



**AGENDA
CITY COUNCIL MEETING
CITY OF LEANDER, TEXAS**

Pat Bryson Municipal Hall
201 North Brushy Street - Leander, Texas
Thursday - July 7, 2022
Briefing Workshop at 6:00 PM
Regular Meeting at 7:00 PM



Mayor – Christine DeLisle

Place 1 – Kathryn Pantalione-Parker

Place 2 – Esme Mattke Longoria

Place 3 – Jason Shaw

Place 4 – Na'Cole Thompson

Place 5 – Chris Czernek

Place 6 – Becki Ross, *Mayor Pro Tem*

City Manager – Rick Beverlin

The meeting will also be live-streamed at the following link: <https://www.leandertx.gov/video>.

BRIEFING WORKSHOP - CONVENE AT 6:00 PM

1. Open Meeting.
2. Roll Call.
3. Parkland dedication fees update.

REGULAR MEETING – CONVENE AT 7:00 PM

4. Open Meeting, Invocation and Pledges of Allegiance.
5. Roll Call.
6. Public comments on items not listed in the agenda.

Public comments on items listed in the agenda will be heard at the time each item is discussed by Council.

[All comments are limited to no more than 3 minutes (6 minutes if translation is needed) per individual.]

7. Recognitions/Proclamations/Visitors.
 - Proclamation recognizing National Park and Recreation month.
 - Recognition of Youth Baseball All-Star Teams.
 - Recognition of service of Councilmember Place 3.
 - Administer Oath of Office to newly elected and re-elected Councilmembers.

[Immediately following the Oath of Offices the Council will recess for a brief reception in the Council Chamber lobby.]

8. Staff Reports
 - Public Works water update.
 - Development Hub update.

CONSENT AGENDA: ACTION

9. Approval of the minutes for meetings held on June 16, 2022 and June 21, 2022.
10. Acceptance of public infrastructure improvements for Bar W Ranch Phase 5 and Bryson Ridge Subdivision.
11. Approval of Change Order No. 32 to the Construction Contract with DeNucci Constructors, LLC for the Northline Phase 1 City improvements increasing the City portion of the contract by the amount of \$285,810.86 for a new contract total of \$10,868,255.61 with no added days; and authorize the City Manager to negotiate and execute any and all necessary documents.
12. Approval of a contract with SHI Government Solutions, Inc. for Microsoft 365 consulting services the amount of \$67,224.00 utilizing the Texas Department of Information Resources (DIR) Contract DIR-CPO-4398; and authorize the City Manager to execute any and all necessary documents.
13. Approval of Development Agreement Case 22-DA-003 regarding the Leander Martial Arts Development on one parcel of land approximately 0.964 acres ± in size, more particularly described by Williamson Central Appraisal District Parcel R606382; and generally located to the northwest of the intersection of High Chaparral Drive and Crystal Falls Parkway, Leander, Williamson County, Texas.
14. Approval of renaming Ibeza Drive to Ibiza Drive located within the Marbella Phase III & IV Subdivision to the southeast of Raider Way and Cullera Drive; Williamson County, Texas.

PUBLIC HEARING: ACTION

15. Conduct a Public Hearing regarding implementation of roadway impact fees.
 - Discuss and consider action regarding an ordinance implementation of roadway impact fees.
16. Conduct a Public Hearing regarding Gabriel Tract Annexation Case 22-A-002 regarding the voluntary annexation of 17.821 acres ± in size, more particularly described by Williamson Central Appraisal District Parcel R500871; and generally located to the west of the western terminus of Gabriels Horn Road, west of the intersection of Ronald W. Reagan Boulevard and Gabriels Horn Road, Leander, Williamson County, Texas.
 - Discuss and consider action regarding Gabriel Tract Annexation Case 22-A-002 as described above.
17. Conduct a Public Hearing regarding 500 Heritage Grove Road Annexation Case 22-A-004 regarding the voluntary annexation of 44.385 acres ± in size, more particularly described by Williamson Central Appraisal District Parcels R031642 and R031640; and commonly known as 500 Heritage Grove Road, Leander, Williamson County, Texas.
 - Discuss and consider action on regarding 500 Heritage Grove Road Annexation Case 22-A-004 as

described above.

18. Conduct a Public Hearing regarding Zoning Case 22-Z-012 to amend the current zoning of Interim SFR-1-B (Single-Family Rural) to adopt the 500 Heritage Grove Road PUD (Planned Unit Development) with the base zoning district of HC-4-D (Heavy Commercial) on two parcels of land approximately 44.385 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcels R031642 and R031640; and commonly known as 500 Heritage Grove Road, Leander, Williamson County, Texas.

- Discuss and consider action regarding Zoning Case 22-Z-012 as described above.

19. Conduct a Public Hearing regarding Sullivan Tract Annexation Case 21-A-007 regarding the voluntary annexation of 308 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcels R356046, R022922, R022921, and R022741; and generally located to the west of the intersection of Oak Creek Road and N. Bagdad Road, Leander, Williamson County, Texas.

- Discuss and consider action regarding Sullivan Tract Annexation Case 21-A-007 as described above.

20. Conduct a Public Hearing regarding Zoning Case 22-Z-017 to amend the current zoning of Interim SFR-1-B (Single-Family Rural) and Interim SFS-2-B (Single-Family Suburban) to SFC-2-B (Single-Family Compact) and SFT-2-B (Single-Family Townhouse) on one parcel of land approximately 37.02 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcel R031560; and more commonly known as 800 CR 177, Leander, Williamson County, Texas.

[Withdrawn by applicant]

21. Conduct a Public Hearing regarding the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Major Improvement Project).

- Discuss and consider action on an ordinance authorizing the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Major Improvement Project); approving and authorizing an Amended and Restated Indenture of Trust, a Bond Purchase Agreement, an Official Statement, a Continuing Disclosure Agreement, and other agreements and documents in connection therewith; making findings with respect to the issuance of such Bonds; providing an effective date; and accepting and approving an Update to the Service and Assessment Plan and updated Northern Improvement Area Assessment Roll.

22. Conduct a Public Hearing regarding the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Neighborhood Improvement Project).

- Discuss and consider action on an ordinance authorizing the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Neighborhood Improvement Project); approving and authorizing an Indenture of Trust, a Bond Purchase Agreement, an Official Statement, a Continuing Disclosure Agreement, and other agreements and documents in connection therewith; making findings with respect to the issuance of such Bonds; providing an effective date; and accepting and approving an Update to the Service and Assessment Plan and updated Northern Improvement Area Assessment Roll.

REGULAR AGENDA

23. Discuss and consider action on a Resolution authorizing redemption of City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area / Major Improvement Project); and authorizing and approving other matters related thereto.
24. Discuss and consider action regarding Subdivision Case 21-PP-013 to approve the Leander Estates Preliminary Plat on three (3) parcels of land approximately 210.6 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcels R560185 and R560184; and Travis Central Appraisal District Parcel 905245; generally located at the north-west corner of CR 280 and the future extension of Lakeline Boulevard, Leander, Williamson and Travis Counties, Texas.
25. Discuss and consider action on authorizing the BCRUA President to award the New Hope Drive 72-Inch Water Main Trench Settlement Mitigation Construction Contract to Austin Underground, Inc.
26. Discuss and consider action on Lakewood Park Sculpture Trail art pieces as recommended by the Leander Public Art Commission and the Parks and Recreation Department.
27. Discuss and consider the selection of Mayor Pro Tem for 2022-2023.
28. Council Member Closing Statements.
29. Convene into Executive Session pursuant to:
 - (1) Section 551.072 and 551.087, Texas Government Code, Deliberate the purchase, exchange, lease, or value of real property and deliberate proposed economic development incentives for one (1) or more business prospects that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting development negotiations; and
 - (2) Section 551.071, Texas Government Code, and Rule 1.05, Texas Rules of Professional Conduct, to consult with legal counsel regarding BCRUA contracts, water service agreements and management of water usage.
 - Reconvene into open session to take action as deemed appropriate in the City Council's discretion regarding:
 - (1) one (1) or more business prospects; and
 - (2) BCRUA contracts, water service agreements and management of water usage.
30. Adjournment

CERTIFICATION

This meeting will be conducted pursuant to the Texas Government Code Section 55 1.001 et seq. At any time during the meeting the Council reserves the right to adjourn into Executive Session on any of the above posted agenda for which state law authorizes Executive Session to be held, including but not limited to Sections 55 1.071 [litigation and certain Consultation with attorney], 551.072 [acquisition of interest in real property], 55 1.073 [prospective gift to city], 55 1.074 [certain personnel deliberations], 551.076 [deployment/implementation of security personnel or devices], or 551.087 [Deliberations regarding Economic Development Negotiations]. The City of Leander is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call the City Secretary at (512) 528-2743 for information. Hearing impaired or speech disabled persons equipped with telecommunication devices for the deaf may call (512) 528-2800. I certify that the above agenda for this meeting of the City Council of the City of Leander, Texas, was posted on the bulletin board at City Hall in Leander, Texas, on the 30 day of June 2022 by 5:00 p.m. pursuant to Chapter 551 of the Texas Government Code.


Dara Crabtree, City Secretary, TRMC



EXECUTIVE SUMMARY

07/07/2022

AGENDA SUBJECT:

Parkland dedication fees update.

BACKGROUND:

The City of Leander Texas has had a Parkland Dedication Ordinance in place since October 2011 with minor modifications in 2015 and again in 2019. Based on current conditions (population growth, economics, land values, cost of park goods and facilities, etc.) it has been deemed by the Parks and Recreation Department that the current ordinance is need of a major overhaul to assist the City with not only providing quality parks, but delivering an increased level of service to meet the ever-growing citizens' demands of park and leisure needs for the next decade and more.

Parkland is an essential city service that affords well documented economic, recreational, physical, and mental health benefits to its users. The current Parkland Dedication Ordinance is a critical tool that allows the Parks and Recreation Department to provide park service for the citizens of Leander in accordance with goals and mandates set forth in the City Charter, the Parks and Recreation Departments Comprehensive Plan, and the Parks and Recreation Advisory Boards Long Range Plan. Parks provide recreational opportunities on a variety of levels, create community, preserve the city's character and natural resources, contribute to economic growth and tourism, increase transportation opportunities, and help keep Leander beautiful. Parkland dedication requires new developments to adhere to the City ordinance with the key goal of "Preserving Livability" by providing sufficient and ample parkland in a rapidly densifying suburban center.

The Parks and Recreation Board met to review new criteria in March 2022, reviewed updates in April 2022 and affirmed the proposed changes in May 2022. The revised ordinance will assist the City and the Department in fulfilling goals of creating large scale parks (community and regional) to meet the demand new residents are placing on the strained park system. The revised ordinance will allow the City and Department to expand access to parks and increase its service area, similarly requiring fee-in-lieu and/or parkland dedication for all residential amenities in the City's planning jurisdiction.

The revised ordinance also takes into consideration commercial developments. Currently, office, retail, and industrial developments typically located in park deficient areas, along green spaces, or adjacent to parks, are not subject to the existing Parkland Dedication Ordinance. This revised ordinance takes those facilities into account.

Additionally, there are minor revisions to the Public Art component proposed as well.

The workshop format allows staff to present the concept to City Council for discussion and input prior to presenting as an official document. Once review has been accomplished and changes made, it is anticipated that City Council will review the final draft in August 2022.

PRESENTER:

Mark Tummons, Parks & Recreation Director

Attachments

1. Texas A&M AgriLife Publication
2. Parkland Dedication Ordinances in Texas

3. Parkland Dedication Ordinances Article by John Crompton

New Texas A&M AgriLife publication resource for Texas, U.S. cities

February 25, 2022

A new publication can serve as a key tool for communities addressing issues related to acquiring and developing space for parks and green infrastructure as populations and land costs continue to increase. A new Texas A&M AgriLife Extension Service publication helps explain the benefits of parkland dedication. (Texas A&M AgriLife photo)

To help increase awareness of the benefits of parkland dedication, a professor in the [Department of Recreation, Park and Tourism Sciences](#) at [Texas A&M University](#) has just written [“Parkland Dedication: Optimizing an Underutilized Resource.”](#)

The 108-page [Texas A&M AgriLife Extension Service](#) publication was written by John Crompton, Ph.D., University Distinguished Professor in the [College of Agriculture and Life Sciences](#). Crompton is also past president of the American Academy of Park and Recreation Administration and the Texas Recreation and Park Society.

The publication is available at no charge and can be found on the AgriLife Learn site at <https://agrilifelearn.tamu.edu/>. Go to “Browse by Category” and select the “Community Development and Government” category.

What prompted the publication?

Parkland dedication is a local government requirement that mandates the dedication of land for a park and the payment of a fee to be used to acquire land and/or develop park facilities.

“There is a lack of awareness among elected officials and the general public of the potential of parkland dedication,” Crompton said. “Parkland dedication is an important resource for reducing taxes, providing political centrality, and contributing to how fast-growing cities invest in parks and green spaces. However, it remains a substantially underappreciated and underutilized opportunity in cities in Texas and beyond.”

He noted many U.S. cities do not even have a parkland dedication ordinance.

“Additionally, among municipalities that have an ordinance, the specified exaction for parks and green infrastructure is only a fraction of what could legally be required,” he said.

Exactions are payments a developer makes to local governments for the right to proceed with a project and may include specified land, improvements, payments or other public benefits that will offset project impacts.

Crompton noted the use of parkland dedication is also particularly appropriate for a fiscally conservative state such as Texas.

“We do not have a state income tax and also prefer not to have any tax increases,” he said. “In parkland dedication, demand is created, and we are able to keep taxes lower as those who are creating the demand are also paying for it. It is an underused tool and useful part of an effective fiscally conservative strategy.”

Developing the new publication

In 2010, Crompton published [“Parkland Dedication Ordinances in Texas: A Missed Opportunity?”](#) in which he analyzed parkland dedication ordinances from 48 Texas cities and identified best practices for establishing and revising these ordinances.

“But over the past decade, the legal parameters governing these ordinances have continued to evolve,” Crompton said. “The methodology expected by the courts for calculating the amount of dedication has become more sophisticated, and more Texas cities have adopted parkland dedication ordinances. In particular, the courts have granted greater authority pertaining to these ordinances.”

The new publication, which expands substantially on the 2010 publication, is divided into three sections: Principles and Evolution of Parkland Dedication, Calculating the Amount of a Parkland Dedication, and Political Considerations.

Publication sources

The insights, examples and conclusions in the new publication are derived from:

— A review of the literature on parkland dedication and other exactions.

— The author’s interactions with multiple stakeholders in the course of developing ordinances for many cities within Texas and beyond. Crompton has also served as an

expert witness in court litigation relating to parkland dedication disputes and has served for seven years as an elected city councilman in College Station.

— Analysis of 73 parkland dedication ordinances collected from cities throughout Texas.

The publication describes how information was collected and provides a list of the cities from which information was provided. There is also a supplementary analysis of another 29 park exaction ordinances collected from the 90 largest U.S. cities outside of Texas along with a listing of these cities.

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Parkland Dedication Ordinances in Texas: A Missed Opportunity?



Parkland Dedication Ordinances in Texas: A Missed Opportunity?

John L. Crompton

Distinguished Professor and Regents Professor
Department of Recreation, Park and Tourism Sciences
Texas A&M University

Foreword by

Jamie Rae Walker

Texas AgriLife Extension Specialist

This study was supported in part by a grant from the
Terese and Jacob Hershey Foundation

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The population of Texas continues to grow rapidly, and cities are confronted with the challenge of providing facilities to service this growth. Over the past 25 years, about 50 Texas cities have enacted parkland dedication ordinances to address park needs related to such growth.

In this publication, John L. Crompton, Distinguished Professor and Regents Professor at Texas A&M University, reviews parkland dedication ordinances that have been enacted in 48 Texas cities. The analysis identifies what constitutes best practices when establishing or revising a parkland dedication ordinance. We hope this information will enlighten Texas community leaders on the possibilities this approach offers for ensuring that future residents have access to parkland and the associated benefits.

—*Jamie Rae Walker*

Assistant Professor and
Texas AgriLife Extension Specialist
The Texas A&M University System



Executive summary

- The study analyzed the parkland dedication ordinances of 48 Texas cities and reported the acres of parkland per 1,000 population in 83 Texas cities.
- The Texas Supreme Court in 1984 ruled parkland dedication to be constitutionally legal.
- The magnitude of a parkland dedication is guided by the U.S. Supreme Court ruling in 1984 that the dedication requirements imposed on a developer should be “roughly proportional” to the increased demands of the proposed development on a city’s park system.

Conclusions

- The unrealized potential for additional funding from the parkland dedication ordinances of 44 of the 48 cities is estimated to range from 300 percent to 3,600 percent. This foregone revenue stream stems from two sources:
 - Many ordinances are restricted to only a subset of parks—typically neighborhood, or neighborhood and community parks—instead of all parks, and they do not extend into the extraterritorial jurisdiction (ETJ) areas.
 - The dedications are fixed at levels far below the cost of acquiring and developing parks. The dedications fail to follow the U.S. Supreme Court’s guidance that they should be “roughly proportional” to the increased demands new homeowners put on a park system. In 38 of the 48 cities, the ordinances were confined to parkland acquisition and failed to include a fee for park development. A large majority of cities failed to use empirical procedures to identify accurate levels of service and costs. Instead they used arbitrary numbers—even though this approach is illegal. Without these empirical data, elected officials remain unaware of the large opportunity costs incurred.
- The potential of parkland dedication ordinances remains largely unrealized because many elected officials are unaware of their existence or importance, and/or because elected officials are reluctant to confront the vigorous opposition to increases in dedications that invariably arises from the development community, which is a powerful constituency in many communities.
- Elected officials should support substantial enhanced dedications for three powerful political reasons:
 - It is a fiscally conservative action. A bedrock principle of fiscal conservatism is that those who benefit from government services should pay for them.
 - Elected officials can respond to the amenity needs created by new growth by requesting existing residents to pay for them, by not providing them, or by requiring the new development to pay for them. Few elected officials in Texas are likely to run for office on a platform of raising taxes on existing residents or lowering a community’s quality of life, which are the first two options.

- Increases in dedications are unlikely to lead to any increases in the price of new homes. Rather, these increases are likely to be absorbed by reducing the house size by a minimal amount, reducing the costs of finishes and fittings in the house, or paying less for the land.

Findings from the analysis

- The dedication requirement in a parkland dedication ordinance should comprise three elements: a land requirement; a fee-in-lieu alternative to the land requirement; and a parks development fee. The first two components were incorporated in all 48 ordinances reviewed, but only 10 of the ordinances contained provision for a park development fee. Ordinances that contain only the land and the fee-in-lieu elements require existing taxpayers to pay the costs of improvements to transform the bare land into a park.
- The most widely accepted approach to meeting the U.S. Supreme Court's "rough proportionality" criterion is to assume that new residents' demands will require the same level of service as those of existing residents in the community. A recommended approach for calculating that level of service is provided.
- The amount of cash for a fee-in-lieu should be equal to the fair market value of the land that would have been dedicated. However, the methods of establishing the equivalence of fair market value vary widely, and some of the approaches could be challengeable in the courts.
- Some of the 10 cities that charge a park development fee appear to derive it arbitrarily rather than empirically, which is unlikely to be accepted by the courts.
- It is advantageous for small cities that anticipate future growth to invest substantially in park areas in their early stages of development, because that investment could be used to leverage relatively large dedications from developments as the city grows.
- To measure the "roughly proportional" impact of a development on the public park system, the mitigation contribution of private amenities within the development must be accommodated. However, 27 of the 48 ordinances do not include a provision authorizing any credits for private amenities; others insert an arbitrary limit of 50 percent or 100 percent; and others leave it to the city's discretion. All of these options fail to provide an empirical quantitative approach to providing "proportionate" credit for private amenities.
- Most ordinances include a reimbursement clause authorizing cities to acquire and develop parks in advance of need when land is more readily available and less expensive, and to use dedication fees to reimburse themselves later.

- Almost all cities require a fee-in-lieu and/or park development fee to be paid before filing the final plat.
- There is widespread adherence to the nexus principle in the 48 ordinances. This is done by creating zones and ensuring that the money generated from developments in a zone is expended in that zone. The communities without zones tend to be relatively small cities in which all residents could be deemed as being near a park wherever it is located.
- Although court rulings direct that fees-in-lieu should be expended in a reasonable time frame, 16 of the 48 cities fail to specify a time frame of any kind. Most of the remaining 32 cities interpret “reasonable time frame” as either 10 or 5 years.
- In 17 of the 48 ordinances, the parkland dedication authority is confined to neighborhood parks. The remaining two-thirds provide enabling authority for a broader set of parks beyond the neighborhood level.
- Three cities extend their ordinances to include nonresidential as well as residential property. It is doubtful that nonresidential dedication requirements can meet the courts’ “roughly proportionate” criterion.
- Cities in Texas have legislative authority to regulate subdivisions in their ETJs. However, only seven of the 48 ordinances provide enabling authority to require parkland dedications from developments in the ETJ.
- Some of the ordinances’ inadequacies can be attributed to the lack of a requirement for them to be reviewed periodically. Only 11 of the 48 ordinances have a time frame for regularly reviewing the ordinance incorporated into it.
- Most ordinances specify a preferred minimum size for dedicated parkland. The most common preferred minimum size was 5 acres.
- A large majority of ordinances declare that floodplain land is undesirable and unlikely to be accepted as part of a dedication requirement, except in unusual cases. When it is accepted, most cities limit it to 50 percent of a dedication, and 11 cities require it to be discounted, equating 2 or 3 floodplain acres of floodplain to 1 acre of parkland.
- Only a few ordinances speak to the issue of detention/retention areas being accepted to meet dedication requirements.

Evolution of Parkland Dedication Ordinances in Texas

To determine the status of parkland dedication ordinances in Texas, a survey was sent to all municipalities in Texas that were known to have public park amenities. Of the 117 cities contacted, 83 responded and 48 of those reported that they had parkland dedication ordinances. Copies of those ordinances can be viewed at www.rpts.tamu.edu/landdedication. The content of those 48 ordinances serves as the basis for this report.

The 83 cities that responded are listed in Table 1. Although some of these cities did not have parkland dedication ordinances, all did report their total parkland acreages. Most of the population data were provided by the cities' park and recreation directors who responded to the survey. In the few instances where these data were not given, Census Bureau estimates of population were used. Table 1 shows the standard of park provision in acres per 1,000 population for these 83 cities.

Table 1. Acres of parkland per 1,000 population in 83 Texas cities.

City	Population	Total park acreage	Acres/1,000 residents
The Colony	36,000	1,925.00	53.47
Madsonville	4,159	200.00	48.09
Alvin	21,500	740.00	34.42
Grand Prairie	147,000	4,850.00	32.99
Grapevine	46,684	1,492.00	31.96
Southlake	24,900	644.10	25.87
Austin	656,562	16,862.00	25.68
Highland Village	14,500	354.00	24.41
Wichita Falls	104,000	2,300.00	22.12
Abilene	115,000	2,466.00	21.44
Beaumont	113,866	2,197.95	19.30
Brownwood	20,407	393.00	19.26
Lufkin	36,800	700.00	19.02
Cedar Park	45,000	847.00	18.82
Rowlett	53,000	994.00	18.75
Wylie	32,000	592.00	18.50
Dallas	1,200,000	21,500.00	17.92
Deer Park	30,000	527.00	17.57
League City	62,500	1,041.00	16.66
Rockwall	30,000	480.00	16.00
Mont Belvieu	2,500	40.00	16.00
Plano	240,000	3,800.00	15.83
Amarillo	182,462	2,880.00	15.78
Carrollton	116,500	1,793.00	15.39
Cedar Hill	43,500	653.75	15.03
Pflugerville	30,000	450.00	15.00

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City	Population	Total park acreage	Acres/1,000 residents
Frisco	89,000	1,300.00	14.61
McKinney	110,000	1,604.00	14.58
College Station	88,163	1,274.00	14.40
Cleburne	29,500	400.00	13.56
Baytown	70,513	950.00	13.47
Missouri City	63,910	848.99	13.28
Seguin	22,011.00	289.41	13.15
Sherman	35,000	450.00	12.86
Texarkana	35,000	450.00	12.86
Arlington	362,426	4,651.60	12.83
San Antonio	1,282,800	16,310.00	12.71
Canyon	13,000	163.00	12.54
Temple	58,447	727.00	12.44
Lewisville	89,000	1,100.00	12.36
Victoria	61,000	750.00	12.30
Garland	222,432	2,698.00	12.13
Mansfield	55,000	664.00	12.07
Sugarland	74,472	896.30	12.04
Keller	34,800	415.00	11.93
Denton	105,000	1,158.00	11.03
Hutto	14,000	150.00	10.71
Red Oak	9,000	95.00	10.56
Waco	118,093	1,245.00	10.54
Mesquite	135,893	1,427.00	10.50
Richardson	97,300	1,000.00	10.28
Sunnydale	3,960	40.00	10.10
Houston	1,953,631	19,699.00	10.08
Harlingen	64,418	643.00	9.98
Corinth	18,000	179.00	9.94
Greenville	25,000	242.00	9.68
Flower Mound	60,450	575.00	9.51
Colleyville	21,720	202.00	9.30
Waxahachie	25,000	230.00	9.20
New Braunfels	45,000	408.00	9.07
Irving	197,000	1,770.00	8.98
Lubbock	209,000	1,800.00	8.61
Conroe	45,000	383.00	8.51
Bay City	18,000	150.00	8.33

Parkland dedication is a requirement imposed by a local governmental entity mandating that subdivision developers or builders dedicate land for a park and/or pay a fee to be used by the government entity to acquire and develop park facilities.

Continued from previous page

City	Population	Total park acreage	Acres/1,000 residents
San Angelo	90,000	747.00	8.30
Bryan	72,015	580.00	8.05
Rockport	25,000	200.00	8.00
Weslaco	32,000	250.00	7.81
Hurst	37,100	288.00	7.76
Eules	50,000	328.00	6.56
Duncanville	36,871	237.00	6.43
Pasadena	150,000	919.74	6.13
La Porte	33,500	188.00	5.61
Angleton	18,130	100.00	5.52
Corpus Christi	293,122	1,586.46	5.41
Haltom	39,000	184.00	4.72
Killeen	103,000	469.00	4.55
Leander	23,000	90.00	3.91
Edinburg	68,802	253.00	3.68
Bedford	49,796	150.00	3.01
Bellaire	16,000	42.00	2.63
Richland Hills	8,132	13.10	1.61
West University Place	16,000	13.50	0.84

Parkland dedication is a requirement imposed by a local governmental entity mandating that subdivision developers or builders dedicate land for a park and/or pay a fee to be used by the government entity to acquire and develop park facilities. These dedications help provide park facilities in newly developed areas of a jurisdiction without burdening existing city residents. They may be considered a type of user fee because the intent is that the cost of new parks should be paid for by the landowner, developer, or new homeowners who are responsible for creating the demand for the new park facilities.

The philosophy is that new development generates a need for additional park amenities, and the people responsible for creating that need should bear the cost of providing the new amenities. Neighborhood and community parks are intended to serve those people in the areas near them. Thus, they make no positive contribution to the quality of life of existing residents, suggesting that existing residents should not be asked to raise their taxes to pay for them. In essence, what a community is saying to new residents is: "This is the quality of life we have here. If you move here, we expect you to maintain it. If you are not willing to pay this parkland dedication fee, then go elsewhere where the fee is lower because that city has an inferior park system."

An appealing feature of parkland dedication is that it responds to market conditions.

Parkland dedication in the United States has a 90-year history. The first ordinance was passed by the state of Montana in 1919. It stated, "For the purpose of promoting the public comfort, welfare and safety, such plat and survey must show that at least one-ninth of the platted area, exclusive of streets, etc., is forever dedicated to the public for parks and playgrounds." In 1923, the City of Bluefield, West Virginia, required "not less than five percent of the area of all plats shall be dedicated by the owner for parks and playground purposes except in the case of a very small area."²

The earliest parkland dedication ordinances in Texas were enacted by Corpus Christi in 1955, Deer Park in 1959, and Carrollton in 1962. Wichita Falls enacted an ordinance in the 1950s but rescinded it in the 1970s.

Two earlier studies have reported on the status of parkland dedication ordinances in Texas. In 1977, a survey of 107 Texas cities received responses from 59 cities;³ of those, 12 reported having a parkland dedication ordinance. However, two of the 12 municipalities reported that they did not enforce their ordinances because of the questionable legality of such ordinances at that time.

Ten years later in 1987, 183 Texas communities were contacted. Of these, 113 responded (62 percent) and 19 of them reported having parkland dedication ordinances.⁴

An appealing feature of parkland dedication is that it responds to market conditions. If fewer new people come to the city than predicted, less money is forthcoming and fewer parks are built. Similarly, as costs for acquisition and development of parks increase or decrease, the parkland dedication requirements can be increased or decreased accordingly.

Perspectives toward parkland dedication are likely to vary among different stakeholders, such as elected officials, developers, new residents, and existing residents¹. However, parkland dedication enables elected officials, who are the key decision makers on this issue, to protect the interests of current residents and to manage growth.

A basic and long-held principle of growth management is that development must be supported by adequate public facilities and services and that private and public investment must be coordinated to achieve that objective. Parkland dedication ordinances are intended to ensure that park facilities are available when homeowners buy their new homes, and to avoid authorizing development without ensuring that the park infrastructure necessary to support the new demands is available.

In the early days of parkland dedication ordinances, there was some doubt about their legality in Texas. Some people claimed that they were unconstitutional because such ordinances violated the Fifth Amendment to the U.S. Constitution, the last 12 words of which are "nor shall private property be taken for public use, without just compensation." However, in 1984 the Texas Supreme Court concluded in *City of College Station v. Turtle Rock Corporation*⁵ that requiring parkland dedication or fees-in-lieu "was a valid exercise of the city's police power because it was substantially related to the health, safety, and general welfare of the people."

Before the *Turtle Rock* case, fewer than 10 cities in Texas had active ordinances. Table 2 shows that once the doubts relating to the constitutionality of such ordinances were removed in 1984, the number of cities adopting them increased markedly.



Table 2. Years when Texas cities first enacted parkland dedication ordinances.¹

Time period	# of cities
< 1970	3
1970–1974	1
1975–1979	1
1980–1984	2
1985–1989	15
1990–1994	5
1995–1999	7
2000–2004	4

¹Wichita Falls enacted an ordinance in the 1950s, but rescinded it in the 1970s. Angleton enacted an ordinance, but the city's parks and recreation director reported that "it has never been enforced."

There is sometimes confusion between parkland dedication fees and impact fees. Parkland dedications emanate from the "police powers" of Texas home rule municipalities; these powers enable cities to take actions that promote the health, safety, and welfare of their residents. In contrast, impact fees require enabling authority from the state legislature before they can be imposed.

Of the 27 states that have passed impact fee enabling legislation, 22 authorize impact fees for park and recreation amenities. Only in Texas, Illinois, New Jersey, Pennsylvania, and Virginia does the impact fee authorization not embrace parks.⁶ In the other 22 states, it is possible for cities to impose both parkland dedication fees and impact fees. The latter can be used to fund a much wider array of recreational opportunities than basic park amenities.

However, Texas has not granted enabling authority for impact fees. In 1986 when the Texas legislature authorized impact fees, it confined them to only "water supply, treatment and distribution facilities; wastewater collection and treatment facilities; storm water, drainage, and flood control facilities, and roadway facilities." With the *Turtle Rock* case fresh in their minds, the conservative Texas legislature specifically stated, "The term [impact fee] does not include dedication of land for public parks or payment in lieu of the dedication to serve park needs."

The earliest parkland dedication ordinances in Texas were confined to land. They required the developer to deed a specified amount of acreage based on the number of residents expected to live in the area. These ordinances had three inherent weaknesses:

- Because most developments are small, only small, fragmented spaces would be provided.
- The land dedicated by the developer was likely to be the least suitable for building on (often drainage ditches, flood plain, or detention ponds), and it may also have been unsuitable for park use.
- The location of the parkland was determined by the location of the development.

Fees-in-lieu give the city the option of declining a dedication of land and instead require the developer to pay a sum based on the fair market value of the land that otherwise would have been dedicated. Fees-in-lieu can alleviate weaknesses sometimes associated with parkland dedication ordinances.

These limitations quickly encouraged cities to broaden their ordinances to require developers to contribute cash instead of dedicating land. These cash payments were termed *fees-in-lieu*. They gave the city the option of declining a dedication of land and instead requiring the developer to pay a sum based on the fair market value of the land that otherwise would have been dedicated.

The *Turtle Rock* case established the constitutionality of parkland dedication in Texas, but it required that “regulation must be reasonable.” It defined reasonable as “a reasonable connection between the increased population arising from the subdivision development and increased park and recreation needs in the neighborhood.” Because this definition was rather nebulous, the focus of most legal challenges after *Turtle Rock* shifted from whether parkland dedication was constitutionally legal, to what constituted a reasonable dedication requirement.

A definitive guideline for answering this question was provided a decade later in *Dolan v. City of Tigard*⁷ in which the U.S. Supreme Court ruled that there must be a “rough proportionality” between the conditions imposed on a developer and the demand from the projected development. The court stated, “no precise mathematical calculation is required but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development.” The court went on to note that in making the individualized determination, “the city must make some effort to quantify its findings in support of the dedication.” Thus, to survive a constitutional challenge, *Dolan* requires a city to demonstrate a “roughly proportional” quantitative relationship between dedication requirements imposed on a developer and the increased demands of the proposed development on its parks system.

