated as surviving the term of the Agreement, the term of this Agreement shall end on the 25th day after the end of the underwriting period.

24. Form 1295. Submitted herewith is a completed Form 1295 in connection with the Underwriter's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Underwriter, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Underwriter and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Underwriter; and, neither the City nor its consultants have verified such information.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

FMSbonds, Inc.,
as Underwriter

By: _____
Name: Theodore A. Swinarski
Title: Senior Vice President – Trading

Accepted at _____ a.m./p.m. central time on the
date first stated above.

City of Alvarado, Texas

By: _____
Mayor

SCHEDULE I

[\$[PAR AMOUNT]

CITY OF ALVARADO, TEXAS

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

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025

(LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

Interest Accrues From: Date of Delivery

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ % (a) (c) (d)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ % (a) (b) (c) (d)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ % (a) (b) (c) (d)

\$ _____ % Term Bonds, Due September 1, 20__, Priced to Yield _____ % (a) (b) (c) (d)

- (a) The initial prices or yields of the Bonds have been determined in accordance with the 10% test.
- (b) The Bonds maturing on or after September 1, 20__, may be redeemed before their scheduled maturity date, in whole or in part, on any date on or after September 1, 20__, such redemption date or dates to be fixed by the City, at the redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued and unpaid interest to the date fixed of redemption.
- (c) The Bonds are also subject to extraordinary optional redemption as described in the Limited Offering Memorandum under "DESCRIPTION OF THE BONDS – Redemption Provisions."
- (d) The Bonds are also subject to mandatory sinking fund redemption on the dates and in the respective Sinking Fund Installment Amounts as set forth in the following schedules.

\$ _____ Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__†	

\$ _____ Term Bonds Maturing September 1, 20__

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__†	

<u>\$ Term Bonds Maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__†	

<u>\$ Term Bonds Maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 20__	\$
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__†	

† Final Maturity

APPENDIX A-1

FORM OF MANAGING DEVELOPER LETTER OF REPRESENTATIONS

\$(PAR AMOUNT)
CITY OF ALVARADO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

MANAGING DEVELOPER LETTER OF REPRESENTATIONS

May 19, 2025

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, Texas 75201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Alvarado, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the \$(PAR AMOUNT) “City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter, the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), makes the representations, warranties, and covenants contained in this Managing Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Managing Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Purchase and Sale of Bonds. Inasmuch as the purchase and sale of the Bonds represents a negotiated transaction, the Managing Developer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary of the Managing Developer, but rather is acting solely in its capacity as Underwriter of the Bonds for its own account.

2. Updating of the Limited Offering Memorandum. If, after the date of this Managing Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same

pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Managing Developer becomes aware of any fact or event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Managing Developer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, for the purposes of this Managing Developer Letter of Representations and any certificate delivered by the Managing Developer in accordance with the Bond Purchase Agreement, the Managing Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE” (except for the subcaption “– The Bonds”), “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT” and “THE DEVELOPERS” and, to the Managing Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Managing Developer, the Improvement Area #1 Projects and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developers” (only as it pertains to the Managing Developer), “CONTINUING DISCLOSURE – The Managing Developer” and “– The Managing Developer’s Compliance with Prior Undertakings,” “SOURCES OF INFORMATION – Developers,” “APPENDIX E-2” and “APPENDIX G” (collectively, the “Managing Developer Disclosures”) in accordance with subsection 4(f) herein.

3. Managing Developer Documents. The Managing Developer has executed and delivered each of the below listed documents (individually, a “Managing Developer Document” and collectively, the “Managing Developer Documents”) in the capacity provided for in each such Managing Developer Document, and each such Managing Developer Document constitutes a valid and binding obligation of the Managing Developer, enforceable against the Managing Developer in accordance with its terms:

- a. this Managing Developer Letter of Representations;
- b. the Reimbursement Agreement;
- c. the Development Agreement;
- d. the Assignment of Development Agreement; and
- e. the Continuing Disclosure Agreement of Managing Developer.

The Developer has complied in all material respects with all of the Managing Developer’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Managing Developer under the Managing Developer Documents on or prior to the date hereof.

The representations and warranties of the Managing Developer contained in the Managing Developer Documents are true and correct in all material respects on and as of the date hereof.

4. Managing Developer Representations, Warranties and Covenants. The Managing Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization and Existence. The Managing Developer is duly formed and validly existing as a limited liability company under the laws of the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Managing Developer provided by the Managing Developer (the “Managing Developer Organizational Documents”) to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Breach. The execution and delivery of the Managing Developer Documents by the Managing Developer does not violate any judgment, order, writ, injunction, or decree binding on the Managing Developer or any indenture, agreement, or other instrument to which the Managing Developer is a party.

d. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Managing Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Managing Developer to perform its obligations under the Managing Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

e. Information. The information prepared and submitted by the Managing Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

f. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Managing Developer represents and warrants that the information set forth in the Managing Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is, as it relates to the Managing Director, true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Managing Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (f) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

g. Events of Default. No “Event of Default” or “event of default” by the Managing Developer under any of the Managing Developer Documents, any documents to which the Managing Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Improvement Area #1 Projects to which the Managing Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default,” by the Managing Developer has occurred and is continuing.

5. Indemnification.

a. The Managing Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Managing Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified

party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Managing Developer or the Underwriter.

6. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Managing Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

7. Binding on Successors and Assigns. This Managing Developer Letter of Representations will be binding upon the Managing Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Managing Developer Letter of Representations.

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

APPENDIX A-2

FORM OF CO-DEVELOPER LETTER OF REPRESENTATIONS

\$(PAR AMOUNT)
CITY OF ALVARADO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)

CO-DEVELOPER LETTER OF REPRESENTATIONS

May 19, 2025

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, Texas 75201

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

Ladies and Gentlemen:

This letter is being delivered to the City of Alvarado, Texas (the “City”) and FMSbonds, Inc. (the “Underwriter”), in consideration for your entering into the Bond Purchase Agreement dated the date hereof (the “Bond Purchase Agreement”) for the sale and purchase of the \$(PAR AMOUNT) “City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project)” (the “Bonds”). Pursuant to the Bond Purchase Agreement, the Underwriter has agreed to purchase from the City, and the City has agreed to sell to the Underwriter, the Bonds. In order to induce the City to enter into the Bond Purchase Agreement and as consideration for the execution, delivery, and sale of the Bonds by the City and the purchase of them by the Underwriter, the undersigned, Century Land Holdings of Texas, LLC, a Texas limited liability company (the “Co-Developer”), makes the representations, warranties, and covenants contained in this Co-Developer Letter of Representations. Unless the context clearly indicates otherwise, each capitalized term used in this Co-Developer Letter of Representations will have the meaning set forth in the Bond Purchase Agreement.

1. Updating of the Limited Offering Memorandum. If, after the date of this Co-Developer Letter of Representations, up to and including the date the Underwriter is no longer required to provide a Limited Offering Memorandum to potential customers who request the same pursuant to Rule 15c2-12 (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in Rule 15c2-12) and (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Co-Developer becomes aware of any fact or

event which might or would cause the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Limited Offering Memorandum to comply with law, the Co-Developer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request); however, for the purposes of this Co-Developer Letter of Representations and any certificate delivered by the Co-Developer in accordance with the Bond Purchase Agreement, the Co-Developer makes no representations with respect to the information appearing in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum except for the information set forth in all of the maps included therein and under the captions and subcaptions “THE DEVELOPERS” and, to the Co-Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Co-Developer), and “LEGAL MATTERS – Litigation – The Developers” (only as it pertains to the Co-Developer) (collectively, the “Co-Developer Disclosures”) in accordance with subsection 2(e) herein.

2. Co-Developer Documents. The Co-Developer has executed and delivered each of the below listed documents (individually, a “Co-Developer Document” and collectively, the “Co-Developer Documents”) in the capacity provided for in each such Co-Developer Document, and each such Co-Developer Document constitutes a valid and binding obligation of the Co-Developer, enforceable against the Co-Developer in accordance with its terms:

- a. the Second Amendment;
- b. the Assignment of Development Agreement; and
- c. the Reimbursement Agreement.

3. Co-Developer Representations, Warranties and Covenants. The Co-Developer represents, warrants, and covenants to the City and the Underwriter that:

a. Due Organization and Existence. The Co-Developer is duly formed and validly existing as a limited liability company under the laws of the State of Arizona and is authorized to do business in the State of Texas.

b. Organizational Documents. The copies of the organizational documents of the Co-Developer provided by the Co-Developer (the “Co-Developer Organizational Documents”) to the City and the Underwriter are fully executed, true, correct, and complete copies of such documents and such documents have not been amended or supplemented since delivery to the City and the Underwriter and are in full force and effect as of the date hereof.

c. No Litigation. Other than as described in the Preliminary Limited Offering Memorandum and in the Limited Offering Memorandum, there are no proceedings pending or threatened in writing before any court or administrative agency against the Co-Developer that are either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Co-Developer to perform its

obligations under the Co-Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

d. Information. The information prepared and submitted by the Co-Developer to the City or the Underwriter in connection with the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum was, and is, as of this date, true and correct in all material respects.

e. Preliminary Limited Offering Memorandum and Limited Offering Memorandum. The Co-Developer represents and warrants that the information set forth in the Co-Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum is, as it relates to the Co-Director, true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Co-Developer agrees to provide a certificate dated the Closing Date affirming, as of such date, the representations contained in this subsection (e) with respect to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

f. Events of Default. No “Event of Default” or “event of default” by the Co-Developer under any documents to which the Co-Developer is a party described in the Limited Offering Memorandum, or under any material documents relating to the financing and construction of the Improvement Area #1 Projects to which the Co-Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such “Event of Default” or “event of default,” by the Co-Developer has occurred and is continuing.

4. Indemnification.

a. The Co-Developer will indemnify and hold harmless the City and the Underwriter and each of their officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act of 1933 or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in the Co-Developer Disclosures in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or any amendment or supplement to the Limited Offering Memorandum amending or supplementing the information contained under the aforementioned captions (as qualified above), or arise out of or are based upon the omission, untrue statement or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

b. Promptly after receipt by an indemnified party under subsection (a) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve the indemnifying party from any liability which it may have to the indemnified party otherwise than under such subsection, unless such indemnifying party was prejudiced by such delay or lack of notice. In case any such action shall be brought against an indemnified party, it shall promptly notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. The indemnifying party shall not be liable for any settlement of any such action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any such action, the indemnifying party will indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. The indemnity herein shall survive delivery of the Bonds and shall survive any investigation made by or on behalf of the City, the Co-Developer or the Underwriter.

5. Survival of Representations, Warranties and Covenants. All representations, warranties, and agreements in this Co-Developer Letter of Representations will survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of any payment by the Underwriter for the Bonds hereunder, and (c) any termination of the Bond Purchase Agreement.

6. Binding on Successors and Assigns. This Co-Developer Letter of Representations will be binding upon the Co-Developer and its successors and assigns and inure solely to the benefit of the Underwriter and the City, and no other person or firm or entity will acquire or have any right under or by virtue of this Co-Developer Letter of Representations.

CENTURY LAND HOLDINGS OF TEXAS, LLC,
a Texas limited liability company

By: _____
Name: _____
Title: _____

APPENDIX B

**[\$[PAR AMOUNT]]
CITY OF ALVARADO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of FMSbonds, Inc. (“Purchaser”), with respect to the City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project) issued by the City of Alvarado, Texas (“Issuer”), in the principal amount of \$[PAR AMOUNT] (“Bonds”), hereby certifies, based on its records and information, as follows:

The first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “Public”) is set forth in the Limited Offering Memorandum relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____, 2025.

FMS Bonds, Inc.,
as Underwriter

By: _____

Name: Theodore A. Swinarski
Title: Senior Vice President - Trading

SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

APPENDIX C

[LETTERHEAD OF TAYLOR OLSON ADKINS SRALLA & ELAM, LLP]

June 17, 2025

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

BOKF, NA
Attention: Corporate Trust
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, Texas 75201

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

\$[PAR AMOUNT]
CITY OF ALVARADO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

Ladies and Gentlemen:

The undersigned serves as the City Attorney for the City of Alvarado, Texas (the “City”), for limited purposes and has, in that capacity, provided legal review in connection with the issuance and sale of \$[PAR AMOUNT] “City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project)” (the “Bonds”), by the City, a political subdivision of the State of Texas.

The Bonds are authorized pursuant to an ordinance enacted by the City Council of the City (the “City Council”) on May 19, 2025 (the “Bond Ordinance”), and shall be issued pursuant to the provisions of the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “Act”) and the Indenture of Trust dated as of June 1, 2025 (the “Indenture”), by and between the City and BOKF, NA (the “Trustee”). Capitalized terms not defined herein shall have the same meanings as in the Indenture, unless otherwise stated herein.

In connection with rendering this opinion, we have reviewed:

(a) Resolution No. _____ of the City, adopted October 18, 2021, relative to the formation of the District, and Resolution No. _____ of the City, adopted April 18, 2022, relative to the expansion of the District (collectively, the “Creation Resolution”);

(b) the ordinance accepted and approved by City Council on May 19, 2025 (the “Assessment Ordinance”), and the service and assessment plan (the “Service and Assessment Plan”) attached as an exhibit thereto, as such Service and Assessment Plan;

- (c) the Bond Ordinance;
- (d) the Indenture;
- (e) the Reimbursement Agreement;
- (f) the Development Agreement; and
- (g) the Continuing Disclosure Agreement of Issuer.

The Creation Resolution, the Assessment Ordinance, the Indenture, and the Bond Ordinance shall hereinafter be referred to as the “Authorizing Documents” and the remaining documents shall hereinafter be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution, and delivery of the City Documents by all parties other than the City.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The City is a home rule municipal corporation of the State of Texas and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents and the City Documents. The City has taken or obtained all actions, approvals, consents, and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the City Documents and the performance of its obligations thereunder.

2. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or, threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of any of the Bonds, or the payment, collection or application of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, including the Assessments in the Lone Oak Public Improvement District pursuant to the provisions of the Assessment Ordinance, the Bond Ordinance, and the Service and Assessment Plan referenced therein, (d) contesting or affecting the validity or enforceability or the City’s performance of the City Documents, (e) contesting the exclusion of the interest on the Bonds from federal income taxation, or (f) which may result in any material adverse change relating to the financial condition of the City.

3. The Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

4. The City Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such

City Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, and (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

5. The performance by the City of the obligations under the Authorizing Documents and the City Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

6. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Authorizing Documents and the City Documents.

7. The City has duly authorized and delivered the Preliminary Limited Offering Memorandum.

8. Based upon our limited participation in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (collectively, the “Limited Offering Memorandum”), the statements and information contained in the Limited Offering Memorandum with respect to the City under the captions and subcaptions “ASSESSMENT PROCEDURES – Assessment Methodology” and “– Assessment Amounts,” “THE CITY,” “THE DISTRICT,” “LEGAL MATTERS – Litigation – The City” and “APPENDIX A” are fair and accurate summaries of the law and the documents and facts summarized therein.

9. The adoption of the Authorizing Documents, the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City Documents under the circumstances contemplated thereby, to the best of our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Sincerely,

TAYLOR OLSON ADKINS
SRALLA & ELAM, LLP,

By: _____

APPENDIX D-1

[LETTERHEAD OF MANAGING DEVELOPER’S GENERAL COUNSEL]

June 17, 2025

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

BOKF, NA
Attention: Corporate Trust
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Taylor Olson Adkins Sralla & Elam, LLP
6000 Western Place II, Ste. 200
Fort Worth, Texas 76107

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, Texas 75201

\$[PAR AMOUNT]
CITY OF ALVARADO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

Ladies and Gentlemen:

I am General Counsel – Real Estate from Green Brick Partners, Inc., a Delaware corporation, the sole member of GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer” or our “Client”) in connection with the issuance and sale by the City of Alvarado, Texas (the “City”), of its \$[PAR AMOUNT] City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project) (the “Bonds”) pursuant to a Trust Indenture dated as of June 1, 2025 (the “Trust Indenture”), by and between the City and BOKF, NA, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in Improvement Area #1 of the Lone Oak Public Improvement District located in the City.

The Bonds are being sold by FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated May 19, 2025 (the “Bond Purchase Agreement”), between the City and the Underwriter. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In my capacity as General Counsel, and for purposes of rendering the opinions set forth herein, I have examined originals or copies, certified or otherwise identified to my satisfaction, of:

- (a) The following documents (collectively, the “Material Documents”):
 - (1) the Continuing Disclosure Agreement of Managing Developer;
 - (2) the Reimbursement Agreement;
 - (3) the Development Agreement;
 - (4) the Assignment of Development Agreement; and
 - (5) the Managing Developer Letter of Representations dated as of May 19, 2025;
- (b) The Preliminary Limited Offering Memorandum, dated May 5, 2025, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);
- (c) The final Limited Offering Memorandum, dated May 19, 2025, relating to the issuance of the Bonds (together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memorandum”);
- (d) the General Certificate of the Managing Developer and the Managing Developer Closing Certificate, each dated as of the date hereof (together, the “Managing Developer Certificate”); and
- (e) such other documents, records, agreements, and certificates of the Managing Developer as I have deemed necessary or appropriate to enable me to render the opinions expressed below.

In rendering the opinions set forth herein, I have assumed: (i) the due authorization, execution, and delivery of each of the Material Documents by all parties thereto (other than the authorization, execution, and delivery by the Managing Developer) and that each such document constitutes a valid, binding, and enforceable obligation of each party (other than the Managing Developer) thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding due formation, valid existence and power and authority of the Managing Developer to execute, deliver, and perform its obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by me is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Managing Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to me as originals, (vii) the conformity to original documents of all documents submitted to me as photostatic or certified copies, and (viii) that no laws or judicial, administrative, or other action of any Governmental Authority (as defined in *Schedule I* attached hereto) of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein.

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, I am of the opinion that:

1. The Managing Developer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Texas.

2. The Managing Developer has the requisite power and authority under the *Texas Business Organizations Code* and the Managing Developer governing documents to execute, deliver and perform its obligations under the Material Documents to which it is a party. The execution and delivery by the Managing Developer of each Material Document to which it is a party and the performance by the Managing Developer of its obligations thereunder have been duly authorized by all necessary limited liability company action under the *Texas Business Organizations Code* and the Managing Developer governing documents.

3. The execution and delivery by the Managing Developer of the Material Documents and the performance by the Managing Developer of its obligations under the Material Documents do not (i) violate any Applicable Law (as defined in ***Schedule I*** attached hereto); (ii) conflict with or result in the breach of any court decree or order of any governmental body known to me to be binding upon or affecting the Managing Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Managing Developer to perform its obligations under the Material Documents to which it is a party; or (iii) constitute a violation of its limited liability company agreement or certificate of formation.

4. No Governmental Approval (as defined in ***Schedule I*** attached hereto) which has not been obtained or taken is required to be obtained or taken by the Managing Developer on or before the date hereof as a condition to (a) the execution and delivery by the Managing Developer of the Material Documents to which it is a party, or (b) the performance by the Managing Developer of its obligations under the Material Documents to which it is a party, except for Governmental Approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

5. The Material Documents to which the Managing Developer is a party have been duly executed and delivered by the Managing Developer and constitute the legal, valid, and binding obligation of the Managing Developer, enforceable against the Managing Developer in accordance with its terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part.

6. There are no actions, suits or proceedings pending or threatened against the Managing Developer or otherwise known to me in any court of law or equity, or before or by any governmental instrumentality with respect to (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the validity or enforceability against it of such Material Documents or the transactions described therein; (iv) the titles of the parties executing the Material Documents; (v)

the execution and delivery of the Material Documents on behalf of the Managing Developer; or (vi) the operations or financial condition of the Managing Developer that would materially adversely affect those operations or the financial condition of the Managing Developer; or (vii) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum, the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

7. The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Managing Developer is a party or is otherwise subject which violation, breach or default would materially adversely affect the Managing Developer or its performance of its obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Managing Developer, except as expressly described in the Material Documents (a) under Applicable Law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

8. The information set forth in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum in the maps on pages (iii), (iv) and (v) and under the captions and subcaptions “PLAN OF FINANCE” (except for the information under the subcaption “– The Bonds”), “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” and “THE DEVELOPERS,” and, to the best of the Managing Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Improvement Area #1 Projects, the Managing Developer, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developers,” and “CONTINUING DISCLOSURE – The Managing Developer” and “– Managing Developer’s Compliance With Prior Undertakings,” “APPENDIX E-2,” and “APPENDIX G” adequately and fairly describe the information summarized under such captions and are correct as to material matters of law and, although I have not independently verified the information in the Preliminary Limited Offering Memorandum or in the Limited Offering Memorandum and am not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, no facts have come to my attention that lead me to believe that the information set forth under the captions referenced above with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of the date hereof, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and as of the date hereof, contain any untrue statement of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

I express no opinion as to the laws of any jurisdiction other than the laws of Texas and the laws of the United States of America. The opinions expressed above concern only the effect of the laws (excluding the principles of conflict of laws) of Texas and the United States of America

as currently in effect. This opinion is rendered solely as of the date hereof, and I assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if I become aware of any facts that might change the opinions expressed above after the date of this opinion.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

GREEN BRICK PARTNERS, INC.

Hilary Liston, General Counsel – Real Estate

Schedule I

As used herein, “Applicable Law” means the laws, rules and regulations of the State of Texas and the United States of America and the rules and regulations adopted thereunder; for the avoidance of doubt, the foregoing shall not include any local or municipal laws, environmental laws or regulations, development laws or regulations, land ordinances or water management laws or regulations.

As used herein, “Governmental Approval” means any consent, approval, license, authorization or validation of, or filing, recording or registration with, any Governmental Authority of the State of Texas or any governmental authority or instrumentality of the United States of America pursuant to any Applicable Law.

As used herein, “Governmental Authority” means the government of the State of Texas, and any agency, authority, statewide subdivision instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to such government.

APPENDIX D-2

[LETTERHEAD OF CINCLAIR LAW, PLLC]

June 17, 2025

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

FMSbonds, Inc.
5 Cowboy Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

BOKF, NA, Dallas, Texas
Attention: Corporate Trust
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Taylor Olson Adkins Sralla & Elam, LLP
6000 Western Place II, Ste. 200
Fort Worth, Texas 76107

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, Texas 75201

\$[PAR AMOUNT]
CITY OF ALVARADO, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

I. Introduction

We have acted as special counsel to GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), in connection with the issuance and sale by the City of Alvarado, Texas (the “City”), of \$[PAR AMOUNT] Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project) (the “Bonds”), pursuant to the Indenture of Trust, dated as of June 1, 2025 (the “Indenture”), by and between the City and BOKF, NA, as trustee (the “Trustee”). Proceeds from the sale of the Bonds will be used, in part, to fund certain public infrastructure improvements in the development known as “Lone Oak” (the “Development”) located in the City.

The Bonds are being sold by FMSbonds, Inc. (the “Underwriter”), pursuant to that certain Bond Purchase Agreement dated May 19, 2025, (the “Bond Purchase Agreement”), between the City and the Underwriter. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Bond Purchase Agreement.

In our capacity as special counsel to the Managing Developer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of:

- (a) The following documents (collectively, the “Material Documents”):
 - (1) the Reimbursement Agreement;
 - (2) the Development Agreement;
 - (3) the Assignment of Development Agreement;
 - (4) the Continuing Disclosure Agreement of Managing Developer; and
 - (5) General Certificate of the Managing Developer and the Managing Developer Closing Certificate, each dated as of the date hereof (together, the “Developer Certificate”);
- (b) The Preliminary Limited Offering Memorandum, dated May 5, 2025, relating to the issuance of the Bonds (the “Preliminary Limited Offering Memorandum”);
- (c) The final Limited Offering Memorandum, dated May 19, 2025, relating to the issuance of the Bonds (the “Limited Offering Memorandum”); and
- (d) Such other documents, records, agreements, and certificates of the Managing Developer as we have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge” signify that, in the course of our representation of the Managing Developer the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words “our knowledge” and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as special counsel.

In rendering the opinions set forth herein, we have assumed, without independent investigation (other than the Managing Developer as applicable), that: (i) the due authorization, execution, and delivery of each of the documents referred to in this opinion letter by all parties thereto and that each such document constitutes a valid, binding, and enforceable obligation of each party thereto, (ii) all of the parties to the documents referred to in this opinion letter are duly organized, validly existing, in good standing and have the requisite power, authority (corporate, limited liability company, partnership or other) and legal right to execute, deliver, and perform its obligations under such documents (except to the extent set forth in our opinions set forth herein regarding valid existence and power and authority of the Managing Developer to execute, deliver, and perform its respective obligations under the Material Documents), (iii) each certificate from governmental officials reviewed by us is accurate, complete, and authentic, and all official public records are accurate and complete, (iv) the legal capacity of all natural persons, (v) the genuineness of all signatures (other than those of the Managing Developer in respect of the Material Documents), (vi) the authenticity and accuracy of all documents submitted to us as originals, (vii) the conformity to original documents of all documents submitted to us as photostatic or certified

copies, (viii) that no laws or judicial, administrative, or other action of any governmental City of any jurisdiction not expressly opined to herein would adversely affect the opinions set forth herein, and (ix) that the execution and delivery by each party of, and performance of its agreements in, the Material Documents do not breach or result in a default under any existing obligation of such party under any agreements, contracts or instruments to which such party is a party to or otherwise subject to or any order, writ, injunction or decree of any court applicable to such party.

In addition, we have assumed that the Material Documents accurately reflect the complete understanding of the parties with respect to the transactions contemplated thereby and the rights and obligations of the parties thereunder. We have also assumed that the terms and conditions of the transaction as reflected in the Material Documents have not been amended, modified, or supplemented, directly or indirectly, by any other agreement or understanding of the parties or waiver of any of the material provisions of the Material Documents.

We assume that none of the parties to the Material Documents (other than the Managing Developer) is a party to any court or regulatory proceeding relating to or otherwise affecting the Material Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Material Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Material Documents (other than the Managing Developer) has full authority to close this transaction in accordance with the terms and provisions of the Material Documents.

We assume that neither the Underwriter nor the City nor their respective counsel has any current actual knowledge of any facts not known to us or any law or judicial decision which would make the opinions set forth herein incorrect, and that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

We have only been engaged by our clients in connection with the Material Documents (and the transactions contemplated in the Material Documents) and do not represent these clients generally.

II. Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

(a) The execution and delivery by the Managing Developer of the Material Documents to which it is a party, and the performance by the Managing Developer of its respective obligations under the Material Documents will not (i) violate any applicable law; or (ii) conflict with or result in the breach of any court decree or order of any governmental body identified in the Managing Developer Certificate or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion binding upon or affecting the Managing Developer, the conflict with which or breach of which would have a material, adverse effect on the ability of the Managing Developer to perform its respective obligations under the Material Documents to which it is a party.

(b) To our knowledge, no governmental approval which has not been obtained or taken is required to be obtained or taken by the Managing Developer on or before the date hereof as a condition to the performance by the Managing Developer of its respective obligations under the Material Documents to which it is a party, except for governmental approvals that may be required to comply with certain covenants contained in the Material Documents (including, without limitation, covenants to comply with applicable laws).

(c) The Developer has duly executed and delivered each of the Material Documents to which it is a party, and each of the Material Documents constitute the legal, valid, and binding obligations of the Managing Developer, enforceable against the Managing Developer in accordance with their respective terms, subject to the following qualifications: (i) the effect of applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and (ii) the effect of the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or of equity), and (iii) the effect that enforceability of the indemnification provisions therein may be limited, in whole or in part. The execution, delivery, and performance by the Managing Developer of its respective obligations under the Material Documents do not violate any existing laws of the State of Texas applicable to the Managing Developer.

(d) There are no actions, suits or proceedings pending or, to our knowledge, threatened against the Managing Developer identified in the Developer Certificate, or otherwise actually known to the lawyers who have provided substantive attention to the representation reflected in this opinion in any court of law or equity, or before or by any governmental instrumentality with respect to: (i) its organization or existence or qualification to do business in the State of Texas; (ii) its authority to execute or deliver the Material Documents to which it is a party; (iii) the titles of the parties executing the Material Documents; (iv) the execution, delivery, validity or enforceability of the Material Documents on behalf of the Managing Developer; (v) the operations or financial condition of the Managing Developer that would materially adversely affect those operations or the financial condition of the Managing Developer; or (vi) the acquisition and construction of the property and improvements identified in the Limited Offering Memorandum the cost of which is to be funded or reimbursed, in whole or in part, by proceeds of the Bonds.

(e) The execution and delivery of the Material Documents do not, and the transactions described therein may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not, conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, agreement or other instrument to which the Managing Developer is a party or is otherwise subject and which have been identified in the Developer Certificate, which violation, breach or default would materially adversely affect the Managing Developer or its performance of its respective obligations under the transactions described in the Material Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Managing Developer, except as expressly described in the Material Documents (a) under applicable law or (b) under any such loan agreement, indenture, bond note, resolution, agreement, or other instrument.

(f) The information set forth in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum in all of the maps included therein and under the captions "PLAN

OF FINANCE” (except for the subcaption “– The Bonds”), “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT,” “THE DEVELOPERS,” “BONDHOLDERS’ RISKS” (only as it pertains to the Managing Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developers,” “CONTINUING DISCLOSURE – The Managing Developer,” and “CONTINUING DISCLOSURE – The Managing Developer’s Compliance with Prior Undertakings” adequately and fairly describe the information summarized under such captions and are correct as to matters of law.

(g) Subject to the below qualifications and based upon conversations with representatives of the Managing Developer in which the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed, and although we have not independently verified the information in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any amendment or supplement thereto, no facts have come to our attention that lead us to believe that the information set forth under the captions referenced in the preceding paragraph with respect to the Preliminary Limited Offering Memorandum, as of the date of the Preliminary Limited Offering Memorandum and as of May 19, 2025, and with respect to the Limited Offering Memorandum, as of the date of the Limited Offering Memorandum and the date hereof, contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

III. Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

(a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) We have relied upon the Developer Certificate, as well as the representations of the Managing Developer contained in the Material Documents, with respect to certain facts material to our opinion. Except as otherwise specifically indicated herein, we have made no independent investigation regarding any of the foregoing documents or the representations contained therein.

(c) Our opinion delivered pursuant to Section II(c) above is subject to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws affecting creditors’ rights generally and to the effect of general principles of equity, including (without limitation) remedies of specific performance and injunctive relief and concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law).

(d) Except for the Material Documents, we have not reviewed, and express no opinion as to, any other contracts or agreements to which the Managing Developer is a party or by which the Managing Developer is or may be bound.

(e) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas and the laws of the United States of America, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, except the United States of America, we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws. In addition, we assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof, or if we become aware of any facts or circumstances that affect the opinions expressed herein.

(f) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(g) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.

(h) The opinions expressed herein regarding the enforceability of the Material Documents are subject to the qualification that certain of the remedial, waiver or other provisions thereof may not be enforceable; but such unenforceability will not, in our judgment, render the Material Documents invalid as a whole or substantially interfere with the practical realization of the principal legal benefits provided in the Material Documents, except to the extent of any economic consequences of any procedural delays which may result therefrom.

(i) The opinion expressed herein as to the enforceability of the Material Documents is specifically subject to the qualification that enforceability of the Material Documents is limited by the following: (i) the rights of the United States under the Federal Tax Lien Act of 1966, as amended; (ii) principles of equity, public policy and unconscionability which may limit the availability of certain remedies; (iii) bankruptcy, insolvency, reorganization, fraudulent conveyance, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally; and (iv) requirements of due process under the United States Constitution, the Constitution of the State of Texas and other laws or court decisions limiting the rights of creditors to repossess, foreclose or otherwise realize upon the property of a debtor without appropriate notice or hearing or both.

(j) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Material Documents.

(k) We express no opinion as to the validity, binding effect, or enforceability of: (i) provisions which purport to waive rights or notices, including rights to trial by jury, counterclaims or defenses, jurisdiction or venue; (ii) provisions relating to consent judgments, waivers of defenses or the benefits of statutes of limitations, marshaling of assets, the transferability of any assets which by their nature are nontransferable, sales in inverse order of alienation, or severance; (iii) provisions purporting to waive the benefits of present or of future laws relating to exemptions, appraisal, valuation, stay of execution, redemption, extension of time for payment, setoff and similar debtor protection laws; or (iv) provisions requiring a party to pay fees and expenses regardless of the circumstances giving rise to such fees or expenses or the reasonableness thereof.

(l) The opinions expressed herein are subject to the effect of generally applicable rules of law that provide that forum selection clauses in contracts are not necessarily binding on the court(s) in the forum selected.

(m) We express no opinion as to the enforceability of any provisions in the Material Documents purporting to entitle a party to indemnification in respect of any matters arising in whole or in part by reason of any negligent, illegal or wrongful act or omission of such party.

This opinion is furnished to those parties addressed in this letter solely in connection with the transactions, for the purposes and on the terms described above and may not be relied upon for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,

Cinclair Law, PLLC

EXHIBIT E-1

CLOSING CERTIFICATE OF MANAGING DEVELOPER

GRBK Edgewood LLC, a Texas limited liability company (the “Managing Developer”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Managing Developer is a limited liability company organized, validly existing and in good standing under the laws of the State of Texas.

2. Representatives of the Managing Developer have provided information to the City of Alvarado, Texas (the “City”), and FMSbonds, Inc. (the “Underwriter”), to be used in connection with the offering by the City of its \$[PAR AMOUNT] aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project) (the “Bonds”), pursuant to the Preliminary Limited Offering Memorandum, dated May 5, 2025, and Limited Offering Memorandum dated May 19, 2025 (together, the “Limited Offering Memorandum”).

3. The Managing Developer has delivered to the Underwriter and the City true, correct, complete and fully executed copies of the Managing Developer’s organizational documents, including its Articles of Organization filed with the Secretary of State of the state of Texas, and such documents have not been amended or supplemented since delivery to the Underwriter and the City and are in full force and effect as of the date hereof.

4. The Managing Developer has delivered to the Underwriter and the City (i) a Certificate of Status from the Texas Secretary of State, and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Managing Developer.

5. The Managing Developer has executed and delivered each of the below listed documents (individually, a “Managing Developer Document” and collectively, the “Managing Developer Documents”) in the capacity provided for in each such Managing Developer Document, and each such Managing Developer Document constitutes a valid and binding obligation of the Managing Developer, enforceable against the Managing Developer in accordance with its terms:

- (a) the Managing Developer Letter of Representations;
- (b) the Development Agreement;
- (c) the Assignment of Development Agreement;
- (d) the Reimbursement Agreement; and
- (e) the Continuing Disclosure Agreement of Managing Developer.

6. The Managing Developer has complied in all material respects with all of the Managing Developer’s agreements and covenants and satisfied all conditions required to be

complied with or satisfied by the Managing Developer under the Managing Developer Documents on or prior to the date hereof.

7. The representations and warranties of the Managing Developer contained in the Managing Developer Documents are true and correct in all material respects on and as of the date hereof.

8. The execution and delivery of the Managing Developer Documents by the Managing Developer does not violate any judgment, order, writ, injunction or decree binding on the Managing Developer or any indenture, agreement, or other instrument to which the Managing Developer is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Managing Developer that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on the ability of the Managing Developer to perform its obligations under the Managing Developer Documents in all material respects or that would reasonably be expected to prevent or prohibit the development of the District in accordance with the description thereof in the Limited Offering Memorandum.

9. The Managing Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all of the maps included therein and under the captions and subcaptions “PLAN OF FINANCE” (except under the subcaption “– The Bonds”), “THE IMPROVEMENT AREA #1 PROJECTS,” “THE DEVELOPMENT” and “THE DEVELOPERS” and, to the Managing Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Managing Developer, the Improvement Area #1 Projects, and the Development (as defined in the Limited Offering Memorandum)), “LEGAL MATTERS – Litigation – The Developers” (only as it pertains to the Managing Developer), “CONTINUING DISCLOSURE – The Managing Developer” and “– The Managing Developer’s Compliance with Prior Undertakings,” “SOURCES OF INFORMATION – Developers” (only as it pertains to the Managing Developer), “APPENDIX E-2” and “APPENDIX G” (collectively, the “Managing Developer Disclosures”) and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum.

10. The Managing Developer has reviewed and approved the information contained in the Managing Developer Disclosures in the Limited Offering Memorandum and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

11. To the Managing Developer’s knowledge, the Managing Developer is in compliance in all material respects with all provisions of applicable law in all material respects

relating to the Managing Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Managing Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Managing Developer or any portion of the Development that would materially and adversely affect the Managing Developer's ability to complete or cause to be completed the development of the District as described in the Limited Offering Memorandum; and (b) the Managing Developer has no reason to believe that any additional permits, consents and licenses required to complete the Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

12. The Managing Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third-party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

13. The levy of the Assessments on property in Improvement Area #1 of the District owned by the Managing Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture, or other instrument to which the Managing Developer is a party or to which the Managing Developer or any of its property or assets is subject.

14. The Managing Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the Managing Developer's ability to perform its obligations under the Managing Developer Documents.

15. The Managing Developer has no knowledge of any physical condition of the Development owned or to be developed by the Managing Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

[Signature page follows.]

Dated: June 17, 2025

MANAGING DEVELOPER:

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT E-2

CLOSING CERTIFICATE OF CO-DEVELOPER

Century Land Holdings of Texas, LLC, a Texas limited liability company (the “Co-Developer”), DOES HEREBY CERTIFY the following as of the date hereof. All capitalized terms not otherwise defined herein shall have the meaning given to such term in the Limited Offering Memorandum.

1. The Co-Developer is a limited liability company organized, validly existing and in good standing under the laws of the State of Arizona and is authorized to do business in the State of Texas.

2. Representatives of the Co-Developer have provided information to the City of Alvarado, Texas (the “City”), and FMSbonds, Inc. (the “Underwriter”), to be used in connection with the offering by the City of its \$[PAR AMOUNT] aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project) (the “Bonds”), pursuant to the Preliminary Limited Offering Memorandum, dated May 5, 2025, and Limited Offering Memorandum dated May 19, 2025 (together, the “Limited Offering Memorandum”).

3. The Co-Developer has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum in all of the maps included therein and under the captions and subcaptions “THE DEVELOPERS” and, to the Co-Developer’s knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Co-Developer), “LEGAL MATTERS – Litigation – The Developers” (only as it pertains to the Co-Developer), and “SOURCES OF INFORMATION – Developers” (only as it pertains to the Co-Developer (collectively, the “Co-Developer Disclosures”) and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Preliminary Limited Offering Memorandum and as of the date of the Limited Offering Memorandum; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Preliminary Limited Offering Memorandum.

4. The Co-Developer has reviewed and approved the information contained in the Co-Developer Disclosures in the Limited Offering Memorandum and certifies that the same does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading, as of the date of the Limited Offering Memorandum and as of the date hereof; provided, however, that the foregoing certification is not a certification as to the accuracy, completeness or fairness of any of the other statements contained in the Limited Offering Memorandum.

5. Co-Developer Documents. The Co-Developer has executed and delivered each of the below listed documents (individually, a “Co-Developer Document” and collectively, the “Co-Developer Documents”) in the capacity provided for in each such Co-Developer Document, and

each such Co-Developer Document constitutes a valid and binding obligation of the Co-Developer, enforceable against the Co-Developer in accordance with its terms:

- a. the Second Amendment;
- b. the Assignment of Development Agreement; and
- c. the Reimbursement Agreement.

6. To the Co-Developer's knowledge, the Co-Developer is in compliance in all material respects with all provisions of applicable law in all material respects relating to the Co-Developer in connection with the Development. Except as otherwise described in the Limited Offering Memorandum: (a) to the Co-Developer's knowledge, there is no default of any zoning condition, land use permit or development agreement binding upon the Co-Developer or any portion of the Development that would materially and adversely affect the Co-Developer's ability to complete or cause to be completed the development of the District as described in the Limited Offering Memorandum; and (b) the Co-Developer has no reason to believe that any additional permits, consents and licenses required to complete the Development as and in the manner described in the Limited Offering Memorandum will not be reasonably obtainable in due course.

7. The Co-Developer is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third-party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

8. The levy of the Assessments on property in Improvement Area #1 of the District owned by the Co-Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, deed of trust, indenture, or other instrument to which the Co-Developer is a party or to which the Co-Developer or any of its property or assets is subject.

9. The Co-Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material and adverse effect on the Bonds or the Co-Developer's ability to perform its obligations under the Co-Developer Documents.

10. The Co-Developer has no knowledge of any physical condition of the Development owned or to be developed by the Co-Developer that currently requires, or currently is reasonably expected to require in the process of development investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment in any material and adverse respect.

[Signature page follows.]

Dated: June 17, 2025

CO-DEVELOPER:

CENTURY LAND HOLDINGS OF TEXAS, LLC,
a Texas limited liability company

By: _____

Name: _____

Title: _____

APPENDIX F

[LETTERHEAD OF PEYCO]

June 17, 2025

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

BOKF, NA
Attention: Corporate Trust
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, Texas 75201

Re: City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025
(Lone Oak Public Improvement District Improvement Area #1 Project)
(the “Bonds”)

Ladies and Gentlemen:

The undersigned, a representative of Peyco Southwest Realty, Inc., the appraiser of the property contained in Improvement Area #1 of the Lone Oak Public Improvement District (the “District”), does hereby represent the following:

1. On behalf of Peyco Southwest Realty, Inc., I have supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated May 5, 2025, and the Limited Offering Memorandum for the Bonds, dated on or about May 19, 2025 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City of Alvarado, Texas, as described above. The information I have provided is the real estate appraisal of the property in Improvement Area #1 of the District, located in APPENDIX F to the Limited Offering Memorandum, and the description thereof, set forth under the caption “APPRAISAL — The Appraisal.”

2. To the best of my professional knowledge and belief, as of the date of my appraisal report, 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. I agree to the inclusion of the Appraisal in the Limited Offering Memorandum and the use of the name of my firm in the Limited Offering Memorandum for the Bonds.

4. I agree that, to the best of my ability, I will inform you immediately should I 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 June 17, 2025) 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 appraisal materially misleading.

5. The undersigned hereby represents that he has been duly authorized to execute this letter of representations.

Sincerely yours,

PEYCO SOUTHWEST REALTY, INC.

By: _____
Its: _____

APPENDIX G

[LETTERHEAD OF MUNICAP, INC.]

June 17, 2025

City of Alvarado, Texas
104 W. College Ave
Alvarado, Texas 76009

FMSbonds, Inc.
5 Cowboys Way, Suite 300-25
Frisco, Texas 75034

McCall, Parkhurst & Horton L.L.P.
717 North Harwood St., Suite 900
Dallas, Texas 75201

BOKF, NA
Attention: Corporate Trust
5956 Sherry Lane, Suite 900
Dallas, Texas 75225

Greenberg Traurig, LLP
2200 Ross Avenue, Suite 5200
Dallas, Texas 75201

Re: City of Alvarado, Texas, Special Assessment Revenue Bonds, Series 2025
(Lone Oak Public Improvement District Improvement Area #1 Project)
(the “Bonds”)

Ladies and Gentlemen:

The undersigned, a representative of MuniCap, Inc. (“MuniCap”), consultant in connection with the creation by the City of Alvarado, Texas (the “City”) of Lone Oak Public Improvement District (the “District”), does hereby represent the following:

1. MuniCap has supplied certain information contained in the Preliminary Limited Offering Memorandum for the Bonds, dated May 5, 2025, and the final Limited Offering Memorandum for the Bonds, dated May 19, 2025 (together, the “Limited Offering Memorandum”), relating to the issuance of the Bonds by the City, as described above. The information MuniCap provided for the Limited Offering Memorandum is located (a) under the captions “ASSESSMENT PROCEDURES” and “THE ADMINISTRATOR” and (b) in the Service and Assessment Plan (the “SAP”) for the City located in APPENDIX C to the Limited Offering Memorandum.

2. At the request of the City, MuniCap has prepared the SAP and acknowledges that the SAP will be included in the Limited Offering Memorandum for the Bonds.

3. To the best of my professional knowledge and belief, the portions of the Limited Offering Memorandum described in paragraph 1 above do 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.

4. MuniCap agrees to the use of its name in the Limited Offering Memorandum for the Bonds.

5. MuniCap 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 June 17, 2025) which would render any such information in the Limited Offering Memorandum untrue, incomplete, or incorrect, in any material fact or render any such information materially misleading.

6. The undersigned hereby represents that he has been duly authorized to execute this letter of representation.

Sincerely yours,

MUNICAP, INC.

By: _____
Its: _____

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT

See attached

**CITY OF ALVARADO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF ISSUER

This Continuing Disclosure Agreement of Issuer, dated as of June 1, 2025 (this “Disclosure Agreement”), is executed and delivered by and among the City of Alvarado, Texas (the “Issuer”), MuniCap, Inc. (the “Administrator”), and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent (the “Dissemination Agent”), with respect to the Issuer’s “Special Assessment Revenue Bonds, Series 2025 (Lone Oak Public Improvement District Improvement Area #1 Project)” (the “Bonds”). The Issuer, the Administrator, and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer, the Administrator, and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of June 1, 2025, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement, including the Exhibits hereto, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in the Indenture.

“Administrator” shall have the meaning assigned to such term in the Indenture. The initial Administrator is MuniCap, Inc.

“Annual Collections Report” shall mean any Annual Collections Report provided by the Issuer pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Annual Collections Report Filing Date” shall mean, for each Fiscal Year succeeding the reporting Fiscal Year, the date that is three (3) months after the Final Assessment Payment Date, which Annual Collections Report Filing Date is currently April 30.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in subsection 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in the Indenture.

“Annual Issuer Report” shall mean any Annual Issuer Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Annual Issuer Report Filing Date” shall mean, for each Fiscal Year, the date that is six (6) months after the end of the Issuer’s Fiscal Year, which Annual Issuer Report Filing Date is currently March 31.

“Annual Service Plan Update” shall have the meaning assigned to such term in the Indenture.

“Assessments” shall have the meaning assigned to such term in the Indenture.

“Business Day” shall have the meaning assigned to such term in the Indenture.

“Collections Reporting Date” shall mean, for each Tax Year, the date that is one (1) month after the Delinquency Date, which Collections Reporting Date is currently March 1.

“Delinquency Date” shall mean February 1 of the year following the year in which the Assessments were billed or as may be otherwise defined in Section 31.02 of the Texas Tax Code, as amended.

“Developers” shall mean, collectively, the Managing Developer and Century Land Holdings of Texas, LLC.

“Disclosure Agreement of Managing Developer” shall mean the Continuing Disclosure Agreement of Managing Developer relating to the Bonds, dated as of June 1, 2025, executed and delivered by the Managing Developer, the Administrator, and the Dissemination Agent.

“Disclosure Representative” shall mean the Chief Financial Officer 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 HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., acting solely in its capacity as dissemination agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“District” shall mean Lone Oak Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System currently available on the internet at <http://emma.msrb.org>.

“Final Assessment Payment Date” shall mean the calendar day preceding the Delinquency Date.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the Issuer’s fiscal year, currently the twelve-month period from October 1 through September 30.

“Improvement Area #1” shall have the meaning assigned to such term in the Indenture.

“Listed Events” shall mean any of the events listed in subsection 6(a) of this Disclosure Agreement.

“Managing Developer” shall mean GRBK Edgewood LLC, a Texas limited liability company, and each other Person, through assignment, who assumes the obligations, requirements, or covenants to construct the Improvement Area #1 Projects and/or the Amenities, and their successors and assigns.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive continuing disclosure reports pursuant to the Rule.