In the *Turtle Rock* case, the Texas Supreme Court stated that the “burden rests on the real estate developer to demonstrate that there is no such reasonable connection” in any challenge to an ordinance. Thus, before the *Dolan* case, Texas developers challenging a city’s dedication ordinance had to prove it was unfair. **The *Dolan* decision shifted the burden of proof to cities—they must now justify that an ordinance is fair.** It requires cities to make individualized determinations that every parkland dedication effects a roughly proportional response to the demand generated by a development. This is a radical change that most Texas cities have not embraced in their ordinances. Failure to consider it leaves them vulnerable to their ordinances being challenged successfully and ruled illegal.

The requirements of the Supreme Court’s ruling are manifested in the introduction to the City of Mansfield’s ordinance, which states:

The City of Mansfield has adopted by Council action the Mansfield Parks, Open Spaces and Trails Master Plan, which provides planning policy and guidance for the development of a municipal park and recreation system for the City of Mansfield. The plan has assessed the need for park land and park improvements to serve the citizens of Mansfield. The plan has carefully assessed the impact on the park and recreation system created by each new development and has established a dedication and/or cost requirement based upon individual dwelling units. The plan constitutes an individualized fact based determination of the

impact of new living units on the park and recreation system and establishes an exaction system designed to ensure that new living units bear their proportional share of the cost of providing park and recreation related services. Park land dedication requirements and park development fee assessments are based upon the mathematical formulas and allocations set forth within the plan.

Texas' interpretation of the *Dolan* case has been codified in the Texas statutes (212-904) which mandate that "the developer's portion of the costs may not exceed the amount required for infrastructure improvements that are roughly proportionate to the proposed development."

Assessing the constitutionality of parkland dedication ordinances in Texas: a framework of four criteria

The guidance provided by the *Turtle Rock*, *Dolan*, and some subsequent cases where courts have provided some minor clarifications of issues in those two major cases, suggests that four broad criteria may be used to assess the constitutionality of parkland dedication ordinances in Texas. These four criteria provide the framework for most of this report:

- The method of calculating a parkland dedication requirement must demonstrate that it is proportionate to the need created by a new development.
- The ordinance must adhere to the nexus principle.
- A time limit must be set for expending fees-in-lieu.
- The scope and range of the ordinance must be delineated.

Calculation of the amount of a park dedication requirement

The dedication requirement in a parkland dedication ordinance should comprise three elements:

- A land requirement
- A fee-in-lieu alternative to the land requirement
- A parks development fee

Although the first two elements were incorporated in all 48 Texas ordinances reviewed in this study, the park development fee is a more recent addition to the ordinances and has been incorporated in only 10 of them.

A problem with ordinances that contain only the land and fee-in-lieu elements is that they provide only for the acquisition of land. The additional capital needed to transform that bare land into a park is borne by the existing taxpayers. In some instances, the result is that the dedicated land is never developed into a park and remains sterile open space that detracts from the community's appeal rather than adding to it. This led 10 Texas communities to expand their ordinances to incorporate a park development fee element to cover the cost of transforming the land into a park. Thus, the scope of parkland dedication ordinances in Texas has broadened as they have gained legal and public acceptance.

The most widely accepted approach to meeting the *Dolan* "rough proportionality" criterion is to assume that the new residents' demands will require the same level of service as those of the existing residents in the community. The courts have ruled consistently that standards for new residents cannot be set at a higher level than those prevailing for existing residents. Thus, deficiencies in the supply of park amenities arising from demand generated by earlier development cannot be funded by imposing higher dedications on new developments.

A problem with ordinances that contain only the land and fee-in-lieu elements is that they provide only for the acquisition of land. The additional capital needed to transform that bare land into a park is borne by the existing taxpayers. In some instances, the result is that the dedicated land is never developed into a park and remains sterile open space that detracts from the community's appeal rather than adding to it.

A recommended approach for calculating a parkland dedication requirement based on existing level of service is illustrated in Table 3, which describes how the City of College Station ascertained its parkland dedication requirement for both neighborhood parks and community parks. The calculation has four parts:

- Current level of service
- Fee-in-lieu
- Park development fee
- Total neighborhood parks fees for single-family and multifamily units



Table 3. Park land dedication and development fees methodology for neighborhood and community parks in College Station.¹

Requirement	Methodology
Neighborhood parks: Current level of service is 1 acre per 285 people. 2008 total population: 87,758. 2.80 persons per household (PPH) for single family and 2.28 PPH for multifamily based on census information for owner- and renter-occupied units.	
Land	Single family: 285 people ÷ 2.80 PPH = 102 DUs = 1 acre per 102 DUs Multifamily: 285 people ÷ 2.28 PPH = 125 DUs = 1 acre per 125 DUs
Fee-in-lieu of land	Assume 1 acre costs \$32,000. Single family: \$32,000 ÷ 102 DUs = \$314 per DU Multifamily: \$32,000 ÷ 125 DUs = \$256 per DU
Park development fee	The cost of improvements in an average neighborhood park in College Station is \$630,520. One neighborhood park serves 2,309 people, based on a total city population of 87,758 being served by 38 parks (count includes neighborhood parks and 6 mini parks). It costs \$273 per person (\$630,520/2309) to develop an average neighborhood park. Single family: \$273 x 2.80 PPH = \$764 per DU Multifamily: \$273 x 2.28 PPH = \$622 per DU
Total neighborhood park fee	Single family: \$314 + \$764 = \$1,078 Multifamily: \$256 + \$622 = \$878
Community parks: Current level of service is 1 acre per 294 people. 2008 total population: 87,758. 2.80 persons per household (PPH) for single family and 2.28 PPH for multifamily based on census information for owner- and renter-occupied units.	
Land	Single family: 294 people ÷ 2.80 PPH = 105 DUs = 1 acre per 105 DUs Multifamily: 294 people ÷ 2.28 PPH = 129 DUs = 1 acre per 129 DUs
Fee-in-lieu of land	Assume 1 acre costs \$32,000. Single family: \$32,000 ÷ 105 DUs = \$305 per DU Multifamily: \$32,000 ÷ 129 DUs = \$248 per DU
Park development fee	One community park serves 10,970 people, based on a total city population of 87,758 being served by 8 community parks. The cost of improvements in an average community park in College Station is \$2.5 million. It costs \$228 per person (\$2,500,000/10,970) to develop an average neighborhood park. Single family: \$228 x 2.80 PPH = \$638 per DU Multifamily: \$228 x 2.28 PPH = \$520 per DU
Total community park fee	Single family: \$305 + \$638 = \$943 per DU Multifamily: \$248 + \$520 = \$768 per DU

DU = dwelling unit

PPH = persons per household

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Community Park Planning Guidelines

A typical community park in College Station is designed to serve residents from several neighborhoods located within a ½- to 3-mile radius. These parks are generally 25 to 70 acres in size. However, larger and smaller community parks may be developed to meet specific requirements of a particular area of town.

Community parks, by their nature, serve both the active and passive leisure needs of residents. The acquisition and development of the “basic” infrastructure and facilities for the passive usage of these community parks is based on the demand from new residents and should be addressed through the Park Land Dedication Ordinance requirements.

The development of facilities for active use programs that might also be included in community parks, such as swimming pools, sports complexes, recreation centers and other similar improvements, are the responsibility of the entire community. These facilities should be developed with specific funding approval through general obligation bond elections or City Council approved authorizations as needed.

A typical College Station community park has these “basic” infrastructure elements and facilities:

• Playground areas with shade covers	\$120,000
• Group picnic pavilion with restrooms	\$750,000
• Concrete walking trails, lights, benches, fountains (per mile)	\$500,000
• Picnic tables, trash receptacles, and furnishings	\$ 50,000
• Lighted tennis courts (2)	\$140,000
• Lighted basketball court	\$ 50,000
• Roads and parking (200 spaces)	\$500,000
• Landscape improvements	\$250,000
• Design fees	<u>\$140,000</u>
• Total planning estimate	\$2,500,000

Each community park varies in size, design, and facilities based on the needs of the residents. These guidelines are developed to serve as a base line for planning future community parks for College Station.

The neighborhood parks calculation in Table 3 is used for the purpose of illustration. Part 1 derives the current level of service of 1 acre per 285 people for neighborhood parks by dividing the city’s population by its existing neighborhood public park acreage. The level of service standard is transformed to dwelling units (DUs) by dividing the 285 people by the average number of people in single and multifamily dwellings. These averages are available from the Census Bureau. This establishes the land dedication requirement at 1 acre per 102 DUs for single-family units and 1 acre per 125 DUs for multifamily units.

Part 2 calculates the fee-in-lieu based on an average land cost in the city of \$32,000 per acre. In larger cities, there may be merit in calculating different average land values in different areas of the city because land values vary widely. For example, fees-in-lieu in Austin average \$650 across the city, but Austin divides the city into three zones: Western, Central, and Eastern, and imposes different fees in each zone. Thus, the fees-in-lieu per unit for developments in densities with fewer than 6 units per acre are \$840, \$630, and \$420 for the three zones, respectively. Similarly, the City of Rockwall has 25 park district areas, each with a different per lot fee ranging from \$151 to \$620. The different fees-in-lieu will not penalize lower land value areas where most affordable housing is built, and they will capture higher land values from areas where the most expensive housing is located.

Table 4. Estimated costs for neighborhood parks in College Station.

Item	Cost
Basketball court	\$40,000
6-foot sidewalk @\$5.50 per SF x 4,000 linear feet	\$132,000
Handicap-accessible ramp x 2	\$2,000
Pedestrian bridge (average 30 feet) with concrete footings	\$40,000
Picnic unit (slab, table, trash can, grill) @ \$4,000 x 2	\$8,000
Shelter and slab (2 picnic tables w/trash cans)	\$34,000
Area lights (12' ht.) @\$4,000 x 20	\$80,000
2-foot x 8-foot park sign (Cylex) and keystone planter bed	\$6,000
Benches (painted steel) with slab @\$2,000 x 4	\$8,000
Bicycle rack	\$1,500
50 trees (30–45 gal. installed) w/Irrigation @ \$350	\$17,500
Specialized irrigation system	\$15,000
Drinking fountain (concrete-handicap accessible, dual height, dog dish)	\$7,500
Water meter 1.5 inches	\$1,200
Electric meter/breaker panel	\$2,000
Finish sodding, grading and seeding	\$5,000
Drain lines @ \$20 linear feet (average 100 feet)	\$2,000
Swing set with rubber and gravel mix	\$25,000
Playground with concrete base and rubber surfacing	\$75,000
Playground shade cover	\$17,500
Galvanized fence @ \$36/linear foot, 1,500 feet	\$54,000
Subtotal	\$573,200
10% contingency	\$57,230
Total	\$630,520

Part 3 in Table 3 calculates the park development fee. Its derivation is shown in Table 4, which lists the elements and their costs incorporated in a typical College Station neighborhood park. These development costs are divided by the average number of people served by a neighborhood park. The resultant fee of \$273 per person is then multiplied by the number of people per household to derive dwelling unit fees of \$764 for single units and \$622 for multifamily units.

Part 4 aggregates Parts 2 and 3 to derive total neighborhood park fees of \$1,078 for single-family units and \$878 for multifamily units. If the city accepted land (Part 1) rather than a fee-in-lieu (Part 2), the developer would be required to pay only the park development fee. A similar process was used to derive the community park fee shown in Table 3.

Overview of parkland dedication requirements in Texas cities

Table 5. Parkland dedication requirements in Texas cities.

City	Dwelling units		Current level of parkland provision		Land dedication requirements		Fee-in-lieu* ^a	
	Population	#DU	Total park acreage	DU/acre	DU/acre	DU/acre multifamily	SDU	MDU
Alvin	21,500	8,442	740.00	11.41	100.00		\$300.00	\$-
Angleton	18,130	7,220	100.00	72.20	200.00		\$1,083.00	\$250.00
Austin	656,562	276,842	16,862.00	16.42	83.33		\$650.00	\$-
Bryan	72,015	25,703	580.00	44.32	74.00	90.00	\$162.00	\$133.00
Cedar Hill	43,500	11,075	653.75	16.94	133.00		\$250.00	\$-
Cedar Park	45,000	8,914	847.00	10.52	41.67		\$720.00	\$480.00
College Station	88,183	34,619	1,274.00	27.17	102.00	125.00	\$619.00	\$504
Colleyville	21,720	6,549	202.00	32.42	25.00		\$1,802.00	\$-
Corinth	18,000	4,100	179.00	22.91	50.00		\$-	\$-
Corpus Christi	293,122	107,831	1,586.46	67.97	NA		5% of total value	\$-
Deer Park	30,000	9,921	527.00	18.83	NA		5% of total value	\$-
Denton	105,000	32,716	1,158.00	28.25	170.21		market value	\$-
Edinburg	68,802	16,031	253.00	63.36	125.00		\$250.00	\$-
Flower Mound	60,450	16,833	575.00	29.27	29.76		market value	\$-
Frisco	89,000	13,683	1,300.00	10.53	100.00		\$300.00	\$-
Grapevine	46,684	16,486	1,492.00	11.05	145.20		\$1,416.00	\$-
Haltom	39,000	15,716	184.00	85.41	150.00		\$-	\$-
Highland Village	14,500	4,009	354.00	11.32	N/A		\$2,160.00	\$-
Houston	1,953,631	783,009	19,699.00	39.75	55.50		\$700.00	
Hutto	14,000	424	150.00	2.83	50.00		market value	
Keller	34,800	9,216	415.00	22.21	30.00	60.00	\$1,000.00	\$-
La Porte	33,500	11,720	188.00	62.34	93.00		\$490.00	\$-
League City	62,500	17,280	1,041.00	16.60	90.00		\$1,000.00	\$-
Leander	23,000	2,612	90.00	29.02	NA	10.54	\$550.00	\$-
Lewisville	89,000	31,764	1,100.00	28.88	33.00		\$750.00	\$-
McKinney	110,000	19,462	1,604.00	12.13	50.00		market value	\$-
Mansfield	55,000	9,172	664.00	13.81	100.00		\$500.00	\$-

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City	Dwelling units		Current level of parkland provision		Land dedication requirements		Fee-in-lieu**	
	Population	#DU	Total park acreage	DU/acre	DU/acre	DU/acre multifamily	SDU	MDU
Missouri City	63,910	17,481	848.99	20.59	100.00		\$900.00	\$-
New Braunfels	45,000	14,896	408.00	36.51	150.00		\$100.00	\$-
Pearland	70,000	13,922	376.92	36.94	100.00		market value	\$-
Pflugerville	30,000	5,239	450.00	11.64	50.00		market value	\$-
Plano	240,000	86,078	3,800.00	22.65	N/A		\$467.47	\$323.96
Rockwall	30,000	7,089	480.00	14.77	67.00	250.00	151.00-620.00	\$-
Rowlett	53,000	14,580	994.00	14.67	71.92		\$325.00	\$-
San Antonio	1,282,800	433,122	16,310.00	26.56	70.00	114.00	market value	\$-
Southlake	24,900	6,614	644.10	10.27	40.00		market value	\$-
Sugarland	74,472	21,090	896.30	23.53	114.38		\$350.00	\$240.00
Temple	58,447	23,511	727.00	32.34	133.00		\$225.00	\$-
The Colony	36,000	8,812	1,925.00	4.58	64.00		market value	\$-
Waxahachie	25,000	7,909	230.00	34.39	100.00		\$200.00	\$-
Weslaco	32,000	10,230	250.00	40.92	N/A		\$150.00	\$350.00
Wylie	32,000	5,326	592.00	9.00	20.00		b/w \$1500 - \$3000	\$800.00

* This does not include park development fees.

Table 5 shows the current level of parkland provision for the Texas cities with dedication ordinances in column 5. These are the same data that were reported in Table 1, but in Table 5 they are expressed in terms of dwelling units per acre of parkland. This is derived by dividing column 3 by column 4. The number of dwelling units in column 3 was extracted from Census Bureau data. In columns 6 and 7 and 8 and 9, Table 5 uses the same measure of dwelling units to report the current dedication requirements for parkland in terms of dwelling units per acre and for the alternative fee-in-lieu option.

Calculation of the parkland dedication requirement

Most cities responding to the survey express their current parkland dedication requirements in terms of dwelling units per acre. In some instances, the requirements for single-family differ from those of multifamily dwelling units. For example, in College Station the neighborhood parks requirement for a single-family unit is 102

dwelling units per acre; for multifamily developments, it is 125 dwelling units per acre. This recognizes that both the size of the household and the building density are likely to differ within these two categories. Hence, the amount of parkland needed to meet the needs of their residents and maintain the existing level of service will differ.

Four Texas cities express the dedication amount in acres per 1,000 population:

- Austin: 5 acres per 1,000
- Cedar Park: 8 acres per 1,000
- Denton: 2.5 acres per 1,000
- Rowlett: 4.5 acres per 1,000

Assuming that these dedication amounts reflect the current level of service, this form of specification is likely to meet the “rough proportionality” standard because it relates the area required to likely demand from a development. All four cities do this explicitly by using a similar formula. For example, the Austin formula is:

$$\frac{5.0 \times (\text{No of units}) \times (\text{Persons/Unit})}{1,000} = \text{Acres to be dedicated}$$

To facilitate comparison with other Texas cities in this study, the requirements of the four cities were converted to dwelling units per acre by using the following approach (the Austin example):

$$\frac{\text{City dedication requirement (5 acres per 1,000 = 1 acre per 200)}}{\text{Census average household size for the city (2.4)}}$$

This suggests that in Austin, the ratio is 83.33 dwelling units per acre of parkland.

In four Texas cities, the dedication requirements are expressed as a percentage of the tract to be developed. Corpus Christi and Deer Park both require 5 percent of the total land area of the subdivision; in Elgin, the amount is 8 percent. Leander uses both the acres per 1,000 population and tract percentage in its ordinance: “two and a half (2.5) acres for each 100 new dwelling units or 5% of the total project area, whichever is greater.”

The percentage of tract approach has the advantage of simplicity and ease of computation, but it takes no account of development density. Although the park demands generated obviously will differ according to the number of people residing in a development, adopting the percentage approach means that the dedication requirement remains the same whether five or 100 people per acre live in the homes built. This approach fails to meet the “rough proportionality” standard and is likely to be rejected by the courts.

Calculation of the fee-in-lieu

All the ordinances reviewed for the study authorized communities to require developers to contribute cash instead of dedicating land. The cities that required the highest fees-in-lieu were (expressed in terms of per dwelling unit):

• Highland Village	\$2,298	• Mansfield	\$1,250
• Colleyville	\$1,802	• Arlington	\$1,083
• Wylie	\$1,500	• League City	\$1,000
• Grapevine	\$1,416	• Keller	\$1,000

The amount of cash for a fee-in-lieu should theoretically be equal to the fair market value of the land that would have been dedicated if the community had selected that option. This criterion was cited explicitly in the ordinances of 15 Texas cities:

Corpus Christi	Hutto	Pflugerville
Denton	La Porte	Rockwall
Flower Mound	Leander	San Antonio
Grapevine	McKinney	Southlake
Haltom	Plano	The Colony

However, these cities differed greatly in the methods used to establish the equivalence of fair market values. Some of the methods of determining the fee-in-lieu may be challengeable in the courts. For example, the Leander ordinance requires “fair market value . . . or a minimum of \$550 per residential unit, whichever is greater.” It is unlikely that the city could defend a fee that is higher than fair market value.

The Allen ordinance states that “payment of money in lieu of land will be sufficient to acquire and develop neighborhood parks at a rate set by the Council by resolution.” It does not speak to the methodology that is used to arrive at that rate, which likely will be defensible only if it is no higher than fair market value.

The Allen situation exemplifies a common potential problem among the ordinances in that fair market value is often presented as a fixed amount per dwelling unit. How that amount is derived is unknown. At least in some cases, it is likely that it is determined arbitrarily, which likely would be rejected by the courts. However, given that cities tend to fix the amount far below fair market value, this practice is unlikely to be challenged by developers.

Some cities, such as Rockwall and Haltom, commit to revise the fee-in-lieu amount annually to reflect changes in land values. The Haltom ordinance states:

Annually during the budget adoption process the city council shall establish a raw acreage acquisition cost figure to be used in calculating park fees. The council shall, after reasonable study and investigation, and based upon the best available information as to land and property values within the community, determine what the cost would be of acquiring one acre of vacant land in a

developing area of the community. This figure shall be the raw acreage cost under which all park fees are calculated for the budget year. The amount of the fee per dwelling unit shall thereafter be established by resolution of the city council on an annual basis.

In some instances, equivalency is determined at the site level. This means that a unique market value must be determined for each development. For example, Denton's ordinance states:

The value of the land shall be calculated as the average estimated fair market value per acre of the land being subdivided at the time of preliminary plat approval . . . If the Developer/Owner objects to the fair market value determination, the Developer/Owner at his own expense, may obtain an appraisal by a State of Texas certified real estate appraiser, mutually agreed upon by the City and the Developer/Owner.

This approach gives the city the prerogative of establishing the fair market value but provides the developer with the right to contest it at his/her expense.

An alternative approach is for the city to offer developers a per-unit option based on an average city valuation of the land so they can choose from two methods. This was used in Austin.

The Colony's dedication ordinance provided for the city council to use one of three approaches for ascertaining fair market value. Presumably the city could calculate the requirement yielded by all three methods and choose the one that the council preferred:

In determining the average per acre value of the total land included within the proposed residential development, the Council may base its determination on one or more of the following:

1. The most recent appraisal of all or part of the property made by the Central Appraisal District; or
2. Confirm sale prices of all or part of the property to be developed, or comparable property in close proximity thereof, which have occurred within two (2) years immediately preceding the date of determination; or
3. Where, in the judgment of the Council, (1) or (2) above would not, because of changed conditions, be a reliable indication of the then current value of the land being developed, an independent appraisal of the whole property shall be obtained by the City and paid for by the developer.

Many cities equate fair market value to the appraised value established by the county tax assessor. Despite the legal requirement in Texas that the assessed value should be set at the fair market value, many tax assessors set their appraisals below fair market value to avoid the costs associated with large numbers of property owners contesting their valuations. To counter this tendency to low-ball appraisals, the McKinney ordinance authorizes the city council to upgrade the county assessor's appraised value if the council elects to do so:

Any payment of money required to be paid by this article shall be in an amount equal to the value of the property established by the most recent appraisal of all or part of the property made by the central appraisal district. Periodically the city may have an independent appraisal conducted for a sampling of properties to determine if the appraised value established by the central appraisal district is appropriate. The city council may adjust the amount assessed based on any difference between the value of property established by the central appraisal district and the value of property per the independent appraisal. The adjustment shall be a percentage change to all properties of the values established by the central appraisal district.

The San Antonio ordinance arbitrarily caps the maximum fee-in-lieu that can be charged at \$30,000 per acre, presumably as a result of pressure from the development community, although it does allow for an annual inflation adjustment. To alleviate political pressure on the city council, the San Antonio ordinance requires that fee-in-lieu valuations be undertaken by an independent “third party.” Presumably, this is an attempt to arrive at a valuation that is transparently free of vested interest and influence that may be exerted by developers or the city. The ordinance states:

Beginning in 2010, and once every fifth (5th) year thereafter, the fair market value cap may be adjusted based on the evaluation and recommendation of a consultant selected and engaged by the City.

Some cities require only that land be dedicated and do not impose a park development fee; these cities authorize developers to make improvements to existing parks in lieu of paying a park dedication fee. The city of Elgin’s ordinance for example, authorizes this:

The director of public works may recommend to the planning and zoning commission that a developer dedicate park improvements in lieu of park land, equivalent to the cash contribution herein.

Other cities that include this provision are Arlington, Cedar Hill, Corpus Christi, Keller, La Porte, Plano, and Rosenberg.

League City was alone in specifically prohibiting the possibility of developers receiving credit for park improvements:

The developer may, at his option, improve the park area.
Improvements to the recreational sites cannot be used as credit towards the Land Dedication or the Regional [Parks] Fee.

Calculation of park development fees

The survey revealed that among the 48 municipalities with parkland dedication ordinances in Texas, only 10 had expanded their ordinances to include a park development component. The park development fees charged in these cities are listed in Table 6. In 3 of the 10 cities, a different park development fee was charged for single dwelling units (SDU) than for multiple dwelling units (MDU).

Ordinances that contain only the land and the fee-in-lieu elements without containing a park development fee require existing taxpayers to pay the costs of improvements to transform the bare land into a park.

Four of the 10 communities (Cedar Hill, La Porte, Mansfield, and New Braunfels) use language similar to that incorporated in the La Porte ordinance:

Such park development fee shall be set from time to time by ordinance of the City Council of the City of La Porte sufficient to provide for the development of amenities and improvements on the dedicated land to meet the standards for a neighborhood park to serve the area in which the subdivision is located. Unless and until changed by ordinance of the City Council of the City of La Porte, the park development fee shall be calculated on the basis of \$318 per dwelling unit.

In these four cases the fee is specified, but the basis used to calculate it is not attached to the ordinance. The rounded nature of some of the park development fees of these cities (such as \$250, \$500, and \$750) and their wide disparity suggest that there was a degree of arbitrariness in fixing these fees that is unlikely to be accepted by the courts.

Table 6. Park development fees for Texas cities.

City	All	Single dwelling unit	Multiple dwelling unit
Bryan	--	\$385	\$292
Cedar Hill	\$250	--	--
College Station	--	\$1,402	\$1,142
Denton	--	\$291	\$187
Flower Mound	\$790	--	--
Highland Village	\$1,025–\$1,447 (based on level of service)	--	
La Porte	\$318	--	--
Mansfield	\$750	--	--
New Braunfels	\$500	--	--
Rockwall	\$202–\$831 (based on district level of service)	--	

Seven cities provided an empirical basis for deriving their park improvement fees. In four cases (Denton, Flower Mound, Highland Village, and Rockwall) the cost of a typical neighborhood park is cited as the basis for the fee. For example, the Denton ordinance states: “Based on an assumed cost of typical improvements for a five acre park of \$208,000.” The neighborhood park development costs used by Flower Mound, Highland Village, and Rockwall are \$117,600, \$293,500, and \$375,000, respectively. The Rockwall ordinance is unique in requiring annual reviews of the park development fee:

A uniform cost shall be prepared annually for the park features set forth for a neighborhood park in the Activity Menu for the Park Plan, and adopted by the City Council. The dedication factor shall

be applied to the cost to determine the pro-rata share per new dwelling unit for recreational improvements-facilities.

College Station and Bryan are the only cities whose ordinances provide empirical details as to how their park improvement costs were derived. The derivation for College Station was shown earlier in Table 4 (neighborhood parks) and Table 3 (community parks).

The cities of Cedar Hill, College Station, Flower Mound, and Mansfield authorize developers to construct improvements at a park in lieu of paying the park development fee. Thus, the Mansfield ordinance states:

In lieu of payment of the regional park development fee, the developer, with approval of the Director, may have the option to construct the neighborhood park improvements.

None of the 48 ordinances made provision in their calculations of the fee-in-lieu or park development fee for giving a credit to new homeowners for tax payments made to retire the debt of similar existing parks in other areas of the city. Conceptually, this is a nuance that should be incorporated.

If the residents of new subdivisions are required to finance new parks for which they generate a need, it may be argued that they should not have to help retire outstanding debt for development of similar existing parks elsewhere in the community that they often must do because it is incorporated into their ad valorem tax. If the rest of the community does not share the cost of their parks, the residents of new developments should not have to pay for the rest of the community's parks of that type. In the past, this concern has not been prominent because the intent of parkland dedication was limited to financing only the land acquisition cost; the whole community paid for development costs. However, with the trend toward incorporating a development fee element in the dedication, this equity concern is likely to become more prominent.

The leverage potential of dedication ordinances

Figure 1. Illustration of how a city's investment in parkland provides the potential for leveraging private development investment in parks.

Scenario

- Cities A and B each have a population of 10,000 (4,000 dwelling units).
- Each city's population will increase by 25,000 (10,000 dwelling units) in the next 10 years.
- City A has invested in 200 acres of public parkland; City B has invested in 20 acres of public park land. Thus, the existing levels of service are:
 - City A: 1 acre per 20 dwelling units (4,000/200)
 - City B: 1 acre per 200 DUs (4,000/20)
- Land costs in both cities are \$30,000 per acre.
- Park development costs in both cities are \$50,000 per acre.

Continued from previous page

Initial city investment in parks with general obligation bonds

Cost	City A	City B
Land	200 acres @ \$30,000 = \$6 million	20 acres @ \$30,000 = \$600,000
Park development	200 acres @ \$50,000 = \$10 million	20 acres @ \$50,000 = \$1 million
Total initial investment	\$16 million	\$1.6 million

Private investment required by a parkland dedication ordinance

Requirement	City A	City B
Potential dedication requirement over the 10-year period	10,000 DUs ÷ 20 = 500 acres	10,000 DUs ÷ 200 = 50 acres
Value of land dedicated	500 acres @ \$30,000 = \$15 million	50 acres @ \$30,000 = \$1.5 million
Park development costs dedicated	500 acres @ \$50,000 = \$25 million	50 acres @ \$50,000 = \$2.5 million
Total private dedication	\$40 million	\$4 million

Conclusion

- At the end of 10 years of growth, City B would have to issue an additional \$36 million in general obligation bonds (\$40 million - \$4 million) to catch up with the amount of parkland it had failed to accrue in that 10-year period.
- Thus, the total investment of taxes for providing equal provision of parkland would be \$16 million in City A and \$37.6 million (\$36 million + \$1.6 million) in City B.

One of the implications of existing level of service being the benchmark used to determine “rough proportionality” is that investments in parkland by a city leverage the dedication amount that can be required from developers. This is illustrated in Figure 1, where City A’s initial investment of \$16 million (200 acres) in general obligation bonds leveraged private investment of an additional \$40 million (500 acres) over the 10-year growth period used in the Figure’s scenario. In contrast, City B’s much lower initial investment of \$1.6 million (20 acres) in general obligation bonds established a much lower level of service, which meant that it could leverage only \$4 million (50 acres) from private developers during the same 10 year period.

Clearly, it is advantageous for small cities that anticipate future growth to invest substantially in park areas in their early stages of development, because that investment could be used to leverage relatively large dedications from developments as the city grows. If they fail to do this, such cities subsequently will have to adopt the much more challenging political strategy of requesting their residents to approve bond issues for park land to achieve a given desired level of service.

Credit for private park and recreation amenities

The provision of private park and recreation amenities within a subdivision for the exclusive use of residents within that subdivision compounds the problem of calculating the “rough proportionality” between a dedication requirement imposed on a developer and the increased demands of the proposed development on the parks system. Presumably, the private amenities will absorb some of the demand generated by the new homes that would otherwise have had to be accommodated by public parks. This reduced demand for public parks suggests that credit must be given for private amenities when calculating the dedication requirements.

Of the 48 ordinances reviewed, 27 made no provision for giving credit for private amenities. A credit of “up to 50 percent” was the credit authorized most often, appearing in the ordinances of 12 cities: Alvin, Corpus Christi, Denton, Haltom, Hutto, McKinney, Missouri City, New Braunfels, Rosenberg, Southlake, Sugarland, and Temple. The wording of the Corpus Christi ordinance was typical:

Up to 50% of the park dedication requirement may at the discretion of the City, be fulfilled by privately owned and maintained park and recreation facilities. Credit for private parkland must meet the standards of the Parkland Dedication Guidelines concerning adequate size, character and location.

In 11 of these 12 ordinances, no guidance was given on how to determine the amount of credit to allow on the spectrum from 0 percent to 50 percent. Leaving this decision to “the discretion of the city” introduces an element of arbitrariness that could result in similar developments being treated differently. The City of Haltom tried to remove some of this arbitrariness by specifying credits for individual park elements so a development’s aggregate credit for private amenities depended on how many of these elements the amenities incorporated:

In determining the amount of credit, the following criteria shall be used:

	Criterion	Credit
(a)	Exceeding the open space requirement by more than 25%	10%
(b)	Providing swimming pool(s)	10%
(c)	Providing playgrounds	10%
(d)	Providing volleyball, basketball, and/or tennis courts	10%
(e)	Providing walking/jogging trails	10%

Whenever credit is given for private amenities, the ordinances invariably include requirements ensuring that a stable source of funding will be available to maintain and renovate the facilities. For example, the Grapevine ordinance states:

The city council may . . . allow the open space and park and recreational areas . . . to be restricted to the use and enjoyment of residents of the particular development or subdivision . . . such areas shall be maintained by and deeded to a homeowners’ association, or a trustee . . . the homeowners are liable for the payment of maintenance fees and capital assessments . . . unpaid

homeowners' fees and assessments will be a lien on the property of the delinquent homeowners.

Ordinances in the cities of El Paso, Grapevine, Rockwall, and San Antonio authorize credit of up to 100 percent. Thus, El Paso allows "up to a one-hundred percent reduction from the initial parkland dedication requirement for the installation of private amenities." The Rockwall ordinance offers the 100 percent credit but "the park property within the private development must be easily accessible to the general public either through the use of the city trail system or public roadways." Thus, to qualify for the credit, the private park amenities cannot be for the exclusive use of the subdivision's residents.

San Antonio authorizes up to 100 percent credit but, like the City of Haltom, the amount of credit is linked to specific elements included in a private park. For example, one element is "open play areas" for which the credit is a maximum of 1 acre for every 5 acres of parkland dedication, while a swimming pool "may count towards no more than 50% of the parkland dedication requirement."

The cities of Elgin, Leander, Mansfield, and Pflugerville did not specify an upper amount for the credit. The Elgin ordinance characterized the position of three of those cities:

Subdividers and developers may be allowed a credit against the park land dedication requirement for private parks or recreational facilities . . . The director of public works shall recommend to the planning and zoning commission the amount of the credit to be allowed, if any.

The City of Mansfield is most sensitive to meeting the requirements of "rough proportionality" and states:

The developers shall reserve a proportional credit, as determined by the Director, based on actual out-of-pocket dollar costs that the developer incurred for the improvement of the private park or recreational facility.

There is a challenge in determining what is "proportionate credit." If a developer constructs such amenities as tennis courts, a swimming pool, or a golf course for the private use of a subdivision's residents, how much demand for public parks do the amenities absorb? Given the difficulty of considering such a question, the Mansfield ordinance suggests that perhaps the only equitable way to give credit is to do it on a cost basis. Thus, the cost of the private amenities would be deducted from the cost of the public parkland dedication that the developer would otherwise have to pay.

The "rough proportionality" requirement mandates that proportionate credit be given for private amenities. Private park space cannot be considered part of a community's existing level of service. Thus, such credit does reduce the amount of public open space. This has a marked adverse effect on the formula for calculating dedication requirements. For an example of the possible impact, see Table 3 and substitute a lower level of service than the prevailing 1 acre per 285 people (say, 1 acre per 350 people) for neighborhood parks in the calculations.

The analysis in this section shows that most Texas communities ignore the issue of credit for private amenities; they either insert an arbitrary upper limit of 50 percent

or 100 percent, or they leave it to the city's discretion. All of these options fail to provide "proportionate" credit for private amenities.

This is not likely to be a major issue in most Texas cities because relatively few developments include private amenities. Nevertheless, the issue should be addressed to avoid the possibility of legal challenge in the future.

Reimbursement clause

Many communities require that neighborhood parks usually be at least 5 acres in size because the cost of sending crews to maintain smaller parks of (say) 2 or 3 acres across the city is not justified by their relatively low level of use. A challenge confronting many cities is that most developments are so small that their parkland dedication acreage requirement is much too low to meet this 5-acre minimum standard. Consequently, cities usually accept the alternative dedication of a fee-in-lieu of land.

However, accepting the fee-in-lieu option creates a conundrum. When sufficient cash accrues from these payments, the city tries to buy adequate land for a park. Unfortunately, by the time enough money has been paid by developments to accomplish this, most of the land suitable for a park of appropriate size is likely to have been acquired for development. Invariably, the only land available for a park is flood plain or detention basin land that developers could not use but that is also often inferior for use as a park. Alternatively, if potentially good park land is still available, it is likely to be relatively expensive because land prices are likely to rise as the intensity of development in an area increases.

This scenario has led most communities to insert a reimbursement clause into their dedication ordinances. For example, the College Station ordinance states: "If the City does acquire park land in a park zone, the City may require subsequent parkland dedications for that zone to be in fee-in-lieu-of-land only. This will be to reimburse the City of the costs of acquisition." Indeed, to implement this reimbursement mechanism, in a 2008 bond referendum, the voters of College Station approved a \$1 million "parkland revolving fund." This fund will enable parkland to be acquired and be replenished from subsequent fees-in-lieu.

This process enables a city to buy parkland before development by using general obligation bonds or certificates of obligation and to reimburse itself later, at least in part, from the fees-in-lieu. Thus, a reimbursement dedication fee apportions the cost of providing park facilities for new development before it is needed to each new development in proportion to its use of the parks.

Negotiation with landowners at times when activity in the real estate market is slow, when a bargain sale opportunity becomes available, or when the land is beyond the community's existing developed areas may result in good park and recreational land being purchased at a relatively low price. It is also likely to be easier to acquire substantial tracts of 50 to 300 acres, for example, during this time than after development extends to these outlying areas. In effect, these acquisitions represent excess capacity to the community's current needs. Adopting this approach is likely to be supported by developers because the existence of parks makes new developments more attractive to homeowners.

A reimbursement clause enables a city to buy parkland before development by using funds such as general obligation bonds or certificates of obligation and to reimburse itself later, at least in part, from the fees-in-lieu.

Timing of the dedication requirement

In almost all the ordinances reviewed, the land dedication, fee-in-lieu, and/or park development fee must be paid “prior to filing the final plat for record.” However, seven municipalities included variations to this clause.

College Station uses this clause for single-family residences, but for multifamily developments the dedication is to be made “prior to the issue of any building permits.” This is done because the platting does not specify the number of apartments to be built, so the fee is unknown. Because only one builder is involved for multiple apartments, it is administratively easy to collect the fee at the time a building permit is requested.

The cities of Keller, Mansfield, and New Braunfels require the dedication to be “prior to final plat or the issuance of a building permit when a plat is not required.” Plano and Corinth both require the dedication at the time of application for a building permit. In the case of a land dedication, Edinburg uses the final plat clause, but for fee-in-lieu payments the city divides the timing: “50% payable at the time of final plat approval on a lot basis and the remaining 50% of such payment shall be made at the time a building permit is applied for on a dwelling basis whether it is a single, two, or multifamily dwelling.”

Adherence to the nexus principle

In the *Turtle Rock* case, the Texas Supreme Court referred to *Berg Development Co v. City of Missouri City*,⁸ a 1980 Texas case in which the courts ruled the Missouri City parkland dedication ordinance to be unconstitutional because a subdivision’s fee-in-lieu could be expended on parks anywhere in the city rather than only at a park close to that subdivision.

The Missouri City ordinance did not preclude the city from exacting funds from a developer and then failing to use the money to provide parks for the assessed development. Therefore, that park dedication ordinance placed a special economic burden upon the developer and ultimately on the home buyer with no guarantee that they would benefit from the exaction. This defect made the Missouri City ordinance arbitrary, and therefore unreasonable and unconstitutional.

Thus, the court made it clear that the land or fees dedicated must be used to benefit the subdivision from which they are taken.

This requirement was reaffirmed in 1987 by the U.S. Supreme Court in *Nollan v. California Coastal Commission*.⁹ The *Nollan* decision confirmed the “required nexus” rule recognizing the need for a jurisdiction to establish a rational nexus, or essential connection, between the demand enacted by a development and the park being developed with the resources provided by the developer. It requires that the dedicated resources be used to provide facilities that benefit those who will live in the development. This means that an agency should have a parks master plan that divides the jurisdiction into geographical districts. Each district should have a separate fund in which to credit all dedication fees-in-lieu and park development

The nexus rule requires that the dedicated resources be used to provide facilities that benefit those who will live in the development.

fees originating from that district. These revenues should be spent on parks within the district in which they originated.

The size of these districts is determined by the distance that residents are likely to travel to visit a park. As the distance between the development and the amenities increases, it becomes more likely that an ordinance will lose a legal challenge based on rational nexus. Conversely, if the geographical districts are made very small so that they are more defensible to a legal challenge, it will take much longer for enough funds to accrue to enable park amenities to be developed. Ideally, the size of the districts should be based on information from empirical studies measuring how far people in the community travel to parks. However, in most cities, a standard distance of $\frac{1}{4}$, $\frac{1}{2}$, or 1 mile to a neighborhood park is considered “reasonable.”

Language in the College Station ordinance is typical of that used to meet the nexus requirement:

Park Land fees will be deposited in a fund referenced to the park zone or community park district involved. Funds deposited into a particular park zone fund or community park district may only be expended for land or improvements in that zone or district.

All 48 ordinances generally adhere to the nexus principle. Of the communities that did not specify the need for expenditures to be made only in the zone in which they were deposited, most are relatively small. In these cases, all residents in the city could be deemed as being near a park, wherever it is located.

The nexus requirement is not specified in the ordinances of seven larger cities: Cedar Park, Weslaco, Deer Park, and El Paso. Although this is surprising, it does not necessarily mean the nexus principle is not followed. It may mean only that while in practice it is met, it is not formally specified in the ordinance.

Time limitation for expending fees-in-lieu

The courts have made it clear that when fees-in-lieu are paid, the homes generating the fees are expected to benefit from new park amenities within a reasonable time frame. Nevertheless, 16 of the 48 cities fail to specify a time frame of any kind, which is a limitation of their ordinances. Of the remaining cities, Table 7 shows that the term “reasonable time frame” is most commonly determined to be either 10 years (13 cities) or 5 years (nine cities). Others range from a low of 2 years (Temple) and 3 years (Grapevine) to 7 years (Bryan) and 8 years (Rockwall).

Table 7. Time frame for spending fees-in-lieu for various Texas cities.

10 years	5 years	Other	None
Allen	Austin	Bryan (7)	Angleton
Alvin	Cedar Park	Corpus Christi (4)	Colleyville
Arlington	College Station	Grapevine (3)	Corinth
Carrollton	Edinburg	Lewisville (3 $\frac{1}{2}$)	Deer Park
Cedar Hill	Frisco	McKinney (6)	El Paso

Continued on next page

The courts have made it clear that when fees in lieu are paid, the homes generating the fees are expected to benefit from new park amenities within a reasonable time frame.

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10 years	5 years	Other	None
Denton	League City	Rockwood (8)	Elgin
Haltom	Rosenberg	Temple (2)	Flower Mound
Mansfield	Rowlett	The Colony (4½)	Highland Village
Missouri City	Wylie		Keller
New Braunfels			La Porte
Pearland			Leander
Plano			Pflugerville
Waxahatchie			San Antonio
			Sugarland
			Weslaco

Variations in the time frame may reflect differences in rate of growth. The 5-year time frame adopted by, for example, College Station, Cedar Park, and Austin, probably reflects the rapid population growth occurring in these communities. It is surely unrealistic, even in rapidly growing communities, that shorter time frames of 2 or 3 years are sufficient to collect enough funds, to identify and acquire available park land, and to let contracts to develop a park. For many communities, an 8- or 10-year time frame is likely needed to accomplish these tasks.

No communities included time periods that differed according to type of park. This was surprising. It may be feasible to accrue enough resources to fund a neighborhood park within 5 years in a fast-growing city. However, more time will likely be needed to fund a community park within the same time frame because the costs are likely to be (say) five times greater, and the growth rate in a particular neighborhood may be much faster than that of other neighborhoods that in aggregate constitute a community park zone.

If the reasonable time frame criterion is not met, the ordinances must provide for those who pay the fees-in-lieu to receive a refund. Language in the College Station ordinance is typical:

The City shall account for all fees-in-lieu of land and all development fees paid under this Section with reference to the individual plat(s) involved. Any fees paid for such purposes must be expended by the City within five (5) years from the date received by the City for acquisition and/or development of a neighborhood park or a community park as required herein. Such funds shall be considered to be spent on a first-in, first-out basis. If not so expended, the landowners of the property on the expiration of such period shall be entitled to a prorated refund of such sum, computed on a square footage of area basis. The owners of such property must request such refund within one (1) year of entitlement, in writing, or such right shall be barred.

Developers probably will not request refunds even if the time frame is not met because they are unlikely to be concerned enough to monitor how the money is spent

5 years later and because there is only a 1-year window of opportunity in which to claim the refund.

The scope and range of Texas cities’ parkland dedication ordinances

The survey revealed that the scope of Texas cities’ parkland dedication ordinances varied across three dimensions:

- The type of parks for which they provided
- The inclusion or exclusion of nonresidential development
- The inclusion or exclusion of subdivisions in the ETJ

Each of these issues is addressed in this section.

Types of parks specified in the ordinances

Table 8. Cities whose ordinances were limited to providing neighborhood parks.

Allen	Edinburg	New Braunfels
Alvin	Haltom	Pearland
Austin	La Porte	Rockwall
Carrollton	Lewisville	San Antonio
Cedar Hill	Mansfield	Waxahachie
Denton	Missouri City	

The ordinances of 17 of the 48 municipalities confine their parkland dedication authority to neighborhood parks (Table 8). This relatively restricted scope of about one-third of the ordinances is surprising, because the trend to a broader scope was noted over 15 years ago in a 1992 study investigating parkland dedication practices in six states, including Texas:

Historically, park exactions have been used to provide neighborhood parks, but data from this study suggest a changing practice. Many communities are now beginning to use the exacted fee to acquire, develop, or renovate community and citywide parks . . . This experimentation can meet the constitutional standard of “rational nexus” if the municipality can demonstrate that the development of these large parks serves residents of the subdivisions subject to the exaction⁴.

However, these authors went on to note that while municipalities in other states were broadening the mandate of exactions, “The exception to this trend is in the state of Texas, where municipalities predominantly restrict their use of the funds to neighborhood parks.”

This view of the legitimacy of a broader spectrum of parks being eligible for dedication fees was reinforced over a decade ago by the National Recreation and Park Association in its guidelines for planners, which stated: “The rational nexus test for parks and recreation can be expanded beyond the neighborhood park to community and regional parks where additional user pressures will occur and additional park and recreation capacity will be needed.”¹⁰

Ordinances of the other two-thirds of Texas communities provide enabling authority for dedication for a broader range of parks beyond the neighborhood level. The enabling authority in these ordinances was of three types: general and nonspecific, broad-based and specific, and limited scope beyond the neighborhood level. Examples of the language used in each of these types of ordinances are given in Figure 2.

Figure 2. Examples of ordinances providing enabling authority beyond the neighborhood level.

Examples of nonspecific language

- Corpus Christi: “provide for the parkland needs of future residents.”
- Leander: “dedicate to the public sufficient and suitable lands for the purpose of public parkland.”
- Flower Mound: “land dedicated for parks, containing passive or active recreational areas and amenities that are reasonably attributable to such development.”

Examples of broad-based and specific enabling language

- Frisco: “The city of Frisco is in need of neighborhood, community, regional, greenbelt and central parks due to population increases in the City from residential development which creates a specific demand for parks of various sizes.”
- League City: “To provide park and recreational areas in the form of neighborhood parks, recreational parks, regional parks and connecting trails as a function of residential development in the City of League City.”
- Rosenberg: The ordinances in some of these communities confirm that the fee-in-lieu also is distributed across all types of parks. For example, the ordinance states: “The allocation of cash paid to the City in lieu of land dedication shall be divided equally between neighborhood, community and regional parks.”

Cities whose ordinances provided for limited expansion beyond the neighborhood park level.

Typically, these cities extended their ordinances to incorporate community parks and/or linear greenways: Examples include:

- Bryan: “to provide recreational areas in the form of community parks . . . Community parks typically serve an area with a radius of one mile, and most of these also serve as neighborhood parks.”
- Highland Village: “providing for developer funded recreational areas in the form of a community park, neighborhood parks and an inland trails system – linear park.”
- Arlington: “linear parks and neighborhood parks” [In Arlington, all of the city’s community parks qualify as “linear parks].”

Although most cities' enabling legislation gave them a mandate to require dedication for more than neighborhood parks, in many cases they confined their implementation to only neighborhood parks, because of tradition, inertia, and presumably opposition from the development community.

Nonresidential park land dedications

The cities of Colleyville, Hutto, and Southlake extend their ordinances to include nonresidential as well as residential property. The Hutto ordinance states:

In order to provide for the open-space needs of the community, the Developer of a Non-residential subdivision of three acres or more will be assessed a parkland fee at recordation of the final plat of \$800 per acre.

It is difficult to see how such a requirement meets the U.S. Supreme Court's test of "rough proportionality." In the *Dolan* case, the court made it clear that a city cannot just say that it would be nice to have open space and then require property owners to dedicate the land for it. A park dedication ordinance must demonstrate the effect an individual development has on creating a need for parks.

The Colleyville and Southlake ordinances recognize the necessity of making the need case and use identical language to do this:

Although non-residential development does not generate residential occupancies per se, it does create environmental impacts, which may negatively affect the living environment of the community. These impacts may be ameliorated or eliminated by providing park or open space areas which buffer adjoining land uses, prevent undue concentration of paved areas, allow for the reasonable dissipation of automotive exhaust fumes, provide natural buffers to the spread of fire or explosion, and provide separation of lighting, waste disposal, and noise by-products of non-residential operations and activities from adjacent residential areas. The City has therefore determined that non-residential developments must provide dedicated parks and/or reserved open space at a ratio of one (1) acre of parkland for every fifty-six (56) non-residential gross acres of development or prorated portion thereof.

This language still seems too vague to demonstrate "rough proportionality" showing that employees will generate new demands for parks. However, in all three of these cases, the dedication requirement is so small in the context of the overall investment in a nonresidential development that it is unlikely developers will incur the cost and ill will with the city by challenging it, so the requirement will probably be met without challenge. The buffering requirement specified in the Colleyville language could probably be achieved equally well by strengthening the requirements of regular planning ordinances rather than through a dedication ordinance.

Extending ordinances to extraterritorial jurisdictions

Cities in Texas have legislative authority to regulate subdivisions built in their ETJs. This means that park dedication ordinances can be extended to include subdivisions outside a city's boundaries but within the ETJ. The ETJ extends for 3½ miles beyond the existing boundaries of a city with fewer than 100,000 population. It extends to 5 miles when the 100,000 population threshold is reached.

Only seven of the 48 cities make explicit reference in their ordinances to dedication extending to ETJ subdivisions: Alvin, Austin, College Station, Corpus Christi, Leander, Mansfield, and New Braunfels. For example, the Corpus Christi ordinance states:

All residential subdivisions located within the city or within the area of extraterritorial jurisdiction of the city, shall be required to provide for the parkland needs of future residents through the fee simple dedication of suitable land for park and recreation purposes.

A challenge in extending dedication to the ETJ is the cost of maintaining dedicated parks located far outside the city's existing boundaries. To encourage developments to carry these costs until they are annexed, the city of Austin ordinance increases its limit of 50 percent credit for private amenities in the city to 100 percent in the ETJ:

For subdivisions located outside the city limits, up to 100% credit may, at the discretion of the City, be given if the subdivider enters into a written agreement with the City stating that all private parkland shall be dedicated to the City at the time of full purpose annexation of said subdivision by the City.



Time frame for revising ordinances

Only 11 of the 48 ordinances incorporate a time frame for reviewing the ordinance. The College Station ordinance states: “The City shall review the Fees established and amount of land dedication required at least once every three (3) years.” The 3-year review clause also appeared in the Bryan, League City, and Plano ordinances; in Wylie, it is every 2 years; and in Arlington and San Antonio, the review period is every 5 years.

Five communities integrate revisions to fees-in-lieu into the annual budget process: Angleton, Haltom, Pflugerville, Rockwall, and Southlake. An annual reappraisal is likely to be viewed as being unreasonable or onerous by most city councils for two reasons. First, there may be too few land transactions recorded in a year to provide enough data to establish a clear trend. The smaller the number of transactions used to determine an average cost for acquiring land, the less reliable and more contentious that valuation is likely to be. Second, the prospect of undergoing a controversial public hearing process on this issue each year is likely to be unappealing to most elected officials.

The San Antonio and Arlington ordinances incorporate a compromise solution that avoids annual reviews but tries to reflect increases in land values in interim years between major 5-year reviews. The Arlington ordinance states:

Development fees shall be updated annually on September 1st by the Director in accordance with the U.S. Department of Labor, Bureau of Labor Statistics’ Dallas-Fort Worth Consumer Price Index for All Urban Consumers.



Criteria for acceptance of parklands

Most ordinances include guidelines to help determine whether to accept parkland or to require a fee-in-lieu. Typically, they include multiple items relating to such factors as location, accessibility, and character of the land. Two of these elements that are common to most ordinances and often contentious are minimum size and acceptability of floodplain and detention pond land.

Minimum size

Table 9. Desired minimum size of dedicated parkland specified in ordinances.

Amount of acreage	Cities
None specified	Angleton, Arlington, Corpus Christi, Deer Park, El Paso, Elgin, Flower Mound, Grapevine, Highland Village, Pflugerville, Weslaco
1 acre	Corinth, Edinburg, Haltom, La Porte, Lewisville, Pearland, The Colony, League City (¼ acre)
3 acres	Alvin, College Station, Leander, San Antonio, Temple
5 acres	Allen, Carrollton, Cedar Hill, Cedar Park, Denton, Frisco, Keller, Mansfield, Missouri City, New Braunfels, Rosenberg, Rowlett, Southlake, Waxahachie, Wylie
6 acres	Austin, Bryan
7 acres	Colleyville
10 acres	McKinney, Rockwall, Sugarland

Most ordinances specify a preferred minimum size for dedicated parkland, recognizing that tiny parks provide limited scope for providing amenities and are relatively expensive to maintain in terms of cost per user served. Table 9 shows that preferences range from ¼ acre in League City to 10 acres in McKinney, Rockwall, and Sugarland, with the most frequent preferred minimum size being 5 acres.

These are desired minimums; none of the ordinances categorically rejects the acceptance of land dedications that are smaller than their preference. The New Braunfels ordinance is typical:

The City Council and the New Braunfels Parks and Recreation Department generally consider that development of an area less than five acres for neighborhood park purposes may be inefficient for public maintenance.

Acceptability of floodplain and detention pond land

The large majority of ordinances indicate that it is generally undesirable to accept floodplain land as part of a dedication requirement. For example, the City of Mansfield ordinance states:

The City shall not accept land . . . within floodplain and floodway designated areas . . . unless individually and expressly approved by the Director.

Some cities recognize the limitations of floodplain land but emphasize the positive potential of such sites rather than their limitations. For example, the Bryan ordinance states:

Consideration will be given to land that is in the floodplain . . . as long as . . . it is suitable for park improvements.

Some cities state a maximum proportion of floodplain that they will accept in a dedication. In most cases, 50 percent is specified. For example, San Antonio requires "Areas within a 100 year floodplain shall not exceed 50% of the area counted as parkland." Variations in the 50 percent requirement range from the ordinance of The Colony, "Not more than 20% of the proposed park is to be located within the 100 year floodplain," to that of Denton, "Floodplain areas shall generally not exceed 75% of the total park site."

Eleven cities specify that if floodplain land is accepted, its contribution toward a dedication requirement is discounted. Thus, the College Station ordinance states, "Land in floodplains or designated greenways will be considered on a three for one basis. Three acres of floodplain or greenway will be equal to one acre of park land." Other communities adopting this three-to-one ratio are Alvin, Denton, McKinney, and The Colony. The cities specifying a two-to-one ratio are Austin, Cedar Hill, Haltom, La Porte, Lewisville, and Pflugerville.

Surprisingly, only a few ordinances address the issue of detention ponds being accepted to meet dedication requirements. Of those, the most commonly used language is similar to the generic statement in the La Porte ordinance:

Drainage areas may be accepted as part of a park if the channel is constructed in accordance with City engineering standards and if no significant area of the park is cut off from access by such channel.

The League City ordinance is unequivocal in rejecting as "unsuitable" any area located in the 100-year floodplain, but "an exception may be a ballfield that is located in a day detention basin with the approval of the Parks Board and City Council." San Antonio offers the most specific and comprehensive regulations for acceptance of detention areas:

Detention basins which are required as part of the stormwater management standards shall not qualify as parkland unless 75% or more of the active and usable area is designed for recreational use and the area(s) conforms to the requirements below.

1. Detention areas shall not be inundated so as to be unusable for their designated recreational purposes. Detention areas must be designed to drain within 24 hours.
2. Detention areas shall be constructed of natural materials. Terracing, berming and contouring is required in order to naturalize and enhance the aesthetics of the basin. Basin slopes shall not exceed a three to one (3:1) slope.
3. Detention areas may count a maximum of 50% of the park dedication requirement.

College Station appears to be alone in unequivocally rejecting the acceptance of these areas:

Detention/Retention areas will not be accepted as part of the required dedication, but may be accepted in addition to the required dedication.



Concluding comments

This analysis of the 48 Texas city ordinances studied revealed that parkland dedication is substantially underused as a funding mechanism. Citizens and city leaders need to know the magnitude of the missed opportunity that this represents, possible reasons for this mechanism not being realized, and the political case for fully supporting substantive parkland dedication requirements.

The unrealized potential of parkland dedication ordinances

Over the past 25 years, Texas municipalities have increasingly used parkland dedication ordinances. However, the dedication requirements in their ordinances are much too low, given the prevailing fiscal and legal environments in Texas. The unrealized potential of these ordinances is a function of restricted scope and below-cost dedications.

Restricted scope

The scope of parkland dedication ordinances and their implementation was restricted in three ways. First, 17 of the 48 ordinances fail to extend the scope of ordinances beyond neighborhood parks to embrace community and regional parks. Additional user demand from new development extends to all types of parks, not only neighborhood parks. Hence, dedication fees should cover the cost of creating the additional capacity needed at all types of parks to accommodate the additional user demands. This need has been increasingly recognized over the past 15 years. Figure 2 (page 36) gives examples of Texas cities whose ordinances authorize dedication fees that cover the cost of the added capacity needed at all types of parks. All Texas cities could follow their lead.

A second source of restricted scope is that only seven of the 48 ordinances require parkland dedications from developments in their ETJs. Although it is a complex and lengthy process, Texas law gives cities the right to annex land within their ETJs. Thus, it is likely that subdivisions outside a city's boundary but within its ETJ will at some future time be annexed and integrated into the city. If a city's parkland dedication ordinance is not extended to embrace the ETJ, those homeowners will have no public park amenities when their subdivisions are annexed into the city, and they will pressure the city to provide them. Hence, failure to extend the ordinance into the ETJ is likely to result in a city incurring substantial costs in the future.

Most ordinances do include a reimbursement clause enabling the city to fund the initial acquisition and/or development of a park and to subsequently reimburse itself from the fees-in-lieu and/or park development fees. This clause would enable parks to be provided before development when land for them is both available and less expensive. Although this is a preferred *modus operandi*, its scope is restricted and it is rarely used because the dedication fees are so low that they do not reimburse the initial capital investment. The reimbursement authority likely will be used only if dedication fees are set a level that enables the initial capital investment to be recovered.

Below-cost dedications

The second factor contributing to the unrealized potential is the failure to set dedications at a level that covers all costs associated with the acquisition and development of the required additional park capacity. The two sources of this failure are captured in the U.S. Supreme Court's *Dolan* decision of 1994 that requires cities: (i) to be proactive in making an "individualized determination" and that (ii) a parkland dedication has a "roughly proportional" relationship between the dedication requirement imposed on a developer and the increased demands of the development on a park system.

The number used by almost all Texas cities for parkland dedication is arbitrary rather than empirically derived (Table 3), which is necessary to meet the "individualized determination" criterion. The *Dolan* ruling put cities on notice that they must provide quantitative evidence that their dedication requirement is appropriate.

Most cities specify their standards in terms of number of dwelling units per acre of parkland, but few incorporate a methodology or calculations showing how this standard was derived. This lack of explanation extends to the derivation of the fee-in-lieu (and in some instances to the park development fee in cases where it was imposed). Only 15 of the ordinances specify that the fee should equate to the fair market value of the land that would otherwise have been dedicated. In many of those instances, the calculations used to establish the equivalence of fair market value are obscure and appear to be arbitrary. The typical response to follow-up questions of city officials on how the standards and fees-in-lieu were determined was, "That is the figure the council decided upon."

Evidence of this arbitrariness is shown in columns 6 and 8 of Table 5, in which the current land dedications and fees-in-lieu are listed. Many of these are "rounded numbers." For example, in column 6, which shows dwelling units per acre, numbers such as 25, 50, 100, and 150 are prevalent. Similarly, in column 8, common numbers include \$250, \$300, \$500, \$600, or \$750. It is unlikely that the empirical procedure described in Table 3 would consistently yield such rounded numbers.

The most glaring examples of arbitrariness were the four ordinances that specified their standard in terms of percentage of the tract being developed. This means the dedication requirement remains the same whether 5 or 100 people per acre will live in the homes built.

The failure to meet the "individualized determination" criterion makes these ordinances vulnerable to invalidation by the courts. However, of perhaps greater concern is that there is no awareness of what the real standards or fees should be if empirical procedures to determine accurate numbers are not undertaken. This means that when elected officials set arbitrary numbers, which invariably are far below the real costs of acquiring and developing additional parks, they are unaware of the magnitude of the opportunity cost in potential park funding they are foregoing.

When initiating dedication ordinances, city councils often seek to appease vigorous opposition from the development community by setting very low dedication requirements. They rationalize that it is an accomplishment to get such an ordinance passed and that "some revenue is better than no revenue." The lack of

empirical procedures in subsequent reviews of the dedication requirement makes it vulnerable to incrementalism. That is, when the dedications are reviewed, councils tend to raise them by an arbitrary, incremental amount of say, 5 percent, 10 percent, \$50, or \$100. Because the initial dedication was so low, these increments effectively keep them low. Thus, if an initial fee is set at \$300, a 10 percent increase 3 or 5 years later raises it only to \$330. During this same period, the cost of acquiring and developing parks has likely risen far above the fee increase of \$30 per dwelling unit. This process means that the opportunity cost of forgone park funding increases quantumly as the years pass.

In addition to failing to make an “individualized determination,” almost without exception the dedications of Texas cities do not meet the second *Dolan* requirement of “rough proportionality.” Invariably, they fail to cover the costs associated with acquisition of additional park capacity created by additional demand from new homeowners.

The rough proportionality criterion directs that a dedication requirement be based on the current level of park provision. However, the data in Table 5 (page 21) show that this rarely occurs in Texas. The magnitude of the ratios in column 5 (current level of parkland provision) should be the same as those in column 6 (dedication requirement) if the cities adhere to rough proportionality. In some cities, the ratios are relatively similar—examples are Colleyville, Flower Mound, Keller, and La Porte. However, other communities have wide disparities—such as in Hutto, The Colony, and Grapevine. To meet the roughly proportionate criterion, 46 of the 48 cities should increase their land dedication requirement and those with wide disparities between current level of provision and dedication requirements should raise it substantially.

If these increases in land dedication were enacted, there would be a corresponding increase in fees-in-lieu. For example, if Mansfield increased its land dedication of 100 dwelling units per acre of parkland to its current level of park provision, which is 13.81 dwelling units per acre of parkland (that is, by 720 percent), its fee-in-lieu would correspondingly rise from \$500 per dwelling to \$3,600 per dwelling. Such increases may appear shocking when compared to existing dedications, but they indicate the magnitude of the opportunity cost associated with the failure of ordinances to accurately reflect the current level of service.

Although all the ordinances provide for land dedication and a fee-in-lieu alternative to the land requirement, only 10 of the 48 provide for a park development fee. When the fee-in-lieu amounts in Table 5 of these cities are compared with their park development fees in Table 6, it is clear that the park development fees typically far exceed the fees-in-lieu for land acquisition. These data suggest that inclusion of a park development fee is likely to at least double the revenue generated by a parkland dedication ordinance, and in some cases the increases would be much greater.

In summary, the data in Table 5 suggest that increases of between 150 percent and 1,800 percent in the existing parkland dedication requirements could occur in 44 of the 48 cities. These percentages are derived by dividing the current level of parkland provision (column 5) with the current land dedication requirement (column 6). This would occur if empirical procedures were used to make individualized determinations of the costs of parkland and these costs were fully incorporated into dedication ordinances so new developments paid a roughly proportionate share of

the costs. These increases themselves would likely be at least doubled (and in many cases the multiplier would be much higher) if the 38 cities that do not include park development fees in their ordinances were to similarly identify the full costs of developing new parks and fully incorporate them into their dedication ordinances so new developments pay a roughly proportionate share of these costs also.

Why is the potential not being realized?

Texas communities have parkland dedications that are far below the cost of providing parks for new homeowners at a community's prevailing level of service. Two main factors seem to account for the cities' failure to realize the potential of parkland dedication ordinances: inertia and vigorous opposition from the development community.

Inertia

The inertia stems from many elected officials' lack of knowledge about the potential of parkland dedication ordinances to increase park funding. Indeed, parkland dedication ordinances are not discussed or listed in the Texas Municipal League's 2007 publication, *Revenue Manual for Texas Cities*, which claims, "This manual addresses nearly every known source of revenue available to Texas Cities."

Some cities' ordinances have been in force for several decades and have never been revised. This means that elected officials remain unaware of the potential both for adding a park development fee element and for expanding the ordinances' scope to parks far beyond the neighborhood level to which they were confined in the 1960s, '70s and early '80s. Only 11 of the 48 cities require that the ordinance be reviewed at specified regular intervals. This is a major structural failing in the remaining 37 ordinances because without the stimulus of a built-in periodic review, the ordinances never appear on a council agenda and remain invisible to elected officials.

The lack of regular review probably explains the legal weaknesses manifested in many of the ordinances. There simply has been no reason to reexamine and update them to be consistent with contemporary best practice and court guidelines. Given these legal weaknesses, it is significant that no substantive litigation has been initiated by the development community in Texas challenging parkland dedication ordinances in the 25 years since the *Turtle Rock* case in 1984. This suggests that the cost required by most of the ordinances is so small in the context of the total cost of a development that it is not worthwhile for developers to legally challenge them.

Opposition from the development community

A second reason elected officials have not capitalized on the potential opposition from the development community of parkland dedication ordinances is that any suggested enhancements of them invariably are opposed vigorously by the development community, which is a powerful constituency in most Texas cities. Thus, instead of the criterion for setting fees being to meet the costs of new parks and make growth pay for itself, the criterion is to set them at a level that will not generate an unacceptable political backlash from the development community.

Some cities' ordinances have been in force for several decades and have never been revised. This means that elected officials remain unaware of the potential both for adding a park development fee element and for expanding the ordinances' scope to parks far beyond the neighborhood level.