“Outstanding” shall have the meaning assigned to such term in the Indenture.

“Owner” shall have the meaning assigned to such term in the Indenture.

“Participating Underwriter” shall mean FMSbonds, Inc., and its successors and assigns.

“PID Act” shall mean Chapter 372, Texas Local Government Code, as amended.

“Prepayment” shall have the meaning assigned to such term in the Indenture.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SAP Update” shall have the meaning assigned to such term in subsection 4(a)(iii) of this Disclosure Agreement.

“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.

“Tax Year” means the calendar year, or as may be otherwise defined in Section 1.04 of the Texas Tax Code, as amended.

“Trust Estate” shall have the meaning assigned to such term in the Indenture.

“Trustee” shall have the meaning assigned to such term in the Indenture.

SECTION 3. Provision of Annual Issuer Reports.

(a) For each Fiscal Year, commencing with the Fiscal Year ending September 30, 2025, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Issuer Report Filing Date, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this

Disclosure Agreement. The Annual Issuer Report may, but is not required to, include the audited financial statements and the failure to include the audited financial statements as a part of the Annual Issuer Report shall not violate the Issuer's obligations under this Disclosure Agreement provided the Issuer provides its audited financial statements within twelve (12) months of the most recently ended Fiscal Year or, if the audited financial statements are not available within such twelve-month period, the Issuer provides unaudited financial statements within such twelve-month period, and provides audited financial statements, when and if available. In each case, the Annual Issuer Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the Issuer's Fiscal Year changes, it shall file notice of such change (including the date of the new Fiscal Year) with the MSRB prior to the next Annual Issuer Report Filing Date. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Issuer Report Filing Date, the Issuer shall provide the Annual Issuer Report to the Dissemination Agent together with written direction to file such Annual Issuer Report with the MSRB. The Dissemination Agent shall provide such Annual Issuer Report to the MSRB not later than ten (10) days from receipt of such Annual Issuer Report from the Issuer, but in no event later than the Annual Issuer Report Filing Date for such Fiscal Year.

If by the fifth (5th) day before the Annual Issuer Report Filing Date the Dissemination Agent has not received a copy of the Annual Issuer Report, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Issuer Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Issuer Report no later than two (2) Business Days prior to the Annual Issuer Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Issuer Report by the Annual Issuer Report Filing Date, state the date by which the Annual Issuer Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Issuer Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Issuer Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Issuer Report Filing Date.

(b) The Issuer shall or shall cause the Dissemination Agent pursuant to written direction to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report; and

(ii) file the Annual Issuer Report containing or incorporating by reference the information set forth in Section 4 hereof.

(c) If the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall provide written confirmation to the Issuer verifying that the Annual Issuer

Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB, which report shall include a filing receipt from the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Issuer Report Filing Date, the following:

(a) Annual Financial Information. The following Annual Financial Information (any or all of which may be unaudited):

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the maturity date(s), the interest rate(s), the original aggregate principal amount(s), the principal amount(s) remaining Outstanding, and the total interest amount due on the aggregate principal amount Outstanding;

(B) The amounts in the funds and accounts securing the Bonds and a description of the related investments;

(C) The assets and liabilities of the Trust Estate.

(ii) Financial information and operating data with respect to the Issuer of the general type and in substantially similar form to that shown in the tables provided under Sections 4(a)(i) of Exhibit B attached hereto. Such information shall be provided as of the end of the reporting Fiscal Year;

(iii) Any updates to the Service and Assessment Plan, including the Annual Service Plan Update (together, a “SAP Update”);

(iv) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer’s audited financial statements during such Fiscal Year.

(b) Audited Financial Statements. The audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer and that have been audited by an independent certified public accountant, *but only if* available by the Annual Issuer Report Filing Date. If the audited financial statements of the Issuer are not available within twelve months after the end of the Fiscal Year, the Issuer shall provide notice that the audited financial statements are not available, file unaudited financial statements within such twelve-month period, and file audited financial statements when prepared and available.

(c) A form for submitting the information described in subsection 4(a) above is attached as Exhibit B hereto. Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the Issuer, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Issuer Reports under this Section 4.

SECTION 5. Annual Collections Report.

(a) For each Fiscal Year succeeding the reporting Fiscal Year, the Issuer shall cause, pursuant to written direction, and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other format required by the MSRB, not later than the Annual Collections Report Filing Date, an Annual Collections Report provided to the Dissemination Agent which complies with the requirements specified in this Section 5; provided that the Issuer may provide the Annual Collections Report as part of the Annual Issuer Report, if such Annual Collections Report is available when the Annual Issuer Report is provided to the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Not later than ten (10) days prior to the Annual Collections Report Filing Date, the Issuer shall provide the Annual Collections Report to the Dissemination Agent together with written direction to file such Annual Collections Report with the MSRB. The Dissemination Agent shall provide such Annual Collections Report to the MSRB not later than ten (10) days from receipt of such Annual Collections Report from the Issuer, but in no event later than the Annual Collections Report Filing Date.

If by the fifth (5th) day before the Annual Collections Report Filing Date the Dissemination Agent has not received a copy of the Annual Collections Report, the Dissemination Agent shall contact the Disclosure Representative in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the applicable Annual Collections Report pursuant to this subsection (a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Collections Report no later than two (2) Business Days prior to the Annual Collections Report Filing Date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to provide the Annual Collections Report by the Annual Collections Report Filing Date, state the date by which the Annual Collections Report for such year will be provided, and instruct the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A hereto; provided, however, that in the event the Disclosure Representative is required to act under either (i) or (ii) described above, the Dissemination Agent still must file the Annual Collections Report or the notice of failure to file, as applicable, to the MSRB no later than the Annual Collections Report Filing Date; provided further, however, that in the event the Disclosure Representative fails to act under either (i) or (ii) described above, the Dissemination Agent shall file a notice of failure to file no later than the last Business Day prior to the Annual Collections Report Filing Date.

(b) The Annual Collections Report for the Bonds shall contain, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent to file by the Annual Collections Report Filing Date, certain financial information and operating data with respect to collection of the Assessments of the general type and in substantially similar form to that shown in the tables provided in Exhibit C attached hereto. Such information shall cover the period beginning the first (1st) day of the Fiscal Year succeeding the reporting Fiscal Year through the Collections Reporting Date. If the State Legislature amends the definition of Delinquency Date or Tax Year, the Issuer shall file notice of such change or changes with the MSRB prior to the next Annual Collections Report Filing Date. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Collections

Report. In all cases, the Issuer shall have the sole responsibility for the content, design, and other elements comprising substantive contents of the Annual Collections Report under this Section 5.

SECTION 6. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 6, 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.

Any sale by the Developers of real property within Improvement Area #1 in the ordinary course of the Developers' business will not constitute a Listed Event for the purposes of paragraph (10) above.

For these purposes, any event described in paragraph (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in paragraphs (15) and (16) above and the definition of Financial Obligation to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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 three (3) Business Days immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information.

In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Section 6. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 6 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, promptly, and not more than five (5) Business Days after obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative in writing of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. If the Dissemination Agent has been instructed in writing by the Disclosure Representative on behalf of the Issuer to report the occurrence of a Listed Event under this subsection (b), the Dissemination Agent shall file a notice of such occurrence with the MSRB no later than two (2) Business Days following the day on which it receives such written instructions. It is agreed and understood that the duty to make or cause to be made the disclosures herein

is that of the Issuer and not that of the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer, the Participating Underwriter, the Trustee, any Owner or beneficial owner of any interests in the Bonds, or any other party as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8 (as to bond calls only), 10, 13, 14, or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly, but in no case more than five (5) Business Days after the occurrence of the event, notify the Dissemination Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (b).

SECTION 7. Termination of Reporting Obligations. The obligations of the Issuer, the Administrator, and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Dissemination Agent and the Administrator of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. So long as any of the Bonds remain Outstanding, the Administrator and 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 and the Administrator may conclusively rely upon such written notice with no duty to make investigation or inquiry into any statements contained or matters referred to in such written notice. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event with respect to the Bonds under Section 6(a).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent without appointing a successor Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within 30 days of such discharge. The Dissemination Agent may resign at any time with 30 days’ written notice to the Issuer. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer, the Administrator, and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested in writing by the Issuer or the Administrator), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5, or 6(a), it may only be made in connection with a change in circumstances that arises from a change in legal

requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 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 Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(a), and (ii) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Issuer Report, Annual Collections Report, or notice of occurrence of a Listed Event.

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

Developer and a default under the Disclosure Agreement of Managing Developer shall not be deemed a default under this Disclosure Agreement.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only from Assessments collected for Administrative Expenses from the property owners in Improvement Area #1, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability arising under this Disclosure Agreement, but excluding (i) liabilities due to the Dissemination Agent's negligence or willful misconduct and (ii) liabilities resulting from claims made by the Issuer against the Dissemination Agent; provided, however, that nothing herein shall be construed to require the Issuer to indemnify and hold harmless the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Managing Developer or the failure of the Managing Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Managing Developer. The obligations of the Issuer under this Section shall survive termination of this Disclosure Agreement, resignation or removal of the Dissemination Agent, and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. If the Issuer does not provide the Dissemination Agent with the Annual Issuer Report in accordance with subsection 3(a) or the Annual Collections Report in accordance with subsection 5(a), the Dissemination Agent shall not be responsible for the failure to submit an Annual Issuer Report or an Annual Collections Report, as applicable, to the MSRB. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder.

The 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 its 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.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Dissemination Agent, which it is expressly entitled to be paid under this paragraph 12(a), are Administrative Expenses.

(b) The Administrator shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the Issuer agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only from Assessments collected for Administrative Expenses from the property owners in Improvement Area #1, against any loss, expense and liabilities which the Administrator 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 arising under this Disclosure Agreement, but excluding (i) liabilities due to the Dissemination Agent's negligence or willful misconduct and (ii) liabilities resulting from claims made by the Issuer against the Administrator; provided, however, that nothing herein shall be construed to require the Issuer to indemnify and hold harmless the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Disclosure Agreement, or the failure of the Managing Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Managing Developer. The obligations of the Issuer under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

The Issuer, the Administrator and the Dissemination Agent agree that the legal expenses of the Administrator, which it is expressly entitled to be paid under this paragraph 12(b), are Administrative Expenses.

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

SECTION 13. Assessment Timeline. The basic expected timeline for the collection of Assessments and the anticipated procedures for pursuing the collection of delinquent Assessments is set forth in Exhibit D which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indenture, the Bonds, or any other document related to the Bonds.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer, the Administrator, or the Dissemination Agent contained in this Disclosure Agreement shall

be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer, the Administrator, 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 and the Administrator agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Administrator, the Dissemination Agent, the Participating Underwriter, and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their respective services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The Issuer shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from the Administrative Expenses component of the Annual Installments collected from the property owners in Improvement Area #1, for the fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Statutory Verifications. The Dissemination Agent and Administrator each respectively make the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Disclosure Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Dissemination Agent or Administrator, as applicable, within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Disclosure Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Disclosure Agreement, notwithstanding anything in this Disclosure Agreement to the contrary.

a. Not a Sanctioned Company. The Dissemination Agent and Administrator each respectively represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Dissemination Agent, Administrator and each of their respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

b. No Boycott of Israel. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

c. No Discrimination Against Firearm Entities. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Disclosure Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

d. No Boycott of Energy Companies. The Dissemination Agent and Administrator each respectively hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Disclosure Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SECTION 20. Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, the Dissemination Agent hereby certifies it is a publicly traded business entity and is not required to file a Certificate of Interested Parties Form 1295 related to this Disclosure Agreement.]

Submitted herewith is a completed Form 1295 in connection with the Administrator’s participation in the execution of this Disclosure Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Issuer hereby confirms receipt of the Form 1295 from the Administrator, and the Issuer agrees to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form. The Administrator and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number, neither the Issuer nor its consultants are responsible for the information contained in the

Form 1295; that the information contained in the Form 1295 has been provided solely by the Administrator; and, neither the Issuer nor its consultants have verified such information.

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

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. The Issuer, the Administrator, and the Dissemination Agent agree that electronic signatures to this Disclosure Agreement may be regarded as original signatures.

Signature pages follow.

CITY OF ALVARADO, TEXAS

By: _____
Mayor

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.
(as Dissemination Agent)

By: _____
Authorized Officer

MuniCap, Inc.
(as Administrator)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
[ANNUAL ISSUER REPORT][ANNUAL COLLECTIONS REPORT]
[AUDITED/UNAUDITED FINANCIAL STATEMENTS]**

Name of Issuer: City of Alvarado, Texas
Name of Bond Issue: Special Assessment Revenue Bonds, Series 2025
(Lone Oak Public Improvement District Improvement Area #1
Project) (the “Bonds”)
CUSIP Nos. [insert CUSIP NOs.]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Alvarado, Texas (the “Issuer”), has not provided [an Annual Issuer Report][an Annual Collections Report][audited/unaudited financial statements] with respect to the Bonds as required by the Continuing Disclosure Agreement of Issuer dated as of June 1, 2025, by and among the Issuer, MuniCap, Inc., as “Administrator,” and HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc., as “Dissemination Agent.” The Issuer anticipates that [the Annual Issuer Report][the Annual Collections Report][audited/unaudited financial statements] will be filed by _____.

Dated: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc. _____

HTS Continuing Disclosure Services, a division of
Hilltop Securities, Inc.,
on behalf of the City of Alvarado, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Alvarado, Texas

EXHIBIT B

CITY OF ALVARADO, TEXAS, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025 (LONE OAK PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1 PROJECT)

ANNUAL FINANCIAL INFORMATION*

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address: [_____]
City: [_____]
Telephone: (____) ____-____
Contact Person: Attn: _____

Section 4(a)(i)(A)

BONDS OUTSTANDING

Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount
				—
				—
Total				

Section 4(a)(i)(B)

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value ⁽¹⁾	Book Value ⁽¹⁾	Market Value ⁽¹⁾

(1) As such information is provided by the Trustee.

*Excluding audited financial statements of the Issuer

Section 4(a)(i)(C)**ASSETS AND LIABILITIES OF TRUST ESTATE**

Cash Position of Trust Estate for statements dated September 30, 20[]		
[List of Funds/Accounts Held Under Indenture]	Amount In the Fund	
Total		A
Bond Principal Amount Outstanding		B
Outstanding Assessment Amount to be collected		C
Net Position of Trust Estate and Outstanding Bonds and Assessments		A-B+C

September 30, 20[] Trust Statements: ☐ Audited ☐ Unaudited

Accounting Type: ☐ Cash ☐ Accrual ☐ Modified Accrual

Section 4(a)(ii)

FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO THE ISSUER OF THE GENERAL TYPE AND IN SUBSTANTIALLY SIMILAR FORM PROVIDED IN THE FOLLOWING TABLES AS OF THE END OF THE FISCAL YEAR

Debt Service Requirements on the Bonds

<u>Year Ending</u> <u>(September 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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Top [Five] Assessment Payers in Improvement Area #1 ⁽¹⁾

<u>Property Owner</u>	<u>No. of</u> <u>Parcels/Lots</u>	<u>Percentage of</u> <u>Parcels/Lots</u>	<u>Outstanding</u> <u>Assessments</u>	<u>Percentage of</u> <u>Total</u> <u>Assessments</u>
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⁽¹⁾ Does not include those owing less than one percent (1%) of total Assessments.

Assessed Value of Improvement Area #1 of the District

The [YEAR] certified total assessed value for the Assessed Property in Improvement Area #1 of the District is approximately \$[AMOUNT] according to the Johnson Central Appraisal District.

Foreclosure History Related to the Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent Assessment Amount not in Foreclosure Proceedings</u>	<u>Parcels in Foreclosure Proceedings</u>	<u>Delinquent Assessment Amount in Foreclosure Proceedings</u>	<u>Foreclosure Sales</u>	<u>Foreclosure Proceeds Received</u>
20__	\$		\$		\$
20__					
20__					
20__					
20__					

[insert any necessary footnotes]

Collection and Delinquency History of Annual Installments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Total Annual Installment Billed</u>	<u>Parcels Levied⁽¹⁾</u>	<u>Delinquent Amount as of 3/1</u>	<u>Delinquent % as of 3/1</u>	<u>Delinquent Amount as of [9/1]</u>	<u>Delinquent % as of [9/1]</u>	<u>Total Assessments Collected⁽²⁾</u>
20__	\$		\$	%	\$	%	\$
20__							
20__							
20__							
20__							

⁽¹⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽²⁾ [Does/does not] include interest and penalties.

Parcel Numbers for Delinquencies Equaling or Exceeding 10% of Annual Installments Due

For the past five Fiscal Years, if the total amount of delinquencies as of September 1 equals or exceeds ten percent (10%) of the amount of Annual Installments due, a list of parcel numbers for which the Annual Installments are delinquent.

<u>Fiscal Year Ended (9/30)</u>	<u>Delinquent % as of 9/1</u>	<u>Parcel Numbers</u>
20__	%	
20__		

History of Prepayment of Assessments for the Past Five Fiscal Years

<u>Fiscal Year Ended (9/30)</u>	<u>Number of Prepayments</u>	<u>Amount of Prepayments</u>	<u>Bond Call Date</u>	<u>Amount of Bonds Redeemed</u>
20__		\$		\$
20__				
20__				
20__				
20__				

[insert any necessary footnotes]

ITEMS REQUIRED BY SECTION 4(a)(iii) - (iv)

[Insert a line item for each applicable listing]

EXHIBIT C

**CITY OF ALVARADO, TEXAS,
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025
(LONE OAK PUBLIC IMPROVEMENT DISTRICT
IMPROVEMENT AREA #1 PROJECT)**

ANNUAL COLLECTIONS REPORT

Delivery Date: _____, 20__

CUSIP Nos: [insert CUSIP Nos.]

DISSEMINATION AGENT

Name: HTS Continuing Disclosure Services, a division of Hilltop Securities, Inc.
Address: [_____]_____
City: [_____, Texas _____]
Telephone: (____) ____ - ____
Contact Person: Attn: _____

**SELECT FINANCIAL INFORMATION AND OPERATING DATA WITH RESPECT TO
THE COLLECTION OF ASSESSMENTS COVERING THE PERIOD BEGINNING WITH
THE FIRST DAY OF THE FISCAL YEAR SUCCEEDING THE REPORTING FISCAL
YEAR THROUGH THE COLLECTIONS REPORTING DATE PROVIDED IN
COMPLIANCE WITH SUBSECTION 5(A) OF THE ISSUER'S DISCLOSURE
AGREEMENT**

Foreclosure History Related To The Annual Installments⁽¹⁾

Succeeding Fiscal Year	Delinquent Annual Installment Amount not in Foreclosure Proceedings	Parcels in Foreclosure Proceedings	Delinquent Annual Installment Amount in Foreclosure Proceedings	<u>Foreclosure Sales</u>	Foreclosure Proceeds <u>Received</u>
20__	\$ _____		\$ _____		\$ _____

(i) Period covered includes October 1, 20__ through March 1, 20__.

Collection and Delinquency of Annual Installments ⁽¹⁾

Succeeding Fiscal Year 20__	Total Annual Installments <u>Levied</u> \$	Parcels <u>Levied</u> ⁽²⁾	Delinquent Amount as <u>of 3/1</u> \$	Delinquent % <u>as of 3/1</u> %	Total Annual Installments <u>Collected</u> ⁽³⁾ \$
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⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

⁽²⁾ Pursuant to Section 31.031, Texas Tax Code, certain veterans, persons aged 65 or older, and the disabled, who qualify for an exemption under either Section 11.13(c), 11.32, or 11.22, Texas Tax Code, are eligible to pay property taxes in four equal installments ("Installment Payments"). Effective January 1, 2018, pursuant to Section 31.031(a-1), Texas Tax Code, the Installment Payments are each due before February 1, April 1, June 1, and August 1. Each unpaid Installment Payment is delinquent and incurs penalties and interest if not paid by the applicable date.

⁽³⁾ [Does/does not] include interest and penalties.

Prepayment of Assessments ⁽¹⁾

Succeeding Fiscal Year	Number of <u>Prepayments</u>	Amount of <u>Prepayments</u> \$	<u>Bond Call Date</u>	Amount of Bonds <u>Redeemed</u> \$
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⁽¹⁾ Period covered includes October 1, 20__ through March 1, 20__.

EXHIBIT D

BASIC EXPECTED TIMELINE FOR ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES¹

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Assessments are due.
February 1	1	Assessments delinquent if not received.
	15	Immediately upon receipt, but in no event later than February 15, Issuer forwards payment to Trustee for all collections received, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Administrator should be aware if Reserve Fund needs to be utilized for debt service payments during the corresponding Fiscal Year. Issuer and Administrator should determine if previously collected surplus funds, if any, plus actual Annual Installment collections will be fully adequate for debt service in the corresponding March and September.
March 1	28/29	Trustee pays bond interest payments to Owners.
April 1	59/60	At this point, if total delinquencies are under 5% and if there is adequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account for full September payments, no further action is anticipated for collection of Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent in writing of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or the Reserve Fund.

¹ Illustrates anticipated dates and procedures for pursuing the collection of delinquent Annual Installments of Assessments, which dates and procedures shall be in accordance with Chapters 31, 32, 33, and 34, Texas Tax Code, as amended (the "Code"), and the Tax/Assessor Collector's procedures, and are subject to adjustment by the Issuer. If the collection and delinquency procedures under the Code are subsequently modified, whether due to an executive order of the Governor of Texas, an amendment to the Code, or otherwise, such modifications shall control.

July 1

152/153

If there are over 5% delinquencies or if there is insufficient funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full September payment, Issuer and/or Administrator to notify Dissemination Agent in writing for inclusion in the next Annual Report.

Preliminary Foreclosure activity commences in accordance with Tax Assessor/Collector's procedures.

If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.

August 15

197/198

The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent and the Trustee. The goal for the foreclosure actions is a filing by no later than August 15 (day 197/198).

Foreclosure action to be filed with the court as soon as practicable, in accordance with the Tax Assessor/Collector's procedures.

Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status in writing for inclusion in next Annual Report.

A committee of not less than twenty-five percent (25%) of the Owners may request a meeting with the Issuer to discuss the Issuer's actions in pursuing the repayment of any delinquencies. This would also occur after day thirty (30) if it is apparent that a Reserve Fund draw is required. Further, if delinquencies exceed five percent (5%), Owners may also request a meeting with the Issuer at any time to discuss the Issuer's plan and progress on collection and foreclosure activity. If the Issuer is not diligently proceeding with the foreclosure process, the Owners may seek an action for mandamus or specific performance to direct the Issuer to pursue the collections of delinquent Annual Installments of Assessments.

PHASE TWO REIMBURSEMENT AGREEMENT

Lone Oak Public Improvement District

This Phase Two Reimbursement Agreement (this “Agreement”) is entered into by **GRBK Edgewood LLC**, a Texas limited liability company (“GRBK”) and **Century Land Holdings of Texas, LLC**, a Colorado limited liability company, (“Century”), (collectively, the “Developer”), and the City of Alvarado, Texas (the “City”), effective on the date upon which the last of all of the Parties has approved and duly executed this Agreement (the “Effective Date”). Developer and the City are individually referred to herein as a “Party” and collectively as the “Parties.”

SECTION 1.