Developers are very conscious of the Fifth Amendment “takings” issue. Although the courts have ruled that parkland dedication does not constitute a taking of private land without adequate compensation, many Texas developers resent the courts’ interpretations. They view it as an intrusion of their right to use all of their land as they see fit and strongly oppose the principle of parkland dedication. Because of these perspectives, discussions of dedication issues with developers are often highly emotional.

In some contexts, some elected officials may perceive the opposition from the development community as endangering their personal political aspirations, because developers and real estate interests are influential in many Texas communities and are major contributors to local election campaigns. Indeed, some elected officials are involved in real estate or associated professions, and they oppose substantive dedications as antithetical to their professional value systems.

In many Texas communities, residential development has not been expected to pay its own way in the past. The contention that growth should pay for itself is a relatively recent interjection into Texas’ political discourse. The tradition has been for one generation of residents to provide the park opportunities for the next generation by paying for them with ad valorem taxes. Hence, developers legitimately ask: Why do we have a primary responsibility to provide these new parks when most of the parks used by existing residents were inherited by them from previous generations? Do they not have an obligation to provide for future generations as others previously provided for them? There are two responses to this line of argument.

First, when cities are small, all residents are relatively close to a park, wherever it is located. However, when a city reaches a threshold size (say 40,000), parks in new developments on its edge may be 5 miles away from residents living in the center of the city. These residents likely will never use them and therefore are unlikely to support using ad valorem taxes to pay for them.

Second, the rapid growth of Texas cities, the state’s renowned fiscal conservatism, and citizens’ reluctance to support any tax increases mean that parks must compete for limited funding with many other infrastructure and structure projects, including roads, bike and hike trails, police and fire stations, city offices, and structures for recreation, seniors, and the arts. In this competitive environment, it is unlikely that there will be sufficient ad valorem funds to secure the desired level of parks provision. This point is recognized in the generic context of impact fees by the National Association of Home Builders, the national trade association representing developers and builders: “Developers and builders are acknowledging that impact [parkland dedication] fee payments may mean the difference between undertaking a residential development project or not. For in the absence of needed infrastructure, residential development cannot occur.”

Those in the development community who support substantive parkland dedications generally cite some combination of the following four factors as their justification.

First, parkland dedications make parks available at the time, or soon after, new homeowners move into a development. This enhances the property’s sale ability. Many real estate projects feature recreation amenities prominently in their promotional campaigns because they have determined that new home buyers seek

these assets. Hence, the requirement to provide park amenities often is consistent with the developer's own inclinations and might be provided by the developer even if they were not required. However, developers probably would prefer to decide for themselves what facilities to provide rather than be mandated to give resources to a city and have its officials make that decision for them.

Second, developers may recognize that ensuring a given level of park provision throughout a community contributes to its general quality of life. This encourages both new residents and businesses to locate in the city, which enhances the developers' long-term business prospects.

Texas residents are increasingly recognizing that in the absence of dedication and impact fees for an array of new facilities, new development is likely to result in local tax increases or service cutbacks. In these contexts, the challenge of growth advocates is to demonstrate that their projects will not have an adverse fiscal impact on the community. Their support of dedication ordinances is an action that can be used to make this case.

Finally, some factions in a community invariably view developers with distrust and suspicion. Developers who endorse a substantive parkland dedication ordinance may contribute to alleviating this negative image by demonstrating that they have a social conscience, are concerned for the general welfare as well as the bottom line, and are prepared to invest in community facilities. Thus, the developers' support for parkland dedication may be viewed as an investment in good public relations and as a means of winning public support for future projects.

In contrast to the vociferous opposition typically expressed by developers, few among the general public are likely to engage in the debate about parkland dedication. Residents usually know and understand little about parkland dedication ordinances and do not recognize that they will be adversely impacted if the ordinances are merely nominal. Consequently, there generally is a lack of a pro-ordinance constituency to counter the opposition from the development community.

The economic case for parkland dedication ordinances

The intangible notion of opportunity costs often fares poorly when compared with the tangible costs that developers contend are harming their businesses. People are less sensitive to information that is not tangibly presented.

A strategy for reducing this imbalance among constituencies is to make the opportunity costs tangible, pointing out to elected officials and the general public the cost of *not* increasing the ordinance requirements. This strategy focuses attention on the negative consequences of the loss that will occur if this action is not taken. It has been widely demonstrated in the field of social psychology that this negative framing of consequences has a powerful persuasive impact on audiences.^{12,13} An example of how this was done in College Station is shown in Figure 3. The first half of the figure shows that based on the city's best estimate of the population growth for the next 20 years, an investment for neighborhood and community parks of \$30.5 million would be needed merely to maintain the city's existing level of service.

Figure 3. Illustration of the cost to residents of not maximizing the potential of a parkland dedication ordinance.

The estimate of 20-year capital cost requirements for neighborhood and community parks based on a projected increase of 40,000 population in the next 20 years while maintaining the current levels of service.

New neighborhood parks

- Current level of service = 1 acre per 285 people
- Additional land needed to retain current level of service: $40,000 \div 285 = 140$ acres
- Cost of additional land: 140 acres @ \$32,000 per acre \$4,480,000
- Average park size of 8 acres means 18 new parks, with park development costs @ \$631,000 \$11,360,000
- Cost of land plus development: $\$4,480,000 + \$11,360,000$ **\$15,840,000**

New community parks

- Current level of service = 1 community park per 10,970 people
- Additional land needed to retain current level of service: $40,000 \div 10,970 = 4$ parks @ 37 acres/park
- Cost of additional land: 148 acres @ \$32,000 per acre: \$ 4,740,000
- 4 new parks @ \$2.5 million per park for "basic infrastructure": \$10,000,000
- Cost of land plus development: $\$4,740,000 + \$10,000,000$ **\$14,700,000**

Total estimated capital cost for 10-year period: **\$30,540,000**

Revenue projections from a land dedication ordinance based on 40,000 additional population with an equal number of single-family and multifamily units.

Existing ordinance requirements

- Single-family: $20,000 \div 2.80 = 7,142$ dwelling units
7, 142 DU x \$940 \$ 6,713,480
- Multifamily: $20,000 \div 2.25 = 8,890$ dwelling units
8,890 DU x \$731 \$ 6,498,590

Total revenue **\$13,212,070**

Proposed new ordinance requirements

- Single-family: 7142 DUs x \$2,021 (1,078 + 943) \$14,433,982
- Multifamily: 8,890 DUs x \$1,686 (878 + 768) \$14,988,540

Total revenue **\$29,422,522**

Conclusion: If the proposed new ordinance requirements are not implemented and the existing ordinance requirements are retained, residents may be taxed an additional \$16.2 million (\$29.4 million - \$13.2 million) in the next 20 years in order to maintain the current level of park service.

The second part of Figure 3 shows that if the existing fees-in-lieu of \$940 for single and \$731 for multiple dwelling units are maintained, about \$13.2 million of this cost will be raised from those creating the demand for the new facilities. However, if fees-in-lieu are raised to \$2,021 and \$1,686, respectively, the new parks will, for the most part, be paid for by the new growth. Failure to impose the new fees would result in existing residents being taxed an additional \$16.2 million in the 20-year period to maintain existing levels of neighborhood and community park provision.

The emerging O&M argument

Some in the development community are raising a new question about the requirement of parkland dedication: How can the city justify building new parks when it is struggling to find the money to properly maintain and operate those that it already owns? There are four responses to this question.

First, allocation of operation and maintenance funds is part of the annual budget process. As such, it reflects a short-term view of economic conditions prevailing in the city at that time. In contrast, parkland dedication is a one-time, major investment in capital infrastructure that reflects a long-term view of amenities the city should have in the future.

If a current council decides not to build new parks, it has made it more difficult and expensive for future residents to have them because adequate nearby land may not be available for the parks later. A current council has an obligation not to preempt the options of future councils. It is the prerogative of future councils to decide each year whether or not to fully fund the maintenance and operation of parks; presumably, this will be governed by the economic conditions at that time. The rejection of a parkland dedication ordinance because of concerns about future operation and maintenance costs would lack justification because the future ability to meet such costs is unknown. Previous councils had sufficient vision to create the opportunities that the community currently enjoys. If a current council does not continue to make the same opportunities available to future generations, they would be lacking vision.

A second rebuttal to the operations and maintenance argument is that amenities that are not on the tax rolls in a community create much of the value of the properties that are on the tax rolls. Such amenities include parks, schools, roads, churches, street spaces, nonprofit arts facilities, and police and fire facilities and services. Specifically in the case of parks, the real estate market consistently demonstrates that many people are willing to pay a larger amount for property located close to parks and open space areas. The higher value of these residences means that their owners pay higher property taxes. In many instances, if the incremental amount of taxes paid by each property that is attributable to the presence of a nearby park is aggregated, it will be sufficient to pay the annual costs of operating and maintaining the park.¹⁴

A third response to the operations and maintenance contention is that the costs can be minimized by the city focusing only on natural parks. The cost of operations is higher for parks that contain elements such as athletic fields. The city could decide to have the parks designed to require minimal maintenance costs.

Finally, the empirical evidence in the past two decades overwhelmingly reports that while residential development may generate significant tax revenue, the cost of providing public services and infrastructure to that development is likely to exceed the tax revenue emanating from it. Thus, preserving open space and creating parks can be a less expensive alternative to development. Indeed, some communities have elected to acquire park and open space land rather than allow it to be used for residential development because this reduces the net deficit for their residents that would occur if new homes were built on that land.¹⁴

The political case for parkland dedication

Parkland dedication gives local government elected officials in Texas a partial solution to their capital funding problems. There are four main reasons why they represent the safest political option for funding new parks.

First, Texas is a fiscally conservative state, and this is a fiscally conservative action. A bedrock principle of fiscal conservation is the Benefit Principle, which states that those who benefit from government services should pay for them.

Second, elected officials can respond to infrastructure and amenity needs created by new growth in one of three ways:

1. Request existing residents to pay the bills by approving the issuance of general obligation bonds, which will raise their taxes. Many residents are likely to ask, “Why should we agree to raise our property taxes to build parks that are many miles away from where we live and that we will never use?”
2. Decline to provide the new infrastructure and amenities or provide them at a lower level of service than prevails elsewhere in the community. In effect, this means accepting a reduction in the community’s quality of life.
3. Require new development to pay the cost of providing the infrastructure and amenities the need for which has been created by them.

Few elected officials are likely to run for office on a platform of raising the taxes of existing residents (option 1) or lowering a community’s quality of life (option 2). Indeed, if a public referendum was held inviting the public to vote on which option they would prefer, the likely result would be overwhelming support for option (3).

Third, ostensibly, it would appear that the dedication requirement will lead to some potential home buyers being priced out of the market. The development community is likely to vigorously promote this position. Thus, if an additional (say) \$1,000 parkland dedication fee is added to a starter home costing (say) \$140,000, representing a price increase of approximately $7/10^{\text{ths}}$ of 1 percent, the developers are likely to argue that it will price out some potential home buyers. If an ordinance is revised every 3 years, it means that over the 3-year period the increase will average $2\frac{1}{2}/10^{\text{ths}}$ of 1 percent per year. It is unlikely that any other cost of development will increase by such a small amount over a 3-year period. Thus, it is unlikely that such a cost increase would price potential “low-end” homeowners out of the market.

Further, the reality of parkland dedication requirements is that **they are not likely to lead to any increase in the price of a new home**. The new parkland dedication fee could be absorbed in one of three ways.

- a. The option of passing it through to the home buyer as suggested in the previous paragraph may be considered. However, if the market would bear a price of \$141,000 rather than a price of \$140,000, developers would charge that amount because their goal is to maximize their profits. Hence, market forces dictate that a price of \$141,000 is unlikely to be an option.
- b. The additional \$1,000 fee could be absorbed by the developer. This is not a viable option because a developer's willingness to accept the financial risk associated with a project is predicated on a given projected profit margin. Without that profit margin, the project will not proceed, so it cannot be reduced.
- c. The non-feasibility of options (a) and (b) mean that the only viable option for absorbing the additional \$1,000 dedication fee is to reduce the developer's costs. This can be done in one of three ways:
 - (i) Reduce the house size by 10 square feet (assuming a cost of \$100 a square foot). Thus, instead of the homes being 1,400 square feet, they would be 1,390 square feet.
 - (ii) Engage in "value engineering" to reduce the costs of finishes, fittings, furnishings, or landscaping in the house by \$1,000.
 - (iii) Pay less for the land. The imposition of a \$1,000 parkland dedication fee effectively changes market forces and reduces the value of the land to be sold. This is explained in the following scenario:

Suppose a developer is about to buy a piece of land when the city announces a \$1,000 increase in the park dedication requirement. Before the increase, the developer could build 100 units on the land and sell them for \$150,000 each. Based on the cost of construction and required profit, she was willing to pay \$2 million for the land. As a result of the new ordinance, the builder concludes that she now must charge \$151,000 per unit because of the increased cost. However, if the developer can now sell the houses for \$151,000 each, why did she not charge that price before the imposition of the fee? In fact, the market for comparable housing limits her to selling the houses for \$150,000 each; thus, she will not be able to sell them for \$151,000. As a result, the builder is willing to pay only \$1.9 million for the land, so she is able to reduce costs and maintain her profit margin.

A fourth reason supporting strong parkland dedication ordinances is that if taxes are raised to pay for parks in new areas, the assessed property values of existing homes in the community will be effectively reduced because potential buyers are likely to pay less for a property with a higher tax burden.¹⁵ A reported corollary of this is that because parkland dedication ordinances potentially lower taxes, they may increase the demand for housing, especially for "small homes within inner suburban areas . . . These are also the areas that offer the greatest job opportunities for lower-skilled workers."¹⁶ These authors explain their empirical findings by suggesting

that exactions such as parkland dedications, “decrease the fiscal deficit imposed on existing residents by new development, allowing more affordable homes to be built within suburban areas.”¹⁵

The limited use of parkland dedication in Texas is surprising given its legal validation, the expansion of its scope that has been accepted by the courts, and its ability to shift the tax burden of maintaining existing service levels away from existing residents to those new residents who create the need for additional amenities. This study suggests that the recognition of these appealing political realities remains limited in Texas. Clearly, there is considerable scope both for extending parkland dedication to municipalities that do not have such an ordinance, and for increasing the requirements in those cities that currently have an ordinance.



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	Not at all	Slightly	Somewhat	Mostly	Completely
Accuracy of information	☐	☐	☐	☐	☐
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Relevance of the examples used	☐	☐	☐	☐	☐
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Not applicable	Definitely will not	Will not	Undecided	Probably will	Definitely will
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Not applicable	Not at all	Slightly	Somewhat	Quite	Extremely
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Positioning Parkland Dedication Ordinances as a Central Element in Fiscally Conservative Fast-Growth Cities

January 20, 2022, Department, by John L. Crompton, Ph.D.

- Finance for the Field



For an enhanced digital experience, [read this story in the ezine.](#)

Since the advent of the “tax revolt” in the late 1970s and early 1980s, the dominant political philosophy in many U.S. communities has been “fiscal conservatism.” Operationally, it generally means elected officials will not support increases in taxation. Hence, a bedrock principle of fiscal conservatism should be the Benefit Principle, which states that those who benefit from government services should pay for them.

If the Benefit Principle is not followed, then the alternatives are to raise taxes or lower the level of service, which results in a lower quality of life. The reluctance of elected officials to raise taxes means that the most likely outcome is to lower the standard of service. This result was documented in a study that a colleague and I recently published in the *Journal of Park and Recreation Administration*. It showed that over a 12-year period, the level of park provision in 54 fast-growth cities in Texas declined with growth, and the greater the growth the larger the decline in level of park provision.

Parkland dedication (which includes fees-in-lieu and park development fees) is a manifestation of the Benefit Principle. It can be conceptualized as a type of user fee because the intent is to pass the cost of accommodating increased demand for parks

through to the landowners, developers and/or new homeowners who are responsible for creating the demand. It does not have a role in cities experiencing slow growth or declines in population, but in fast-growth cities it provides local government-elected officials with at least a partial solution to their capital funding problems.

Rationale for Implementing Parkland Dedication

Growing awareness of the costs of growth; reduced availability of external funds from federal and state governments; caps that state governments have imposed on local jurisdictions' spending; the growing strength of fiscal conservatism as a political imperative; an increase in costs caused by an increase in expectations of communities for higher quality standards in parks than was accepted in the 1970s (for example, ballfields marked on grass areas often are no longer acceptable, they now are groomed and manicured); and elected officials' reluctance to support tax increases needed to retain the existing level of service for parks provision have resulted in recognition that in many contexts, parkland dedication represents the most palatable political option for funding new parks.

In my [September 2020 column](#), I reviewed the results from 151 studies, which showed that in contrast to farm/forest/open space uses and industrial/commercial uses that were “positive” taxpayers, residential developments were “negative” taxpayers because for every \$1 million received in revenues from residential developments, the median amount communities expended to service them was \$1,160,000.

Since most residential development fails to pay, building more residential development inevitably leads to existing residents paying higher taxes. This relationship has been documented in multiple scientific studies (See Chapter 9 of *The Impact on Property Values of Parks, Trails, Golf Courses, and Water Amenities* by John L. Crompton and Sarah Nicholls). Given this reality, in most contexts, it appears difficult to justify requiring existing taxpayers to further subsidize new residents by subsidizing the capital cost of the new park facilities needed to service them.

Who Pays the Cost of Parkland Dedication?

The dedication cost could be absorbed by the homeowner, the landowner and/or the developer. The development community often vigorously asserts that the cost will be borne by the new homeowner and suggests it will lead to some potential buyers being priced out of the market.

In my city, the median price of a new home is approximately \$400,000. If an additional (say) \$4,000 parkland dedication fee is imposed and passed through to the homeowner, it would be a one percent increase in the median home price. If the ordinance is reviewed every four years, then the average price increase per year would be 0.25 percent. That is not likely to adversely impact a purchase decision.

Further, the contention that it will be passed forward to the homeowner fails to recognize the reality of market forces. Housing prices and developer costs are market determined. Since under most market conditions they are not price-

setters, home builders cannot simply add the cost to a home's price. If the market would bear a price of \$404,000 rather than a price of \$400,000, then builders would charge that amount because their goal is to maximize profits. Hence, in many cases, the market price does not allow them to pass the new fees forward to the new homeowner.

A second alternative is that the additional \$4,000 per dwelling unit fee could be absorbed by the developer. This is not a viable option because a developer's willingness to accept the financial risk associated with a project is predicated on a given projected profit margin. Without that profit margin, the project would not proceed, so it cannot be reduced.

Third, the non-feasibility of the first two options means many times, the most viable option for absorbing the additional \$4,000 dedication fee often is to reduce the developer's costs. This can be done in one of three ways:

Reduce the dwelling unit size. Instead of 2,000 square feet, it becomes 1,980 square feet (assuming a cost of \$200 a square foot). The new homeowner would receive less quantity.

Engage in "value engineering" to reduce the costs of finishes, fittings, furnishings or landscaping in the house by \$4,000. The housing consumer would receive less physical quality per dollar.

Pay less for the land. The imposition of a \$4,000 parkland dedication fee effectively changes market forces and reduces the value of the land to be sold. This is explained in the following scenario:

Suppose a developer intends to buy a piece of land when the city announces a \$4,000 increase in the park dedication requirement. Before the increase, the developer intended to build 100 units on the land and sell them for \$400,000 each. Based on the cost of construction and required profit, she was willing to pay \$4 million for the land. As a result of the new ordinance, the builder recognizes she cannot sell them at \$404,000. If she was able to get that price, then why did she not charge that price before the imposition of the fee? In fact, the market limits her to selling the houses for \$400,000 each. As a result, she is willing to pay only \$3.6 million for the land (100 units at \$4,000, so she can reduce costs and maintain her profit margin). Thus, the cost of the dedication increase is shifted back to the owner of the land.

Park and recreation department managers have three strategies they can use to optimize park dedication requirements in their community: (i) Follow the Supreme Court guidelines which establish the anchor around which the political debate will revolve; (ii) highlight the opportunity cost of "low-balling" dedication requirements; and (iii) use phasing, discounting and caps as "opt-outs" rather than "opt-ins" to minimize initial resistance.

***John L. Crompton, Ph.D.,** is a University Distinguished Professor, Regents Professor and Presidential Professor for Teaching Excellence in the Department of Recreation, Park and Tourism Sciences at Texas A&M University and an elected Councilmember for the City of College Station.*



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Approval of the minutes for meetings held on June 16, 2022 and June 21, 2022.

BACKGROUND:

Attached are the minutes for the regular meeting held on June 16, 2022 and special meeting held on June 21, 2022.

PRESENTER:

Dara Crabtree, City Secretary

Attachments

1. Draft Minutes 06.16.2022
2. Draft Minutes 06.21.2022



**MINUTES
CITY COUNCIL MEETING
CITY OF LEANDER, TEXAS**

Pat Bryson Municipal Hall
201 North Brushy Street - Leander, Texas
Thursday - June 16, 2022



Mayor – Christine DeLisle
Place 1 – Kathryn Pantalion-Parker
Place 2 – Esme Mattke Longoria
Place 3 – Jason Shaw

Place 4 – Na'Cole Thompson
Place 5 – Chris Czernek
Place 6 – Becki Ross, *Mayor Pro Tem*
City Manager – Rick Beverlin

The meeting will also be live-streamed at the following link: <https://www.leandertx.gov/video>.

BRIEFING WORKSHOP - CONVENE AT 6:00 PM

1. Open meeting at 6:01 p.m.
2. Roll call reflected all present with Councilmember Shaw being absent.
3. Discussion of 2021 Roadway Impact Fee included: process; implementation schedule; recommendation of effective date; collection rates; sample developments applying collection rates; cost per square foot or unit; applying draft recommendation; conversion chart; and feedback followed.

Briefing workshop adjourned 6:28 p.m.

REGULAR MEETING – CONVENE AT 7:00 PM

4. Open meeting at 7:00 p.m., Pastor Ben Wright with Cedar Pointe Baptist Church provided the Invocation and Mayor Christine led the Pledges of Allegiance.
5. Roll call reflected all present.
6. Public comments on items not listed in the agenda.

Public comments on items listed in the agenda will be heard at the time each item is discussed by Council.

[All comments are limited to no more than 3 minutes (6 minutes if translation is needed) per individual.]

7. Recognitions/Proclamations/Visitors.
 - Leander Youth Soccer Proclamation
 - Juneteenth Proclamation
8. Leander History topic was Juneteenth including: Absolute Equality mural in Galveston; General Granger; General Order No. 3; and photo of Juneteenth celebration in 1900.
9. Staff Reports
 - City Facilities Update
 - Public Works Update

CONSENT AGENDA: ACTION

Motion by Councilmember Esme Mattke Longoria, Seconded by Councilmember Becki Ross to approve consent agenda items 10 through 20.

Vote: 7 - 0

10. Approval of the minutes for meeting held on June 2, 2022.
11. Approval of a partnership with Opportunities for Williamson and Burnet Counties (OWBC) and the City to implement a Low Income Household Water Assistance Program for City of Leander utility customers.
12. Approval of the extension of the application expiration for Subdivision Cases 20-FP-016, 20-FP-017, and 20-PICP-024 Palmera Bluff Sections 4 and 6 construction plans and final plats; generally located to the north of the intersection of Logan Del Way and E. San Gabriel Parkway, Leander, Williamson County, Texas.
13. Approval of the Second Reading of the Zoning Case 21-Z-036 to amend the current Knight PUD (Planned Unit Development) with the base zoning districts GC-3-A (General Commercial) and MF-2-A (Multi-Family); and approval of Masonry Development Agreement Case 21-DA-027 on one (1) parcel of land approximately 9.938 acres ± in size, more particularly described by Williamson Central Appraisal District Parcel R583665; and generally located to the south of the intersection of US 183 and County Glen Drive, to the west of the railroad tracks, and north of the southern City Limits, Leander, Williamson County, Texas.
14. Approval of the Bar W Ranch West Phase 5 License Agreement, Case 22-LA-002, to allow for the installation and maintenance of landscaping and irrigation within portions of the right-of-way of Stamp Iron Avenue, Leander, Williamson County, Texas.
15. Approval of an agreement regarding the Certificate of Convenience and Necessity (CCN) decertification and Extra Territorial Jurisdiction release for the Parkside Peninsula Tract, including 28.212 acres ±, generally located 1,500 feet to the northwest of the intersection CR 176 and Whisper Lane, Leander, Williamson County, Texas.

16. Approval of an interlocal agreement allocating extraterritorial jurisdiction between the City of Georgetown and the City of Leander for the release, acceptance, and allocation of extraterritorial jurisdiction between Georgetown and Leander for the Parkside Peninsula Tract, including 28.212 acres ±, generally located 1,500 feet to the northwest of the intersection CR 176 and Whisper Lane, Leander, Williamson County, Texas.
17. Approval of Development Agreement Case 22-DA-011 regarding the CB Hardware Development on two (2) parcels of land approximately 2.571 acres ± in size, more particularly described by Williamson Central Appraisal District Parcels R498662 and R498663; and 700 Blueline Drive, Leander, Williamson County, Texas.
18. Approval of agreement for professional services with GBA, Inc., for engineering services to assist in reviewing plan submissions in the amount of \$100,000.00; and authorize the City Manager to negotiate and execute any and all necessary documents.
19. Approval of Task Order No. HVJ-14 with HVJ Associates, Inc., for professional services for geotechnical investigation and pavement design for Benbrook Ranch Project in the amount of \$29,986.00; and authorize the City Manager to execute any and all necessary documents.
20. Approval of an 18-month renewal of right-of-way (ROW) mowing and landscape maintenance contract with Unity Contractor Services, Inc. with renewal pricing, in the total amount of \$301,710.99; and authorize the City Manager to execute any and all necessary documents.

REGULAR AGENDA

21. Discuss and consider action on Tree Removal Case 21-TRP-002 regarding removal of Significant and Heritage Trees associated with the San Gabriel East Elevated Storage Tank Capital Improvement Project generally located north of Palmera Ridge Section 9 and west of the intersection of Ronald Reagan Boulevard and Capistrano Path, Leander, Williamson County, Texas.

Motion by Mayor Christine DeLisle, Seconded by Councilmember Kathryn Pantalion-Parker to approve Tree Removal Case 21-TRP-002 regarding removal of Significant and Heritage Trees associated with the San Gabriel East Elevated Storage Tank Capital Improvement Project generally located north of Palmera Ridge Section 9 and west of the intersection of Ronald Reagan Boulevard and Capistrano Path, Leander, Williamson County, Texas.

Vote: 7 - 0

22. Discuss and consider action authorizing the President of BCRUA to execute Supplemental Agreement No. 13 for BCRUA Phase 2 Raw Water Delivery System with Walker Partners/Freese and Nichols Joint Venture.

Motion by Councilmember Kathryn Pantalion-Parker, Seconded by Councilmember Na'Cole Thompson to approve authorizing the President of BCRUA to execute Supplemental Agreement No. 13 for BCRUA Phase 2 Raw Water Delivery System with Walker Partners/Freese and Nichols Joint Venture.

Vote: 7 - 0

23. Discuss and consider action on the appointment of a council liaison to the Public Art Commission.

Motion by Councilmember Jason Shaw, Seconded by Councilmember Chris Czernek to appoint Councilmember Thompson as LPAC Council Liaison.

Vote: 7 - 0

24. Discuss and consider action on establishing a Memorial Day ceremony to be held the Saturday prior to the holiday in conjunction with the Boy Scouts laying of flags.

Motion by Councilmember Jason Shaw, Seconded by Mayor Christine DeLisle to approve establishing a Memorial Day ceremony to be held the Saturday prior to the holiday in conjunction with the Boy Scouts laying of flags at Bagdad Cemetery, following a discussion.

Vote: 7 - 0

25. Council Member Closing Statements.

Kathryn Pantalion-Parker - commented on upcoming Juneteenth Celebration on Saturday; and 4th of July event.

Esme Matke Longoria - wished everyone happy Pride month; and would see everyone at the Juneteenth Celebration and 4th of July events.

Jason Shaw - congratulated Councilmember Pantalion-Parker, Councilmember Czernek re-election and Councilmember-elect David McDonald's election to City Council.

Na'Cole Thompson - wished everyone a Happy Father's Day; commented on individuals to find mentors if they don't have a father; and wished everyone a Happy Juneteenth.

Chris Czernek - commented on fathers; asked everyone to be present; lots to celebrate; thanked citizens for allowing him to serve again.

Becki Ross - stated would see everyone Saturday at the Juneteenth Celebration; and wished everyone a Happy Father's Day.

Christine DeLisle - congratulated City Secretary for surviving long election season; commented Casamigos Tex-Mex provided dinner; costs going up and consumer spending going down; current times harder than COVID; and encouraged everyone to support local businesses.

26. Adjourned at 7:55 p.m.

APPROVED:

MAYOR

ATTEST:

CITY SECRETARY

From: [PCR](#)
To: [Dara Crabtree](#)
Subject: Public Comments Request
Date: Thursday, June 16, 2022 6:17:07 PM

CAUTION! This is an external email. DO NOT access links or attachments unless you know the sender and contents are safe.

Submitted on Thursday, June 16, 2022 - 6:17pm Form: Public Comments Request Form ID: 15331 Submission ID: 136125 Submitted values are:

Full Name Jessica Mansell

Do you live within Leander city limits? Yes

Home Address 1017 Mallow Rd

Phone Number [REDACTED]

Email [REDACTED]

My comments apply to the following regular meeting: City Council

My comments apply to the following meeting date Thu, 06/16/2022

My agenda item or case number NON-AGENDA

My position on the above agenda item or case number My item is NOT on the agenda.

My NON-AGENDA item topic

Bicycle safety in Leander. Connecting neighborhoods like Bryson to the nearby MetroRail and Austin Community College location with sidewalks or bicycle lanes on San Gabriel PKWY.

Do we have any considerations on how to connect the various bicycle/pedestrian throughout Leander to increase public safety?

I want to include comments at the meeting Yes. But I only want my written comments added to the meeting record.

My comments (optional)

I recently moved to the Bryson neighborhood and a few of my fellow neighbors have raised safety concerns when crossing 183a tollway via San Gabriel PKWY. I have experienced road rage on San Gabriel PKWY myself. A person honked at me and passed within inches of hitting me. This could have been avoided if there was a sidewalk or a protected bike lane.

Having bicycle infrastructure is a benefit for all road users. It benefits cars because it removes any possible slowdowns. It benefits bicycle riders by increasing safety and keeping us alive. I live only 2.2 miles away from the MetroRail/Northline area so, I find it a bit silly to get in a car to travel so little of a distance if I needed access to that transportation option. I would love to discuss a master bike plan to identify existing bike infrastructure, creating a master plan to connect existing routes, and to help develop a plan which will connect all of Leander. I am seeking support from the city council in this matter because I could not find anything about bicycles in any of the plans for development and I believe in having more options for people to get around Leander safely.

I want to upload a file with this form No

The results of this submission may be viewed at:

<https://www.leandertx.gov/node/15331/submission/136125>



**MINUTES
CITY COUNCIL SPECIAL MEETING
CITY OF LEANDER, TEXAS**

Development Services - Brushy Conference Room
201 North Brushy Street - Leander, Texas
June 21, 2022



Mayor – Christine DeLisle
Place 1 – Kathryn Pantalion-Parker
Place 2 – Esme Mattke Longoria
Place 3 – Jason Shaw

Place 4 – Na'Cole Thompson
Place 5 – Chris Czernek
Place 6 – Becki Ross, *Mayor Pro Tem*
City Manager – Rick Beverlin

1. Opened meeting at 2:30 p.m. and confirmed a quorum was present.
2. Canvass the results of the Runoff Election held on June 11, 2022, to duly elect a Councilmember Place 3 and Councilmember Place 5.

Motion by Mayor Christine DeLisle, Seconded by Councilmember Kathryn Pantalion-Parker to approve ordinance reflecting the election results as read into the record.

AYE: Mayor Christine DeLisle
Councilmember Kathryn Pantalion-Parker

3. Adjourned at 2:31 p.m.

APPROVED:

MAYOR

ATTEST:

CITY SECRETARY



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Acceptance of public infrastructure improvements for Bar W Ranch Phase 5 and Bryson Ridge Subdivision.

BACKGROUND:

The public infrastructure improvements required for the Public Improvements for Bar W Ranch Phase 5 and Bryson Ridge Subdivision have been installed, inspected, and are satisfactorily completed. All documentation required for acceptance of these subdivisions have been received, including record drawings, statement of substantial completion prepared by a professional engineer licensed in the State of Texas, copies of all inspection reports and certified test results, electronic files of the improvements and final plat, affidavit of all bills paid, and a two (2)- year term maintenance bond. As per the Development Agreement 15-DA-002, landscaping items for Bar W Ranch Phase 5 subdivision are being proposed by the developer to be completed within six (6) months of acceptance of this subdivision, which is January 7, 2023. The Payment and Performance Bond has been posted for this subdivision and provided to the City as per the Development Agreement.

The maintenance bond will commence its two (2)- year term upon City Council acceptance, as anticipated, on July 7, 2022 which will provide warranty and maintenance coverage for the public infrastructure improvements through July 7, 2024. The Engineering Department will perform a formal inspection of the improvements approximately thirty (30) days prior to the expiration of the maintenance bond to assure that any defects in materials, workmanship, or maintenance are corrected prior to expiration of the bond.