RECITALS

1.1 **WHEREAS**, capitalized terms used in this Agreement shall have the meanings given to them in Section 2 or as defined within the text of this Agreement; and

1.2 **WHEREAS**, unless otherwise defined: (a) all references to “sections” shall mean sections of this Agreement; (b) all references to “exhibits” shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (c) all references to “ordinances” or “resolutions” shall mean ordinances or resolutions adopted by the City Council; and

1.3 **WHEREAS**, Century and GRBK each own a fifty percent (50%) undivided interest in approximately 428.755 acres of real property described by metes and bounds and depicted in Exhibit A to the Development Agreement, and located in Johnson County (the “Property”); and

1.4 **WHEREAS**, on January 22, 2024, Century, GRBK, and the City entered into the Second Amended and Restated Lone Oak Development Agreement, (the “Development Agreement”); and

1.5 **WHEREAS**, on October 18, 2021, the City approved a resolution creating the Lone Oak Public Improvement District consisting of 352.471 acres and on April 18, 2022, the City approved a resolution expanding the Lone Oak Public Improvement District and adding 76.93 acres (collectively, the “PID Creation Resolution”); and

1.6 **WHEREAS**, the Lone Oak Public Improvement District, as expanded, was comprised of a total of approximately 429.401 acres of the Property; and

1.7 **WHEREAS**, on January 22, 2024, the City approved a resolution adjusting the PID boundaries to accurately reflect the updated legal description and depiction of the Property, so the PID is now comprised of approximately 428.755 acres (the “PID”); and

1.8 **WHEREAS**, prior to the City’s approval of an Assessment Ordinance for Phase Two of the PID or the issuance of Phase Two PID Bonds, Developer has paid and may continue

to pay for the Actual Costs of the Authorized Improvements benefitting Phase Two of the property within the PID; and

1.9 **WHEREAS**, this Agreement is a “reimbursement agreement” authorized by Section 372.023(d)(1) of the Act; and

1.10 **WHEREAS**, the recitals: (a) are part of this Agreement for all purposes; (b) are true and correct; and (c) each Party has relied upon such recitals in entering into this Agreement; and

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth herein, the Parties agree as follows:

SECTION 2. **DEFINITIONS**

Act means Chapter 372, Texas Local Government Code, as amended.

Actual Cost(s) means with respect to Authorized Improvements, the actual costs paid or incurred by or on behalf of the Developer, including: (i) the costs incurred by the Developer, or on behalf of the Developer (either directly or through affiliates) for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation and dedication of such Authorized Improvements; (ii) the fees paid for obtaining entitlements, permits, zoning, licenses, plan approvals, inspections, or other governmental approvals for such Authorized Improvements; (iii) the costs incurred by or on behalf of the Developer for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting, and similar professional services; (iv) all labor, bonds, and materials, including equipment mobilization charges and fixtures, by contractors, builders, and materialmen in connection with the acquisition, construction, or implementation of the Authorized Improvements; (v) all related permitting, and public approval expenses, architectural, engineering, legal and consulting fees, and governmental fees and charges, construction security, insurance premiums, related to the Authorized Improvements; (vi) costs associated with forming the PID, including, but not limited to, attorney fees, consultant fees, and any other cost or expense directly associated with the establishment of the PID and (vii) costs to implement, administer, and manage the above-described activities, including a construction management fee if managed by or on behalf of the Developer.

Annual Collection Costs means the actual or budgeted costs and expenses related to the operation of the PID, including, but not limited to, costs and expenses for: (i) the PID 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 Assessment Rolls and annual service plan updates; (v) paying and redeeming Phase Two PID Bonds; (vi) investing or depositing Assessments and Annual Installments; (vii) complying with the Service and Assessment Plan and the Act with respect to the Phase Two PID Bonds, including the City’s continuing disclosure and arbitrage rebate requirements; and (viii) paying the agent/registrar and Trustee in connection with Phase Two PID Bonds, including their

respective legal counsel. Annual Collection Costs collected but not expended in any year shall be carried forward and applied to reduce Annual Collection Costs for subsequent years.

Annual Installment means the annual installment payment of an Assessment, as calculated by the PID administrator and approved by the City Council, that includes: (i) principal; (ii) interest; and (iii) Annual Collection Costs.

Assessed Parcel(s) means any parcel within Phase Two of the PID against which an Assessment is levied and that is identified by either a tax map identification number assigned by the Central Appraisal District of Johnson County for real property tax purposes or by lot and block number in a final subdivision plat recorded in the real property records of Johnson County.

Assessment(s) means an assessment levied against Assessed Parcels in Phase Two of the PID pursuant to the provisions of the Act for payment of Actual Costs, including payment of principal, interest and any redemption premium for Phase Two PID Bonds, Annual Collection Costs, interest on Assessments, and obligations under this Agreement.

Assessment Ordinance means an ordinance adopted by the City Council which levies an Assessment for Phase Two of the PID, in accordance with the PID Act and the Service and Assessment Plan, to pay Actual Costs for a specified portion of the costs of certain Authorized Improvements and Annual Collection Costs and interest thereon set forth in the Service and Assessment Plan.

Assessment Revenue means the revenues received by the City from the collection of Assessments, including prepayments, Annual Installments, and foreclosure proceeds.

Assessment Roll(s) means the assessment roll(s) attached to the Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an annual update to the Service and Assessment Plan, showing the total amount of the Assessment against each Assessed Parcel.

Authorized Improvements means water, sewer, drainage, lift stations, and roadway infrastructure, along with the associated erosion control, earthwork, excavation, demolition, signage, lighting, construction management, soft costs and all other Actual Costs as further described in the SAP needed to serve and fully develop Phase Two of the Property and to be constructed by the Developer in Phase Two or caused to be constructed by the Developer in Phase Two, including but not limited to associated PID creation costs as described in the Service and Assessment Plan, and as authorized by Section 372.003 of the PID Act.

Bond Indenture means a trust indenture by and between the issuer of Phase Two PID Bonds and a trustee bank under which Phase Two PID Bonds are secured, and funds disbursed.

Budgeted Cost means the estimated cost for an Authorized Improvement as provided in the Service and Assessment Plan.

Certification for Payment Form means a certificate which shall be submitted to the City for work completed on any of the Authorized Improvements, or their completed segments, in

substantially the same form as attached as **Exhibit A** or as attached to the Bond Indenture (and in the event of any discrepancy, the form attached to the Bond Indenture is the controlling form).

City Council means the governing body of the City.

City Representative means the Mayor or City Manager, as the persons authorized by the City Council to undertake the actions referenced herein.

Closing Disbursement Request means a request in the form of **Exhibit B** or otherwise approved by the Parties and the trustee named in the Bond Indenture.

Cost Overrun means, with respect to each Authorized Improvement, (or segment or section thereof) the amount of the Actual Cost paid for the Authorized Improvement in excess of the Budgeted Cost for such Authorized Improvement (or segment or section thereof) as provided for in the Service and Assessment Plan.

Cost Underrun means, with respect to each Authorized Improvement (or segment or section thereof), the amount by which the Actual Cost paid for the Authorized Improvement is less than the Budgeted Cost for such Authorized Improvement as provided for in the Service and Assessment Plan.

Delinquent Collection Costs means costs related to the foreclosure on an Assessed Parcel and the costs of collection of delinquent Assessments, delinquent Annual Installments, or any other delinquent amounts due under the Service and Assessment Plan, including penalties and reasonable attorney's fees actually paid, but excluding amounts representing interest and penalty interest.

Developer Advances means advances made by the Developer to pay Actual Costs.

Developer Continuing Disclosure Agreement means the Continuing Disclosure Agreement of Developer executed contemporaneously with the issuance and sale of Phase Two PID Bonds.

Final Completion means completion of an Authorized Improvement, (or section or segment thereof), in compliance with existing City or JCSUD standards for dedication under the City's ordinances and Section 4.2 of the Development Agreement or dedication to JCSUD, such that the improvement can be used for the infrastructure's intended purposes.

JCSUD means the Johnson County Special Utility District.

Maturity Date is the date one year after the final scheduled and non-delinquent Annual Installment is collected.

Phase Two means the second phase of development in the PID as identified on the Concept Plan, attached as **Exhibit C** attached hereto.

Phase Two PID Bond Project Proceeds mean the proceeds derived from the issuance and sale of Phase Two PID Bonds that are deposited under the Bond Indenture into the PID Project Fund

and made available to pay Actual Costs.

Phase Two PID Bonds means the Phase Two special assessment revenue bonds issued by the City for the PID pursuant to the provisions of the Act in one or more series to fund Actual Costs or to reimburse Developer for Actual Costs of the Authorized Improvements.

PID means the Lone Oak Public Improvement District created by the PID Creation Resolution.

PID Pledged Revenue Fund means the Pledged Revenue Fund, as defined in a Bond Indenture, established or to be established by the City (and segregated from all other funds of the City) into which the City deposits Assessment Revenue securing Phase Two PID Bonds issued and still outstanding, as described in the Bond Indenture.

PID Project Fund means the Project Fund, as defined in the Bond Indenture, including all accounts created within such fund, established or to be established by the City (and segregated from all other funds of the City) into which the City deposits Phase Two PID Bond Project Proceeds in the amounts and as described in the Bond Indenture.

PID Reimbursement Fund means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue unless and until they are required to be deposited into the PID Pledged Revenue Fund.

Reimbursement Obligation means the amount equal to the Actual Costs of the Phase Two Authorized Improvements incurred by the Developer, but not to exceed the costs of the Phase Two Authorized Improvements as set forth in the Service and Assessment Plan.

Service and Assessment Plan or SAP means a PID Service and Assessment Plan adopted by the City Council, as may be updated, supplemented, and amended annually, if needed, by the City Council pursuant to the PID Act for the purpose of assessing allocated costs against property located within the boundaries of the PID having terms, provisions and findings approved by the City, as required by this Agreement.

SECTION 3. **FUNDING PROJECT COSTS**

3.1 **Levy of Assessments.** Upon written request from the Developer, within three months of receipt of such request, the City may consider the levy Assessments on Phase Two of the property within the PID and prepare and consider for approval the SAP for Phase Two of the property within the PID. Following preparation and approval of a preliminary SAP for the PID acceptable to the Developer and the City and subject to City Council making findings that the Authorized Improvements confer a special benefit on Phase Two of the property within the PID, the City Council may consider an Assessment Ordinance to levy Assessments on Phase Two.

3.2 **Fund Deposits.**

(a) After approval of an Assessment Ordinance and unless and until Phase Two PID Bonds are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue

into the Phase Two PID Reimbursement Fund, which Phase Two PID Reimbursement Fund is hereby created and established as a fund under this Agreement and which fund shall be held by the City and separate and apart from all other City funds and accounts. Funds in the Phase Two PID Reimbursement Fund shall only be used to pay all or any portion of the Reimbursement Obligation in accordance with this Agreement.

(b) After the issuance and delivery of Phase Two PID Bonds for the Actual Costs of a portion of the Authorized Improvements being reimbursed, the City shall bill, collect, and immediately deposit all Assessment Revenue into the PID Pledged Revenue Fund in the manner set forth in the Bond Indenture. The City shall also deposit Phase Two PID Bond Project Proceeds into the PID Project Fund in the manner set forth in the Bond Indenture. Funds in the PID Project Fund shall only be used in accordance with the Bond Indenture.

(c) The City hereby confirms, covenants, and agrees that for so long as amounts are due to Developer under this Agreement and/or for so long as Phase Two PID Bonds are outstanding, that the City will do the following in the manner and to the maximum extent permitted by applicable law, subject to any conflicting provisions in the Bond Indenture: (i) take and pursue all actions necessary to cause the Assessments to be collected; (ii) take and pursue all actions necessary to cause the liens related to the Assessments to be enforced continuously, including diligently prosecuting an action in district court to foreclose for delinquent or nonpayment of Assessments, including Annual Installments; (iii) take and pursue all actions necessary to cause no reduction, abatement or exemption of the Assessments; and (iv) bill and collect Annual Installments in the same manner and at the same time as the City bills and collects ad valorem taxes. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessments or the corresponding Assessed Parcel. The Bond Indenture shall control in the event of any conflicts with this Agreement.

3.3 Payment of Actual Costs.

(a) Unless and until Phase Two PID Bonds are issued to pay Actual Costs, Developer may elect to make Developer Advances to pay such Actual Costs.

(b) If the Phase Two PID Bond Project Proceeds on deposit in the PID Project Fund, are insufficient to pay any Actual Costs (a “Funding Shortfall”), Developer may make Developer Advances to pay the Funding Shortfall. Prior to the City’s adoption of an ordinance authorizing the issuance of the Phase Two PID Bonds, Developer shall provide written evidence of available funds of the Developer or of financial security from the project lender evidencing that sufficient funds are available to Developer for the Funding Shortfall to complete the Budgeted Costs of the Authorized Improvements to be funded by the Phase Two PID Bonds in the form of: (i) available cash as demonstrated by the online financials or other information available in the 8-K, 10-K or 10-Q of Developer; or (ii) a letter from the project lender, (“Evidence of Financial Security”). If Evidence of Financial Security is not available, or if Developer so elects, Developer may deposit into the PID Project Fund an amount equal to the remaining Budgeted Costs of the Authorized Improvements not funded by the Phase Two PID Bonds necessary to pay Authorized Improvement Actual Costs. As evidence of Developer Advances required in connection with the issuance of the Phase Two PID Bonds, Developer shall submit to the City for approval all

information related to a Funding Shortfall that would be required at least fifteen (15) business days prior to the closing of the Phase Two PID Bonds. In order to be reimbursed for Developer Advances incurred prior to the issuance of Phase Two PID Bonds, Developer shall submit to the City for approval all information related to such costs that would be required by a Closing Disbursement Request at least fifteen (15) business days prior to the closing of the PID Bonds.

(c) Notwithstanding anything in this Agreement or the Development Agreement to the contrary, the parties understand that the City shall issue PID Bonds only for the purpose of reimbursing the Developer for Actual Costs or the Reimbursement Obligation incurred and for which the Developer has proven or substantiated the Actual Costs; PID Bonds shall not be issued for the purpose of depositing bond proceeds into a construction or project fund to be disbursed to pay Actual Costs as construction commences or progresses.

(d) The Developer shall make Developer Advances to pay for Cost Overruns (after applying cost savings or reallocation of budget line items to reflect actual costs). Upon the completion of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, if there are Cost Underruns, any remaining Budgeted Cost, as shown in the SAP, will be available to pay Cost Overruns on any other Authorized Improvement. Any Cost Underrun for any Authorized Improvement is available to pay Cost Overruns on any other Authorized Improvement.

3.4 Payment of Reimbursement Obligation.

(a) Unless and until Phase Two PID Bonds are issued, the City agrees to pay the Reimbursement Obligation to Developer solely from funds on deposit in the PID Reimbursement Fund, and Developer shall be entitled to receive payments from the City on a monthly basis, from such source for amounts shown on each Certification for Payment (which amounts include only Actual Costs paid by or at the direction of Developer).

(b) Upon the issuance of the Phase Two PID Bonds, the City agrees to pay Developer first from funds on deposit in the PID Project Fund and then from funds on deposit in the PID Reimbursement Fund, if any; and, notwithstanding anything in this Agreement to the contrary, the maximum amount that Developer may be reimbursed under this Agreement shall be equal to the amount of the Phase Two PID Bond Project Proceeds on deposit in the PID Project Fund plus amounts in the PID Reimbursement Fund, if any, plus simple interest on the unpaid principal balance of the Reimbursement Obligation at a rate not to exceed the rates permitted under subsections (e)(1) and (e)(2) of Section 372.023 of the Act, or if Phase Two PID Bonds are issued, then the interest rate on the Phase Two PID Bonds. Interest on the unpaid principal balance of the Reimbursement Obligation shall begin to accrue at the City approval of Actual Costs of the Authorized Improvements (or segment or section thereof).

(c) The obligation of the City to pay the Reimbursement Obligation is payable solely from the PID Reimbursement Fund, and/or from the Phase Two PID Bond Project Proceeds on deposit in the PID Project Fund. No other City funds except as provided in Section 3.4(d) below, revenue, taxes, income, or property shall be used even if the Reimbursement Obligation is not paid in full by the Maturity Date. Payments from the PID Reimbursement Fund shall be applied

in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the balance of the Reimbursement Obligation as of the date of the payment and that itemizes all deposits to and disbursements from the PID Reimbursement Fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made.

(d) If the City does not approve a Bond Ordinance, the City shall pay the Reimbursement Obligation from the PID Reimbursement Fund. Payments from the PID Reimbursement Fund shall be applied in accordance with this Agreement. Each payment from the PID Reimbursement Fund shall be accompanied by an accounting that certifies the balance of the Reimbursement Obligation as of the date of the payment and itemizes all deposits to and disbursements from the PID Reimbursement Fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made.

(e) Phase Two PID Bonds. The City may issue Phase Two PID Bonds, in one or more series, when and if the City Council determines it is financially feasible, for the purposes of: (a) paying all or a portion of the Reimbursement Obligation; or (b) paying Actual Costs. Phase Two PID Bonds issued for such purpose will be secured by and paid solely as authorized by the Bond Indenture. Upon the issuance of Phase Two PID Bonds for such purpose, Developer's right to receive payments each year in accordance herewith shall be subordinate to the deposits required under the Bond Indenture related to any outstanding Phase Two PID Bonds. The failure of the City to issue Phase Two PID Bonds shall not constitute a "Failure" by the City or otherwise result in a "Default" by the City. Once the City approves the Assessment Ordinance and/or issues Phase Two PID Bonds, the Developer has a duty to construct related Authorized Improvements and shall not be relieved of such duty even if there are insufficient funds in the PID Project Fund to pay Actual Costs. In addition to the conditions and requirements for Phase Two PID Bond issuance as set forth in the Development Agreement, the issuance of the Phase Two PID Bonds and any other PID Bonds issued under the Development Agreement for Phase Two are subject to the following conditions:

- (1) the adoption or amendment of an SAP and an assessment ordinance levying assessments on all or any portion of the Phase Two property in the PID benefitted by Authorized Improvements in amounts sufficient to pay all costs related to such Authorized Improvements;
- (2) the Developer, at the request of the City, providing an appraisal report;
- (3) approval by the Texas Attorney General of the Phase Two PID Bonds and registration of the Phase Two PID Bonds by the Comptroller of Public Accounts of the State of Texas;
- (4) the Developer is not in default under this Agreement or any other agreement with the City;

- (5) the Authorized Improvements to be financed by the Phase Two PID Bonds have been or will be constructed according to the approved design specifications and construction standards imposed by this Agreement, if any, including any applicable City regulations;
- (6) the maximum maturity for any Phase Two PID Bonds shall not exceed thirty (30) years from the date of delivery thereof;
- (7) Simultaneous with closing the Phase Two PID Bonds, Developer shall either (A) fund or cause the funding of or (B) provide Evidence of Financial Security sufficient to fund the Authorized Improvements to the extent that the Authorized Improvements have not already been completed and paid for to the extent that the Phase Two PID Bonds are insufficient to fund such Authorized Improvements; and
- (8) the Developer agrees to provide periodic information and notices of material events regarding the Developer as it relates to the development of the property in the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by the Developer in connection with the issuance of the Phase Two PID Bonds.

3.5 Disbursements and Transfers at and after Bond Closing.

(a) If Phase Two PID Bonds are issued, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the Trustee under the Bond Indenture to pay from the applicable costs of issuance account in the Bond Indenture at closing of the Phase Two PID Bonds approved amounts from the appropriate account to the City, Developer, or their designees, as applicable, which costs may include payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible items for which funds have been expended by Developer and the City as of the time of the delivery of the Phase Two PID Bonds. In order to receive such a disbursement, Developer shall execute a Closing Disbursement Request substantially in the form attached hereto as Exhibit B to be delivered to the City no less than fifteen (15) business days prior to the scheduled closing date for the Phase Two PID Bonds for payment in accordance with the provisions of the Bond Indenture. In order to receive additional disbursements from the applicable fund under the Bond Indenture, if Phase Two PID Bonds are issued, or from the PID Reimbursement Fund, Developer shall execute a Certification for Payment, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the Bond Indenture, if applicable, and/or this Agreement.

(b) Upon receipt of a Certification for Payment and /or a Closing Disbursement Request from Developer (along with detailed accompanying documentation acceptable to the City as customarily accepted by the City for similar construction projects), the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable governmental laws, rules and regulations and applicable plans therefor with the terms of this Agreement and any other agreement between the Parties related to property in the PID, and to verify and approve Actual

Costs of such work specified in such Certification for Payment. The City shall also conduct such review as is required to confirm the matters certified in the Certification for Payment. 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. Within fifteen (15) business days following receipt of any Certification for Payment, the City shall either: (a) approve the Certification for Payment and (i) forward it to the trustee designated under the Bond Indenture (the “Trustee”) for payment or (ii) pay such amount from the PID Reimbursement Fund; or, (b) provide Developer with written notification of disapproval of all or part of a Certification for Payment, specifying in detail the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.4(c) herein. If Phase Two PID Bonds are issued, the City shall deliver the approved or partially approved Certification for Payment to the Trustee for payment.

3.6 Obligations Limited. The obligations of the City under this Agreement shall not under any circumstances give rise to or create a charge against the general credit or taxing power of the City or constitute a debt or other obligation of the City payable from any source other than the PID Reimbursement Fund or the PID Project Fund. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind other than the funds on deposit in the PID Reimbursement Fund or the PID Project Fund shall be used to pay: (a) the Actual Costs; (b) the Reimbursement Obligation, even if the Reimbursement Obligation is not paid in-full on or before the Maturity Date; or (c) debt service on any Phase Two PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants, or representatives shall incur any liability hereunder to Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.7 Obligation to Pay. If Developer is then in current compliance with its obligations under the Development Agreement, the Developer Continuing Disclosure Agreement if applicable, and this Agreement, and is not delinquent in payment of the Special Assessments and paying property taxes, then following the inspection and approval of any portion of the Authorized Improvements for which Developer seeks reimbursement of the Actual Costs by submission of a Certification for Payment or City approval of a Closing Disbursement Request, the obligations of the City under this Agreement to pay disbursements (whether to Developer or to any person designated by Developer) identified in any Closing Disbursement Request or in any Certification for Payment are unconditional and not subject to any defenses or rights of offset except as may be provided in any Bond Indenture.

3.8 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the Development Agreement, this Agreement, and any other applicable agreement between the Parties related to Property in the PID. Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good and workmanlike manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Developer has sole responsibility of ensuring that all Authorized Improvements are constructed in a good and workmanlike manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their reasonable efforts in the

performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Developer shall, at all times, employ adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction, and installation of all Authorized Improvements to be acquired and accepted by the City from Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) thereof. Inspection and acceptance of Authorized Improvements will be in accordance with the Development Agreement and applicable City ordinances and regulations.

3.9 Security for Authorized Improvements. The Developer shall provide for a two (2) year maintenance bond relating to the Authorized Improvements. Nothing in this Agreement shall be deemed to prohibit Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. If any such lien and/or judgment with respect to the Authorized Improvements is contested, Developer shall be required to post or cause the delivery of a surety bond in an amount reasonably determined by the City, not to exceed one-hundred twenty percent (120%) of the disputed amount.

3.10 Ownership and Transfer of Authorized Improvements. All the Authorized Improvements shall be owned by the City or JCSUD, where applicable, upon acceptance of them by the City or JCSUD using procedures established by the City and the Development Agreement. The Developer agrees to take any action reasonably required by the City where applicable to transfer, dedicate or dedicate via easements the Authorized Improvements, as applicable, to the City and the public. The City shall not unreasonably withhold, condition, or delay acceptance of any Authorized Improvements.

SECTION 4. **ADDITIONAL PROVISIONS**

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earliest to occur of: (i) the Maturity Date, (ii) the date on which the Reimbursement Obligation is paid in full, or (iii) the date on which the Phase Two PID Bonds are fully retired.

4.2 No Competitive Bidding. This Agreement and construction of the Authorized Improvements are anticipated to be exempt from competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code based upon current cost estimates. However, in the event that the actual costs for the Authorized Improvements do not meet the parameters for exemption from the competitive bid requirement, then alternative delivery methods may be used by the City as allowed by law.

4.3 Independent Contractor. In performing this Agreement, Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit. The City Representative shall have the right, during normal business hours

and upon three (3) business days' prior written notice to Developer, to review all books and records of Developer pertaining to costs and expenses incurred by Developer with respect to any of the Authorized Improvements. For a period of two (2) years after completion of the Authorized Improvements, books shall be maintained in accordance with customary real estate accounting principles.

4.5 Representations and Warranties.

(a) The Developer represents and warrants to the City that: (i) Developer has the authority to enter into and perform its obligations under this Agreement; (ii) Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (iii) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (iv) this Agreement is binding upon Developer in accordance with its terms; and (v) the execution of this Agreement and the performance by Developer of its obligations under this Agreement do not constitute a breach or event of default by Developer under any other agreement, instrument, or order to which Developer is a party or by which Developer is bound.

(b) The City represents and warrants to Developer that: (i) the City has the authority to enter into and perform its obligations under this Agreement; (ii) the person executing this Agreement on behalf of the City has been duly authorized to do so; (iii) this Agreement is binding upon the City in accordance with its terms; and (iv) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.6 Default/Remedies.

(a) If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after written notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) business days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure. However, if the non-monetary Failure is of such a nature that it cannot reasonably be expected to be cured within thirty (30) days, then the Party who failed to perform shall have such time as is necessary to cure the default, so long as the failing Party commences the cure within thirty (30) days and diligently pursues such cure to completion.

(b) If Developer is in Default, the City shall have available all remedies at law or in equity; provided, however, no default by Developer shall entitle the City to terminate this Agreement, cease collection of the Assessments and deposit of the Assessment Revenues, or to withhold properly due payments to Developer from the PID Reimbursement Fund or the PID Project Fund as provided for in this Agreement and the Bond Indenture.

(c) Subject to Section 3.7, if the City is in Default, Developer shall have available all remedies at law or in equity; provided, however, that no Default by the City shall entitle Developer to terminate this Agreement and that any financial obligation of the City will only be

payable from monies available under the Bond Indenture or as provided for under this Agreement.

4.7 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against Developer, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The obligations of the Developer hereunder shall be those of a Party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.8 Section 212.172. The Parties agree that this Agreement is part of the Second Amended and Restated Lone Oak Development Agreement, which is a development agreement pursuant to Texas Local Government Code Section 212.172. The Parties acknowledge that the City waives its sovereign immunity as to suit solely for the purpose of adjudicating a claim under this Agreement and that this is an Agreement for the provision of goods or services to the City under Section 271.151 et seq. of the Texas Local Government Code. The Parties agree that nothing in this section or under 271.151 limits the ability of the Parties to seek specific performance or other remedies as provided under this Agreement.

4.9 Sales and Use Tax Exemptions.

(a) The Parties understand that, as municipally and publicly owned and acquired properties, all costs of materials, other properties and services used in constructing the Authorized Improvements to be acquired by the City are exempt under the current Tax Code from sales and use taxes levied by the State of Texas, or by any city, county, special district, or other political subdivision of the State, as set forth in Section 151.309 of Tax Code and 34 Tex. Admin. Code, sec. 3.291.

(b) Upon request of the Developer, a contractor or franchisee of the Developer, or a person or entity with whom the Developer contracts, and to the extent provided by law, the City will provide such certifications to the Developer and/or to suppliers and contractors as may be required to assure the exemptions claimed herein.

(c) The City and the Developer shall cooperate in structuring the construction contracts for the Authorized Improvements to comply with requirements (including those set forth in 34 Tex. Admin. Code, sec. 3.291) for exemption from sales and use taxes.

4.10 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Johnson County, Texas.

4.11 Notice. Any notice referenced in this Agreement must be in writing and shall be

deemed given at the addresses shown below: (a) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (b) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:

City of Alvarado
Attn: City Manager Paul DeBuff
104 West College
Alvarado, Texas 76009

With a copy to:

City Attorney
Attn: Ashley D. Dierker
Taylor, Olson, Adkins, Sralla & Elam, LLP
6000 Western Place, Ste. 200
Fort Worth, Texas 76017

To Developer(s):

GRBK Edgewood LLC
Attn: Bobby Samuel
2805 Dallas Parkway, Suite 400
Plano, Texas 75093
Email: bsamuel@greenbrickpartners.com

And

Century Land Holdings of Texas, LLC
Attn: David Aughinbaugh, Division President
130 East John W Carpenter Fwy, Suite 230
Irving, TX 75062
Email: David.Aughinbaugh@centurycommunities.com

With a copy to:

Cinclair Law, PLLC
Attn: J. Prabha Cinclair
2221 Stanmore Lane
Plano, Texas 75025
Email: Prabha@CinclairLaw.com

Any Party may change its address by delivering notice of the change in accordance with this section.

4.12 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of the Bond Indenture controls. This Agreement may only be amended by written agreement of the Parties.

4.13 Severability. If any provision of this Agreement is held invalid by any court, such holding shall not affect the validity of the remaining provisions.

4.14 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.15 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City and Developer, any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City and Developer.

4.16 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. No assignment by the Developer shall release the Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. The Developer and any Assignee have the right (from time to time) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement to any person or entity, including to a (an "Assignee") (a) without City consent, but with Notice to the City, if (i) the Assignee is or will become an owner of any portion of the Property or (ii) the Assignee is a lienholder or an Affiliate or related entity of Developer or to a trustee in connection with a trust indenture for third party financing or a conduit issuer for the PID Bonds or (b) with the City Manager's prior written consent (which consent shall not be unreasonably withheld if the Assignee demonstrates financial ability to perform to the City Manager's reasonable satisfaction), if to any other person or entity. The Developer shall maintain written records of all assignments made by the Developer to Assignees, including a copy of each executed assignment and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property.

Any receivables due under this Agreement, any construction funding agreement, or any Reimbursement Agreement (pursuant to Section 372.023(d-1) of the Texas Local Government Code), or any other reimbursement agreement may be assigned by Developer without the consent of, but upon written Notice to the City in accordance with Section 4.11 of this Agreement. The Developer may also collaterally assign the PID receivables as collateral for any development loan or for any third-party financing, and the Developer may execute such documents and contracts as necessary to effectuate such loans or financings, without the consent, but with Notice, to the City. Notwithstanding the foregoing, no assignment of this Agreement or any rights of or money, funds or receivables due or arising under this Agreement or any other agreement relating to the PID may be made by Developer to any party or entity that could result in (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting duties and /or (4) for the purpose of or relating to the issuance of or securing bonds or other obligations or other structured financing obligations.

4.17 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.18 Employment of Undocumented Workers. During the term of this Agreement, Developer agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), Developer shall repay the amount of any Reimbursement Payment or other funds received by Developer from City from the date of this Agreement to the date of such violation within 120 days after the date Developer is notified by City of such violation, plus interest at the rate of 4% compounded annually from the date of violation until paid. Developer is not liable for a violation of this section by a subsidiary, affiliate, contractor or franchisee of Developer or by a person or entity with whom Developer contracts.

4.19 Verifications of Statutory Representations and Covenants. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(b) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(c) No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

(d) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade

association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

4.20 Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer’s participation in the execution of this Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

[Execution pages follow.]

Executed by the City and the Developer to be effective on the Effective Date.

CITY:

ATTEST:

CITY OF ALVARADO, TEXAS

Name: Beth Walls
Title: City Secretary

By: _____
Name: Jacob Wheat
Title: Mayor

Date:

APPROVED AS TO FORM:

Taylor, Olson, Adkins, Sralla & Elam, LLP

By: Ashley D. Dierker, City Attorney

DEVELOPER:

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____
Name: Bobby Samuel
Its: Vice President

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____,
2025 by Bobby Samuel, Vice President of GRBK EDGEWOOD LLC, a Texas limited liability
company, on behalf of said entity.

Notary Public, State of Texas

CENTURY LAND HOLDINGS OF TEXAS, LLC,
a Colorado limited liability company

By: _____
Name: David Aughinbaugh
Its: Division President

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me on the ____ day of _____,
2025 by David Aughinbaugh, Division President of CENTURY LAND HOLDINGS OF TEXAS,
LLC, a Colorado limited liability company, on behalf of said entity.

Notary Public, State of Texas

Exhibit A
CERTIFICATION FOR PAYMENT

The undersigned is an agent for _____ (the “Developer”) and requests payment from the [*PID Project Fund (as defined in the Bond Indenture) / PID Reimbursement Fund*] from the City of Alvarado, Texas (the “City”) in the amount of \$_____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements related to Lone Oak Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Reimbursement Agreement or Bond Indenture, if applicable.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this payment request form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Authorized Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Authorized Improvement(s) below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvement(s); and such costs: (i) are in compliance with the Bond Indenture (if applicable); (ii) are consistent with the SAP (if applicable); or (iii) are consistent with the terms and provisions of the Second Amended and Restated Lone Oak Development Agreement.
4. The Developer is in compliance with the terms and provisions of the Second Amended and Restated Lone Oak Development Agreement, the Bond Indenture (if applicable), and the SAP (if applicable).
5. If Phase Two PID Bonds were issued, all conditions set forth in the Bond Indenture for the payment hereby requested have been satisfied.
6. The work with respect to the Authorized Improvement(s) referenced below (or their completed segment, section or portion thereof) has been completed and the City may begin inspection of the Authorized Improvement(s).
7. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review. In no event shall the City require both an all-bills-paid affidavit and copies of cleared checks to be provided as supporting documentation. The City agrees that providing either an all-bills-paid affidavit or copies of cleared checks shall be sufficient.

Payments requested are as follows:

- a. X amount to Person or Account Y for Z goods or services.
- b. Etc.

As required by the Reimbursement Agreement or Bond Indenture (if applicable), the Actual Costs for the Authorized Improvement(s) shall be paid as follows:

Authorized Improvement:	Amount to be paid from [PID Project Fund (as defined in the Bond Indenture) / PID Reimbursement Fund]	Total Cost of Authorized Improvement

Attached hereto are pay applications, receipts, purchase orders, Change Orders, or similar instruments which support and validate the above requested payments.

Pursuant to the Second Amended and Restated Lone Oak Development Agreement, after receiving this payment request, the City is authorized to inspect the Authorized Improvement (or completed, section or portion thereof segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and plans.

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____
Name: Bobby Samuel
Its: Vice President

CENTURY LAND HOLDINGS OF TEXAS, LLC,
a Colorado limited liability company

By: _____
Name: David Aughinbaugh
Its: Division President

APPROVAL OF REQUEST BY CITY

The undersigned is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the Certification for Payment is approved and the City or Trustee (if applicable) is directed to disburse the requested payments from [*PID Project Fund (as defined in the Bond Indenture) / PID Reimbursement Fund*], in accordance with the Certification for Payment. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the undersigned from asserting claims under the Bond Indenture, the SAP, any other agreement between the parties or that there is a defect in the Authorized Improvement.

CITY OF ALVARADO, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

Exhibit B
FORM OF CLOSING DISBURSEMENT REQUEST

The undersigned is an agent for [DEVELOPER ENTITY], a [State] [type of corporate entity] (“Developer”) and requests payment to Developer (or to the person designated by Developer) from the applicable account of the PID Project Fund from _____ (the “Trustee”) in the amount of _____ (\$_____) to be transferred from the applicable account of the PID Project Fund upon the delivery of the Phase Two PID Bonds for costs incurred in the establishment, administration, and operation of Lone Oak Public Improvement District (the “District”) and costs associated with the issuance of the Phase Two PID Bonds, as follows.

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Indenture of Trust by and between the City and the Trustee dated as of _____ (the “Indenture”) relating to the [_____] (the “Phase Two PID Bonds”).

In connection with the above referenced payment, Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of Developer, is qualified to execute this Closing Disbursement Request on behalf of Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced establishment, administration, and operation of the District at the time of the delivery of the Phase Two PID Bonds have not been the subject of any prior payment request submitted to the City.
3. The amount listed for the below costs is a true and accurate representation of the Actual Costs associated with the establishment, administration and operation of the District at the time of the delivery of the Phase Two PID Bonds, and such costs are in compliance with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, the Bond Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Indenture and the Reimbursement Agreement for the payment hereby requested have been satisfied.
6. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

[Information regarding Payee, amount, and deposit instructions attached]

I hereby declare that the above representations and warranties are true and correct.

DEVELOPER:

GRBK EDGEWOOD LLC,
a Texas limited liability company

By: _____

Name: Bobby Samuel

Its: Vice President

CENTURY LAND HOLDINGS OF TEXAS, LLC,
a Colorado limited liability company

By: _____

Name: David Aughinbaugh

Its: Division President

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request and directs payment to be made from Costs of Issuance Account upon delivery of the Phase Two PID Bonds.

CITY OF ALVARADO, TEXAS

By: _____

Name:

Title:

Date:

Exhibit C

Concept Plan Showing Phase Two



CITY COUNCIL MEETING MANAGEMENT REPORT

Meeting Date: May 19, 2025

Contact: Donielle Suber, Administrative Services Director

AGENDA ITEM:

Presentation on Cooperative Purchasing Programs: TXShare, Alliance for Innovation Membership (AFI), Omnia Partners, The Interlocal Purchasing System (TIPS).

BACKGROUND & FINDINGS:

City staff is actively exploring opportunities to expand participation in cooperative purchasing programs/platforms, including TXShare, Alliance for Innovation (AFI), OMNIA Partners and The Interlocal Purchasing System (TIPS). These platforms provide government entities with access to competitively sourced contracts, shared best practices, and cost-saving opportunities while promoting transparency and legal compliance with Chapter 791 of the Texas Local Government Code.

TXShare

- *Administered by North Central Texas Council of Governments (NCTCOG)*
- *Participation is open nationwide to public and non-profit agencies at no cost.*
- *Contracts in sectors including technology, public safety, public works, and fleet services.*

Alliance for Innovation (AFI)

- *Offers innovation academies, workshops, and a shared knowledge network.*
- *Annual conferences and webinars for municipal leaders and researchers.*
- *Participation by government entities at no cost.*
- *Focus on emerging technologies, best practices, and strategic procurement innovations.*

OMNIA Partners

- *Broad contract portfolio across numerous service areas.*
- *Offers spend analysis, value-driven contracts, and procurement consulting.*

The Interlocal Purchasing System (TIPS)

- *Administered by Region 8 Education Service Center (ESC), Texas; governed by 44.031 of the Texas Education Code.*
- *Enables interlocal agreements across state lines for public entities*

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

N/A

MANAGEMENT REVIEW:

Paul DeBuff, City Manager



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Tonya Roberts, Code Enforcement Officer

AGENDA ITEM: Presentation and discussion of Code Compliance Program.

BACKGROUND AND FINDINGS:

NA

FINANCIAL IMPACT:

NA

MANAGEMENT REVIEW:

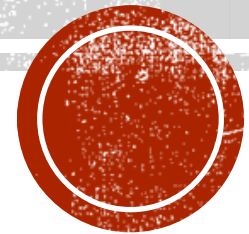
Paul DeBuff, City Manager

ATTACHMENTS:

Presentation Slides

CODE ENFORCEMENT

Positive Progress



DEFINITIONS

■ Code Enforcement

- the inspection of public or private premises for the purpose of:
 - (A) identifying environmental hazards, including:
 - (i) fire or health hazards;
 - (ii) nuisance violations;
 - (iii) unsafe building conditions; and
 - (iv) violations of any fire, health, or building regulation, statute, or ordinance; and
 - (B) improving and rehabilitating those premises with regard to those hazards.

■ Nuisance Abatement

- an activity taken by a municipality to reduce the occurrences of a common or public nuisance.



WHY CODE ENFORCEMENT MATTERS

- **Code enforcement builds a sense of community.** Because code enforcement mitigates so many problems, our community will be more united around its upkeep.
- **Code enforcement enhances economic development.** New residents and businesses, as well as visitors, are attracted to a community that boasts amenities, including well-maintained streets, parks, and neighborhoods. The better our community, the more likely people will be willing to invest in it.
- **Code enforcement increases property values.** Neighborhood blight brings property values down. Enforcing codes keeps neighborhoods strong, translating into higher values and more tax dollars.
- **Code enforcement improves quality of life.** With higher property values and aesthetically pleasing neighborhoods, your residents will feel a sense of pride in their community.



MOST COMMON CODE VIOLATIONS

- Substandard Structures
- Junked Vehicles (Autos, Boats, and RVs)
- Trash and Debris
- Tall Grass and Weeds
- Unsightly Matter (Outside Storage)
- Impairing of Drainage Ways
- Tree limbs
- Duty to Maintain Private Property (Peeling / rotted house siding)
- Signs – Bandit and Non-permitted





50 Bandit Sigs removed– Primarily from IH35/HWY 67; HWY 67/CUMMINGS; IH35/S PARKWAY

BANDIT SIGNS

A bandit sign is any sign which is illegally placed on public property or in the right-of-way. These signs are lightweight, inexpensive advertising signs usually made from paper, cardboard, or corrugated plastic. Some common types of signage include political, real estate, developer, and garage sale signs.

Chapter 393 of the Texas Transportation Code makes it unlawful for any individual or entity to place and/or commission the placement of a sign on the right-of-way of a public road that is not otherwise authorized by law.

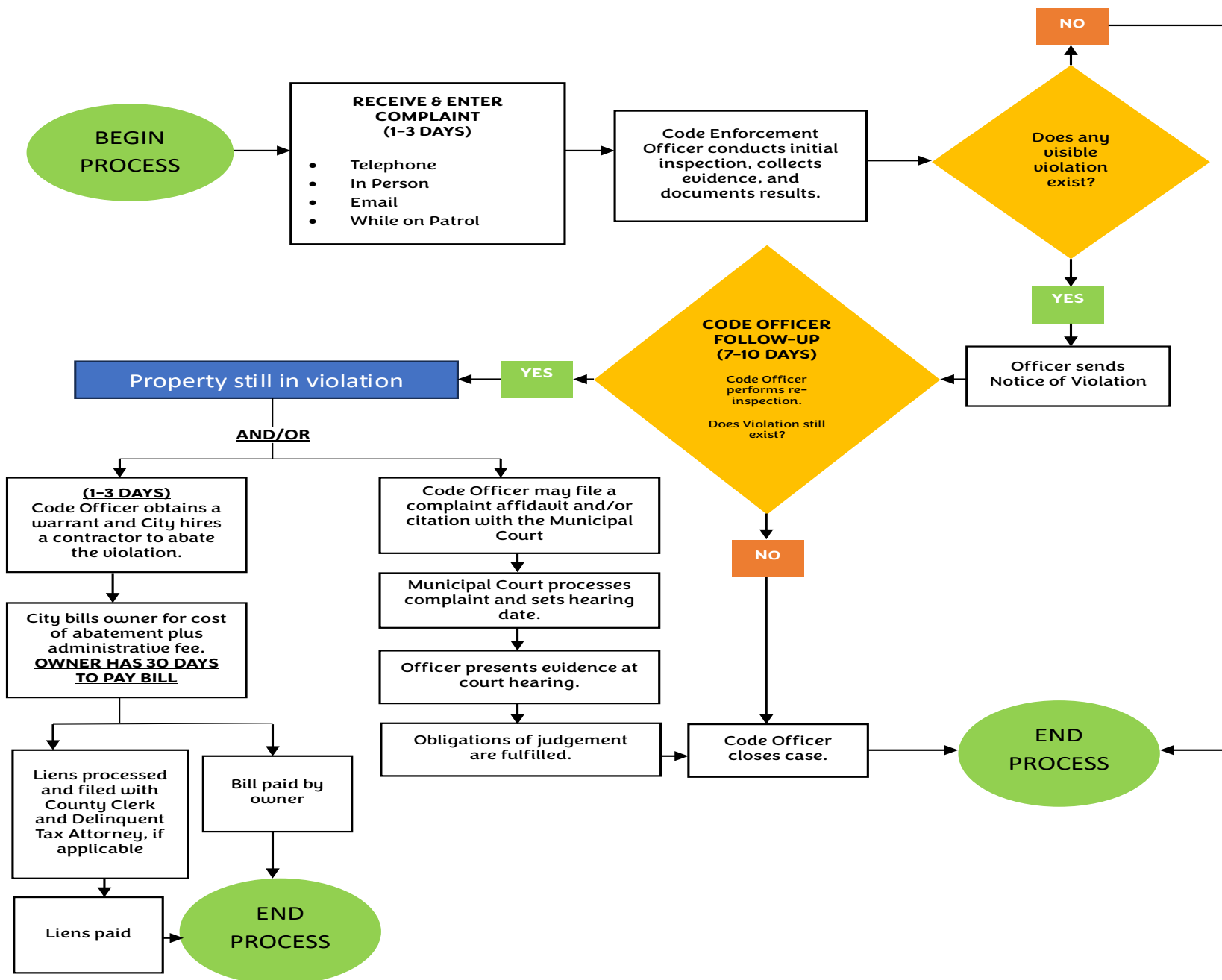


STANDARD OPERATING PROCEDURES

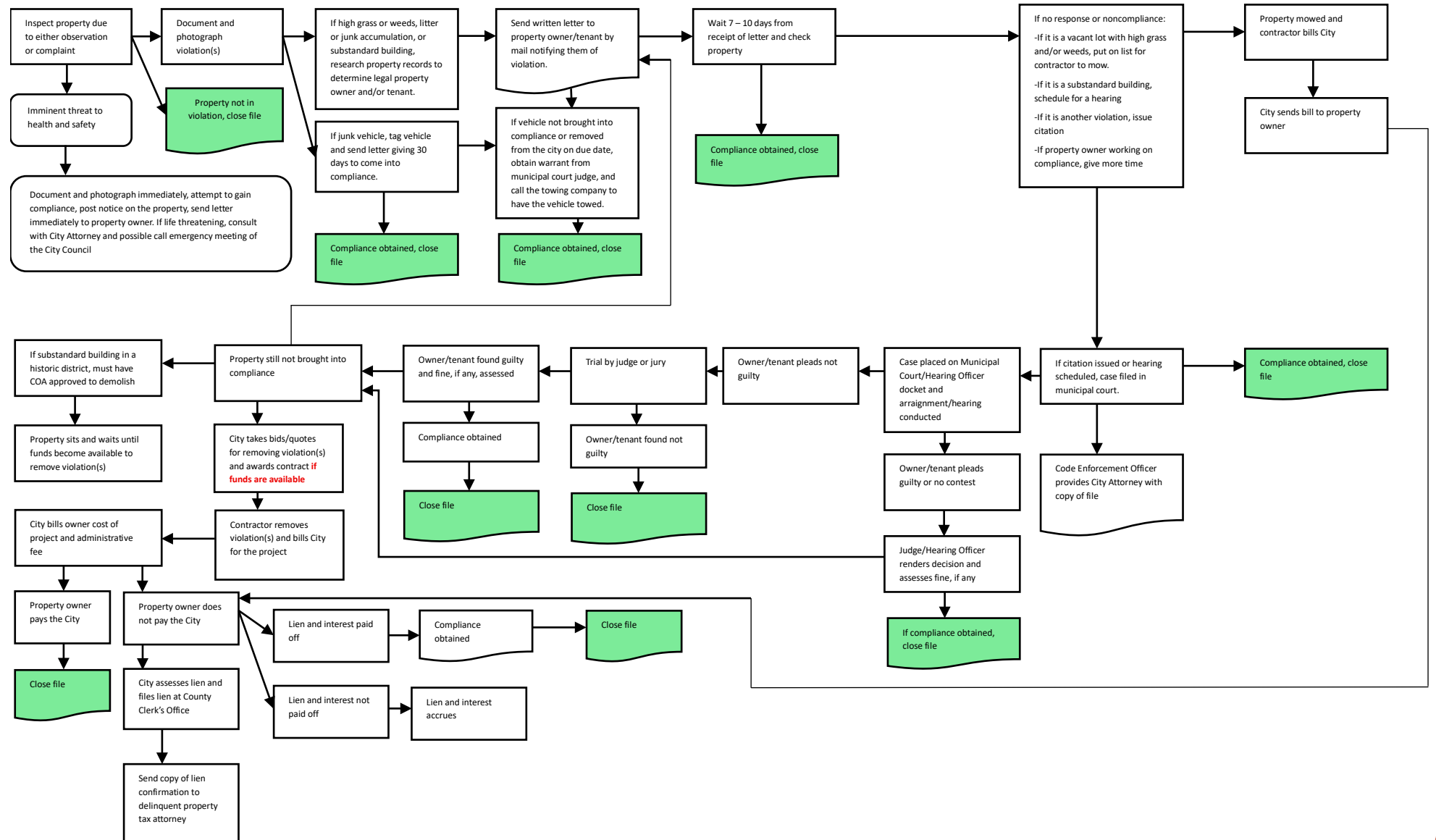
- **Code Enforcement Detail**
- **Code Enforcement Summarized**
- **Substandard Buildings**
- **Abatement Liens**
- **Junked Vehicles**