RECOMMENDATION:

Staff recommends City Council's formal acceptance of the infrastructure improvements for the above projects.

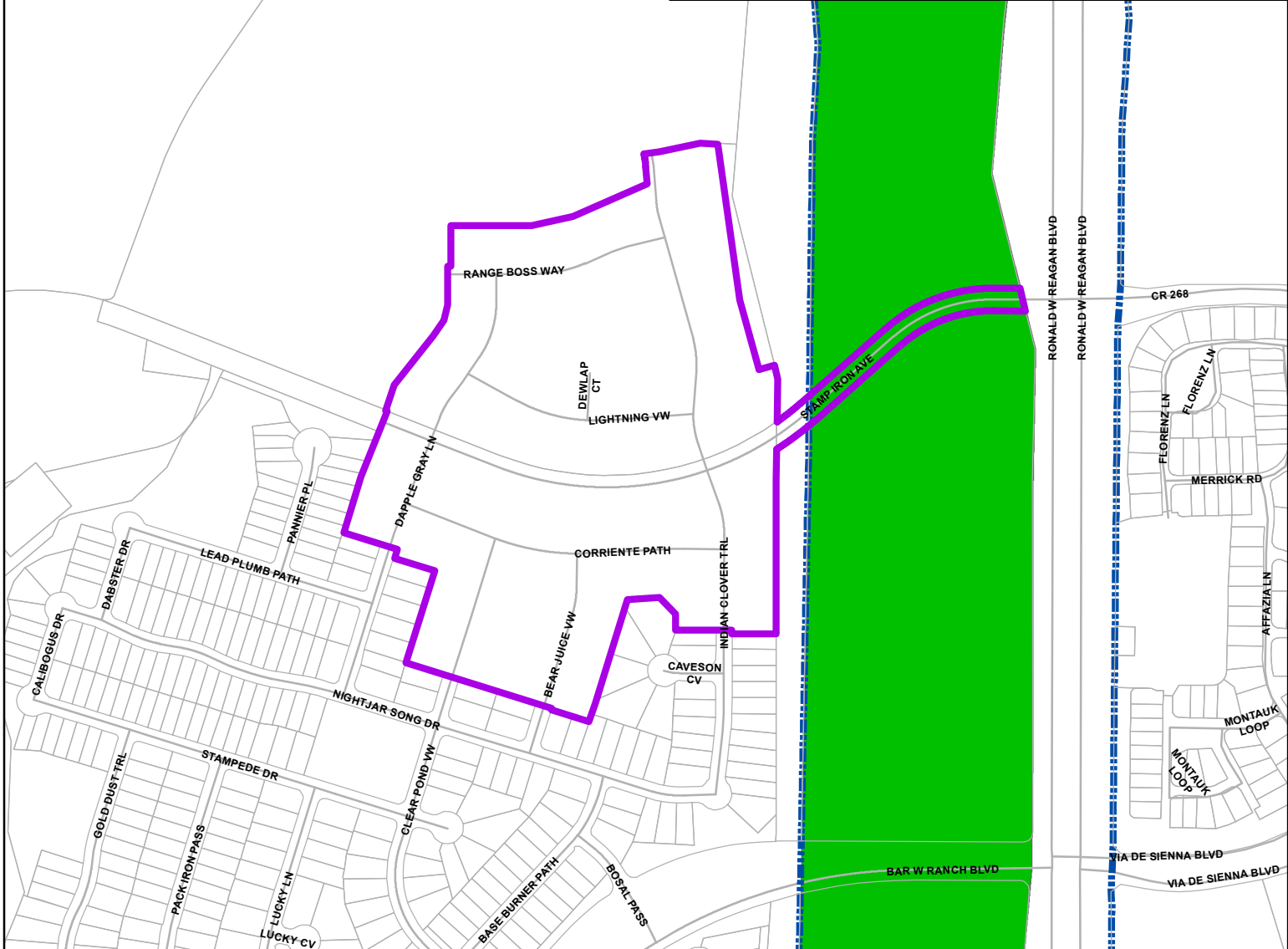
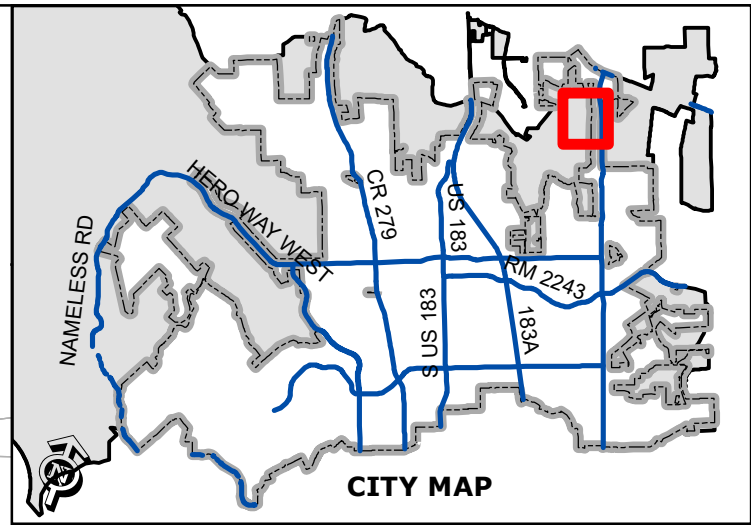
PRESENTER:

Ross E. Blackketter, P.E., City Engineer

Attachments

1. Bar W Ranch West Ph 5 Acceptance Documents
2. Bryson Ridge Subdiv Acceptance Documents

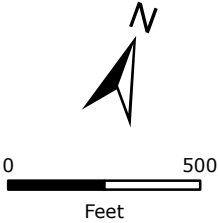
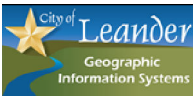
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SUBDIVISION ACCEPTANCE

Location Map - Bar W Ranch West Phase 5

-  Acceptance Area
-  SFR - Single-Family Rural
-  City Limits





April 12, 2022

Ryan L. Gray
DR Horton
10700 Pecan Park Blvd., Ste. 400
Austin, Texas 78750

Re: Bar W Ranch West Phase 5 Project

Dear Ryan:

This report presents the findings of the on-site inspection for the Bar W Ranch West Phase 5 Project for compliance with the Texas Accessibility Standards. This report is limited to inspecting the elements for compliance with the applicable technical standards and not scoping. An inspection of the site was conducted on March 31, 2022, which included the review of pedestrian crossings, curb ramps and sidewalks within the Phase 5.

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Maria Luisa Tavagna".

Maria Luisa Tavagna, RAS #1630



Carlson, Brigrance & Doering, Inc.

Civil Engineering ❖ Surveying

ENGINEERING CONCURRENCE LETTER

April 12, 2022

Bar W Ranch West Phase 5

LEANDER, TEXAS

Subdivision Construction Plans File # 21-PICP-009

CBD # 5041

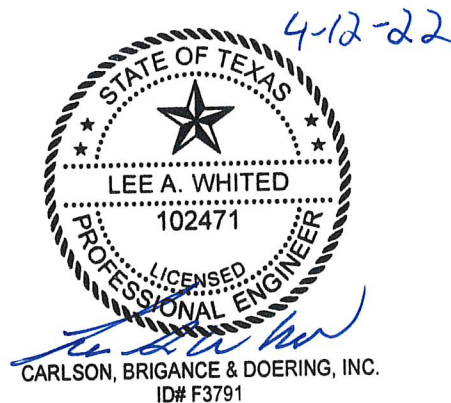
On this day, 04/11/2022 I, the undersigned professional engineer made a final visual inspection of the above referenced project. I also visited the site during construction and observed that the streets, site grading, utilities and drainage structures were constructed per the approved plans, with insignificant deviation. I, therefore, verify the adequate completion of the following items:

All curbs, pavement, sidewalks, storm sewers, inlets, water, wastewater, walls, stormwater facilities and similar construction items.

Sincerely,

CARLSON, BRIGANCE & DOERING, INC.


LEE A. WHITED, P.E.





SYNERGETIC ENGINEERING

3 DAY DESIGN



Date: April 02, 2022

Project: BAR W RANCH— PHASE 5
Ronald Reagan Blvd.
Leander, Texas

Subject: Structural Engineering Letter of Compliance- *Retaining Wall Installation Certification*

Remarks: Synergetic Engineering has been retained by the client to investigate items of possible structural significance. This letter represents the findings of the Licensed Professional Engineer and is furnished as an aid in determining the physical condition, general compliance of the above referenced premises, and reported aspects thereof as deemed reasonably obtained from a thorough inspection and an assessment of the information available pertaining to the subject in question.

The scope of this letter pertains to the construction and installation of the retaining wall at the above referenced project address. The retaining wall installation contractor, **Tomek Construction** has supplied a letter dated **April 02, 2022** certifying they have successfully completed the installation in accordance with the provisions of the project plans and specifications. These retaining wall have been installed in accordance with construction plans designed by **Synergetic Engineering, P.L.L.C.** dated **September 16, 2021** and revised dated **December 6, 2021**.

I have personally conducted an investigation and reviewed the information regarding this subject including discussions with the Contractor. From my investigation, I am able to conclude that the items listed above have been installed in accordance with the plans and design generated by Synergetic Engineering.

Sincerely,

Pat Sablatura, P.E
Professional Structural Engineer
Registration # 90279



04-02-22



Commercial
8118 Joy Road
Leander, Texas 78641

STRUCTURAL DESIGN
FAST • ACCURATE • AFFORDABLE

Residential
(512) 845-2760
Firm: F-5329





Carlson, Brigrance & Doering, Inc.

Civil Engineering ❖ Surveying

April 6, 2022

City of Leander- Engineering
201 N. Brushy Street
Leander, Texas 78641

**RE: Bar W Ranch West, Phase 5
21-PICP-009**

Final Plat Legal Name as Recorded:

Bar W Ranch West Phase 5

Name on Approved Construction Documents:

Bar W Ranch West, Phase 5 Public Improvement Construction Plan

Name on Bank Bond for Fiscal Posting:

N/A

COSTS CATAGORIES	AMOUNT
Streets	\$3,800,459.95
Drainage	\$857,396.50
Wastewater	\$659,762.50
Water	\$858,353.50
Streetlights	\$280,000.00
Landscape Improvements	-----
TOTAL	\$6,455,972.45

Total Improvements = **\$6,455,972.45**
Maintenance Bond (10% of total, minus landscaping) = **\$645,597.25**

Total Improvements = \$6,455,972.45
Currently Paid Inspection Fees = \$105,313.32
Inspection Fees (3.5%) = \$225,959.04
Remaining Insp. Fees to be Paid = \$120,645.72

Please call if you have any questions.

Sincerely,

Lee A. Whited, P.E.
Carlson, Brigrance, & Doering, Inc.
Email: Lee@cbdeng.com



CARLSON, BRIGRANCE & DOERING, INC.
ID# F3791

Fidelity and Surety Department

Liberty Mutual Insurance Company

Bond No. 58S215152-001

Maintenance Bond

KNOW ALL MEN BY THESE PRESENTS, THAT,

Chasco Constructors, LTD

Hereinafter called Principal, as Principal, and the **Liberty Mutual Insurance Company** A corporation organized and existing under the laws of the State of **Massachusetts**, with its principal office in the City of **Boston**, authorized to do business in the state of **Texas**, hereinafter called the Surety, as Surety, are held and firmly bound unto

Leander MUD #2 & #3

Hereinafter called the Obligor, as Obligor, in the just and full sum of

Twenty Eight Thousand Dollars & no/100-----

DOLLARS (\$28,000.00) to the payment of which sum, well and truly to be made we bind ourselves, and our heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

Whereas, the Principal and the Obligor entered in to a written contract for

Bar W Phase 5 Street Light Improvements

Whereas, said contract provides that the Principal will furnish a Maintenance Bond conditioned to guarantee, for the period of **Two Years from the date of final acceptance by Leander MUD #2 & #3**, against all defects in workmanship and materials which may become apparent during said period, and,

Whereas, the said contract has been substantially completed,

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that, if the Principal shall indemnify the Obligor for all loss that the Obligor may sustain by reason of any defective materials or workmanship which became apparent during the period of **Two Years from the date of final acceptance by Leander MUD #2 & #3** from and after this date, then this obligation shall be null and void, otherwise to remain in full force and effect.

SIGNED, SEALED AND DATED THIS 7th day of April, 2022

Chasco Constructors, LTD

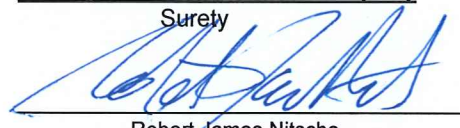
Principal

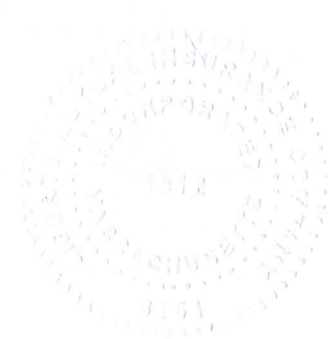
By: _____

Liberty Mutual Insurance Company

Surety


Jennifer J. Biehle
Witness


Robert James Nitsche
Attorney-In-Fact





This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: **8205724-974127**

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Craig Parker; Gary A. Nitsche; Kenneth Nitsche; Nina Smith; Robert James Nitsche; Robert K. Nitsche

all of the city of Giddings state of TX each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 9th day of June, 2021.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By:

David M. Carey
David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 9th day of June, 2021 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2025
Commission number 1126044
Member, Pennsylvania Association of Notaries

By:

Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 7th day of April, 2022.



By:

Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary



TEXAS IMPORTANT NOTICE

To obtain information or make a complaint:

You may call toll-free for information or to make a complaint at
1-877-751-2640

You may also write to:

2200 Renaissance Blvd., Ste. 400
King of Prussia, PA 19406-2755

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at
1-800-252-3439

You may write the Texas Department of Insurance Consumer Protection (111-1A)
P. O. Box 149091
Austin, TX 78714-9091
FAX: (512) 490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should first contact the agent or call 1-800-843-6446. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

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

TEXAS AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis para informacion o para someter una queja al
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King of Prussia, PA 19406-2755

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al
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Austin, TX 78714-9091
FAX # (512) 490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI)

UNA ESTE AVISO A SU POLIZA:

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

MAINTENANCE BOND
Subdivision Improvements

58S216240

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

KNOW ALL BY THESE PRESENTS, that Chasco Constructors, LTD
as Principal, whose address is 2801 E. Old Settlers Blvd, Round Rock, TX 78665 and
Liberty Mutual Insurance Company a Corporation organized under the
laws of the State of Massachusetts, and duly authorized to do business in the State of Texas, as
Surety, are held and firmly bound unto the City of Leander, Texas as Obligee, in the penal sum
of Six Hundred Forty Five Thousand Five Hundred Ninety Seven & 25/100----- Dollars
(\$ 645,597.25) to which payment will and truly to be made we do bind ourselves, our
and each of our heirs, executors, administrators, successors and assigns jointly and severally,
firmly by these presents.

WHEREAS, the said Principal has constructed Bar W Phase 5 Subdivision infrastructure Including
Streets, Drainage, Water and Wastewater Improvements (the
“improvements”) pursuant to the ordinances of the Obligee, which ordinances are hereby
expressly made a part hereof as though the same were written and embodied herein;

WHEREAS, said Obligee requires that the Principal furnish a bond conditioned to
guarantee for the period of two (2) years after acceptance by the Obligee, against all defects in
workmanship and materials which may become apparent during said period;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that, if the
Principal keeps and perform the requirement of the Obligee’s ordinances and this Maintenance
Bond to maintain the improvements and keep the same in good repair and shall indemnify the
Obligee for all loss that the Obligee may sustain by reason of any defective materials or
workmanship which become apparent during the period of two (2) years from and after the date
of acceptance by the Owner, then this obligation shall be void, otherwise to remain in full force
and effect, and Owner shall have and cover from said Principal and Surety damages in the
premises, as provided, and it is further agreed that this obligation shall be a continuing one
against the Principal and Surety hereon, and that successive recoveries may be had thereon for
successive breaches until the full amount shall have been exhausted; and it is further understood
that the obligation herein to maintain said improvements shall continue throughout the
maintenance period, and the same shall not be diminished in any manner from any cause during
said time.

Principal agrees to repair or reconstruct the improvements in whole or in part at any time
within the two year period to such extent as the Obligee deems necessary to properly correct all
defects except for normal wear and tear. If the Principal fails to make the necessary corrections
within ten days after being notified, the Obligee may do so or have done all said corrective work
and shall have recovery hereon for all expenses thereby incurred. Principal will maintain and
keep in good repair the improvements for a period of two years from the date of acceptance; it
being understood that the purpose of this Maintenance Bond is to cover all defective conditions
arising by reason of defective material, work, or labor performed by said Principal or its

subcontractors, and in the case the said Principal shall fail to do so within ten days after being notified, it is agreed that the Obligee may do said work and supply such materials, and charge the same against Principal and Surety on this obligation.

The Surety shall notify the Obligee at least fifteen (15) days prior to the end of the first full calendar year and prior to the lapse of this Maintenance Bond at the end of the second full calendar year.

Surety and Principal agree that whenever a defect or failure of the improvement occurs within the period of coverage under this Bond, the Surety and Principal shall provide a new maintenance bond or other surety instrument in a form acceptable to the Obligee and compliant with the Obligee's ordinances conditioned to guarantee for the period of one (1) year after the Obligee's acceptance of the corrected defect or failure, against all defects in workmanship and materials associated with the corrected defect or failure which may become apparent during said period, which shall be in addition to this Maintenance Bond.

The Surety agrees to pay the Obligee upon demand all loss and expense, including attorneys' fees, incurred by the Obligee by reason of or on account of any breach of this obligation by the Surety. Provided further, that in any legal action be filed upon this bond, venue shall lie in the county where the improvements are constructed.

This Bond is a continuing obligation and shall remain in full force and effect until cancelled as provided for herein.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the improvements, or the work to be performed thereon, or the plans, specifications or drawings accompanying the same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the improvements, or the work to be performed thereon.

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed
this instrument this 7th day of April, 2022.

Chasco Constructors, LTD

Principal

By: Charles T. G. Jr.

Title: President

Address: 2801 E. Old Settlers Blvd

Round Rock, TX 78665

Liberty Mutual Insurance Company

Surety

By: Robert James Nitsche

Title: Robert James Nitsche, Attorney-In-Fact

Address: 2200 Renaissance Blvd

Ste 400

King of Prussia, PA 19406-2755

The name and address of the Resident Agent of Surety is:

The Nitsche Group

143 E. Austin, Giddings, TX 78942

(Seal)





This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: **8205724-974127**

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Craig Parker; Gary A. Nitsche; Kenneth Nitsche; Nina Smith; Robert James Nitsche; Robert K. Nitsche

all of the city of Giddings state of TX each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 9th day of June, 2021.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 9th day of June, 2021 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2025
Commission number 1126044
Member, Pennsylvania Association of Notaries

By: Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

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Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 7th day of April, 2022.



By: Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.



TEXAS IMPORTANT NOTICE

To obtain information or make a complaint:

You may call toll-free for information or to make a complaint at
1-877-751-2640

You may also write to:

2200 Renaissance Blvd., Ste. 400
King of Prussia, PA 19406-2755

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at
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Consumer Protection (111-1A)
P. O. Box 149091
Austin, TX 78714-9091
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Web: <http://www.tdi.texas.gov>
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E-mail: ConsumerProtection@tdi.texas.gov

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UNA ESTE AVISO A SU POLIZA:

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

DUAL OBLIGEE RIDER

To be attached to and form a part of contract bond number 58S216240 issued by Liberty Mutual

Insurance Company, as Surety, on behalf of Chasco Constructors, LTD

_____, as Principal (the "Contractor")

in the amount of Six Hundred Forty-five Thousand Five Hundred Ninety-seven Dollars And Twenty-five Cents

_____, Dollars (\$645,597.25)

and dated April 7, 2022 in favor of City of Leander

_____, as Obligee (the "Owner")
in consideration of the sum of One Dollar (\$1.00), and other good and valuable consideration receipt of which is hereby acknowledged, the
Undersigned hereby agree as follows:

1. The Williamson County

_____ is hereby added to said bond as additional obligee(s).

2. The Surety shall not be liable under this bond to the Obligee, or any of them unless the said Obligees, or any of them, shall make payments to the Principal strictly in accordance with the terms of the contract as to payments, and shall perform all other obligations to be performed under said contract at the time and in the manner therein set forth.

3. No suit, action or proceeding by reason of any default whatever shall be brought on this bond after two (2) years from the day on which the final payment under the contract falls due.

4. Aggregate liability of Surety hereunder to Obligee(s) is limited to the penal sum above stated and Surety, upon making payment hereunder, shall be subrogated to, and shall be entitled to an assignment of all rights of the payee with respect to the particular obligation discharged by the payment, either against Principal or against any other party liable to the payee on the discharged obligation.

Signed, Sealed and Dated this 7th day of April, 2022.

(Seal if corporation)
Attest

City of Leander

Owner

By _____

(Seal if corporation)
Attest

Chasco Constructors, LTD

Contractor

By Chambers

Liberty Mutual Insurance Company

By Robert James Nitsche
Attorney-in-Fact





This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: **8205724-974127**

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Craig Parker; Gary A. Nitsche; Kenneth Nitsche; Nina Smith; Robert James Nitsche; Robert K. Nitsche

all of the city of Giddings state of TX each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 9th day of June, 2021.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By:

David M. Carey
David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 9th day of June, 2021 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2025
Commission number 1126044
Member, Pennsylvania Association of Notaries

By:

Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 7th day of April, 2022.



By:

Renee C. Llewellyn
Renee C. Llewellyn, Assistant Secretary



TEXAS IMPORTANT NOTICE

To obtain information or make a complaint:

You may call toll-free for information or to make a complaint at
1-877-751-2640

You may also write to:

2200 Renaissance Blvd., Ste. 400
King of Prussia, PA 19406-2755

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at
1-800-252-3439

You may write the Texas Department of Insurance
Consumer Protection (111-1A)
P. O. Box 149091
Austin, TX 78714-9091
FAX: (512) 490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should first contact the agent or call 1-800-843-6446. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

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

TEXAS AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis para informacion o para someter una queja al
1-877-751-2640

Usted tambien puede escribir a:

2200 Renaissance Blvd., Ste. 400
King of Prussia, PA 19406-2755

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al
1-800-252-3439

Puede escribir al Departamento de Seguros de Texas Consumer Protection (111-1A)
P. O. Box 149091
Austin, TX 78714-9091
FAX # (512) 490-1007
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI)

UNA ESTE AVISO A SU POLIZA:

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

**FINAL BILLS PAID AFFIDAVIT
AND WAIVER OF LIEN**

STATE OF TEXAS
COUNTY OF WILLIAMSON

Date: 04/12/2022

Developer: Continental Homes of Texas, LP

Contractor/Material
Provider ("Affiant"): Chasco Constructors

Project: Bar W Ranch West Ph. 5

This is to acknowledge and certify that Affiant has completed the construction of all improvements for the project noted above and that Affiant has been paid in full for all labor and material provided to the above-noted construction project, except for retainage, and acknowledges and certifies that Affiant, and all of his or its agents, employees, successors, assigns, subsidiaries, and legal representatives will and do release and waive all Mechanic's liens, or similar lien rights, which have or might arise as a result of the Affiant's or Affiant's agents' or employees' providing labor and materials to the above-noted project. Affiant understands that a portion or all of the property upon which the project is located has been or will be accepted by the City of Leander, Texas, for ownership, maintenance, and operation. Affiant further agrees that it shall look solely to the Developer for payment of the retainage and shall have no cause of action whatsoever, against the City in the event that the retainage is not paid to the Affiant, and that Affiant shall not file a lien of any kind which has or may arise related to the release of the retainage for the project. Affiant acknowledges and understands that the City is relying on the representations made in this document to accept the phase or portion of the subdivision in which the project is located.

In addition to the foregoing, Affiant acknowledges and certifies that Affiant has paid all laborers, subcontractors, materialmen, and all other persons or parties who have provided labor or materials through, for, or on behalf of the Affiant to the above-noted construction project.

Affiant indemnifies and holds Owner harmless from any liens, debts or obligations which arise as a result of labor or materials provided by or through Affiant to the project through the date set out above. Affiant further indemnifies and holds harmless all real property on which the improvements were constructed and all interests in such property, including leasehold interests, from any liens, debts, or obligations arising from any labor or materials provided by or through Affiant to the project through the date set out above.

SUBSCRIBED AND SWORN TO BY Affiant on this 12th day of April, 2022.

Initialed: CH

AFFIANT:

Signature: _____

Craig R Hunter

Typed Name: Craig Hunter

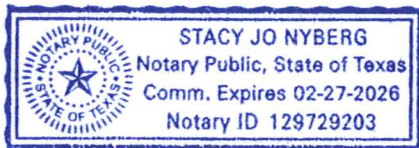
Title: Comptroller

STATE OF TEXAS
COUNTY OF WILLIAMSON

BEFORE ME the undersigned authority on this day personally appeared Craig Hunter, known to me to be the person noted above, and acknowledged to me the following: that he/she executed the foregoing for the purpose and consideration therein expressed, in the capacity therein stated, and as the duly authorized act and deed of the party releasing and waiving the lien therein; and that every statement therein is within his/her knowledge and is true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of April, 2022.

[S E A L]



Stacy Jo Nyberg

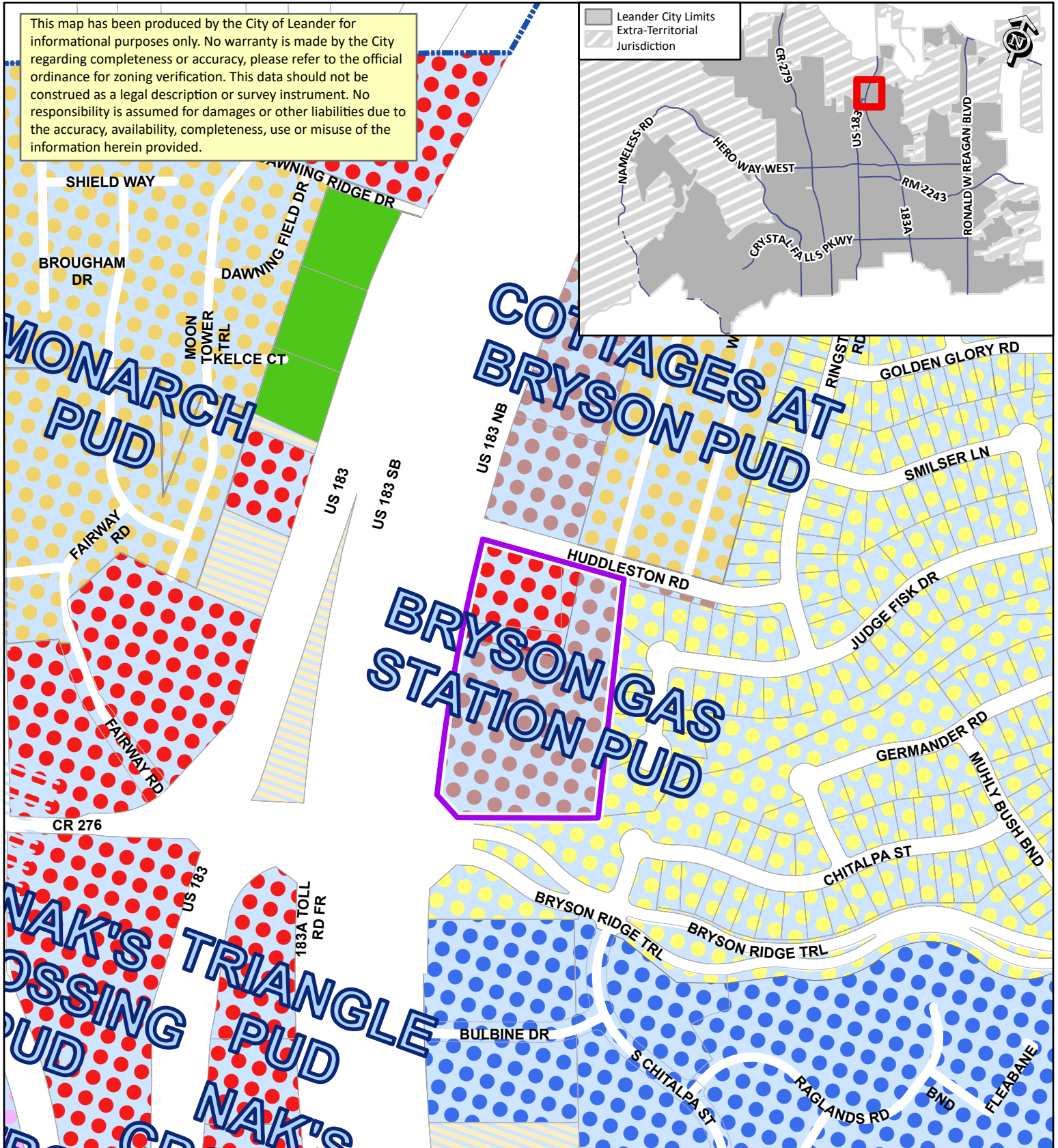
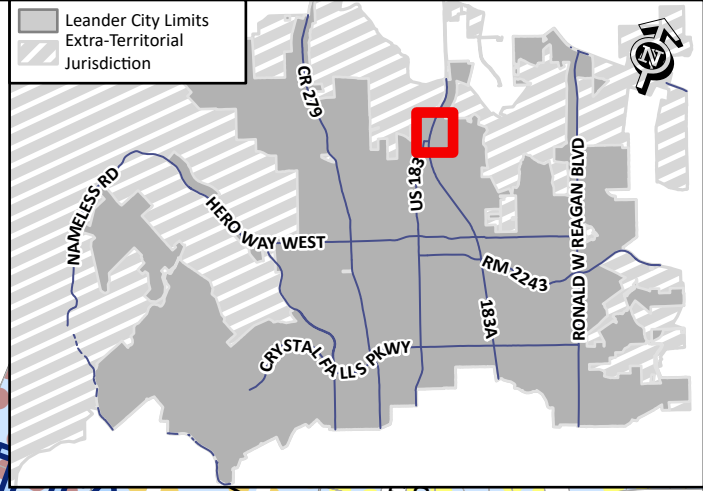
Notary in and for the State of Texas

Name: Stacy Jo Nyberg

My commission expires: 02/27/2026

Initialed: *CH*

This map has been produced by the City of Leander for informational purposes only. No warranty is made by the City regarding completeness or accuracy, please refer to the official ordinance for zoning verification. This data should not be construed as a legal description or survey instrument. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, completeness, use or misuse of the information herein provided.

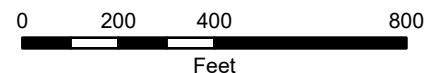
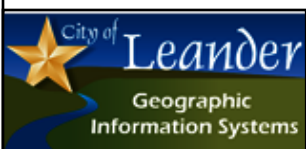


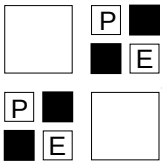
SUBDIVISION ACCEPTANCE

Location Map: Bryson Ridge Retail 19-TOD-PICP-006

- City Limits
- Acceptance Area
- WCAD
- SFR - Single-Family Rural
- SFS - Single-Family Suburban
- PUD - Single-Family
- PUD - CH
- PUD - Mixed Use

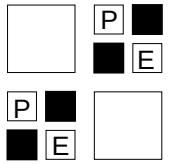
- PUD - Local Commercial
- PUD - General Commercial
- PUD - Heavy Commercial
- CD - Conventional Sector





PROFESSIONAL STRUCIVIL ENGINEERS, INC.

STRUCTURAL CIVIL TRANSPORTATION
2205 W. PARMER LN., SUITE #201, AUSTIN, TEXAS 78727
512.238.6422 PSCE@PSCEINC.COM REGISTERED FIRM F-4951



ENGINEER'S CONCURRENCE FOR PROJECT ACCEPTANCE

PROJECT: Bryson Ridge Subdivision- 183 A Toll Rd, Leander, TX 78641 Date: November 12, 2020

Owner's Name and Address

Bryson Development, LLC.
4201 Gallego Circle
Austin, TX 78738

Consultant Engineer's Name and Address

Professional StruCIVIL Engineers, Inc.
2205 W Parmer Lane, Suite 201
Austin, Texas 78727

On this date, September 12, 2020, I, the undersigned Professional Engineer in the State of Texas, reviewed information on the aforementioned site (19-TOD-PICP-006). No discrepancies in the approved construction plans or deficiencies in construction were visible or brought to my attention by any parties except those listed below. I, therefore, recommend acceptance of this project by the City of Leander once the following listed items are corrected to the satisfaction of the Development Services Department.



Signature

Mirza Tahir Baig, P.E.

Typed Name

82577

Texas Registration No.

F-4951

Texas Firm Registration No.



ADA Assistance

107 Meadow Woods, Kyle TX 78640 - Fax (866)268-1810
Robert Ronson (512)787-3687; Maureen Ronson (512)557-1676
Email: info@adaassistance.com Internet: www.adaassistance.com

December 1, 2020

Mr. Amirali Maknojia
11712 Shoreview Overlook
Austin, Texas 78732

RE: Bryson Retail Center
Bryson Retail Center
11340 Hwy 183A & Bryson Ridge Tr
Leander, Texas 78641

Project Number:
EABPRJB7823251

SPECIAL INSPECTION COMPLETED - NO VIOLATION

Dear Mr. Maknojia:

We are pleased to inform you that the referenced project has been inspected and no non-compliant items were found so the project appears to be in substantial compliance with provisions of the Texas Government Code, Chapter 469. Specifically inspected were pedestrian elements within the scope of the referenced project that were constructed at the time of the inspection: Sidewalks, curb ramps & driveways along Hwy 183A & Huddleston Rd.

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

Also note, this project is understood to be under \$50,000 in value and not subject to review and/or inspection under current state law, therefore this report is advisory in nature only and does not constitute a requirement under the Texas Architectural Barriers Act.

If you have any questions concerning the results of the inspection, or the requirements of the Architectural Barriers Act, or if you are not the owner of record for this facility, contact Joshua Ronson at 512-680-6397 or joshua.ronson32@gmail.com.

Sincerely,

Joshua Ronson RAS # 1596

Enclosures

MAINTENANCE BOND
Subdivision Improvements

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

KNOW ALL BY THESE PRESENTS, that Bryson Development LLC
as Principal, whose address is 11340 183a Toll Rd, Leander, TX 78641 and
Great American Insurance Company a Corporation organized under the
laws of the State of OH, and duly authorized to do business in the State of Texas, as
Surety, are held and firmly bound unto the City of Leander, Texas as Obligee, in the penal sum
of Eighteen Thousand & 00/100 Dollars
(\$ 18,000.00) to which payment will and truly to be made we do bind ourselves, our
and each of our heirs, executors, administrators, successors and assigns jointly and severally,
firmly by these presents.

WHEREAS, the said Principal has constructed Bryson Ridge Subdivision, 19-TOD-PICP-006 (the
"improvements") pursuant to the ordinances of the Obligee, which ordinances are hereby
expressly made a part hereof as though the same were written and embodied herein;

WHEREAS, said Obligee requires that the Principal furnish a bond conditioned to
guarantee for the period of two (2) years after acceptance by the Obligee, against all defects in
workmanship and materials which may become apparent during said period;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that, if the
Principal keeps and perform the requirement of the Obligee's ordinances and this Maintenance
Bond to maintain the improvements and keep the same in good repair and shall indemnify the
Obligee for all loss that the Obligee may sustain by reason of any defective materials or
workmanship which become apparent during the period of two (2) years from and after the date
of acceptance by the Owner, then this obligation shall be void, otherwise to remain in full force
and effect, and Owner shall have and cover from said Principal and Surety damages in the
premises, as provided, and it is further agreed that this obligation shall be a continuing one
against the Principal and Surety hereon, and that successive recoveries may be had thereon for
successive breaches until the full amount shall have been exhausted; and it is further understood
that the obligation herein to maintain said improvements shall continue throughout the
maintenance period, and the same shall not be diminished in any manner from any cause during
said time.

Principal agrees to repair or reconstruct the improvements in whole or in part at any time
within the two year period to such extent as the Obligee deems necessary to properly correct all
defects except for normal wear and tear. If the Principal fails to make the necessary corrections
within ten days after being notified, the Obligee may do so or have done all said corrective work
and shall have recovery hereon for all expenses thereby incurred. Principal will maintain and
keep in good repair the improvements for a period of two years from the date of acceptance; it
being understood that the purpose of this Maintenance Bond is to cover all defective conditions
arising by reason of defective material, work, or labor performed by said Principal or its

Duplicate Original

subcontractors, and in the case the said Principal shall fail to do so within ten days after being notified, it is agreed that the Obligee may do said work and supply such materials, and charge the same against Principal and Surety on this obligation.

The Surety shall notify the Obligee at least fifteen (15) days prior to the end of the first full calendar year and prior to the lapse of this Maintenance Bond at the end of the second full calendar year.

Surety and Principal agree that whenever a defect or failure of the improvement occurs within the period of coverage under this Bond, the Surety and Principal shall provide a new maintenance bond or other surety instrument in a form acceptable to the Obligee and compliant with the Obligee's ordinances conditioned to guarantee for the period of one (1) year after the Obligee's acceptance of the corrected defect or failure, against all defects in workmanship and materials associated with the corrected defect or failure which may become apparent during said period, which shall be in addition to this Maintenance Bond.

The Surety agrees to pay the Obligee upon demand all loss and expense, including attorneys' fees, incurred by the Obligee by reason of or on account of any breach of this obligation by the Surety. Provided further, that in any legal action be filed upon this bond, venue shall lie in the county where the improvements are constructed.

This Bond is a continuing obligation and shall remain in full force and effect until cancelled as provided for herein.

Surety, for value received, stipulates and agrees that no change, extension of time, alteration or addition to the improvements, or the work to be performed thereon, or the plans, specifications or drawings accompanying the same, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the improvements, or the work to be performed thereon.

Duplicate Original

IN WITNESS WHEREOF, the said Principal and Surety have signed and sealed this instrument this 19th day of November, 2020.

Bryson Development LLC
Principal

By: Zahir pryor

Title: owner

Address: 11340 183A Toll Rd

Leander, TX 78641

Great American Insurance Company
Surety

By: Valerie Aber

Title: Valerie Aber, Attorney-In-fact

Address: 301 E 4th St

Cincinnati, OH 45202

The name and address of the Resident Agent of Surety is:

Great American Insurance Company

810 Hesters Crossing, Ste 215, Round Rock, TX 78681

(Seal)

DUPLICATE ORIGINAL

GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by
this power of attorney is not more than one

Bond No. E616682

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, the specific bond, undertaking or contract of suretyship referenced herein; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below. The bond number on this Power of Attorney must match the bond number on the bond to which it is attached or it is invalid.

Name	Address	Limit of Power
Valerie Aber	13341 W Indian School Rd, Suite 305, Litchfield Park, AZ 85340	\$18,000.00

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this
Attest

19th day of November, 2020
GREAT AMERICAN INSURANCE COMPANY



Atty L C. B.
Assistant Secretary

Mark V. Vicario
Divisional Senior Vice President

MARK VICARIO (877-377-2405)

STATE OF OHIO, COUNTY OF HAMILTON - ss:

On this 19th day of November, 2020, before me personally appeared MARK VICARIO, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.



SUSAN A KOHORST
Notary Public
State of Ohio
My Comm. Expires
May 18, 2025

Susan A Kohorst

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

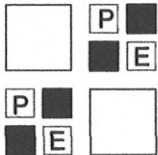
CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 19th day of November, 2020

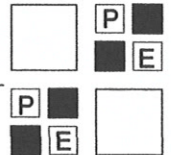


Atty L C. B.
Assistant Secretary



PROFESSIONAL STRUCIVIL ENGINEERS, INC.

STRUCTURAL CIVIL TRANSPORTATION
12710 RESEARCH BLVD., SUITE #390, AUSTIN, TEXAS 78759
512.238.6422 PSCE@PSCEINC.COM REGISTERED FIRM F-4951



PUBLIC IMPROVEMENTS FINAL CONSTRUCTION COST

March 25, 2021

Zahir Prasla
Bryson Development, LLC.
4201 Gallego Circle, Austin, TX 78738

Reference: Bryson Ridge Subdivision (19-TOD-PICP-006)
11340 183A Toll Rd., Leander, Texas 78641

WATER LINE IMPROVEMENTS

Item	Size	Units	Quantity		Total
Water line (includes trench safety & Revegetation)	18"	LF	800	\$96.88	\$77,500.00
FH assemblies		EA	1	\$3,500	\$3,500.00
18" gate valve	18"	EA		\$14,000	\$14,000.00
12"x1 1/2" Tapping Saddle		EA	1	\$4,000.00	\$4,000.00
1 1/2" Meter & Assembly		EA	1	\$6,000.00	\$6,000.00
12"x1" Tapping Saddle		EA	1	\$5,000.00	\$5,000.00
TOTAL WATER LINE COST					\$110,000.00

WASTEWATER LINE IMPROVEMENTS

Item	Size	Units	Quantity		Total
Wastewater line	8"	LF	200	\$120.50	\$24,100.00
WW.MH		EA	1	\$7,500.00	\$7,500.00
WW C.O.	6"	EA	1	\$400.00	\$400.00
WW.MH Coating		EA	1	\$1,000.00	\$1,000.00
SDR26 WW	8"	LF	40	\$400.00	\$16,000.00
SDR26 WW	6"	LF	20	\$200.00	\$4,000.00
Clean Out	6"	EA	1	\$500.00	\$500.00
WW.MH	48"	EA	1	\$9,500	\$9,500.00
TOTAL WASTEWATER LINE COST					\$63,000.00

HOT TAP

Item	Size	Units	Quantity		Total
Hot Tap	18"	EA	1	\$3,100	\$3,100.00
Taping Sleeve	18"	EA	1	\$1,000	\$1,000.00
TOTAL HOT TAP COST					\$4,100.00

SIDEWALK CONCRETE COST

Item	Size	Units	Quantity	Total
Site Prep Material		Yds.	647	\$6,000.00
Site Prep Labor		Sq. Ft.	647	\$970.00
Sand Bed		Yds.	72	\$2,700.00
Labor		Sq. Ft.	8100	\$20,250.00
Reinforcing Material	#3	Bars	900	\$3,825.00
Lumber & Expansion Joints				\$2,500.00
Concrete Material		Yds.	135	\$16,875.00

TOTAL SIDEWALK CONCRETE COST

\$53,120.00

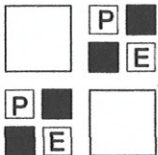
TOTAL CONSTRUCTION COST ESTIMATE

\$230,220.00

Mirza Tahir Baig, P.E.



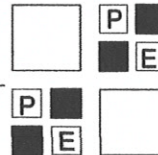
Opinions and comments stated on this report are solely on observation of apparent condition. This report does not provide a prediction, or warranty on the future performance and/or the need for repair of the structure and other related items. Observation and/or inspection for waterproofing, water conveyance, and drainage issues are specially excluded from this scope of work.



PROFESSIONAL STRUCIVIL ENGINEERS, INC.

STRUCTURAL CIVIL TRANSPORTATION

2205 W. PARMER LN., SUITE #201, AUSTIN, TEXAS 78727
512.238.6422 PSCE@PSCEINC.COM REGISTERED FIRM F-4951



ENGINEER'S CONCURRENCE FOR PROJECT ACCEPTANCE

PROJECT: Bryson Ridge Subdivision- 183 A Toll Rd, Leander, TX 78641

Date: March 24, 2021

Owner's Name and Address

Bryson Development, LLC.
4201 Gallego Circle
Austin, TX 78738

Consultant Engineer's Name and Address

Professional StruCIVIL Engineers, Inc.
2205 W Parmer Lane, Suite 201
Austin, Texas 78727

On this date, September 12, 2020, I, the undersigned Professional Engineer in the State of Texas, reviewed information on the aforementioned site (19-TOD-PICP-006). No discrepancies in the approved construction plans or deficiencies in construction were visible or brought to my attention by any parties except those listed below. I, therefore, recommend acceptance of this project by the City of Leander once the following listed items are corrected to the satisfaction of the Development Services Department. I, as the project's Professional Engineer, certify that all improvements have been constructed in substantial compliance with the approved construction plans.



Signature

Mirza Tahir Baig, P.E.

Typed Name

82577

Texas Registration No.

F-4951

Texas Firm Registration No.

**FINAL BILLS PAID AFFIDAVIT
AND WAIVER OF LIEN**

STATE OF TEXAS
COUNTY OF WILLIAMSON

Date: MARCH 10, 2021

Developer: Bryson Development LLC
11340 183A TOLL ROAD, LEANDER, TX 78641

Contractor/Material
Provider ("Affiant"): RA BURGE CONCRETE

Project: Bryson Ridge Subdivision (19-TOD-PICP-006)
SideWalk Concrete

This is to acknowledge and certify that Affiant has completed the construction of all improvements for the project noted above and that Affiant has been paid in full for all labor and material provided to the above-noted construction project, except for retainage, and acknowledges and certifies that Affiant, and all of his or its agents, employees, successors, assigns, subsidiaries, and legal representatives will and do release and waive all Mechanic's liens, or similar lien rights, which have or might arise as a result of the Affiant's or Affiant's agents' or employees' providing labor and materials to the above-noted project. Affiant understands that a portion or all of the property upon which the project is located has been or will be accepted by the City of Leander, Texas, for ownership, maintenance, and operation. Affiant further agrees that it shall look solely to the Developer for payment of the retainage and shall have no cause of action whatsoever, against the City in the event that the retainage is not paid to the Affiant, and that Affiant shall not file a lien of any kind which has or may arise related to the release of the retainage for the project. Affiant acknowledges and understands that the City is relying on the representations made in this document to accept the phase or portion of the subdivision in which the project is located.

In addition to the foregoing, Affiant acknowledges and certifies that Affiant has paid all laborers, subcontractors, materialmen, and all other persons or parties who have provided labor or materials through, for, or on behalf of the Affiant to the above-noted construction project.

Affiant indemnifies and holds Owner harmless from any liens, debts or obligations which arise as a result of labor or materials provided by or through Affiant to the project through the date set out above. Affiant further indemnifies and holds harmless all real property on which the improvements were constructed and all interests in such property, including leasehold interests, from any liens, debts, or obligations arising from any labor or materials provided by or through Affiant to the project through the date set out above.

SUBSCRIBED AND SWORN TO BY Affiant on this 10 day of MARCH, 2021.

Initialed: RAB

AFFIANT:

Signature: _____

Typed Name: _____

Title: _____

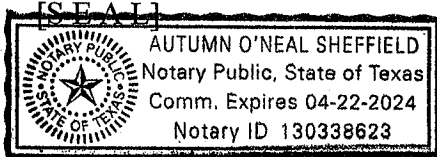
Ricky Burge
Ricky Burge
Pres

STATE OF TEXAS

COUNTY OF Williamson

BEFORE ME the undersigned authority on this day personally appeared Richard Burge, known to me to be the person noted above, and acknowledged to me the following: that he/she executed the foregoing for the purpose and consideration therein expressed, in the capacity therein stated, and as the duly authorized act and deed of the party releasing and waiving the lien therein; and that every statement therein is within his/her knowledge and is true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10th day of March 2021



Autumn Sheffield
Notary in and for the State of Texas

Name: Autumn Sheffield

RAB

My commission expires:

Initialed: _____

RAB

**FINAL BILLS PAID AFFIDAVIT
AND WAIVER OF LIEN**

STATE OF TEXAS

COUNTY OF WILLIAMSON

Date: MARCH 10, 2021

Developer: Bryson Development LLC

Contractor/Material

Provider ("Affiant"): FNT CONSTRUCTION LLC

Project: Bryson Ridge Subdivision (19-TOD-PLCP-006)
11340 183 TOLL ROAD, LEANDER, TEXAS 78641
WASTE WATER Improvements

This is to acknowledge and certify that Affiant has completed the construction of all improvements for the project noted above and that Affiant has been paid in full for all labor and material provided to the above-noted construction project, except for retainage, and acknowledges and certifies that Affiant, and all of his or its agents, employees, successors, assigns, subsidiaries, and legal representatives will and do release and waive all Mechanic's liens, or similar lien rights, which have or might arise as a result of the Affiant's or Affiant's agents' or employees' providing labor and materials to the above-noted project. Affiant understands that a portion or all of the property upon which the project is located has been or will be accepted by the City of Leander, Texas, for ownership, maintenance, and operation. Affiant further agrees that it shall look solely to the Developer for payment of the retainage and shall have no cause of action whatsoever, against the City in the event that the retainage is not paid to the Affiant, and that Affiant shall not file a lien of any kind which has or may arise related to the release of the retainage for the project. Affiant acknowledges and understands that the City is relying on the representations made in this document to accept the phase or portion of the subdivision in which the project is located.

In addition to the foregoing, Affiant acknowledges and certifies that Affiant has paid all laborers, subcontractors, materialmen, and all other persons or parties who have provided labor or materials through, for, or on behalf of the Affiant to the above-noted construction project.

Affiant indemnifies and holds Owner harmless from any liens, debts or obligations which arise as a result of labor or materials provided by or through Affiant to the project through the date set out above. Affiant further indemnifies and holds harmless all real property on which the improvements were constructed and all interests in such property, including leasehold interests, from any liens, debts, or obligations arising from any labor or materials provided by or through Affiant to the project through the date set out above.

SUBSCRIBED AND SWORN TO BY Affiant on this day of 1F, ____.

AFFIANT:

Signature:

[Signature]

Typed Name:

JOSE FLORES.

Title: OWNER

STATE OF TEXAS

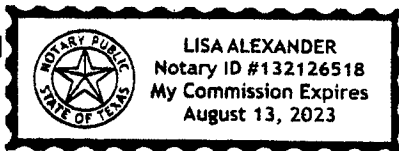
COUNTY OF WILLIAMSON

BEFORE ME the undersigned authority on this day personally appeared

Jose Flores, known to me to be the person noted above, and acknowledged to me the following: that he/she executed the foregoing for the purpose and consideration therein expressed, in the capacity therein stated, and as the duly authorized act and deed of the party releasing and waiving the lien therein; and that every statement therein is within his/her knowledge and is true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10 day of MARCH 2021

[SEAL]



Notary in and for the State of Texas

Name:

Lisa Alexander

My

commission

expires:

8/13/2023

Initialed: JF

**FINAL BILLS PAID AFFIDAVIT
AND WAIVER OF LIEN**

STATE OF TEXAS

COUNTY OF *WILLIAMSON*

Date: 15 January 2021

Developer: Bryson Development LLC

Contractor/Material

Provider ("Affiant"): W.W. Carter Inc.

Project : Bryson Ridge 18" Waterline 8" sewerline (19-TDD-PICP-006)
Waterline Improvements

This is to acknowledge and certify that Affiant has completed the construction of all improvements for the project noted above and that Affiant has been paid in full for all labor and material provided to the above-noted construction project, and acknowledges and certifies that Affiant, and all of his or its agents, employees, successors, assigns, subsidiaries, and legal representatives will and do release and waive all Mechanic's liens, or similar lien rights, which have or might arise as a result of the Affiant's or Affiant's agents' or employees' providing labor and materials to the above-noted project. Affiant understands that a portion or all of the property upon which the project is located has been or will be accepted by the City of Leander, Texas, for ownership, maintenance, and operation. Affiant further agrees that it shall look solely to the Developer for payment of the retainage and shall have no cause of action whatsoever, against the City in the event that the retainage is not paid to the Affiant, and that Affiant shall not file a lien of any kind which has or may arise related to the release of the retainage for the project. Affiant acknowledges and understands that the City is relying on the representations made in this document to accept the phase or portion of the subdivision in which the project is located.

In addition to the foregoing, Affiant acknowledges and certifies that Affiant has paid all laborers, subcontractors, materialmen, and all other persons or parties who have provided labor or materials through, for, or on behalf of the Affiant to the above-noted construction project.

Affiant indemnifies and holds Owner harmless from any liens, debts or obligations which arise as a result of labor or materials provided by or through Affiant to the project through the date set out above. Affiant further indemnifies and holds harmless all real property on which the improvements were constructed and all interests in such property, including leasehold interests, from any liens, debts, or obligations arising from any labor or materials provided by or through Affiant to the project through the date set out above.

WWC

Initialed: _____

SUBSCRIBED AND SWORN TO BY Affiant on this 15 day of JAN, 2021.**AFFIANT:**Signature: William W. CarterTyped Name: WILLIAM W. CARTERTitle: PRES

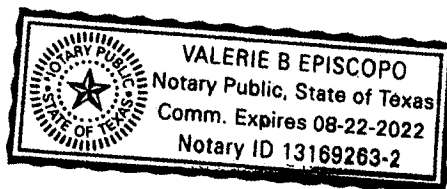
STATE OF TEXAS

COUNTY OF Travis

BEFORE ME the undersigned authority on this day personally appeared William W. Carter, known to me to be the person noted above, and acknowledged to me the following: that he/she executed the foregoing for the purpose and consideration therein expressed, in the capacity therein stated, and as the duly authorized act and deed of the party releasing and waiving the lien therein; and that every statement therein is within his/her knowledge and is true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15th day of January 2021

[SEAL]

Val
Notary in and for the State of TexasName: Valerie B Episcopo

My commission expires:

08/22/2022Initialed: WWC

**EXECUTIVE SUMMARY**
07/07/2022**AGENDA SUBJECT:**

Approval of Change Order No. 32 to the Construction Contract with DeNucci Constructors, LLC for the Northline Phase 1 City improvements increasing the City portion of the contract by the amount of \$285,810.86 for a new contract total of \$10,868,255.61 with no added days; and authorize the City Manager to negotiate and execute any and all necessary documents.

BACKGROUND:

The Northline Phase 1 development project consists of City improvements consisting of streets, drainage and SWPPP, and the Developer improvements consisting of water, wastewater, dry utilities, reclaimed water irrigation system and streetscape. City improvements are being funded by the City's \$15M Certificates of Obligation. Developer Improvements are the cost responsibility of the Developer. As per the terms of the Development Agreement for the Northline PUD and the Northline PUD Development and Reimbursement Agreement, TIRZ reimbursement of the City's costs for this project have priority over reimbursement of the Developer's costs.

The Developer's cost for water and wastewater improvements will be by way of water and wastewater impact fee reimbursements and subsidiary TIRZ reimbursements. In accordance with the construction contract, in no event shall the original aggregate total of the combined contract price for the City improvements, the water improvements, and the wastewater improvements be increased by more than twenty-five (25%) percent of such original aggregate total of the combined contract price for the City improvements, the water improvements, and the wastewater improvements.

The construction contract for Northline Phase 1 was awarded to DeNucci Constructors, LLC in the amount of \$13,418,537.00 on February 20, 2020. To date, there have been thirty-two (32) subsequent change orders, increasing the total contract amount to \$23,150,848.61, an increase of \$9,732,311.61. The Developer portion has increased \$8,670,404.87, which is two hundred thirty-six (236%) percent of the original Developer's share of the contract amount.

Change Order No. 32 increases the cost of the City's participation in this project. Within this change request, the contractor increased channel excavation and backfill by five thousand two hundred eighty-nine (5,289) cubic yards, added three hundred ninety-three (393) square yards of dry rock rip-rap, added sixty-nine (69) additional street signs, as well as adding six thousand seven hundred forty (6,740) square yards of hot mix asphalt, and one thousand seven hundred eighty-seven (1,787) linear feet of concrete curb and gutter. This additional cost to the City will be \$285,810.86; making the total City portion increase by \$1,061,906.74, which is eleven (11%) percent over the original City's share of the contract amount.

HISTORY/TIMELINE:**Change Order History/Timeline**

Change Order No.	Award Date	Increase	Responsibility	Developer Total	City Total	Total Contract
1	7/23/2020	\$92,934.87	D	\$3,767,662.87	\$9,743,809.00	\$13,511,471.87
2	7/23/2020	\$41,773.99	D	\$3,809,436.86	\$9,743,809.00	\$13,553,245.86
3	8/6/2020	\$11,661.62	C	\$3,809,436.86	\$9,755,470.62	\$13,564,907.48
4	8/6/2020	\$64,906.10	D	\$3,874,342.96	\$9,755,470.62	\$13,629,813.58
5	8/13/2020	\$198,304.56	D	\$4,072,647.52	\$9,755,470.62	\$13,828,118.14
6	8/13/2020	\$59,434.29	D	\$4,132,081.81	\$9,755,470.62	\$13,887,552.43
7	9/14/2020	\$368,736.01	D	\$4,500,817.82	\$9,755,470.62	\$14,256,288.44
8	11/5/2020	\$46,075.74	C	\$4,500,817.82	\$9,801,546.36	\$14,302,364.18

9	11/6/2020	\$9,968.70	D	\$4,510,786.52	\$9,801,546.36	\$14,312,332.88
10	11/6/2020	\$0.00	C	\$4,510,786.52	\$9,801,546.36	\$14,312,332.88
11	11/9/2020	\$112,619.64	D	\$4,623,406.16	\$9,801,546.36	\$14,424,952.52
12	2/18/2021	\$355,101.47	C	\$4,623,406.16	\$10,156,647.83	\$14,780,053.99
13	2/25/2021	\$0.00	D	\$4,623,406.16	\$10,156,647.83	\$14,780,053.99
14	N/A	\$357,707.61	N/A	\$4,981,113.77	\$10,156,647.83	\$15,137,761.60
15	5/12/2021	\$151,749.52	D	\$5,132,863.29	\$10,156,647.83	\$15,289,511.12
16	6/17/2021	\$286,014.16	C	\$5,132,863.29	\$10,442,661.99	\$15,575,525.28
17	6/13/2021	\$1,899,292.34	D	\$7,032,155.63	\$10,442,661.99	\$17,474,817.62
18	7/1/2021	\$89,806.24	C	\$7,032,155.63	\$10,532,468.23	\$17,564,623.86
19	8/21/2021	\$529,682.59	D	\$7,561,838.22	\$10,532,468.23	\$18,094,306.45
20	10/29/2021	\$362,979.34	D	\$7,924,817.56	\$10,532,468.23	\$18,457,285.79
21	11/16/2021	\$0.00	C	\$7,924,817.56	\$10,532,468.23	\$18,457,285.79
22	1/18/2022	\$49,976.52	C	\$7,924,817.56	\$10,582,444.75	\$18,507,262.31
23	2/10/2022	\$2,934,051.14	D	\$10,858,868.70	\$10,582,444.75	\$21,441,313.45
24	2/10/2022	\$77,410.39	D	\$10,936,279.09	\$10,582,444.75	\$21,518,723.84
25	2/10/2022	\$134,475.20	D	\$11,070,754.29	\$10,582,444.75	\$21,653,199.04
26	PENDING	\$338,393.00	C	\$11,070,754.29	\$10,920,837.75	\$21,991,592.04
27	2/28/2022	\$577,543.35	D	\$11,648,297.64	\$10,920,837.75	\$22,569,135.30
28	3/14/2022	\$219,843.57	D	\$11,868,141.21	\$10,920,837.75	\$22,788,978.96
29	3/7/2022	\$0.00	D	\$11,868,141.21	\$10,920,837.75	\$22,788,978.96
30	3/15/2022	\$0.00	C & D	\$12,206,534.21	\$10,582,444.75	\$22,788,978.96
31	5/31/22	\$135,598.66	D	\$12,345,132.87	\$10,582,444.75	\$22,927,577.62
32	6/16/2022	\$285,810.86	C	\$12,345,132.87	\$10,868,255.61	\$23,150,848.61

RECOMMENDATION:

Staff recommends approval of Change Order No. 32 to the construction contract with DeNucci Constructors, LLC. for the Northline Phase 1 project for City improvements, increasing the contract term by zero (0) days and the contract cost by \$285,810.86; and authorize the City Manager to negotiate and execute any and all necessary documents.

PRESENTER:

Ross E. Blackketter, P.E., City Engineer

Fiscal Impact

Amount requested: \$285,810.86
Approved in current budget (Yes / No): Yes
Expenditure (New / Amended): Amended
Recurring or one-time: One-Time
Fund source (Operating / Utility / etc.): Operating 57-01-8039

Attachments

1. Change Order #32

CHANGE ORDER NO.: 32 REV 2

Developer (Owner):	Northline Leander Development Company, LLC	Developer's Project No.:	19-TOD-PCIP-032
City (Owner):	City of Leander	City's Project No.:	19-TOD-PCIP-032
Engineer:	WGI	Engineer's Project No.:	30174028, 30184028
Contractor:	DeNucci Constructors, LLC	Contractor's Project No.:	40163
Project:	Northline – Phase 1		
Contract Name:	Northline – Phase 1		
Date Issued:	6/10/2022	Effective Date of Change Order:	6/10/2022

The Contract is modified as follows upon execution of this Change Order:

Description: **CITY Related Item CO:**

COP 91 REV 3 COP for added line items over base bid contract quantities after pay App 25

COP 93 COP for added line items over base bid quantities through Pay App #25

Attachments: COP's 91 Rev 3 and 93

Change in Contract Price		Change in Contract Times	
Original Contract Price:		Original Contract Times:	
Developer Contract:	\$3,674,728.00	Substantial Completion:	540 days
City Contract	\$9,743,809.00	Ready for final payment:	90 days Following
Increase from previously approved Change Orders No. 1 to No.31		Increase from previously approved Change Orders 1 to No 31	
Developer Contract:	\$8,670,404.87	Substantial Completion:	404
City Contract	\$838,635.75	Ready for final payment:	0
Contract Price prior to this Change Order:		Contract Times prior to this Change Order:	
Developer Contract:	\$12,345,132.87	Substantial Completion:	944
City Contract	\$10,582,444.75	Ready for final payment:	90 days Following
Increase this Change Order:		Increase this Change Order:	
Developer Contract:	-0-	Substantial Completion:	0
City Contract	\$285,810.86	Ready for final payment:	0
Contract Price incorporating this Change Order:		Contract Times with all approved Change Orders:	
Developer Contract:	\$12,345,132.87	Substantial Completion:	944
City Contract	\$10,868,255.61 <i>TS - LPC</i>	Ready for final payment:	90 days Following

6/12/2022

SIGNATURES:

Recommended by Engineer:

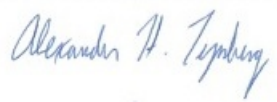
WGI



Signature Date 2022.06.10

Authorized by Developer (if required):

Northline Leander Development Company, LLC



Signature Date 6/12/22

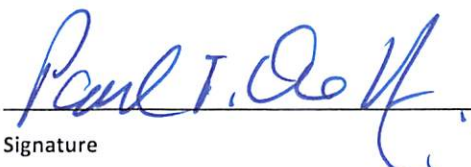
Authorized by City (if required):

City of Leander

Signature Date

Accepted by GC:

DeNucci Constructors, LLC



Signature Date 6/10/22

CHANGE ORDER PROPOSAL

Contractor: DeNucci Constructors, LLC.

Project Name: Northline Ph 1

Change Order Proposal Number: 93 Date: 5/26/2022

Description:

COP to document CITY contract line items overages through pay app #25

Labor:	Position	Quantity	RT Hrs	OT Hrs	RT Rate	OT Rate	Total
	General Superintendent				\$84.52		\$0.00
	Supennntendent				\$54.32		\$0.00
	Office Engineer				\$37.85		\$0.00
	Office Administrator				\$27.00		\$0.00
	Bookkeeper/AP				\$21.00		\$0.00
	Utility Superintendent				\$48.48		\$0.00
	Operators				\$26.00		\$0.00
	Pipe Layers				\$23.00		\$0.00
	Laborers				\$24.00		\$0.00
	Concrete Superintendent				\$55.00		\$0.00
	Concrete Form Setter				\$31.00		\$0.00
	Concrete Finisher				\$26.00		\$0.00
	Delivery Driver				\$30.00		\$0.00
	Truck Driver				\$35.00		\$0.00
Subtotal							\$0.00

Material	Description	Quantity	Unit	Rate	Total
					\$0.00
					\$0.00
					\$0.00
Subtotal					\$0.00

Subcontractors	Description	Total
Subtotal		\$0.00

Unit Pricing	Description	Quantity	Unit	Price	Total
	Contract Line items overages through pay app #25	1	LS		\$98,999.95
	City of Leander				\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
Subtotal					\$98,999.95

Equipment:	Description	Quantity	Unit	Operating Cost/Day	FHWA Rate	Total
	304 Mini Excavator		HR		\$32.96	\$0.00
	329 Excavator		HR		\$138.11	\$0.00
	299 Skidsteer		HR		\$51.11	\$0.00
	Triaxle Truck		Day		\$650.00	\$0.00
	938 Wheel Loader		HR		\$64.49	\$0.00
						\$0.00
Subtotal						\$0.00

Labor		\$0.00
Labor Burden	55%	\$0.00
Labor P&O	15%	\$0.00
Material		\$0.00
Material P&O	25%	\$0.00
Subcontractor		\$0.00
Subcontractor P&O	25%	\$0.00
Unit Price Item		\$98,999.95
Equipment		\$0.00
Bond	1%	
TOTAL		\$98,999.95

Additional days requested: 0

CHANGE ORDER PROPOSAL

Contractor: DeNucci Constructors, LLC.