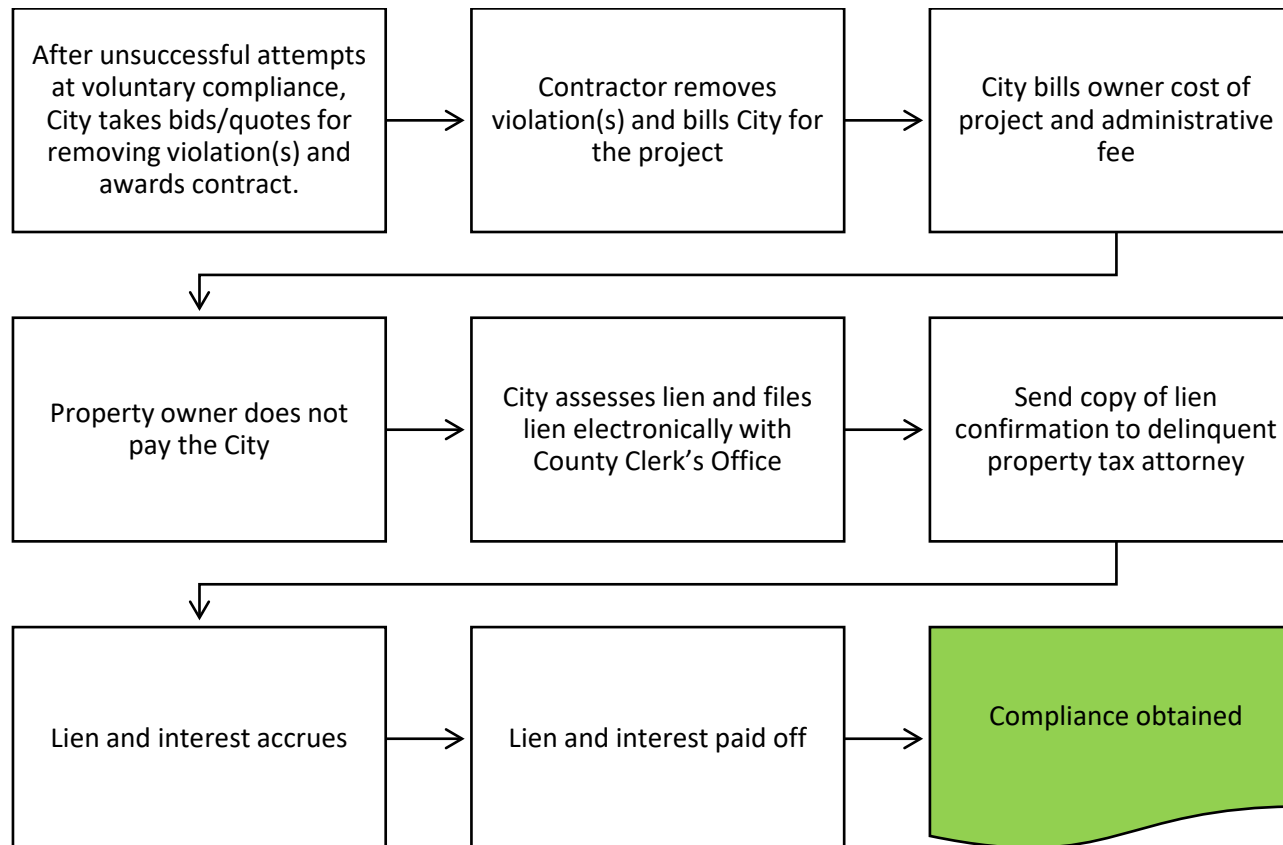
SOP: CODE ENFORCEMENT SUMMARIZED



THE LIFE CYCLE OF A CODE VIOLATION



SOP: ABATEMENT LIEN FILING



ABATEMENT LIEN FILING

- Liens had not been filed on behalf of the City in several years.
- All abatement invoices were put on a spreadsheet and organized by property.
- Invoices were mailed to property owners giving them 30 days to make payment.
- The City has been set up to file electronically with Johnson County.
- All abatement invoices left unpaid will be filed for lien with County.
- Going forward, once abatement is complete, invoice will be immediately mailed; left unpaid for 30 days, lien will be filed.



ADMINISTRATIVE TASKS

- Review and update nuisance ordinances as needed
- Research and located heirs of substandard structures in order to conduct hearings
- Coordinate administrative search warrant requests
- Present cases for trial
- Update code compliance web pages to include a resource page for anyone in violation
 - Local volunteer groups – churches, schools, other non-profits, individuals, families
 - Christmas in Action
 - Kars4Kids
 - Discounted landfill passes
 - Grant programs
- Coordinate volunteers/volunteer groups
- Conduct neighborhood meetings to gain public input
- Present local grant programs to council
- Monitor legislative sessions for new laws affecting code compliance
- Electronic abatement lien filing

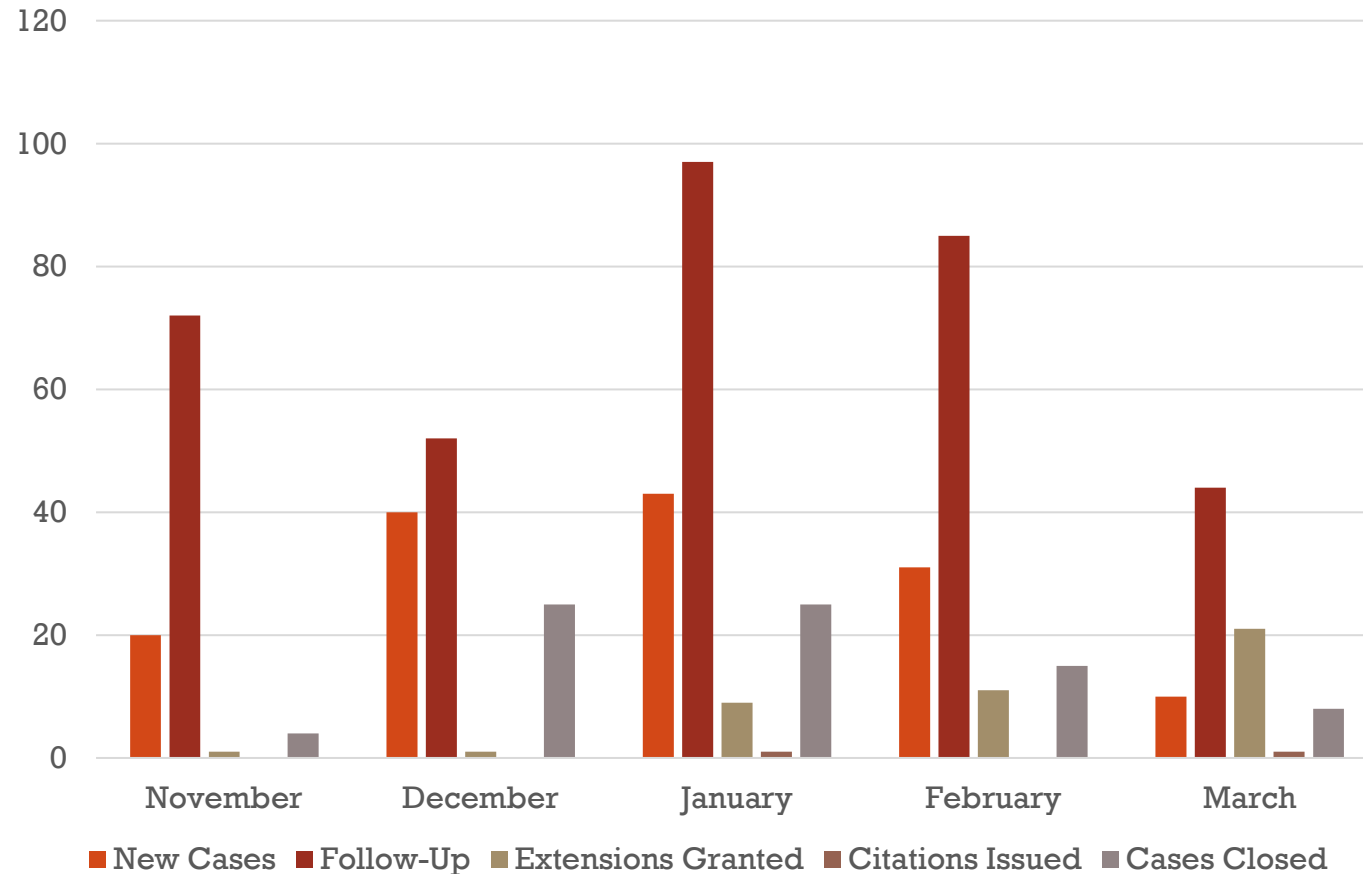


PROCESS OF CLEARING ALL PREVIOUSLY REPORTED CODE VIOLATIONS

- Previously reported code violations were entered into the Call Center database in Incode and/or a Microsoft Word table that was then reported weekly to management.
- The Word table was converted to Excel.
- All open cases from Incode have been added to the spreadsheet, and all cases that were only reported on the spreadsheet have been entered into the Call Center database, so that all cases are now in both processes.
- Since November, all open code violation cases reported, some going back to April 2024, have been inspected and are either in compliance and closed OR are active code violations.



Code Activity November 2024 – March 2025



CASES PROCESSED

New Cases – 144

Follow-up Inspections – 350

Extensions Granted – 43

Citations Issued – 2

Cases Closed - 77



CURRENT PROJECTS

■ SUBSTANDARD RESIDENTIAL

- S 3rd Street
- W Elm
- W Cotter – Voluntary Compliance – Demolition Permit
- Brown Street
- Elwood Court
- Santa Fe
- S Spears – Voluntary Compliance – Remodel Permit
- S Spears
- Quail Haven
- N Spears
- S 5th Street
- W Davis
- S Parkway – Voluntary Compliance – Tentative date to begin May 19

■ SUBSTANDARD COMMERCIAL

- TIRE SHOP – DESTROYED BY FIRE – recently completed – voluntary compliance
- HOTEL –N PARKWAY
- LOPEZ TIRE SHOP – 700 S PARKWAY – seeking voluntary compliance – cleanup in progress
- OFF PREMISE SIGN – 1203 S PARKWAY – seeking voluntary compliance
- 510 N PARKWAY – VACANT BUILDING – seeking voluntary compliance



E HWY 67

Before – Tire Shop had burned, leaving debris, Junked Vehicles, Awning, Outside Storage



After – Debris Removed, Junked Vehicles Removed, Outside Storage Removed, Awning Removed



S SPEARS

Before – Junked vehicles in Yard, Home not Secured, Outside Storage, and Trash/Debris



After – Vehicles removed, Home Secured, Outside Storage and Trash/Debris Removed



S SPEARS

Before – Siding Melted, Windows Broken, Trash under Carport



After – Owner obtained Remodel Permit, New Windows and Siding, Trash Removed



COTTON



S 3RD STREET

Before



Progress



WATCHLEY

Before – Different Cars in Drive – Possible Unapproved Home Based Business



After – Tool Cabinets Removed from Carport

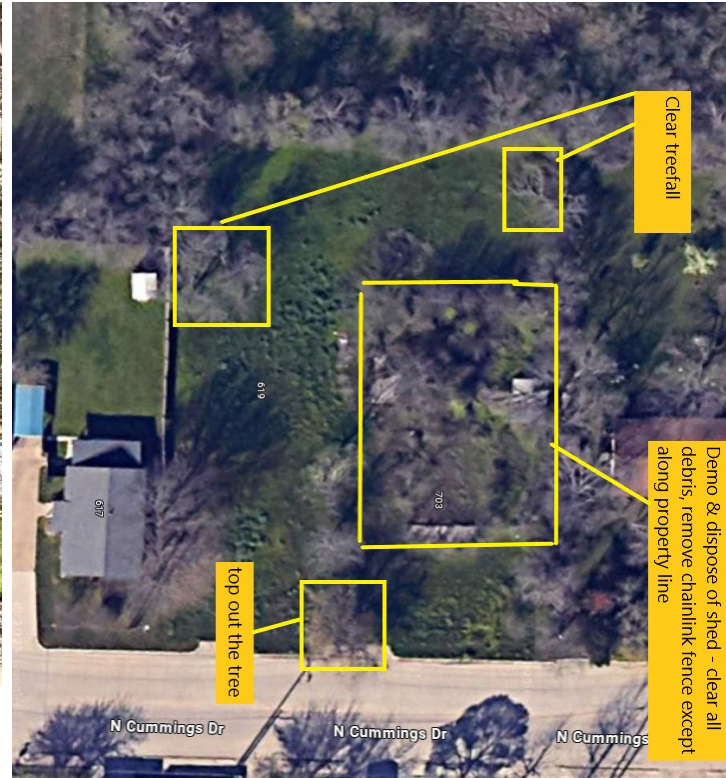


N CUMMINGS

Before



Planned Improvements



After



BROWN STREET

Before



After



PROJECT TIRE SHOP CLEANUP

Original Inspection: December 6, 2024

Notice of Violation: December 18, 2024

Original Deadline: January 27, 2025

Re-inspections: Every 10 – 14 days; Progress noted at each re-inspection allowing for 10-day extension at each visit.

Trailers of Used Tires Removed to Date: 4

Vehicles Removed to Date: 14

Scrap Metal Removed to Date: 3-4 Trailers

Contractor hired to pick up trash/debris



S PARKWAY

Tire Shop – There were several code violations on this property included but not limited to:

- Tires and tire scraps stored outside
- Containers of old oil not stored properly
- Scrap metal
- Junked/inoperable vehicles, lawnmowers, boats, trailers
- New tires stored outside
- Trash and debris including paper waste, tree limbs, cans, and bottles



REMOVAL OF SCRAP AND DEBRIS



REMOVAL OF SCRAP AND DEBRIS IN WORK AREA



REMOVAL OF TIRES AND AUTOMOBILE



REMOVAL OF TIRES AND AUTOMOBILES



REMOVAL OF SCRAP AND DEBRIS



REMOVAL OF TIRES





VACANT COMMERCIAL BUILDING REGISTRATION

**ANNUAL REGISTRATION
APPLICATION**

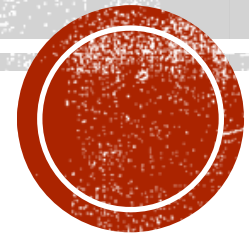
MAINTENANCE PLAN

**EMERGENCY CONTACT
INFORMATION**



NEIGHBORHOOD SERVICES

Ensuring the safety, health, and welfare of our community by enforcing building codes, zoning regulations, and public safety standards. We strive to promote a culture of compliance through education, transparency, and collaboration. Our goal is to foster a safe and sustainable environment that enhances the quality of life for all residents while supporting responsible development and growth.



VACANT PROPERTIES

THE TRUE COST TO OUR COMMUNITY

Crime

Arson/Accidental Fires

Public Nuisances and Health

Lost Tax Revenue

Lower Property Values

Higher Insurance Premiums

Poorer Quality of Life

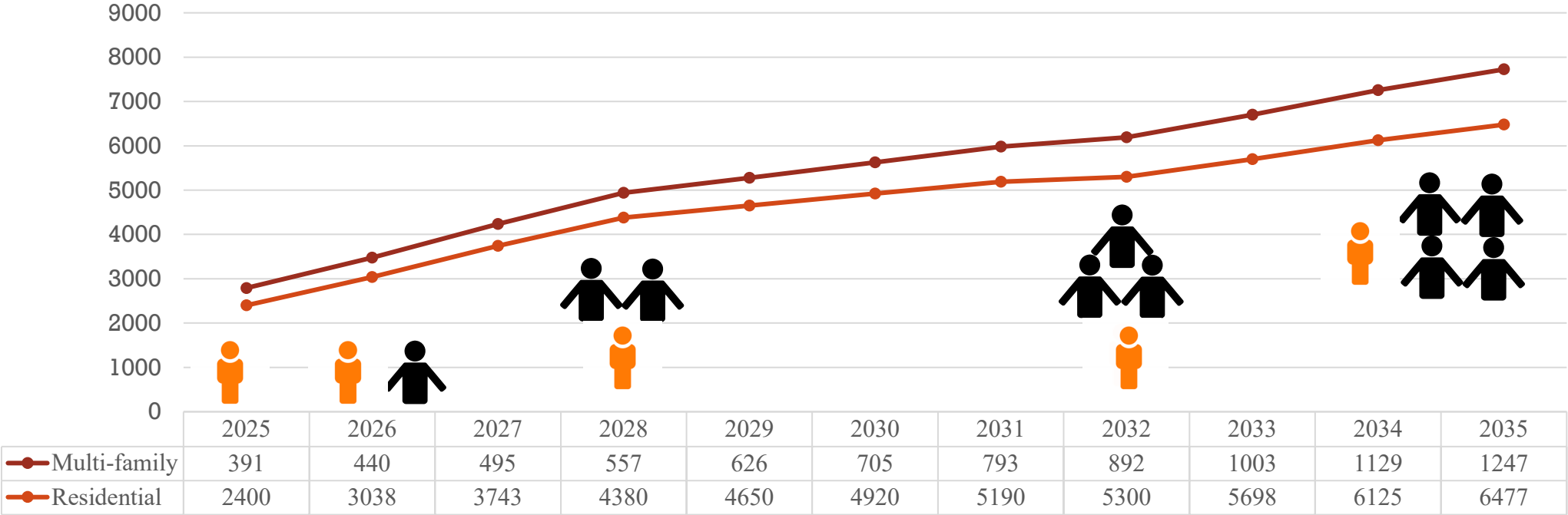
VACANT RESIDENTIAL PROPERTY REGISTRATION PROGRAM

- ✓ Register upon vacancy (notice mailed with final water bill)
- ✓ Annual registration fee
- ✓ Proof of property insurance
- ✓ Maintenance plan – updated every six months
- ✓ Annual inspection of property
- ✓ No Trespass Affidavit filed with Police Department



HOUSING INVENTORY

10-Year Projection as of March 2025



Residential Multi-family

Neighborhood Services Manager Compliance Officer

LIFE CYCLE OF A RESIDENCE

Description	Life Expectancy
HVAC System	16 Years
Water Heater	14 Years
Roof	20 Years
Exterior Paint	10 Years
Windows	20 Years
Soffit / Fascia	20 Years
Electrical	50 Years
Plumbing	50 Years

NOTE: These life expectancies are based on data provided by InterNACHI, NAHB, FannieMae, and McGarry and Madsen Inspection Service's professional experience.



NECESSARY TOOLS TO RUN AN EFFICIENT CODE COMPLIANCE DEPARTMENT

- Staff – 10-year plan
 - One Code Compliance Administrator to supervise staff and be responsible for all administrative duties, including coordination of citizen involvement and programs, including reaching out to local schools; conducting substandard structure hearings; presenting cases for trial; coordinating warrant requests; updating website, resources, and ordinances; administering grants; etc.
 - Up to Five (5) code enforcement/compliance officers – Four (4) for Residential; One for commercial districts; based on one (1) officer per 5,000 population
 - One laborer to assist with clean-up programs, mow ROWs, pick up trash in ROWs in front of unoccupied properties, secure vacant properties as needed, in-house abatement of properties
- Additional Tools – As staff are added
 - Per officer – vehicle, I-pad, portable printer
- Office Space – As staff are added
 - One office for administrator
 - One room with docking stations and counter space for Code Compliance Officers to charge iPads and keep supplies



POTENTIAL PROGRAMS

- **Tool Library** – similar to that of a book library, but instead of books, we lend tools! The tool library would provide residents with the necessary resources for home repairs and modifications through a no-cost membership.
- **Team Up to Clean-Up/Tool Trailer** – Designed to equip volunteer groups with the tools and support they need to host successful neighborhood clean-up events. The toolbox is an enclosed trailer equipped with various tools and supplies essential for clean-up events. The junk trunk is a dumpster that can be set in conjunction with a cleanup event to facilitate the removal of junk and debris from the neighborhood.
- **Good Neighbor Program** – Through this program, the City seeks volunteers who are willing and able to help Alvarado's elderly and disabled with regular lawn care needs and other minor home improvement projects.
- **Dump Trailer Rental Program** – For a nominal fee, citizens would be able to rent a dump trailer from the City. City staff would drop the trailer at the citizen's home on Tuesday/Thursday for overnight use and pick up the following afternoon to take to local landfill. City staff would drop trailer on Friday to be picked up on Monday for a slightly higher rate.
- **Grants** – Housing grants facilitated by the City and in conjunction with State grant funding. Local match grants funded and facilitated by the City.
- Free landfill passes provided for clean-up.





City Council Meeting Management Report

Meeting Date May 19, 2025

Contact: Beth A Walls, Director of Human Resources/City Secretary

AGENDA ITEM: Consideration and action to adopt the process to be used for involving and receiving public input in the 2025 council ward redistricting.

BACKGROUND AND FINDINGS:

Daniel Santee presented information to Council regarding the city's redistricting on March 17, 2025. Here is a recap of that information:

Mandatory Criteria

1. One Person, One Vote
2. Protection of Racial Minorities
 - No Discrimination
 - Not *packed*: Doesn't push minority voters into few super-concentrated districts to dilute voice
 - Example: *Shaw v. Reno* (1993) - First Congressional District in NC was already predominantly African American before 2010, then redrawn to include additional nearby concentrations of African American voters.

Discretionary Criteria

1. Compactness and Contiguity
2. Following Lines of Political Units
3. Following Geographical Boundaries
4. Continuity
5. Communities of Interest

Process:

- Either Citizen Committee or City Council
- Minority Representatives
- Notice
- Public Input

Next Steps:

- Maps of the current wards will be reviewed with the new census data
- City Council should determine how they would like to involve the public in the process
- New preliminary maps will be drawn based upon census data and public/city council input following the mandatory and discretionary criteria
- City Council will adopt new ward maps by ordinance

At the May 19, 2025 meeting, we are asking Council to determine how we move to the next step of the process. There are 3 ways that Council can decide to go.

- 1) Citizen Committee- Would include Council representation and at least 4 people from each current ward. Representatives would be recommended by Council Members and must reflect a diverse representation. These volunteers would need to commit to several meetings to look at information developed by DNZRB between June and August.
- 2) Council Review- Council can choose to do the reviews without any citizen input. This will require several special council meetings between June and August.
- 3) DNZRB takes collected information and makes determinations.

MANAGEMENT REVIEW:

Paul DeBuff



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Gus Chavarria

AGENDA ITEM:

Consideration and action to authorize the City Manager to execute an Interlocal Cooperation Agreement regarding participation in a Cooperative Purchasing Program with Ellis County.

BACKGROUND & FINDINGS:

This Interlocal Agreement will allow the City of Alvarado and Ellis County to enter into a cooperative purchasing program. Under this program, each party can purchase goods and services under the other's competitively bid contracts.

FINANCIAL IMPACT

This Interlocal Agreement is a cost-saving agreement for both parties.

RECOMMENDATION:

Staff recommends approving the Interlocal Agreement between Ellis County and the City of Alvarado.