Project Name: Northline Ph 1

Change Order Proposal Number: 91 REV 3 Date: 6/10/2022

Description:

COP for added line items over base bid contract quantities

Labor:	Position	Quantity	RT Hrs	OT Hrs	RT Rate	OT Rate	Total
	General Superintendent				\$84.52		\$0.00
	Superintendent				\$54.32		\$0.00
	Office Engineer				\$37.85		\$0.00
	Office Administrator				\$27.00		\$0.00
	Bookkeeper/AP				\$21.00		\$0.00
	Utility Superintendent				\$48.48		\$0.00
	Operators				\$26.00		\$0.00
	Pipe Layers				\$23.00		\$0.00
	Laborers				\$24.00		\$0.00
	Concrete Superintendent				\$55.00		\$0.00
	Concrete Form Setter				\$31.00		\$0.00
	Concrete Finisher				\$26.00		\$0.00
	Delivery Driver				\$30.00		\$0.00
	Truck Driver				\$35.00		\$0.00
Subtotal							\$0.00

Material	Description	Quantity	Unit	Rate	Total
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
Subtotal					\$0.00

Subcontractors	Description	Total
Subtotal		\$0.00

Unit Pricing	Description	Quantity	Unit	Price	Total
	Pay App 26 Street	1	LS	\$49,481.00	\$49,481.00
	591S-A Dry Rock Rip Rap	393	SY	\$65.00	\$25,545.00
	Pay App 26 SWPPP	1	LS	\$33,600.00	\$33,600.00
	Remaining Billing COP 47 Speed Humps	1	LS	\$76,335.30	\$76,335.30
					\$0.00
					\$0.00
Subtotal					\$184,961.30

Equipment:	Description	Quantity	Unit	Operating Cost/Day	FHWA Rate	Total
	304 Mini Excavator		HR		\$32.96	\$0.00
	329 Excavator		HR		\$138.11	\$0.00
	299 Skidsteer		HR		\$51.11	\$0.00
	Triaxle Truck		Day		\$650.00	\$0.00
	938 Wheel Loader		HR		\$64.49	\$0.00
						\$0.00
Subtotal						\$0.00

Labor		\$0.00
Labor Burden	55%	\$0.00
Labor P&O	15%	\$0.00
Material		\$0.00
Material P&O	25%	\$0.00
Subcontractor		\$0.00
Subcontractor P&O	25%	\$0.00
Unit Price Item		\$184,961.30
Equipment		\$0.00
Bond	1%	\$1,849.61
TOTAL		<u>\$186,810.91</u>

Additional days requested: 0



EXECUTIVE SUMMARY

07/07/2022

AGENDA SUBJECT:

Approval of a contract with SHI Government Solutions, Inc. for Microsoft 365 consulting services the amount of \$67,224.00 utilizing the Texas Department of Information Resources (DIR) Contract DIR-CPO-4398; and authorize the City Manager to execute any and all necessary documents.

BACKGROUND:

City IT has completed necessary internal system upgrades and is ready to start work on migrating to the Microsoft 365 product. The first step was to obtain appropriate licensing from Microsoft through an authorized reseller, which was authorized by City Council at the May 5, 2022 meeting; and a purchase order has been issued. The second step is to work with an experienced Microsoft 365 consultant to move City data and services into the new Microsoft 365 instance. This agenda item is to seek approval to move forward with this second step.

SHI Government Solutions, Inc. offers Microsoft 365 consulting services through a pre-negotiated State of Texas DIR contract which has favorable pricing and terms due to the State's purchasing volume. SHI Government Solutions, Inc. is a state-certified Historically Underutilized Business (HUB) with an excellent customer service record in regard to past City IT purchases. Use of this Texas DIR contract satisfies all state procurement laws related to competitive bidding.

This consulting engagement includes costs for subject-matter experts to help City IT migrate existing mailboxes and accounts to the new Microsoft 365 platform in a manner which will minimize work interruption for City officials and staff, and helping reduce the impact of this migration on our citizens and partners.

RECOMMENDATION:

Staff respectfully recommends approval to purchase Microsoft 365 migration consulting services from SHI Government Solutions, Inc. in the amount of \$67,224.00 utilizing Texas DIR Contract DIR-CPO-4398; and authorize the City Manager to execute any and all necessary documents.

PRESENTER:

Stuart Smith, Assistant Director of IT / Information Security Officer

Fiscal Impact

Amount requested: \$67,224.00

Approved in current budget (Yes / No): Yes

Expenditure (New / Amended): New

Recurring or one-time: One-Time

Fund source (Operating / Utility / etc.): Operating



EXECUTIVE SUMMARY

07/07/2022

AGENDA SUBJECT:

Approval of Development Agreement Case 22-DA-003 regarding the Leander Martial Arts Development on one parcel of land approximately 0.964 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcel R606382; and generally located to the northwest of the intersection of High Chaparral Drive and Crystal Falls Parkway, Leander, Williamson County, Texas.

BACKGROUND:

The purpose of this Development Agreement is to implement masonry standards associated with the project. This agreement will allow for the City to enforce the development standards set forth in the agreement through the building permit, inspection, and certificate of occupancy processes by this agreement, given that House Bill 2439 adopted in the 86th Legislative Session limits the ability of cities to enforce certain development standards governing building materials by ordinance.

This agreement requires that all structures are comprised of eighty-five percent masonry for the first story and fifty percent on all other stories. Masonry includes stone, brick, stucco, or factory tinted split faced concrete masonry unit.

APPLICANT/AGENT:

SCKY Ventures, LLC

PRESENTER:

Robin M. Griffin, AICP, Executive Director of Development Services

Attachments

1. Development Agreement
2. Location Map

**MASONRY DEVELOPMENT AGREEMENT
ESTABLISHING DEVELOPMENT STANDARDS
FOR THE LEANDER MARTIAL ARTS**

This Development Agreement Establishing Development Standards for the **Leander Martial Arts Site Development** (the "Agreement") is made and entered into, effective as of the ____ day of _____, 20____, by and between the **City of Leander, Texas**, a Texas home rule municipal corporation (the "City"), and **SCKY Ventures, LLC** (the "Developer"). The City and the Developer are sometimes referred to herein as the "Parties." The Parties agree as follows.

Section 1. Purpose; Consideration.

- (a) The Developer owns that certain 0.97 acre tract located in Williamson County, Texas, being more particularly described in **Exhibit A** attached hereto and incorporated herein for all purposes (the "Property") and wishes to develop the Property for Martial Arts Center (the "Development"). The Developer desires that the City be able to enforce the development standards set forth herein through its building permit, inspection, and certificate of occupancy processes by this agreement, given that House Bill 2439 adopted in the 86th Legislative Session limits the ability of cities to enforce certain development standards governing building materials by ordinance.
- (b) The Developer will benefit from the City enforcing the Development Standards as set forth herein because it will be more efficient and cost-effective for compliance to be monitored and enforced through the City's building permit and inspection processes and will help ensure that the Development is built out as planned by the Developer after conveyance to the builder of homes or other buildings and structures authorized by the applicable zoning regulations. The City will benefit from this Agreement by having assurance regarding certain development standards for the Development, having certainty that such Development Standards may be enforced by the City, and preservation of property values within the City.
- (c) The benefits to the Parties set forth in this Article 1, plus the mutual promises expressed herein, are good and valuable consideration for this Agreement, the sufficiency of which is hereby acknowledged by both Parties.

Section 2. Term; Termination.

- (a) The term of this Agreement shall be in full force and effect from the Effective Date hereof, subject to earlier termination as provided in this Agreement. Unless earlier terminated as provided in this Agreement, this Agreement shall terminate upon the issuance of the final certificate of occupancy for the final structure in the Development.
- (b) The Parties further mutually agree that this Agreement shall be in full force and effect upon the date above first written, provided that the City may terminate this Agreement if Developer defaults under the terms of this Agreement, subject to the notice and cure provisions in Section 6.

Section 3. Development Standards.

- (a) **Development Requirements.** The exterior wall standards set forth in this section shall apply to the structures located on the Property. At least eight-five (85%) percent for first story walls and fifty (50%) percent for each additional story shall consist of stone, brick, painted or tinted stucco, or similar material approved by the Director of Planning.
- (b) **Building Permits.** The Developer acknowledges and agrees that compliance with Section 3(a) will be a condition of issuance of building permits and certificates of occupancy. Developer further agrees that the City may use its building permitting, inspection, and enforcement processes and procedures to enforce the requirements of Section 3(a) above, including but not limited to rejection of applications and plans, stop work orders, and disapproval of inspections for applications and/or work that does not comply with this Agreement. Applications and plans for a building permit must demonstrate compliance with this Agreement in order for a building permit to be issued. Applications for building permits must be in compliance with this Agreement, as well as the Applicable Regulations, in order for such application to be approved and a building permit issued. Plans demonstrating compliance with this Agreement must accompany a building permit application and will become a part of the approved permit. Any structure constructed on the Property must comply with this Agreement and the Applicable Regulations for a certificate of occupancy to be issued for such structure.

Section 4. Development of the Property. Except as modified by this Agreement, the Development and the Property will be developed in accordance with all applicable local, state, and federal regulations, including but not limited to the City's ordinances and the zoning regulations applicable to the Property, and such amendments to City ordinances and regulations that that may be applied to the Development and the Property under Chapter 245, Texas Local Government Code, and good engineering practices (the "Applicable Regulations"). If there is a conflict between the Applicable Regulations and the Development Standards, the Development Standards shall control.

Section 5. Assignment of Commitments and Obligations; Covenant Running with the Land.

- (a) Developer's rights and obligations under this Agreement may be assigned by Developer to one (1) or more purchasers of all or part of the Property; provided the City Council must first approve and consent to any such assignment by Developer of this Agreement or of any right or duty of Developer pursuant to this Agreement, which consent shall not be unreasonably withheld or delayed.
- (b) This Agreement shall constitute a covenant that runs with the Property and is binding on future owners of the Property, and a copy of this Agreement shall be recorded in the Official Public Records of Williamson County, Texas. The Developer and the City acknowledge and agree that this Agreement is binding upon the City and the Developer and their respective successors, executors, heirs, and assigns, as applicable, for the term of this Agreement.

Section 6. Default. Notwithstanding anything herein to the contrary, no party shall be deemed to

be in default hereunder until the passage of fourteen (14) business days after receipt by such party of notice of default from the other party. Upon the passage of fourteen (14) business days without cure of the default, such party shall be deemed to have defaulted for purposes of this Agreement; provided that if the nature of the default is that it cannot reasonably be cured within the fourteen (14) business day period, the defaulting party shall have a longer period of time as may be reasonably necessary to cure the default in question; but in no event more than sixty (60) days. In the event of default, the non-defaulting party to this Agreement may pursue the remedy of specific performance or other equitable legal remedy not inconsistent with this Agreement. All remedies will be cumulative and the pursuit of one authorized remedy will not constitute an election of remedies or a waiver of the right to pursue any other authorized remedy. In addition to the other remedies set forth herein, the City may withhold approval of a building permit application or a certificate of occupancy for a structure that does not comply with the Development Standards.

Section 7. Reservation of Rights. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws, and neither party waives any legal right or defense available under law or in equity.

Section 8. Attorneys Fees. In the event of action pursued in court to enforce rights under this Agreement, the prevailing party shall be entitled to its costs and expenses, including reasonable attorneys' fees, incurred in connection with such action.

Section 9. Waiver. Any failure by a party to insist upon strict performance by the other party of any provision of this Agreement will not, regardless of length of time during which that failure continues, be deemed a waiver of that party's right to insist upon strict compliance with all terms of this Agreement. In order to be effective as to a party, any waiver of default under this Agreement must be in writing, and a written waiver will only be effective as to the specific default and as to the specific period of time set forth in the written waiver. A written waiver will not constitute a waiver of any subsequent default, or of the right to require performance of the same or any other provision of this Agreement in the future.

Section 10. Force Majeure.

- (a) The term "force majeure" as employed herein shall mean and refer to acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies, orders of any kind of the government of the United States, the State of Texas or any civil or military authority; insurrections; riots; epidemic; landslides; lightning, earthquakes; fires, hurricanes; storms, floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery, pipelines, or canals; or other causes not reasonably within the control of the party claiming such inability.
- (b) If, by reason of force majeure, any party hereto shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then such party shall give written notice of the full particulars of such force majeure to the other party within ten (10) days after the occurrence thereof. The obligations of the party giving such notice, to the extent effected by the force majeure, shall be suspended during the continuance of the inability claimed, except as hereinafter provided, but for no longer period, and the party shall endeavor to remove or overcome such inability with all reasonable dispatch.

- (c) It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require that the settlement be unfavorable in the judgment of the party having the difficulty.

Section 11. Notices. Any notice to be given hereunder by any party to another party shall be in writing and may be effected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed.

Any notice mailed to the City shall be addressed:

City of Leander
Attn: City Manager
P.O. Box 319
Leander, Texas 78641
Williamson County

with copy to:

The Knight Law Firm, LLP
Attn: Paige H. Saenz, Partner
223 West Anderson Lane, Suite A-105
Austin, Texas 78752
Travis County

Any notice mailed to the Developer shall be addressed:

SCKY Ventures, LLC
Attn: Damian Kim
5225 Town and Country Blvd #118
Frisco, Texas 75034
817-468-7522

Any party may change the address for notice to it by giving notice of such change in accordance with the provisions of this section.

Section 12. Waiver of Alternative Benefits. The Parties acknowledge the mutual promises and obligations of the Parties expressed herein are good, valuable and sufficient consideration for this Agreement. Therefore, save and except the right to enforce the obligations of the City to perform each and all of the City's duties and obligations under this Agreement, Developer hereby waives any and all claims or causes of action against the City Developer may have for or with respect to any duty or obligation undertaken by Developer pursuant to this Agreement, including any benefits that may have been otherwise available to Developer but for this Agreement.

Section 13. Severability. Should any court declare or determine that any provisions of this Agreement is invalid or unenforceable under present or future laws, that provision shall be fully severable; this Agreement shall be construed and enforced as if the illegal, invalid, or

unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in place of each such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. Texas law shall govern the validity and interpretation of this Agreement.

Section 14. Agreement and Amendment. This Agreement, together with any exhibits attached hereto, constitutes the entire agreement between Parties and may not be amended except by a writing approved by the City Council of the City that is signed by all Parties and dated subsequent to the date hereof.

Section 15. No Joint Venture. The terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past, present and future officers, elected officials, employees and agents, do not assume any responsibilities or liabilities to any third party in connection with the development of the Property. The City enters into this Agreement in the exercise of its public duties and authority to provide for development of property within the City pursuant to its police powers and for the benefit and protection of the public health, safety, and welfare.

Section 16. No Third Party Beneficiaries. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a party, unless expressly provided otherwise herein, or in a written instrument executed by both the City and the third party. Absent a written agreement between the City and third party providing otherwise, if a default occurs with respect to an obligation of the City under this Agreement, any notice of default or action seeking a remedy for such default must be made by the Owner.

Section 17. Effective Date. The Effective Date of this Agreement is the defined date set forth in the first paragraph.

Section 18. Recordation. This Agreement or a memorandum of Agreement acceptable to the City and Developer shall be recorded in the Official Public Records of Williamson County, Texas.

Section 20. Texas Law Governs. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Williamson County, Texas. Venue shall lie exclusively in Williamson County, Texas.

Section 21. Anti-Boycott Verification. To the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, the Developer represents that neither the Developer nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Developer (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

Section 22. Iran, Sudan and Foreign Terrorist Organizations. To the extent this Agreement constitute a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, Developer represents that Developer nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Developer is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

Section 23. Time is of the Essence. It is acknowledged and agreed by the Parties that time is of the essence in the performance of this Agreement.

Section 24. Exhibits. The following exhibits are attached to this Agreement, and made a part hereof for all purposes:

Exhibit A – Property Description & Sketch

EXECUTED in multiple originals this the ____ day of ____, 20__.

CITY:

City of Leander, Texas

a Texas home-rule municipal corporation

Attest:

By: _____

Name: Dara Crabtree

Title: City Secretary

By: _____

Name: Christine Sederquist

Title: Mayor

THE STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 20__, by _____, Mayor of the City of Leander, Texas, a Texas home-rule municipal corporation, on behalf of said corporation.

(SEAL)

Notary Public, State of Texas

DEVELOPER:

By: _____
Name: Dominic Kin
Title: Owner

THE STATE OF TEXAS §
COUNTY OF Denton §

This instrument was acknowledged before me on this 16 day of May, 2022, by Dominic Kin, Owner of Scky Ventures, a LLC company, on behalf of said company.

(SEAL)

Notary Public, State of Texas

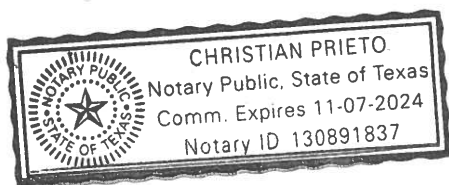


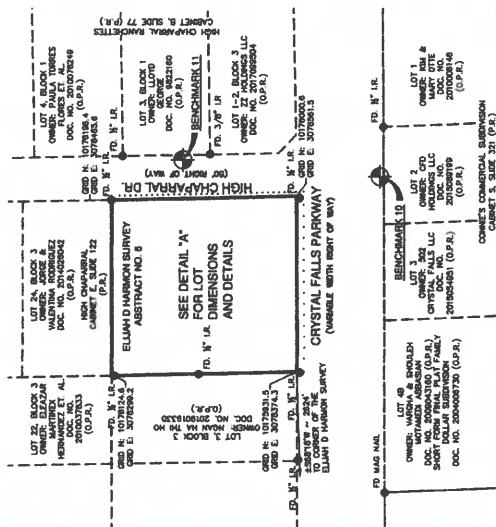
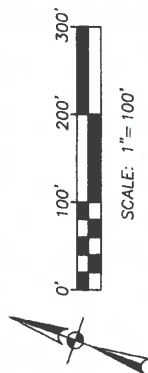
EXHIBIT “A”

Description of Property

LEGEND

- DOC. NO. OFFICIAL NUMBER
Q.P.R. DOCUMENT PUBLIC RECORDS OF
WILLIAMSON COUNTY, TEXAS
P.R. PLAT RECORDS OF
WILLIAMSON COUNTY, TEXAS
D.R. DEED RECORDS OF
WILLIAMSON COUNTY, TEXAS
FD. FOUND
- I.R. IRON ROD
TxDOT TEXAS DEPARTMENT OF TRANSPORTATION
VOL. VOLUME
PC. PAGE(S)
P.O.B. POINT OF BEGINNING
B.S.L. BUILDING SETBACK LINE
P.U.E. PUBLIC UTILITY EASEMENT
FOUND 1/2" IRON ROD
(UNLESS NOTED OTHERWISE)
• SET 1/2" IRON ROD (PD)
..... 8" SIDEWALK
..... 5' SIDEWALK

A 0.964 ACRE, OR 41,989 SQUARE FEET TRACT OF LAND SITUATED IN THE ELIJAH HARMON SURVEY, ABSTRACT NO. 8 IN THE CITY OF LEANDLER, WILIAMSON COUNTY, TEXAS, BEING ALL OF LOT 1 AND 2, BLOCK 3 OF HIGH CHAPARRAL, A SUBDIVISION ACCORDING TO THE PLAT RECORDED IN CABINET E, SLIDE 122 OF THE PLAT RECORDS OF WILIAMSON COUNTY, TEXAS.



FOR
FIELD NOTES

A 0.064, MORE OR 41,089 SQUARE FEET TRACT OF LAND SITUATED IN THE ELLIJAH HANSON SURVEY, TRACT 10, COUNTY OF WILMINGTON, TEXAS, BEING ALL OF LOT 2, BEING ALL OF SECTION 36, BEING ALL OF TOWNSHIP 35N, BEING ALL OF RANGE 10E, BEING ALL OF PLAT 222 OF THE PLAT RECORDS OF WILMINGTON COUNTY, TEXAS, SAID 0.064 ACRES TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH COORDINATES BASED ON THE NORTH AMERICAN DATUM OF 1983 (NA 2011) POCH 2001.001 FROM THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE.

beginning at a 1/4" iron rod with yellow cap marked "Page-Dorson" set on a point in the north right-of-way line of Crystal Falls Parkway, a variable width right-of-way, said point being at the southwest terminus of High Chagrand Drive, a 50' right-of-way recorded in said High Chagrand plat, the southeast corner of said Lot 1, the southeast corner and point of beginning of the above-described lot, from which a 5.0709312' W., 4.049 feet:

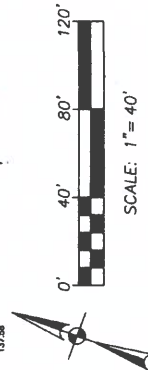
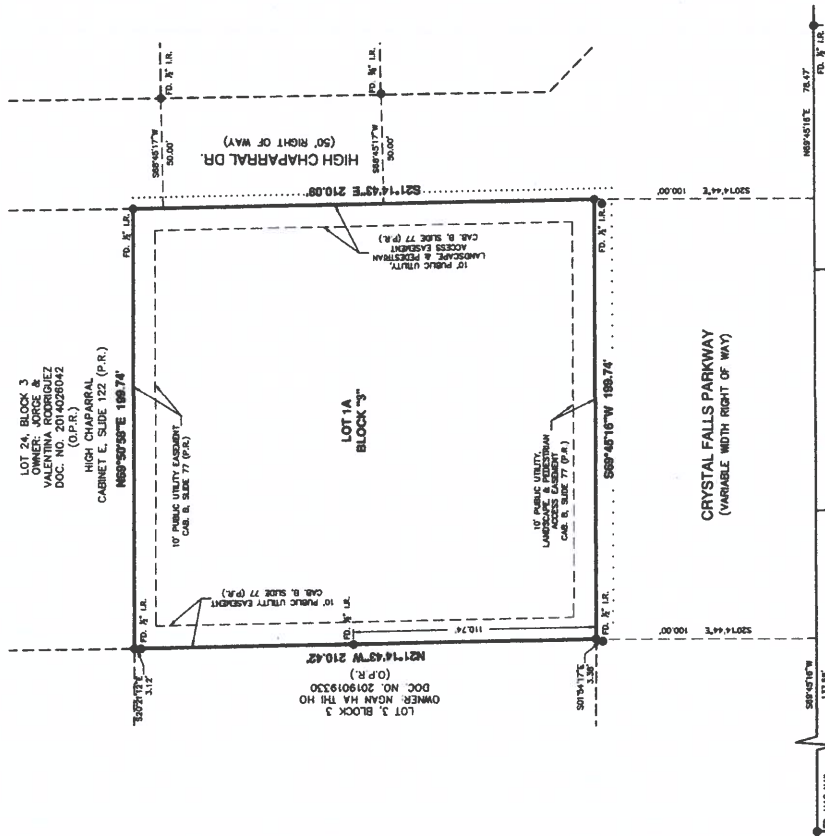
REFERENCE S 69°45'18" W, describing the west right-of-way line of said High Chaperal Drive, with the north right-of-way line of said Crystal Falls Parkway, some being the east boundary line of said Lot 1, a distance of 198.74 feet to a $\frac{1}{4}$ N of said Crystal Falls Parkway, some being the southeast corner of said Lot 1, some being the east right-of-way line of said Crystal Falls Parkway, said point being the southwest corner of said Lot 3, Block 3 of said High Chaperal Subdivision, from which a $\frac{1}{4}$ N of said High Chaperal Subdivision for the southeast corner hereof, from which a $\frac{1}{4}$ N of said Lot 3, Block 3 of S 01°54'17" W, 3.38 feet

[illegible]

REFERENCE N 69°55'58" E, with the north boundary line of said Lot 2, same being the south boundary line of said Lot 24, a distance of 199.74 feet to a "W" iron rod found in the west right-of-way line of said Chippewal Drive, said point being the northeast corner of said Lot 2, same being the southeast corner of said Lot 24 for the northeast corner hereof;

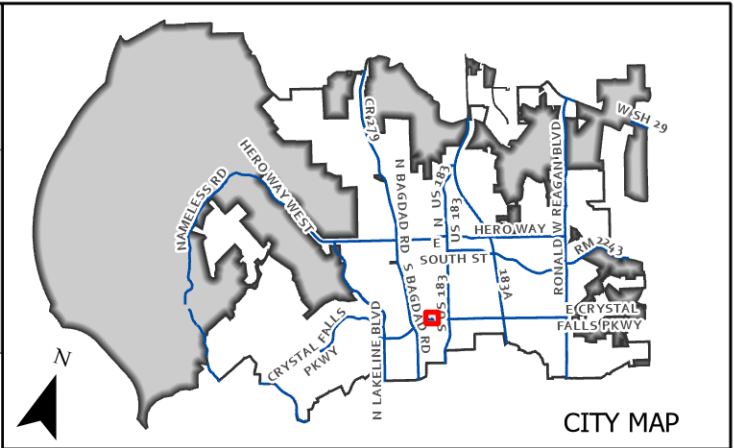
REFERENCE S 21°14'3" E, with the west right-of-way line of said High Chapered Drive, same being the east boundary line of said Lot 2 and with the east boundary line of said Lot 1, a distance of 210.09 feet to the POINT OF BEGINNING and containing 0.984 acres in the City of Leander, Williamson County, Texas.

Said tract being described in accordance with an on the ground survey and replat prepared under Job No. 1172-20 by Prose-Dawson Engineers, Inc.

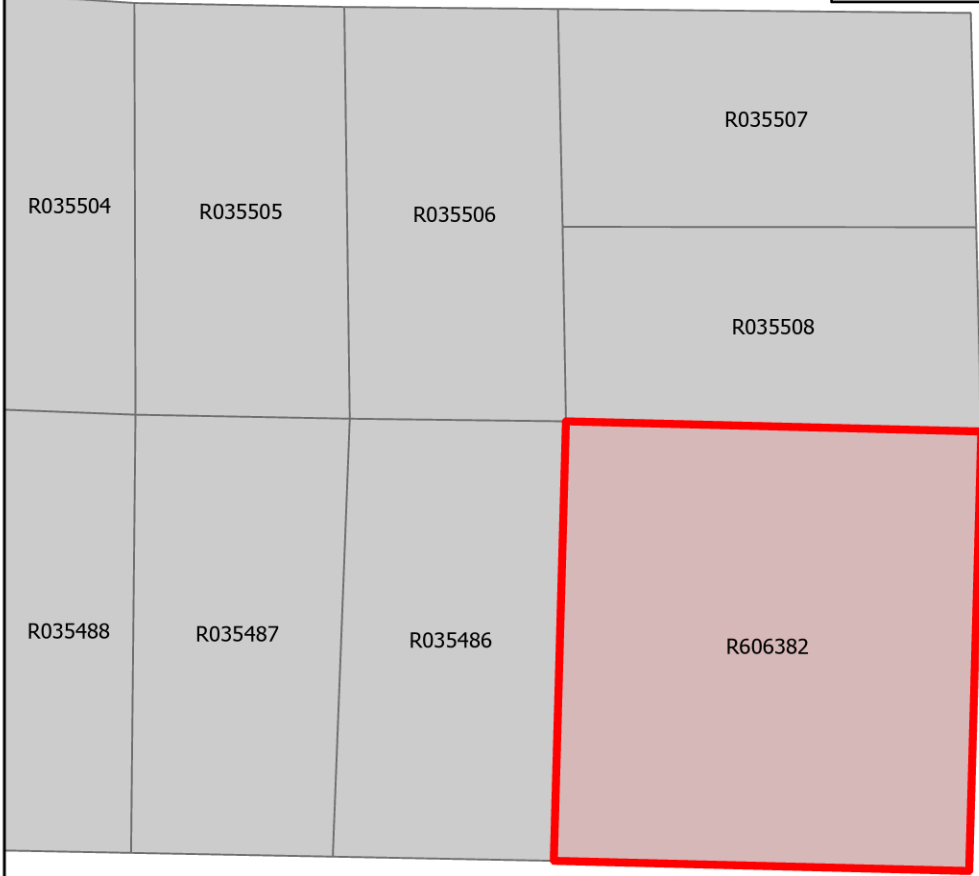




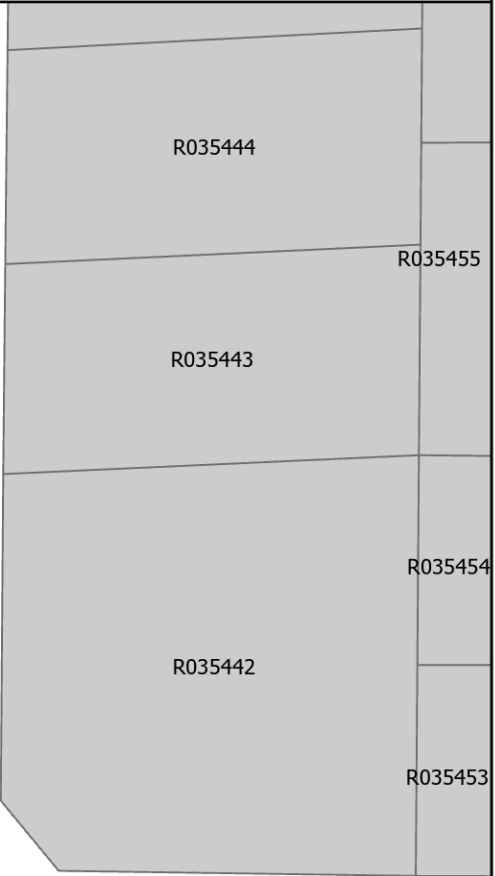
BONITA VERDE DR



CITY MAP



HIGH CHAPARRAL DR



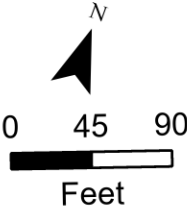
CRYSTAL FALLS PKWY



CASE: 22-DA-003 EXHIBIT A LEANDER MARTIAL ARTS DEVELOPMENT AGREEMENT

Location Map

This map has been produced by the City of Leander for informational purposes only. No warranty is made by the City regarding completeness or accuracy. This data should not be construed as a legal description or survey instrument. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, completeness, use or misuse of the information herein provided.



- Subject Area
- Leander City Limits
- ETJ



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Approval of renaming Ibeza Drive to Ibiza Drive located within the Marbella Phase III & IV Subdivision to the southeast of Raider Way and Cullera Drive; Williamson County, Texas.

BACKGROUND:

The Marbella Phase III & IV Subdivision includes a typo in the street name table and the overall layout. The street name is identified correctly on Sheet 3 of the final plat. This ordinance will clarify that the street name should be spelled Ibiza Drive throughout the plat.

APPLICANT/AGENT:

JPH Land Surveying, Inc.

PRESENTER:

Robin M. Griffin, AICP, Executive Director of Development Services

Attachments

1. Request Letter
2. Ordinance

JPH Land Surveying, Inc.

DFW-Houston ★ Central Texas ★ West Texas



(Page 1 of 5)

Exhibit Attached

I, Chris Henderson, RPLS No. 6831, authorized under the laws of the State of Texas to practice the profession of land surveying, and who hereby released subdivision plat entitled: Marbella Subdivision Phase III & IV, an addition to the City of Leander, Texas, recorded under Instrument Number 2021141108 of the Official Public Records of Williamson County, Texas, further express that the spelling of a street is incorrectly shown on Sheet 1 (of 7) under the "Private Street Table" and on Sheet 2 (of 7) within the overall lot layout. The spelling of "Ibiza" on Sheet 3 (of 7) is correct as shown.

The spelling of "Ibeza" should be known as "Ibiza" within Sheet 1 and Sheet 2.