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

Interlocal Cooperation Agreement – Ellis County

STATE OF TEXAS
COUNTY OF ELLIS

§
§ **INTERLOCAL COOPERATION AGREEMENT**
§

This Interlocal Cooperation Agreement (“Agreement”) is by and between Ellis County, Texas (“Ellis County”), and the City of Alvarado, Texas (“Johnson County”), acting by and through their authorized officers.

RECITALS:

WHEREAS, this Agreement is authorized by Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271, Texas Local Government Code; and

WHEREAS, Section 271.102 of the TEX. LOC. GOV’T CODE authorizes a local government to participate in a Cooperative Purchasing Program with another local government or a local cooperative organization; and

WHEREAS, a local government that purchases goods and services pursuant to a Cooperative Purchasing Program with another local government satisfies the requirement of the local government to seek competitive bids for the purchase of the goods and materials; and

WHEREAS, each party has and will on an annual basis obtain competitive bids for the purchase of goods and services; and

WHEREAS, the parties desire to enter into a cooperative purchasing program which will allow each party to purchase goods and services under each other’s competitively bid contracts pursuant to Subchapter F, Chapter 271 of the TEX. LOC. GOV’T CODE;

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

**ARTICLE I
PURPOSE**

The purpose of this Agreement is to establish a cooperative purchasing program between the parties, which will allow each party to purchase goods and services under each other’s competitively bid contracts pursuant to Subchapter F, Chapter 271 of the TEX. LOC. GOV’T CODE.

**ARTICLE II
TERM**

The term of this Agreement shall be for a period of one (1) year commencing on the last date of execution hereof (“Effective Date”). Thereafter this Agreement shall automatically renew

for successive periods of one (1) year each under the terms and conditions stated herein, unless sooner terminated as provided herein.

ARTICLE III TERMINATION

Either party may terminate this Agreement by providing thirty (30) days prior written notice to the other party.

ARTICLE IV PURCHASING

The City Manager or other designee for each party is authorized to act on behalf of the respective party in all matters relating to this cooperative purchasing program. Each party shall make payments to the other party or directly to the vendor under the contract made pursuant to Subchapter F, Chapter 271 of the TEX. LOC. GOV'T CODE. Each party shall be responsible for the respective vendor's compliance with provisions relating to the quality of items and terms of delivery.

ARTICLE V MISCELLANEOUS

5.1 **Relationship of Parties:** This Agreement is not intended to create, nor should it be construed as creating, a partnership, association, joint venture or trust.

5.2 **Notice:** Any notice required or permitted to be delivered hereunder shall be deemed received when sent in the United States Mail, Postage Prepaid, Certified Mail, Return Receipt Requested, or by hand-delivery or facsimile transmission addressed to the respective party at the address set forth below the signature of the party.

5.3 **Amendment:** This Agreement may be amended by the mutual written agreement of both parties hereto.

5.4 **Severability:** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

5.5 **Governing Law:** The validity of this Agreement and any of its terms and provisions as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Ellis County, Texas.

5.6 **Entire Agreement:** This Agreement represents the entire agreement among the parties with respect to the subject matter covered by this Agreement. There is no other collateral, oral or

written agreement between the parties that in any manner relates to the subject matter of this Agreement.

5.7 **Recitals**: The recitals to this Agreement are incorporated herein.

5.8 **Counterparts**: This Agreement may be executed in any number of counterparts, each of whom shall be deemed an original and constitute one and the same instrument.

EXECUTED this _____ day of _____, 2025.

ELLIS COUNTY, TEXAS

By: _____
Todd Little, County Judge

ATTEST:

By: _____
Krystal C. Valdez, County Clerk

EXECUTED this _____ day of _____, 2025.

CITY OF ALVARADO, TEXAS

By: _____
Paul DeBuff, City Manager

ATTEST:

By: _____
Beth A Walls, City Secretary/HRD



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Gus Chavarria

AGENDA ITEM:

Consideration and action to approve street repairs on Baugh Street and Spears Street.

BACKGROUND & FINDINGS:

Baugh Street (1,700 ft from Bus. 67 to the railroad tracks) and Spears Street (1,450 ft from the Square to the railroad tracks) were evaluated for reconstruction. This will include full-depth reclamation with cement stabilization of 8 in and 4 in type D asphalt on top of the subgrade. The 8 in stabilized cement subgrade and 4 in type D asphalt follow our newly established quality standards.

Texas Materials Group, Inc. will furnish all the materials, labor, and equipment required to reconstruct both streets. This will also include an 18-month warranty on the Hot Mix Asphalt. Baugh Street's estimated cost is \$187,647.68, and Spears Street's estimated cost is \$175,751.96.

FINANCIAL IMPACT

This job's cost will come from the Street Reconstruction Fund, approved for \$750,000.

RECOMMENDATION:

Staff recommends approving street repairs on Baugh Street and Spears Street and allowing the City Manager to sign the contract with Texas Materials Group, Inc.

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

Baugh and Spears MAP

Texas Bit Proposal & Contract – Baugh

Texas Bit Proposal & Contract - Spears



Texas Materials Group, Inc.
420 Decker Drive, Suite 200
Irving, TX 75062
Phone: (214) 741-3531

PROPOSAL AND CONTRACT
(Ellis County Contract)

To: City of Alvarado

Effective Date: April 17, 2025

Texas Materials Group, Inc., offers to furnish all material, labor and equipment required for the performance of the following described work subject to the terms and conditions of the Ellis County RFB NO 2024-010.

Description of Work and Price: Pulverize Existing Roadway, Incorporate 24 Lbs/SY Cement, Tack Coat/Prime over stabilized Roadway. Place hot mix asphalt paving @ approximately 440 lbs/SY. Pricing includes 18 month warranty on HMA limited to the depth of our work. Any cracking/failures deeper than our work not covered. An additional 6 months warranty included in addition to the 18 months for a total of 24 months.

<u>Location</u>	<u>Limits</u>	<u>Description</u>	<u>Units</u>	<u>Unit Price</u>	<u>Approx. Total</u>
Baugh St	RR to Bus 67	BMD TY-D Asphalt	3,778	\$38.80	\$146,586.40
Baugh St	RR to Bus 67	Cement Stabilization	4,156	\$9.88	\$41,061.28
					\$187,647.68

*"See Attached Sheet"

Unless the words "Lump Sum" appear next to an item of work, it is understood and agreed that the quantities referred to above are estimates only and that payment shall be made at the state unit prices for actual quantities of work performed by TexasBit.

This estimate expires thirty (30) days from the above date.

TEXASBIT, INC.

ACCEPTED: City of Alvarado

W. L. Warner
Account Manager
214-926-9072

William.Warner@Texasbit.com

Date _____

Date
4/17/2025

City of Alvarado

Tons: 832

Revised
April 17, 2025

													\$ 41,061.28	\$ 146,586.40
Location/Street	Limits	Length	Width	Stabilization SY	S/Y	Depth's/y	Tons	Ty-Mix	Inches	Cement Stabilization n Cost Per SY	Cost Per Inch	Total Overlay Cost	Total Cement Stabilization Cost	Total HMAC Cost
Baugh St	RR to Bus 67	1700	20	4156	3778	440	832	BMD - TY D	4	\$ 9.88	\$ 9.70	\$ 38.80	\$ 41,061.28	\$ 146,586.40



Texas Materials Group, Inc.
420 Decker Drive, Suite 200
Irving, TX 75062
Phone: (214) 741-3531

PROPOSAL AND CONTRACT
(Ellis County Contract)

To: City of Alvarado

Effective Date: April 17, 2025

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<u>Location</u>	<u>Limits</u>	<u>Description</u>	<u>Units</u>	<u>Unit Price</u>	<u>Approx. Total</u>
Spears St	Square to RR	BMD TY-D Asphalt	3,545	\$38.80	\$137,546.00
Spears St	Square to RR	Cement Stabilization	3,867	\$9.88	\$38,205.96
					\$175,751.96

*"See Attached Sheet"

Unless the words "Lump Sum" appear next to an item of work, it is understood and agreed that the quantities referred to above are estimates only and that payment shall be made at the state unit prices for actual quantities of work performed by TexasBit.

This estimate expires thirty (30) days from the above date.

TEXASBIT, INC.

ACCEPTED: City of Alvarado

W. L. Warner
Account Manager
214-926-9072

William.Warner@Texasbit.com

Date _____

Date
4/17/2025

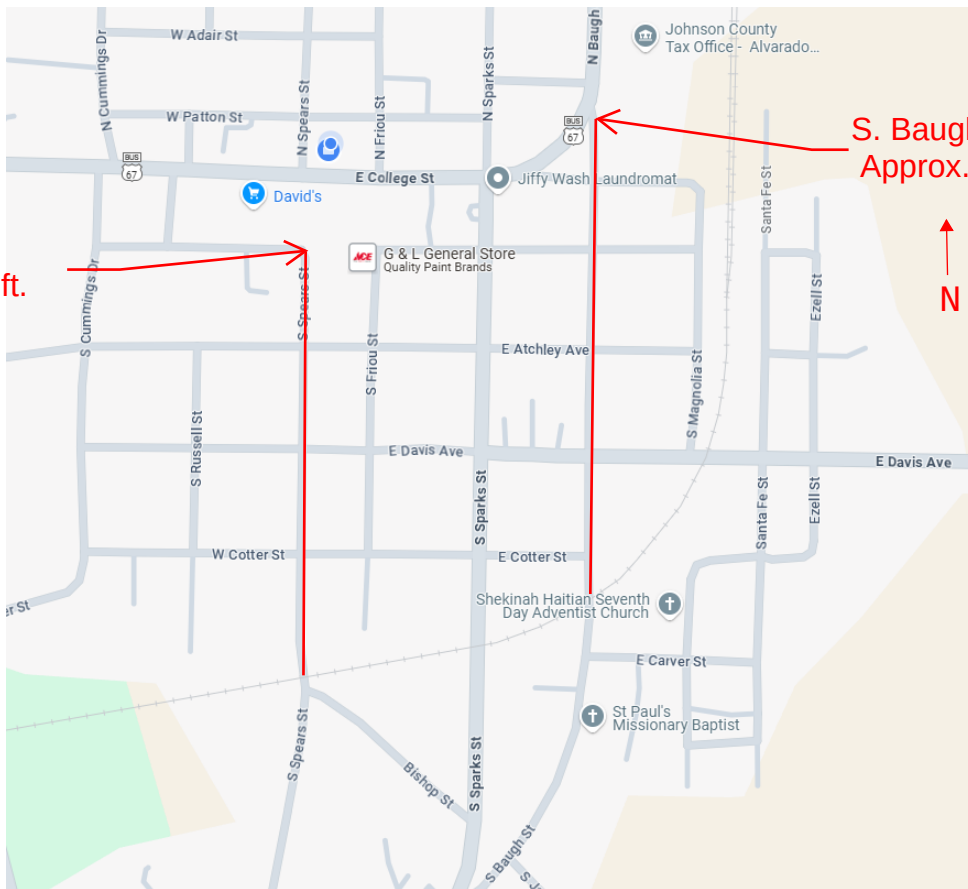
City of Alvarado

Tons: 780

Revised
April 17, 2025

													\$ 38,205.96	\$ 137,546.00
Location/Street	Limits	Length	Width	Stabilization SY	S/Y	Depth's/y	Tons	Ty-Mix	Inches	Cement Stabilization n Cost Per SY	Cost Per Inch	Total Overlay Cost	Total Cement Stabilization Cost	Total HMAC Cost
Spears St	Square to RR	1450	22	3867	3545	440	780	BMD - TY D	4	\$ 9.88	\$ 9.70	\$ 38.80	\$ 38,205.96	\$ 137,546.00

S. Spears St.
Approx. 1450 ft.



S. Baugh St.
Approx. 1700 ft.



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Gus Chavarria

AGENDA ITEM:

Discussion, consideration, and possible action on awarding bid for N. Cummings Overlay.

BACKGROUND & FINDINGS:

North Cummings (Hwy. 67 to CR 508/CR604) is currently being designed and is conservatively being projected to be bid by TxDOT in May 2027. Due to the road's existing condition, it needs a short-term fix lasting at least 24 months. We solicited two vendors for bids on different asphalt overlay scenarios to determine which would satisfy this requirement. Below are the quotes.

Texas Materials Group, Inc. submitted a quote for an asphalt level-up and overlay, which consists of leveling the roadway with approximately 1 inch of asphalt and overlaying it with 2 inches of asphalt. The cost is \$430,777.90 from Hwy 67 to CR 508. Life expectancy is over 24 months.

JC and Sons Construction Group, LLC, submitted a quote for an asphalt level-up and overlay. This involves leveling the roadway with approximately 1 inch of asphalt and overlaying it with 2 inches of asphalt. The cost is \$392,832.00 from Hwy 67 to CR 508. Life expectancy is over 24 months.

JC and Sons Construction Group, LLC, also submitted a quote for an asphalt overlay consisting of 2 inches of asphalt applied to a non-level-up roadway. When completed, the roadway section will be level. The cost is \$270,000.00 from Hwy 67 to CR 508. Life expectancy is up to 18 months.

FINANCIAL IMPACT

This job's cost will come from the General Fund.

RECOMMENDATION:

Staff recommends considering the North Cummings asphalt level-up and overlay as the application method. Staff believe this combination will have the longest life expectancy of the other methods mentioned. This method will include filling all the potholes and ruts, applying a tack coat to ensure proper bonding, and adding a compacted 1-inch hot mix to ensure a proper grade. Then, another tack coat will be added prior to a 2-inch layer of asphalt, for a total of 3 inches of asphalt.

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

N. Cummings Bids



A CRH COMPANY

Texas Materials Group, Inc.
420 Decker Drive, Suite 200
Irving, TX 75062
Phone: (214) 741-3531

PROPOSAL AND CONTRACT
(Ellis County Contract)

To: City of Alvarado

Effective Date: May 6, 2025

Texas Materials Group, Inc., offers to furnish all material, labor and equipment required for the performance of the following described work subject to the terms and conditions of the Ellis County RFB NO 2024-010.

Description of Work and Price: Tack Existing Roadway. Level Up Existing Roadway approx 1". 2" Overlay after level up existing. Backfill Pavement Edges with RAP/Or Embankment Material.

<u>Location</u>	<u>Limits</u>	<u>Description</u>	<u>Units</u>	<u>Unit Price</u>	<u>Approx. Total</u>
Cummings Rd	US 67 to CR 508	BMD TY-D Asphalt	12,369	\$29.10	\$359,937.90
Cummings Rd	US 67 to CR 508	Backfill Material Off Site	10,120	\$7.00	\$70,840.00
					<u>\$430,777.90</u>

*"See Attached Sheet"

Unless the words "Lump Sum" appear next to an item of work, it is understood and agreed that the quantities referred to above are estimates only and that payment shall be made at the state unit prices for actual quantities of work performed by TexasBit.

This estimate expires thirty (30) days from the above date.

TEXASBIT, INC.

ACCEPTED: City of Alvarado

W. L. Warner
Account Manager
214-926-9072
William.Warner@Texasbit.com

Date _____

PROPOSAL DETAILS:

Asphalt Level-Up & Overlay

Total: \$392,832.00

This project involves asphalt improvements to Cummings Dr, from HWY 67 to CR 508, measuring approximately 4,960 feet long by 24 feet wide. The work includes 1" level-up course followed by a 2" asphalt overlay across the entire roadway. Traffic control measures, including flaggers, will be implemented to ensure the safety of workers and the traveling public.

- **MOBILIZATION & TRAFFIC CONTROL:**
 - Mobilize equipment, materials, and crew to site.
 - Provide necessary traffic control, including signage and certified flaggers, to maintain safe traffic flow during construction.
- **SURFACE PREPARATION:**
 - Clean and prepare the existing pavement surface.
 - Apply tack coat to ensure proper bonding between existing surface and new asphalt.
- **ASPHALT LEVEL-UP (1") :**
 - Apply and compact 1" of hot mix asphalt (HMA) in low or even areas to establish a consistent profile and grade.
- **ASPHALT OVERLAY (2") :**
 - Furnish, place and compact 2" of HMA overlay across the entire roadway.
- **QUANTITY & MATERIAL ESTIMATE:**
 - Total area: 4,960' X 24' = 119,040 square feet.
 - Approximately 2,183 tons @ 3" thickness.- Type D
- **CLEANUP:**
 - Remove all debris, excess materials, and equipment.
 - Ensure the site is left in clean and safe condition upon completion.

PROPOSAL DETAILS:

2-Inch Asphalt Overlay

Total: \$278,553.60

This project involves furnishing and installing a 2-inch thick asphalt overlay over an existing roadway surface measuring approximately 4,960 feet in length and 24 feet in width. The overlay will utilize approximately 1,460 tons of Type D Hot Mix Asphalt (HMA). Traffic control measures, including flaggers, will be implemented to ensure the safety of workers and the traveling public.

- **MOBILIZATION & TRAFFIC CONTROL:**

- Mobilize equipment, materials, and crew to site.
- Provide necessary traffic control, including signage and certified flaggers, to maintain safe traffic flow during construction.

- **SURFACE PREPARATION:**

- Clean and sweep the entire surface to be overlaid to remove dirt, debris, and loose material.
- Apply tack coat to ensure proper bonding between existing surface and new asphalt.

- **ASPHALT OVERLAY (2") :**

- Furnish, place and compact 2" of HMA overlay across the entire roadway.

- **QUANTITY & MATERIAL ESTIMATE:**

- Total area: 4,960' X 24' = 119,040 square feet.
- Approximately 1,460 tons @ 2" thickness.- Type D

- **CLEANUP:**

- Remove all debris, excess materials, and equipment.
- Ensure the site is left in clean and safe condition upon completion.



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Laura Cox, Chief Financial Officer

AGENDA ITEM:

Consideration and action to approve Ordinance No. 2025-0009 providing for a residential homestead ad valorem (property tax) exemption from City ad valorem taxation.

BACKGROUND AND FINDINGS:

At the April 21, 2025 meeting, staff presented an overview of the local option general homestead exemption in preparation for the FY 2025-2026 budget. Texas Property Tax Code 11.13(n) discusses the local option general homestead exemption for residential homes. The exemption is offered as a percentage of a property's residential appraised value (with a minimum of \$5,000) and cannot exceed 20%. The exemption needs to be approved by City Council prior to July 1st and submitted to the Central Appraisal District of Johnson County no later than July 1st.

FINANCIAL IMPACT:

The Central Appraisal District of Johnson County Board of Directors approved a new appraisal plan for 2025-2026 that includes adjusting the property tax appraisal cycle from every year to every three years. This change is expected to result in assessed values remaining the same as in the previous year on properties that existed in both years (excludes new properties/improvements). Assessed value is the preliminary amount, after the 10% homestead cap, on which property tax rates are calculated to determine the property tax bill.

The table below shows the total estimated foregone property tax revenues (Maintenance & Operations and Interest & Sinking) at each percentage exemption identified. A 1% exemption is the equivalent of providing a \$5,000 exemption on each residential homestead as State law does not allow a flat-dollar homestead exemption.

Estimated 2025 Value	1%	2%	3%	4%	5%
Value of homestead properties	\$417,516,401	\$417,516,401	\$417,516,401	\$417,516,401	\$417,516,401
Value (count) of properties below \$5,000 exemption minimum	\$407,469,794 (1,423)	\$76,175,773 (455)	\$19,510,891 (191)	\$9,452,754 (122)	\$4,951,123 (82)
Assessed Value Exempted	\$7,215,466	\$9,101,813	\$12,895,165	\$16,932,546	\$21,038,264
FY25 Tax Rate per \$100	0.782572	0.782572	0.782572	0.782572	0.782572
Estimated Foregone Revenues Total	\$56,466	\$71,228	\$100,914	\$132,509	\$164,640

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

1. Ordinance 2025-0009 Residential Homestead Ad Valorem (Property) Tax Exemption

ORDINANCE NO. 2025-0009

AN ORDINANCE OF THE CITY OF ALVARADO, TEXAS, PROVIDING FOR A RESIDENTIAL HOMESTEAD AD VALOREM (PROPERTY) TAX EXEMPTION; PROVIDING A SAVINGS/REPEALING CLAUSE, SEVERABILITY CLAUSE, AND AN EFFECTIVE DATE.

WHEREAS, the City of Alvarado, Texas (the “City”), is a home rule municipality located in Johnson County, created in accordance with the provisions of Chapter 9 of the Local Government Code and operating pursuant to the enabling legislation of the State of Texas; and

WHEREAS, Section 11.13(n) of the Texas Tax Code authorizes the City to adopt an exemption from taxation of a portion of the appraised value of an individual’s residence homestead located within the City; and

WHEREAS, the City Council has not previously adopted an exemption from City ad valorem taxation pursuant to Section 11.13(n) of the Texas Tax Code; and

WHEREAS, the City Council has determined that it would be advantageous and beneficial to the City and its residents to adopt a residential homestead ad valorem (property) tax exemption in the amounts set out herein in accordance with Section 11.13(n) of the Texas Tax Code.

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

SECTION 1 FINDINGS INCORPORATED

The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2 ADOPTION OF RESIDENTIAL HOMESTEAD AD VALOREM (PROPERTY) TAX EXEMPTION

In addition to any other exemption provided by Texas law or City ordinance, the owner of a residence homestead shall be entitled to an exemption from City ad valorem taxation in an amount equal to the greater of five thousand dollars (\$5,000) or __ percent (__%) of the appraised value of the residence homestead, subject to the limitations set forth in Texas law, including Section 11.13(n) of the Texas Tax Code, as it exists or may be amended. The exemption shall be granted to any such residential homestead and the improvements qualifying for same as provided by law.

SECTION 3
EFFECTIVE DATE OF EXEMPTION

The exemption set forth in Section 2 of this Ordinance shall become effective beginning with the 2025 tax year, and shall remain effective for each successive tax year until otherwise amended or repealed by the City Council or other appropriate authority.

SECTION 4
SAVINGS/REPEALING

All provisions of any ordinance in conflict with this Ordinance are hereby repealed, but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent prosecution from being commenced for any violation occurring prior to the repeal of the ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 5
SEVERABILITY

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional and/or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, regardless of whether any one or more sections, subsections, sentences, clauses or phrases is declared unconstitutional and/or invalid.

SECTION 6
EFFECTIVE DATE

This Ordinance shall become effective immediately upon its passage.

PASSED AND APPROVED by the City Council of the City of Alvarado on this the 19th day of May, 2025.

Jacob Wheat, Mayor

ATTEST:

Beth A. Walls, City Secretary/HRD



City Council Meeting Management Report

Meeting Date: May 19, 2025

Contact: Laura Cox, CFO

AGENDA ITEM:

Consideration and action to approve Resolution R2025-0019 adopting the City of Alvarado, Texas, investment policy, and providing an effective date.

BACKGROUND & FINDINGS:

The Public Funds Investment Act, Texas Government Code Chapter 2256, requires a governing body to review and adopt an investment policy no less than annually. The governing body shall adopt a written instrument by rule, order, ordinance or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. There are no recommended changes to this policy since it was last approved.

FINANCIAL IMPACT:

Funds shall be managed and invested with three primary objectives: Safety of Principal, Liquidity and Yield.

RECOMMENDATION:

Staff recommends approval of this item.

MANAGEMENT REVIEW:

Paul DeBuff, City Manager

ATTACHMENTS:

1. R2025-0019 Investment Policy Adoption
2. Alvarado Investment Policy

RESOLUTION NO. R2025-0019

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALVARADO, TEXAS, ADOPTING THE CITY OF ALVARADO INVESTMENT POLICY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Alvarado desires to provide an investment policy for the investment of funds held by the City of Alvarado in a manner providing security of principle and liquidity; and

WHEREAS, the investment policy of the City of Alvarado shall address investment diversification, yield and maturity requirements, the quality and capability of investment management, and shall provide limitations, strategies, specifications and methods for all investments of the City; and

WHEREAS, pursuant to Section 2256.005(a) of the Texas Government Code a municipality engaging in investing funds shall adopt by resolution its written investment policy.

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

SECTION 1.

That the City of Alvarado hereby adopts the City of Alvarado Investment Policy, a copy of which is attached as Exhibit "A". This policy is adopting in accordance with the provisions of Chapter 2256 of the Texas Government Code.

SECTION 2.

This Resolution shall take effect from and after its date of its passage.

PASSED, APPROVED and ADOPTED THIS 19th day of May, 2025.

By: _____
Jacob Wheat, Mayor

ATTEST:

Beth A Walls, City Secretary

Approved as to form and content:

Ashley Dierker, Attorney

Exhibit "A"

CITY OF ALVARADO
INVESTMENT POLICY

Revised May 19, 2025

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INTRODUCTION

The purpose of this document is to set forth specific policy and strategy guidelines for the City of Alvarado in order to achieve the goals of safety of principal, liquidity, and yield. The City Council of the City of Alvarado shall review its investment strategies and policy not less than annually. This policy serves to satisfy the statutory requirement (specifically the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the “Act”), to define, adopt and review a formal investment strategy policy.

INVESTMENT STRATEGY

The City of Alvarado maintains portfolios which utilize four investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios:

- A. Investment strategies for operating funds and commingled pools containing operating funds have as their primary objective to assure anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles. This may be accomplished by purchasing high quality, short to medium term securities, not to exceed three (3) years which will complement each other in a ladder (maturities coming due regularly and staggered to match cash outflows) or barbell (maturities that are placed very short term and maturities that are longer term, such that the average achieves cash flows and income similar to buying in the middle of those maturity spectrums) maturity structure and by diversification among market sectors. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated, and limited to 18 months or less.
- B. Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated maturity date which exceeds the debt service payment date.
- C. Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to appropriate debt service fund from securities with a low degree of volatility. Securities should be of high quality and, except as may be required by the bond ordinance specific to an individual issue, of short to intermediate term maturities not to exceed three (3) years. Volatility shall be further controlled through the purchase of securities carrying the highest coupon available, within the desired maturity and quality range, without paying a premium, if at all possible. Such securities will tend to hold their value during economic cycles.

- D. Investment strategies for capital projects or special purpose fund portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. These portfolios should include at least 10% in highly liquid securities to allow for flexibility and unanticipated project outlays. The stated final maturity dates of securities held should not exceed the estimated project completion date.

INVESTMENT POLICY

I. SCOPE OF POLICY

This investment policy shall govern the investment activities of all funds of the City of Alvarado. This policy serves to satisfy the state statute requirement to define and adopt a formal investment policy.

Funds Included

All financial assets of all current funds of the City of Alvarado, Texas, and any new funds created in the future, unless specifically exempted, will be administered in accordance with the objectives and restrictions set forth in this policy. These funds are accounted for in the City's Audited Annual Financial Report and include General Fund, Water and Sewer Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

Funds Excluded

This policy shall not govern funds managed under separate investment programs. Such funds include funds established by the City for deferred employee compensation plans, the City's participation in the Texas Municipal Retirement System and defeased bonds that are held in trust escrow accounts. The City will maintain responsibility for these funds as required by Federal and State law and the City Charter and Code.

Review and Amendment of the Policy

The City Council shall review this investment policy and investment strategies not less than annually. Amendments must be authorized by the City Council.

II. OBJECTIVES OF POLICY

The City of Alvarado shall manage and invest its cash with three primary objectives, listed in order of priority: Safety of Principal, adequate Liquidity and maximum Yield within cashflow limits and policy guidelines. The foremost and primary objective of the City's investment program is the preservation and safety of the principal invested. All investments shall be designed and managed in a manner responsive to the public trust and consistent with State and Federal law.

The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of all available cash. Cash management is defined as the process of managing monies in order to ensure appropriate liquidity while maximizing yield on short-term investment of pooled idle cash.

Safety

The foremost and primary objective of the City's investment program is the preservation and safety of principal in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they are from default of a security or erosion of market value. In efforts to avoid realized market value losses all securities shall be intended to be held to maturity at the time of purchase. Should cash flows call for early liquidation of securities to cover unforeseen expenses, securities with shorter maturities or with market values above or equal to the purchase price should be considered for sale first.

Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. This shall be achieved by matching investment maturities with forecasted cash flow requirements, by investing in securities with active secondary markets, and by diversification of maturities and call dates. Furthermore, since all possible cash demands cannot be anticipated, a portion of the portfolio also may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short term funds.

Yield

The City's investment portfolio shall be designed with the objective of regularly exceeding the average rate of return on three-month U.S. Treasury Bills. It is understood that during periods in which interest rates are rapidly increasing, this objective may not be met. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified herein, cash flow characteristics of the portfolio and prudent investment policies.

Risk of Loss

All employees involved in the City's investment program shall seek to act responsibly as custodians of the public trust. All employees involved in the investment process shall avoid any transaction which might impair public confidence in the City's ability to govern effectively.

III. RESPONSIBILITY AND CONTROL

Delegation of Authority and Training

Authority to manage the City's investment program is derived from a resolution of the City Council. The Chief Financial Officer (CFO) is designated as the investment officer of the City and is responsible for investment decisions and activities. Oversight management responsibility for the investment program has been delegated to the Chief Financial Officer

to establish written procedures and controls for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit authorization of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The City Council shall annually adopt a written instrument by resolution stating that it has reviewed the investment policy and investment strategies and the written instrument so adopted shall record any changes made to the investment policy or investment strategies.

Investment officers and persons authorized to execute investment transactions on behalf of the City shall attend at least one training session relating to their responsibilities within 12 months after assuming duties and receive no less than 10 hours of instruction relating to investment functions. Thereafter, eight hours of investment training is required in every two-year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date. The training must include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act. The investment training session shall be provided by an independent source. For purposes of this Policy, an “independent source” shall include training sponsored, accredited, or endorsed by the Government Treasurers Organization of Texas (GTOT), Center for Public Management at the University of North Texas (UNT), Government Finance Officers Association of Texas (GFOAT), Texas Municipal League (TML), North Central Texas Council of Governments (NCTCOG), Association of Public Treasurers United States & Canada (APT US & C), Texas Association of Counties (TAC), Government Finance Officers’ Association (GFOA) and other such accredited training sources.

Subordinates

No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the Chief Financial Officer, and the explicit authorization, by resolution, of the City Council to withdraw, transfer, deposit and invest the City’s funds.

Ethics and Conflicts of Interest

City staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. City staff shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City and shall further disclose positions that could be related to the performance of the City’s portfolio. City staff involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

An investment officer of the City who has a personal business relationship with an organization seeking to sell an investment to the City shall file a statement disclosing that personal business interest. An investment officer who is related within a second degree of

affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the City.

An investment officer or other employee is considered to have a personal business relationship with a business organization if any one of the following three conditions is met:

1. The investment officer or employee owns 10% or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization.
2. Funds received by the investment officer or employee from the business organization exceed 10% of the investment officer or employee's gross income for the prior year.
3. The investment officer or employee has acquired from the business organization during the prior year investments with a book value of \$2,500 or more for their personal account.

Internal Controls

The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the Chief Financial Officer shall establish an annual independent review by an external auditor to assure compliance with policies and procedures. The internal control shall address the following points:

- A. Control of Collusion
- B. Separation of transaction authority for accounting and record keeping
- C. Custodial safekeeping
- D. Avoidance of physical delivery of securities
- E. Clear delegation of authority to subordinate staff members
- F. Written confirmation for telephone transactions for investments and wire transfers

G. Development of wire transfer agreement with depository bank or third-party custodian

Prudence

The standard of prudence to be applied by the investment officer shall be the “prudent investor” rule which states: “Investments shall be made with judgment and care, under circumstances than prevailing, which persons of prudence, discretion and intelligence exercise in management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as the probable income derived.” In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made into consideration:

- A. The investment of all funds, or funds under the City’s control, over which the investment officer had responsibility rather than a consideration as the prudence of a single investment.
- B. Whether the investment decision was consistent with the written investment policy of the City

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security’s credit risk or market price changes, provided these deviations are reported immediately and that appropriate action is taken to control adverse developments.

IV. REPORTING

Quarterly Reporting

The Chief Financial Officer shall prepare a quarterly investment report that provides an analysis of the current investment portfolio and transactions made over the last quarter. .

Mark-to-Market Pricing

The investment portfolio will be marked to market monthly. Pricing information will be obtained from sources deemed reliable by the Chief Financial Officer. These sources may include, but are not limited to the City’s safekeeping agent, depository bank and Bloomberg.

Annual Report

Within 60 days from the end of the fiscal year, the Chief Financial Officer shall present an annual report on the investment program and investment activity. This report may be presented as a component of the fourth quarter report to the City Manager and City Council.

Methods

The quarterly investment report will be provided to the City Manager and City Council within 60 days of the completion of the quarter. The report will: 1) describe in detail the investment position of the City as of the end of the reporting period, 2) be prepared jointly by all Investment Officers, 3) be signed by each investment officer, 4) contain a **summary statement** of each fund or pooled fund group including a) beginning market value for the reporting period; b) additions and changes to the market value during the period; c) ending market value for the period; and d) fully accrued interest for the reporting period, 5) include a description of each separately invested asset, including type of investment, issuer, par amount, coupon rate, settlement date, maturity date and yield 6) state the book value and market value of each separately invested asset at the end of the reporting period by type of asset and fund type invested, 7) state the account or fund or pooled fund group for which each individual investment was acquired, and 8) state the compliance of the investment portfolio as it relates to the investment strategy expressed in this policy and with relevant provisions of the Tex. Gov't. Code Ch. 2256.

V. INVESTMENT PORTFOLIO

Active Portfolio Management

The City shall pursue an active versus a passive portfolio management philosophy. The investment officer will routinely monitor the contents of the portfolio, the available markets, and the relative value of competing instruments, and will adjust the portfolio accordingly to maximize opportunities to the City

Investments

Funds of the City of Alvarado may be invested in the following instruments as permitted in Tex. Gov't. Code Ch. 2256:

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- B. Direct obligations of the State of Texas or its agencies and instrumentalities;
- C. Other obligations, the principal and interest of which are unconditionally 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;

- D. 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; and
- E. Certificates of deposit if the certificate is issued by a depository institution that has its main office or a branch office in the State of Texas, is guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, is secured by obligations described by Section 2256.009(a), including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, secured in any other manner and amount provided by law for deposits of the investing entity. In addition, the broker/dealer or the depository institution selected 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 investing entity, and the investing entity appoints the depository institution or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.
- F. Fully collateralized direct repurchase agreements with the defined termination date secured by obligations described in A through D above pledged to the City, held in the City’s name and held by a third party approved by the Chief Financial Officer. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the New York Federal Reserve, or a bank doing business in Texas.
- G. Government investment pools which invest in instruments and follow practices allowed by state law. Government investment pools must be rated AAA or AAAm or equivalent by a nationally recognized credit rating agency.
- H. SEC-registered money market funds, rated AAA or AAAm, with a dollar weighted average maturity of 60 days or less.
- I. Commercial paper with a stated final maturity of 270 days or less from the date of its issuance; and is rated not less than A-1 or P-1 or an equivalent rating by at least: (a.) two nationally recognized credit rating agencies; or (b.) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit (LOC) issued by a bank organized and existing under the laws of the United States or any state.

Not Authorized

The City’s authorized investment options are more restrictive than those allowed by state law. State law prohibits investment in A-D below, while the City chooses not to invest in E-G.:

- A. Obligations whose payment represents the coupon payments on the outstanding balance of underlying mortgage-backed security collateral and pays no principal;
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- C. Collateralized mortgage obligations that have a stated final maturity date greater than 10 years;
- D. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index;
- E. Securities lending program;
- F. Banker's acceptances;
- G. Guaranteed investment contracts.

Maximum Portfolio Percentage by Type, *applicable at time of purchase*

Obligations of the United States and its agencies and instrumentalities – 100%
 Certificates of Deposit – 25%
 Investment Pools – 100% overall
 State and Local Government Obligations – 25%; 10% per issuer
 Money Market Funds – 20%
 Commercial Paper – 20%; 5% per issuer

Competitive Bidding Requirement

It is the policy of the City to require competitive bidding for all individual security purchases and sales, as well as for certificates of deposit. Exceptions include money market funds and local government investment pools which are deemed to be made at prevailing market rates. At least three bids or offers must be solicited for all other transactions involving individual securities. In situations where the exact security is not offered by other broker/dealers, offers on the closest comparable investment may be used to establish a fair market price for the security.

Downgrade Provision

The City shall take all prudent measures consistent with this policy to liquidate an investment that no longer meets the required minimum rating standards as per the Tex. Gov't. Code Sec. 2256.021. The City is not required to liquidate investments that were authorized investments at the time of purchase. (Tex. Gov't. Code Sec. 2256.017)

Holding Period

The City of Alvarado intends to match the holding periods of investment funds with the liquidity needs of the City, and hold all securities to maturity,. In no case will the average maturity of portfolio of the City's operating funds exceed 18 months. The maximum final stated maturity of any investment shall not exceed three years.

Risk and Diversification

The City of Alvarado recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification which shall be achieved by the following general guidelines:

- A. Default risk shall be mitigated by limiting investments to those instruments permitted within this policy.
- B. Market risk shall be mitigated to the extent possible by avoiding over-concentrating of assets in a specific maturity sector, limiting the average maturity of operating investments to 18 months, and avoiding over-concentration in specific instruments other than investment pools and insured or collateralized Certificates of Deposits.

VI. FINANCIAL PROVIDERS

Depository Bank

At least every five years a depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). In selecting a depository, the credit worthiness of institutions shall be considered, and the Chief Financial Officer shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history.

Certificates of Deposits

Entities seeking to establish eligibility for the City's competitive certificate of deposit purchase program shall submit for review annual financial statements, evidence of federal insurance and other information as required by the Chief Financial Officer.

Investment Pools and Investment Managers

The qualified representative of any public funds investment pool or discretionary investment manager offering to engage in an investment transaction with the City shall execute a written instrument in a form acceptable to the City substantially to the effect that the pool or manager has received and reviewed the investment policy of the City and acknowledged that the pool or manager has implemented reasonable procedures and

controls in an effort to preclude investment transactions conducted between the City and the 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 City's entire portfolio or requires an interpretation of subjective investment standards.

Securities Dealers

For brokers and dealers of government securities, the City shall select only "Primary Government Security Dealers" as designated by the New York Federal Reserve Bank, or regional broker/dealers with established and documented experience working with local government clients. Investment officers shall not knowingly conduct business with any firm with whom public entities have sustained losses on investments as indicated by a FINRA broker check. All prospective securities dealers shall provide the City with references from public entities which they are currently serving.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- audited financial statements;
- proof of Financial Industry Regulatory Authority (FINRA) membership;
- proof of state registration;
- completed broker/dealer questionnaire;
- written certification of having read the City's investment policy signed by a registered principal of the organization;

An annual review of the financial condition and registration of qualified bidders will be conducted by the Chief Financial Officer.

VII. SAFEKEEPING AND CUSTODY

Insurance and Collateral

All deposits and investments of City funds other than direct purchases of U.S. Treasuries or Agencies shall be secured by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest on the deposits or investments less an amount insured by the FDIC. Evidence of pledged collateral shall be maintained by the Chief Financial Officer or a third party institution. Repurchase agreements shall be documented by a specific agreement noting the collateral pledge in each agreement. Collateral shall be reviewed weekly to assure that the market value of the pledged securities is adequate.

Safekeeping Agreement

Collateral pledged to secure deposits of the City shall be held by an independent safekeeping institution in accordance with a written Safekeeping Agreement. . The safekeeping institution, or trustee, shall be the Federal Reserve Bank or an institution not affiliated with the firm pledging the collateral. The safekeeping agreement shall include the signatures of authorized representatives of the City of Alvarado, the firm pledging the collateral, and the trustee.

Collateral Defined

The City of Alvarado shall accept only the following instruments as collateral:

- A. FDIC insurance coverage.
- B. Treasury Notes or other direct obligations of the United States, with principal and interest guaranteed by the full faith and credit of the United States Treasury.
- C. FHLB letters of credit (LOC)

Subject to Audit

All pledged collateral reports shall be reviewed monthly by the Chief Financial Officer and annually by the City's independent auditors.

Delivery vs. Payment or Cash Securities Account

Treasury bills, notes, bonds, and government agencies' securities shall be purchased using the delivery vs. payment method. Funds are wired to the City's cash account on the established settlement date where the clearing firm will verify the bonds, accept the security and surrender the funds. Funds shall not be wired or paid until verification has been made that the correct security was received by the Trustee. The Trustee's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

VIII. INVESTMENT POLICY ADOPTION

The City of Alvarado investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed for effectiveness on an annual basis by the Finance Department and any modifications will be recommended for approval to the City Council.

CITY OF ALVARADO, TEXAS

CERTIFICATE OF BROKER OR DEALER

1. The City of Alvarado has presented a copy of its Investment Policy to the undersigned.
2. The undersigned has reviewed the Investment Policy and thoroughly understands it.

Signed this _____ day of _____, 20 ____.

Organization

By: _____

Title: _____

CITY OF ALVARADO
BROKER/DEALER QUESTIONNAIRE

Name of Firm: _____
(Parent company also, if applicable)

Address: _____

Phone: _____ (800) _____

Account Representative _____
Title: _____

Backup Representative: _____
Title: _____

Do you have a Texas office of the firm for brokerage or other services? _____

Address of Texas office: _____

Nature of office: _____

Has the representative been given clearance by the firm to be sole representative for this Account? _____ By Whom? _____

How long has the direct representative been an Institutional Governmental Securities Broker at the firm? _____

How long has the representative been an I Institutional Governmental Securities Broker at this and other firms? _____

Does this firm have Primary Dealer status with the Federal Reserve? _____

Is the firm and the Account Representative registered with the State of Texas Securities Commission? _____ Since? _____

NOTE: Please include the latest annual audited financial report and any other information that may assist us in deciding to add your firm to our authorized dealer/broker list.

NOTE: This page is to be completed by any firm which does **not** currently hold Primary Dealer status

In which market sectors does the local firm/desk specialize, if any?

Please identify your most comparable clients:

How long has the firm been in business? _____

Is this a subsidiary of another firm? _____ If yes, which firm? _____

What was the firm's total volume in U.S. Treasuries and Agencies for the last fiscal year?

Firmwide: \$ _____

This office \$ _____

Please provide information on a separate sheet regarding additional coverage for your customers in case of default or fails.

Is the firm an inventory dealer? _____

Do you take position in securities in which you sell or buy? _____

Does the firm agree to comply with SEC Net Capital Guidelines on a continuous basis?

How much capital do you maintain? _____

Through which firm do you clear? _____

Do you clear on a fully disclosed basis, i.e. will the clearing firm be acting as principal on the transaction? _____

INVESTMENT GLOSSARY

AGENCIES: A general term for a debt instrument issued by government sponsored enterprises including Fannie Mae, Freddie Mac, Farmer Mac, FFCB and FHLB. These are widely considered to be among the safest types of fixed income securities, although they are not explicitly guaranteed by the Federal government.

BID: The indicated price at which a buyer is willing to purchase a security.

BROKER: A broker brings sellers and buyers together for a commission. The term “broker” is often used interchangeably with “dealer” to refer to a seller of investment securities.

CERTIFICATE OF DEPOSIT: A time deposit with a bank or credit union with a fixed maturity evidenced by a certificate.

COLLATERAL: Securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER: An unsecured short-term promissory note issued by corporation, with maturities ranging from 2 to 270 days.

COMPREHENSIVE ANNUAL FINANCIAL REPORT: The official annual report for the City of Alvarado. It includes combined statements for each individual fund and account group. It also includes supporting schedules necessary to demonstrate compliance with finance related legal and contractual provisions, extensive introductory material, and a detailed statistical section.

COUPON: (a) The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. The measurement helps and investor to understand an issuer’s ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality rankings are provided by nationally recognized rating agencies.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DEALER: A dealer, as opposed to a broker acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT (DVP): Delivery of investment securities with a simultaneous exchange of funds. In a DVP transaction, the investor is always in possession of cash or the investment.

DISCOUNT: The difference between the purchase price of a security and the par value at maturity. A security selling below the original offering price shortly after sale also considered to be at a discount.

DIVERSIFICATION: Investing assets among a range of investment types by sector, maturity, and credit rating in order to mitigate concentration risk.

FEDERAL AGRICULTURAL MORTGAGE CORPORATION (“Farmer Mac”): A federally chartered corporation responsible for guaranteeing the timely repayment of principal and interest to bond investors on agricultural loans and related debt.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, up to \$250,000 per depositor for each insured financial institution.

FEDERAL FARM CREDIT BANK (FFCB): The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. FFCB debt obligations are highly liquid and share the same credit rating as the U.S. Treasury.

FEDERAL HOME LOAN BANKS (FHLB): The Federal Home Loan Bank system was created by an act of Congress in 1932 as a system of 12 regional banks that provide funds to its member banks. FHLB’s primary mission is to support residential and community lending. Its membership of more than 8,000 financial institutions includes savings banks, commercial banks, credit unions and insurance companies active in housing finance. FHLB debt obligations are highly liquid, and share the same debt rating as the U.S. Treasury.

FEDERAL HOME LOAN MORTGAGE COMPANY (FHLMC or “Freddie Mac”): Freddie Mac was created by an act of Congress in 1970 as a shareholder-owned company to further expand the secondary market for mortgage loans in the United States. Freddie Mac buys existing mortgages and pools them together to create mortgage-backed securities that can then be sold to investors, thereby providing liquidity to lenders who can then make additional loans. Along with Fannie Mae, Freddie Mac was placed into government conservatorship in September 2008, but continues full operations under government control. Freddie Mac securities are highly liquid and share the same debt rating as the U.S. Treasury.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or “Fannie Mae”): Fannie Mae was chartered in 1938 under the Federal National Mortgage Association Act to provide a secondary market for mortgage loans in the United States, by purchasing existing home loans and pooling them together to create mortgage-backed securities that can then be sold to investors, along with a guaranty of the timely payment of principal and

interest on the underlying loans. Fannie Mae was privatized in 1968 and operated as a private stockholder-owned company for 40 years before the housing market collapse forced them into federal government conservatorship in September 2008. Fannie Mae currently continues operation under government control and shares the same debt rating as the U.S. Treasury. Fannie Mae debt obligations are highly liquid.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

INTEREST RATE RISK: The risk associated with declines or rises in interest rates which cause an investment in fixed-income security to increase or decrease in value.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

LOCAL GOVERNMENT INVESTMENT POOL: An investment by local governments in which their money is pooled as a method for managing local funds.

MARKET RISK: The risk that the value of a security will rise or decline as a result of changes in market conditions.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establishes each party's rights in the transactions.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

OFFER: An indicated price at which market participants are willing to sell a security. Also referred to as the "Ask price."

PAR: Face value or principal value of a bond.

PORTFOLIO: Collection of securities held by an investor.

PREMIUM: The amount by which the price paid for a security exceeds the security's par value.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary Dealers are required to continually "make a market" in Treasury securities, buying or selling when asked, thereby creating a liquid secondary market for US debt obligations.

REPURCHASE AGREEMENT (REPO): An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

SAFEKEEPING: The digital holding of assets (e.g., securities) by a financial institution.

SECONDARY MARKET: A market made for the purchase and sale existing investment securities following the initial issue and distribution.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

TREASURY BONDS: Long-term coupon bearing U.S. Treasury securities issued as direct obligation of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from 2 to 10 years.

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

WEIGHTED AVERAGE MATURITY (WAM): The average maturity of all the securities that comprise a portfolio.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.