Chris Henderson
Registered Professional
Land Surveyor, No. 6831
chris@jphls.com
Date: 04/25/2022



DFW-Houston
785 Lonesome Dove Trail
Hurst, Texas 76054
(817)431-4971
Firm #10019500

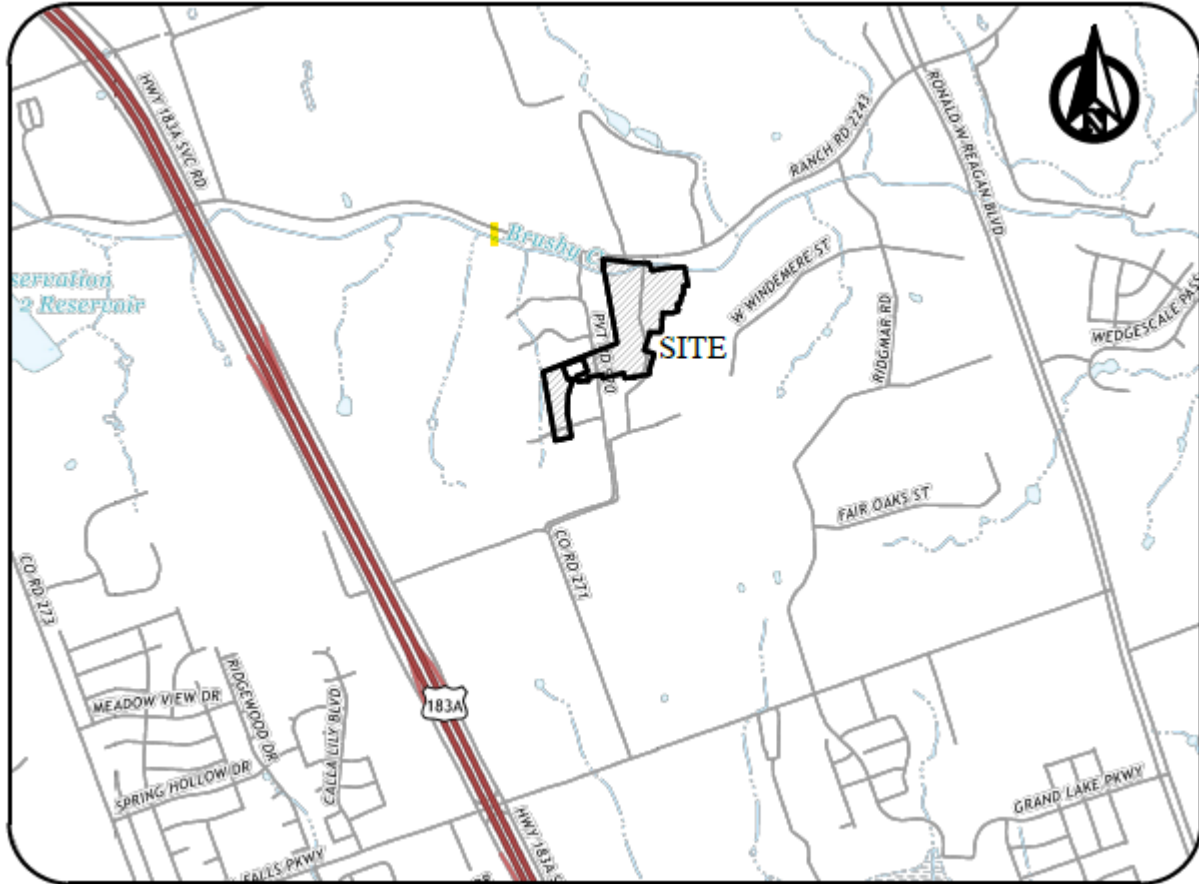
Central Texas
1516 E. Palm Valley Blvd., Ste. A4
Round Rock, Texas 78664
(512)778-5688
Firm #10019500

West Texas
500 Chestnut Street, Suite 702
Abilene, Texas 79602
(325)672-7420
Firm #10019500

(Page 2 of 5)

Exhibit

Subdivision Site Map



DFW-Houston

785 Lonesome Dove Trail
Hurst, Texas 76054
(817)431-4971
Firm #10019500

Central Texas

1516 E. Palm Valley Blvd., Ste. A4
Round Rock, Texas 78664
(512)778-5688
Firm #10019500

West Texas

500 Chestnut Street, Suite 702
Abilene, Texas 79602
(325)672-7420
Firm #10019500

Exhibit

“Private Street Table” (Sheet 1 of 7)
Instance of INCORRECT spelling of “Ibiza”

PRIVATE STREET TABLE	LENGTH (L.F.)	LAND USE	NO. OF LOTS	ACREAGE
CABRERA DRIVE	651	RESIDENTIAL - SINGLE FAMILY	70	16.557
PALAMOS DRIVE	56	PARK/DRAINAGE	8	7.141
MARBELLA VISTA WAY	965	EMERGENCY ACCESS LOT	0	0
VINAROS COURT	246			
CULLERA DRIVE	931	PRIVATE ROAD	2	4.467
MEDITERRANEAN DRIVE	92			
<u>IBEZA DRIVE</u>	730	TOTAL	80	28.165

DFW-Houston

785 Lonesome Dove Trail
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(817)431-4971
Firm #10019500

Central Texas

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Round Rock, Texas 78664
(512)778-5688
Firm #10019500

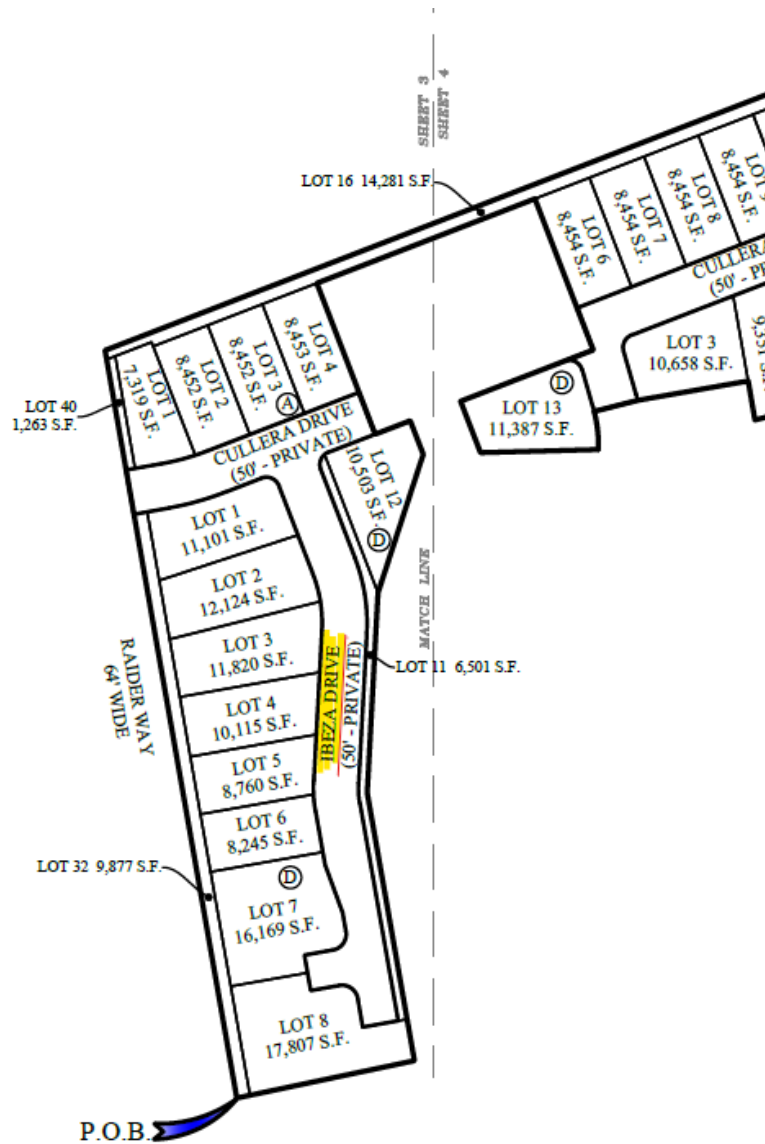
West Texas

500 Chestnut Street, Suite 702
Abilene, Texas 79602
(325)672-7420
Firm #10019500

(Page 4 of 5)

Exhibit

Overall Lot Layout (Sheet 2 of 7)
Instance of INCORRECT spelling of "Ibiza"



DFW-Houston
785 Lonesome Dove Trail
Hurst, Texas 76054
(817)431-4971
Firm #10019500

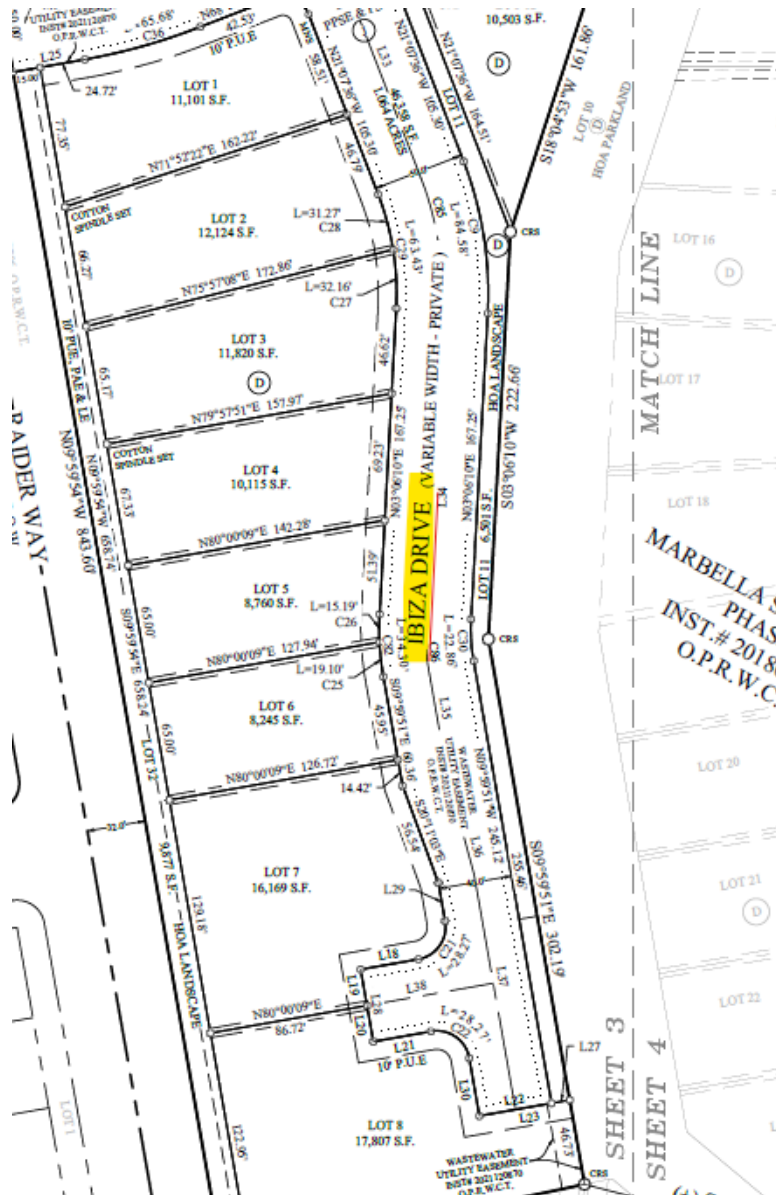
Central Texas
1516 E. Palm Valley Blvd., Ste. A4
Round Rock, Texas 78664
(512)778-5688
Firm #10019500

West Texas
500 Chestnut Street, Suite 702
Abilene, Texas 79602
(325)672-7420
Firm #10019500

(Page 5 of 5)

Exhibit

Ibiza Street Layout (Sheet 3 of 7)
Instance of CORRECT spelling of "Ibiza"



DFW-Houston

785 Lonesome Dove Trail
Hurst, Texas 76054
(817)431-4971
Firm #10019500

Central Texas

1516 E. Palm Valley Blvd., Ste. A4
Round Rock, Texas 78664
(512)778-5688
Firm #10019500

West Texas

500 Chestnut Street, Suite 702
Abilene, Texas 79602
(325)672-7420
Firm #10019500

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS, RENAMING IBEZA DRIVE TO IBIZA DRIVE, LOCATED WITHIN THE MARBELLA PHASE III & IV SUBDIVISION; AND PROVIDING FOR RELATED MATTERS.

WHEREAS, the City of Leander, Texas, is a Texas home rule municipality (herein the “City”) with Ibeza Drive existing within the Marbella Phase III & IV Subdivision; and

WHEREAS, the City Council desires to clarify a typographical error and correct the spelling to Ibiza Drive as provided in this ordinance;

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Name Changes. The Ibeza Drive street located within the Marbella Phase III & IV Subdivision is hereby renamed to Ibiza Drive. The City Manager is hereby directed to take such actions as are reasonably necessary to ensure signs are posted reflecting the new name, to ensure emergency response personnel are notified, to modify the official maps of the City to reflect the name change and to ensure that all departments of the City requiring changes in addressing are duly notified and provided the necessary information to effectuate the change.

Section 3. Effective Date. This Ordinance shall be in force and effective from the date of approval of this Ordinance by the City Council in accordance with the City Charter and state law.

PASSED AND APPROVED this the 7th day of July, 2022

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding implementation of roadway impact fees.

- Discuss and consider action regarding an ordinance implementation of roadway impact fees.

BACKGROUND:

A public hearing is required to consider the land use assumptions and Capital Improvements Plan under which an impact fee may be imposed and was held on March 17, 2022. This public hearing is required for consideration of imposition of an impact fee. Any member of the public has the right to appear at the hearing and present evidence for or against the plan and proposed fee. Leander has impact fees for water and wastewater improvements, and this will complete the package.

HISTORY/TIMELINE:

In August 2021, the City of Leander awarded a contract to Kimley-Horn to prepare a Roadway Impact Fee study. The award was based on the June 2021 Request for Qualifications (RFQ) with Kimley-Horn being the only respondent. Kimley-Horn has presented the concepts for the study to the City Council twice, and three times to the Capital Improvements Advisory Committee (CIAC – also known as the P&Z Commission). A stakeholder meeting with the Home Builder Association and development community was held in March 2022. They are now ready to hold a public hearing to discuss the ordinance requirements for the Roadway Impact Fees.

This is the second of two public hearings. The first was held on March 17, 2022.

RECOMMENDATION:

Conduct a Public Hearing and consider action regarding the approval of an ordinance detailing the Roadway Impact Fees.

PRESENTER:

Ross E. Blackketter, City Engineer

Attachments

1. Roadway Impact Fee Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS, ESTABLISHING AND ADOPTING ROADWAY IMPACT FEES; PROVIDING FOR DEFINITIONS; PROVIDING FOR ASSESSMENT OF SAID IMPACT FEES; PROVIDING FOR THE GENERAL ADMINISTRATION OF SAID IMPACT FEES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE AND AN OPEN MEETINGS CLAUSE.

WHEREAS, Chapter 395 of the Texas Local Government Code (the “Statute”) authorizes and provides the requirements for political subdivisions to impose impact fees on new developments in order to generate funding or recoup the costs of capital improvements or facility expansion necessitated by and attributable to the new development;

WHEREAS, the Statute requires the City to conduct an impact fee study to determine the feasibility of adopting impact fees and the study includes development of the City’s Land Use Assumptions and Capital Improvements Plan Report and the calculation of the maximum allowable impact fees;

WHEREAS, pursuant to Section 395.058 of the Statute, the City appointed the Capital Improvement Advisory Committee, which is composed of the City’s Planning and Zoning Commission to assist in adopting land use assumptions and reviewing the capital improvements plan;

WHEREAS, after notice of a public hearing was given as required by the Statute, the City Council held a public hearing on March 17, 2022, and on April 7, 2022, by Resolution No. 22-009-00 approved the land use assumptions and capital improvements plan;

WHEREAS, the City Council held a public hearing on July 7, 2022, to consider the imposition of impact fees, and the Capital Improvement Advisory Committee filed its written comments on the proposed impact fees before the fifth business day of the date of the said public hearing;

WHEREAS, the City Council files that the City has fully complied with the Statute in adopting an imposing the impact fees in this ordinance;

WHEREAS, the City Council finds it to be in the best interest of the citizens of the City to adopt and approve the impact fees and related administrative processes described herein;

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

Section 1. Findings of Fact. The above and foregoing recitals are hereby found to be true and correct and are incorporated herein as findings of fact.

Section 2. Adoption of Roadway Impact Fees. Chapter 12 of the City of Leander Code of Ordinances is hereby amended by adding Section 12.08 entitled “Roadway Impact Fees” to read as set forth in Exhibit A attached hereto and incorporated herein for all purposes.

Section 3. Amendment of Ordinances. Chapter 12 of the City of Leander Code of Ordinances is hereby amended as provided herein and all ordinances or parts thereof conflicting or inconsistent with the provisions of this ordinance as adopted and amended herein, are hereby amended to the extent of such conflict. In the event of a conflict or inconsistency between this ordinance and any other code or ordinance of the City, the terms and provisions of this ordinance shall govern.

Section 4. Effective Date. This ordinance shall take effect immediately from and after its passage in accordance with the provisions of the Tex. Loc. Gov't. Code and the City Charter.

Section 5. Severability. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable and, if any phrase, sentence, paragraph or section of this Ordinance should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation of this ordinance of any such invalid phrase, clause, sentence, paragraph or section. If any provision of this Ordinance shall be adjudged by a court of competent jurisdiction to be invalid, the invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision, and to this end the provisions of this Ordinance are declared to be severable.

Section 6. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED on the _____ day of _____, 2022.

ATTEST:

CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor

Exhibit A

ARTICLE 12.08. - ROADWAY IMPACT FEES

Sec. 12.08.001. Purpose

This article is intended to ensure the provision of adequate roadway facilities to serve new development in the city by requiring each development to pay its share of the costs of such improvements necessitated by and attributable to such new development.

Sec. 12.08.002. Authority.

This article is adopted pursuant to V.T.C.A., Local Government Code Chapter 395 and the city Charter. The provisions of this article shall not be construed to limit the power of the city to utilize all powers and procedures authorized under V.T.C.A., Local Government Code Chapter 395, or other methods authorized under state law or pursuant to other city powers to accomplish the purposes set forth herein, either in substitution or in conjunction with this article. Guidelines may be developed by ordinance, resolution, or otherwise to implement and administer this article.

Sec. 12.08.003. Definitions.

Assessment means the determination of the amount of the maximum impact fee per service unit which can be imposed on new development pursuant to this article.

Capital improvement means a roadway facility with a life expectancy of three or more years, to be owned and operated by or on behalf of the city (including the city's share of costs for roadways and associated improvements designated on a City's master plan but constructed by another entity. "Capital improvement" includes a newly constructed roadway facility or the expansion of an existing roadway facility necessary to serve new development.

City means the City of Leander, Texas.

Credit means an amount equal to:

- (1) That portion of ad valorem tax revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; or
- (2) In the alternative, a credit equal to 50 percent of the total projected cost of implementing the roadway improvements plan.

(Credit is not to be confused with offset which is defined below.)

Development Agreement means a written agreement, including a consent agreement, between the City and the owner or developer of a property that establishes comprehensive defined transportation improvement requirements for the entire development.

Development unit(s) is the expression of the size of each land use planned within a particular development and is used to compute the number of service units consumed by each individual land use application.

Final plat approval means the point at which the applicant has complied with all conditions of approval and the plat has been released for filing with the county. This term applies to both original plats and replats.

Final plat recordation means the point at which the applicant has complied with all conditions precedent to recording an approved final plat in the county, including the final completion of and acceptance by the city of any infrastructure or other improvements required by the subdivision ordinance or any other ordinance and the plat is filed for record with the county clerk's office.

Land use assumptions means and includes a description of the service areas and the projections of population and employment growth and associated changes in land uses, densities and intensities adopted by the city, as may be amended from time to time, in each service area over a ten-year period upon which the roadway improvements plan is based. The land use assumptions are set out in the most recently updated land use assumptions for roadway impact fees adopted by resolution of the city council as amended from time to time.

Land use vehicle-mile equivalency tables or *LUVMET* are tables set forth in Table C in Section 12.08.005(c) that provide the standardized measure of consumption or use of roadway facilities attributable to a new development based on the land use category of the development and historical data and trends applicable to the city during the previous ten years. The LUVMET recognizes and expresses the magnitude of the transportation demand created by different land use categories within a particular development and allows different uses of land to more accurately bear the cost and expense of the impacts generated by such uses. The LUVMET expresses the number of service units consumed by each individual land use application as "vehicle miles per development unit".

Maximum assessable roadway impact fees mean the fees set out in Table A in Section 12.08.005(a).

New development means the subdivision of land and/or the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure, or any use or extension of the use of land which has the effect of increasing the requirements for capital improvements, measured by an increase in the number of service units to be generated by such activity.

Offset or *offsets* means the amount of the reduction of an impact fee designed to fairly reflect the value of any construction of, contributions to, or dedications of a system facility agreed to or required by the city as a condition of development approval, pursuant to rules herein established or pursuant to city council-approved administrative guidelines which value shall be credited on an actual cost basis against roadway facilities impact fees otherwise due from the development. (Offset is not to be confused with "credit", which is defined above.)

Recoup means to reimburse the city for capital improvements which the city has previously installed or caused to be installed.

Roadway means any or arterial or collector streets or roads designated in the city's adopted master thoroughfare plan, as may be amended from time to time. The term includes the city's share of costs for roadways designated as a numbered highway on the official federal or state highway system.

Roadway facility means an improvement or appurtenance to a roadway which includes, but is not limited to, rights-of-way, whether conveyed by deed or easement; intersection improvements; traffic signals; turn lanes; drainage facilities associated with the roadway; street lighting or curbs. "Roadway facility" also includes any improvement or appurtenance to an intersection with a roadway officially enumerated in the federal or state highway system. "Roadway facility" includes the city's share of costs for roadways and associated improvements designated as a numbered

highway on the official federal or state highway system, including local matching funds and costs related to utility line relocation and the establishment of curbs, gutters, drainage appurtenances, and rights-of-way. "Roadway facility" excludes those improvements or appurtenances to a roadway which are site-related facilities.

Roadway impact fee means a charge or assessment imposed by the city, as set forth in subsection 12.08.005(b), against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development. "Impact fees" or "roadway impact fees" do not include road escrow payments for site-related facilities imposed under facility agreements in existence on the 7th day of July, 2022, roadway adequacy fees, or fee in lieu of TIA. The term is inclusive of both the maximum assessable roadway impact fee and the roadway impact fee collection rate as herein described. The term also does not include dedication of rights-of-way or easements or construction or dedication of drainage facilities, streets, sidewalks, or curbs if the dedication or construction is required by the subdivision ordinance and is necessitated by and attributable to the new development.

Roadway impact fee collection rate means the fees set out in Table B1 and B2 in Section 12.08.005(b).

Roadway improvements plan identifies the capital improvements or facility expansions and associated costs for each roadway service area that are necessitated by and which are attributable to new development within the service area, for a period not to exceed ten years, which capital improvements are to be financed in whole or in part through the imposition of roadway impact fees pursuant to this article. The roadway improvements plan and land use assumptions were adopted by resolution of the city council, and may be amended from time to time. This definition does not include the City's approved 5-year CIP evaluated on an annual basis pursuant to City Charter and local ordinance.

Roadway service area means the geographic area(s) within the city's corporate limits, which do not exceed six miles and within which geographic area(s) roadway impact fees for capital improvements will be collected for new development occurring within such area, and within which fees so collected will be expended for those capital improvements identified in the roadway improvements plan to be located within the roadway service area. "Roadway service area" does not include any land outside the city limits.

Service unit means one vehicle mile of travel in the afternoon peak hour of traffic and is also referred to as a "vehicle mile."

Site-related facility means an improvement or facility which is constructed for the primary use or benefit of a new development and/or which is for the primary purpose of safe and adequate provision of roadway facilities to serve the new development and which is not included in the roadway improvements plan and for which the developer or property owner is solely responsible under the subdivision, and/or other applicable, regulations. Site-related facility may include an improvement or facility which is located offsite, or within or on the perimeter of the development site.

System facility means a capital improvement which is designated in the roadway improvements plan and which is not a site-related facility. A system facility may include a capital

improvement which is located off-site, within, or on and along the perimeter of the new development site.

TIA means a traffic impact analysis prepared in accordance with applicable City ordinances, guidelines, manuals, and policies. TIA does not include a fee in lieu of a TIA.

Sec. 12.08.004. Service areas; applicability; exemptions.

- (a) The city is hereby divided into five roadway service areas as shown on the official roadway service area map. The official roadway service area map, which, together with all explanatory matter thereon, is hereby adopted by reference and declared to be a part of this article. The official roadway service area map shall be identified by the signature of the mayor attested by the city secretary and bearing the seal of the City of Leander under the following words:

“This is to certify that this is the official roadway service area map referred to in Article 12.08 of the Code of Ordinances, City of Leander, Texas.”

- (b) The provisions of this article apply to all new development within the service areas described above. The provisions of this article apply uniformly within each roadway service area.
- (c) The property described in subsection(c)(1) and(c)(2) are exempt from the payment of the roadway impact fee collection rate. The property boundary that is defined within the traffic impact analysis, development agreement, or final plat is the only property that shall qualify for the exemption. If an increase in service units occurs for the property, then the exemptions set forth herein do not apply to the increase in service units. In the event that a traffic impact analysis update is required or traffic density increases for a property that is subject to an exemption, then the exemption shall expire as to the entire property and roadway impact fees shall be collected as provided in this article.
- (1) Property with an approved development agreement that includes comprehensive defined transportation improvement requirements for the development prior to July 7, 2022.
- (2) Property that as of July 7, 2022, has obtained final plat recordation and an approved TIA.

Sec. 12.08.005. Roadway impact fees per service unit.

- (a) The City hereby adopts the maximum assessable roadway impact fee per service unit for each roadway service area set forth in Table A below. Each new development shall be assessed the maximum assessable roadway impact fee and shall pay the roadway impact fee collection rate set forth in Tables B1 and B2, as applicable, minus any applicable offsets, as described herein.

Table A
MAXIMUM ASSESSABLE ROADWAY IMPACT FEE PER SERVICE UNIT

Service Area A	\$2,179.00
Service Area B	\$842.00
Service Area C	\$929.00
Service Area D	\$1,229.00

Service Area E	\$287.00
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(b) The roadway impact fee per service unit for all service areas shall be adopted, assessed, and collected as set forth below. No building permit shall be issued until an assessment of an impact fee pursuant to this article is made and paid in accordance with the assessment and collection procedures set forth herein.

- (1) For all property with final plat approval dated before July 7, 2022, the roadway impact fees will be assessed on July 7, 2022, and all non-exempt property will be charged at building permit application dated on or after July 7, 2023, as set forth in Table B1. No roadway impact fees shall be collected for any building permit issued prior to July 7, 2023.
- (2) For all property with final plat approval on or after July 7, 2022, but before July 7, 2025, the roadway impact fees will be assessed at final plat approval and will be charged at building permit application as set forth in Table B1.
- (3) For all property with final plat approval dated on or after July 7, 2025, the roadway impact fees will be assessed at time of final plat approval and will be charged at building permit application as set forth in Table B2.

Table B1 – Final Plat Approval dated before July 7, 2025

Roadway Impact Fee Collection Rate (Per Service Unit)		
Service Areas	Residential	Non-Residential
A	\$1,089.50	\$217.90
B	\$421.00	\$84.20
C	\$464.50	\$92.90
D	\$614.50	\$122.90
E	\$143.50	\$28.70

Table B2 – Final Plat Approval dated after July 7, 2025

Roadway Impact Fee Collection Rate (Per Service Unit)		
Service Areas	Residential	Non-Residential
A	\$1,089.50	\$326.85
B	\$421.00	\$126.30

C	\$464.50	\$139.35
D	\$614.50	\$184.35
E	\$143.50	\$43.05

(c) The land use vehicle-mile equivalency tables are set forth below:

Table C
Land Use Vehicle-Mile Equivalency Table ("LUVMET")

Land Use Category	ITE Land Use Code	Development Unit	PM Peak Hour Trip Rate	Pass-by Rate	Adjusted PM Peak Hour Trip Rate	Trip Length (Miles)	Adjustment for O-D	Adjusted Trip Length (Miles)	Maximum Trip Length (Miles)	Vehicle-Miles per Dev-Unit
PORT AND TERMINAL										
Truck Terminal	030	1,000 SF GFA	1.87		1.87	10.70	50%	5.35	5.35	10.00
INDUSTRIAL										
General Light Industrial	110	1,000 SF GFA	0.65		0.65	12.89	50%	6.45	6.00	3.90
Industrial Park	130	1,000 SF GFA	0.34		0.34	12.89	50%	6.45	6.00	2.04
Warehousing	150	1,000 SF GFA	0.18		0.18	12.89	50%	6.45	6.00	1.08
Mini-Warehouse	151	1,000 SF GFA	0.15		0.15	12.89	50%	6.45	6.00	0.90
RESIDENTIAL										
Single-Family Detached Housing	210	Dwelling Unit	0.94		0.94	8.59	50%	4.30	4.30	4.04
Single-Family Attached Housing	215	Dwelling Unit	0.57		0.57	8.59	50%	4.30	4.30	2.45
Multifamily Housing (Low-Rise)	220	Dwelling Unit	0.51		0.51	8.59	50%	4.30	4.30	2.19
Multifamily Housing (Mid-Rise)	221	Dwelling Unit	0.39		0.39	8.59	50%	4.30	4.30	1.68
Multifamily Housing (High-Rise)	222	Dwelling Unit	0.32		0.32	8.59	50%	4.30	4.30	1.38
Senior Adult Housing - Detached	251	Dwelling Unit	0.30		0.30	8.59	50%	4.30	4.30	1.29
Senior Adult Housing - Attached	252	Dwelling Unit	0.25		0.25	8.59	50%	4.30	4.30	1.08
Assisted Living	254	Beds	0.24		0.24	8.59	50%	4.30	4.30	1.03
LODGING										
Hotel	310	Room	0.59		0.59	5.41	50%	2.71	2.71	1.60
Motel / Other Lodging Facilities	320	Room	0.36		0.36	5.41	50%	2.71	2.71	0.98
RECREATIONAL										
Golf Driving Range	432	Tee	1.25		1.25	6.35	50%	3.18	3.18	3.98
Golf Course	430	Acre	2.91		2.91	6.35	50%	3.18	3.18	9.25
Recreational Community Center	495	1,000 SF GFA	2.50		2.50	6.35	50%	3.18	3.18	7.95
Ice Skating Rink	465	1,000 SF GFA	1.33		1.33	6.35	50%	3.18	3.18	4.23
Miniature Golf Course	431	Hole	0.33		0.33	6.35	50%	3.18	3.18	1.05
Multiplex Movie Theater	445	Screens	13.96		13.96	6.35	50%	3.18	3.18	44.39
Racquet / Tennis Club	491	Court	3.82		3.82	6.35	50%	3.18	3.18	12.15
INSTITUTIONAL										
Religious Place of Worship	560	1,000 SF GFA	0.49		0.49	6.30	50%	3.15	3.15	1.54
Day Care Center	565	1,000 SF GFA	11.12		11.12	3.39	50%	1.70	1.70	18.90
Middle School / Junior High School	522	Students	0.15		0.15	3.39	50%	1.70	1.70	0.26
University / College	550	Students	0.15		0.15	3.39	50%	1.70	1.70	0.26
MEDICAL										
Clinic	630	1,000 SF GFA	3.69		3.69	6.76	50%	3.38	3.38	12.47
Hospital	610	1,000 SF GFA	0.86		0.86	6.76	50%	3.38	3.38	2.91
Nursing Home	620	Beds	0.14		0.14	6.76	50%	3.38	3.38	0.47
Animal Hospital / Veterinary Clinic	640	1,000 SF GFA	3.53		3.53	6.76	50%	3.38	3.38	11.93
OFFICE										
Corporate Headquarters Building	714	1,000 SF GFA	1.30		1.30	6.76	50%	3.38	3.38	4.39
General Office Building	710	1,000 SF GFA	1.44		1.44	6.76	50%	3.38	3.38	4.87
Medical-Dental Office Building	720	1,000 SF GFA	3.93		3.93	6.76	50%	3.38	3.38	13.28
Single Tenant Office Building	715	1,000 SF GFA	1.76		1.76	6.76	50%	3.38	3.38	5.95
Office Park	750	1,000 SF GFA	1.30		1.30	6.76	50%	3.38	3.38	4.39
COMMERCIAL										
Automobile Care Center	942	1,000 SF GFA	3.11		3.11	5.41	50%	2.71	2.71	8.43
Automobile Parts Sales	843	1,000 SF GFA	4.90		4.90	5.41	50%	2.71	2.71	13.28
Gasoline/Service Station	944	Vehicle Fueling Position	13.91	42%	8.07	1.20	50%	0.60	0.60	4.84
Gasoline/Service Station w/ Convenience Market	945	Vehicle Fueling Position	18.42	56%	8.10	1.20	50%	0.60	0.60	4.86
Automobile Sales (New)	840	1,000 SF GFA	2.42		2.42	5.41	50%	2.71	2.71	6.56
Quick Lubrication Vehicle Shop	941	Servicing Positions	4.85		4.85	5.41	50%	2.71	2.71	13.14
Self-Service Car Wash	947	Stall	5.54		5.54	1.20	50%	0.60	0.60	3.32
Tire Store	848	1,000 SF GFA	2.09	28%	1.50	5.41	50%	2.71	2.71	4.07
Fast Food Restaurant with Drive-Thru Window	934	1,000 SF GFA	33.03	50%	16.52	3.39	50%	1.70	1.70	28.08
Fast Food Restaurant without Drive-Thru Window	933	1,000 SF GFA	33.21		33.21	3.39	50%	1.70	1.70	56.46
High Turnover (Sit-Down) Restaurant	932	1,000 SF GFA	9.05	43%	5.16	5.41	50%	2.71	2.71	13.98
Quality Restaurant	931	1,000 SF GFA	7.80	67%	2.57	5.41	50%	2.71	2.71	6.96
Coffee/Donut Shop with Drive-Thru Window	937	1,000 SF GFA	38.99		38.99	1.20	50%	0.60	0.60	23.39
Free-Standing Store	815	1,000 SF GFA	4.83	29%	3.43	6.35	50%	3.18	3.18	10.91
Nursery (Garden Center)	817	1,000 SF GFA	6.94		6.94	6.35	50%	3.18	3.18	22.07
Home Improvement Superstore	862	1,000 SF GFA	2.29	42%	1.33	6.35	50%	3.18	3.18	4.23
Pharmacy/Drugstore without Drive-Thru Window	880	1,000 SF GFA	8.51	53%	4.00	6.35	50%	3.18	3.18	12.72
Pharmacy/Drugstore with Drive-Thru Window	881	1,000 SF GFA	10.25	49%	5.23	6.35	50%	3.18	3.18	16.63
Shopping Center (>150 kSF)	820	1,000 SF GLA	3.40	34%	2.24	6.35	50%	3.18	3.18	7.12
Shopping Center (40 - 150 kSF) with Supermarket	821A	1,000 SF GLA	9.03	34%	5.96	6.35	50%	3.18	3.18	18.95
Shopping Center (40 - 150 kSF) without Supermarket	821B	1,000 SF GLA	5.19	34%	3.43	6.35	50%	3.18	3.18	10.91
Strip Retail Plaza (< 40 kSF)	822	1,000 SF GLA	6.59	34%	4.35	6.35	50%	3.18	3.18	13.83
Supermarket	850	1,000 SF GFA	8.95	36%	5.73	6.35	50%	3.18	3.18	18.22
Toy/Children's Superstore	864	1,000 SF GFA	5.00		5.00	6.35	50%	3.18	3.18	15.90
Department Store	875	1,000 SF GFA	1.95		1.95	6.35	50%	3.18	3.18	6.20
SERVICES										
Walk-In Bank	911	1,000 SF GFA	12.13		12.13	3.39	50%	1.70	1.70	20.62
Drive-In Bank	912	Drive-in Lanes	21.01	35%	13.66	3.39	50%	1.70	1.70	23.22
Hair Salon	918	1,000 SF GLA	1.45		1.45	3.39	50%	1.70	1.70	2.47

- (d) The maximum assessable roadway impact fee per service unit set forth in Table A that is assessed to new development is declared to be the roughly proportionate measure of the impact(s) generated by a new unit of development on the city's transportation system. To the extent that the roadway impact fee per service unit collected is less than the maximum assessable roadway impact fee per service unit, such difference is hereby declared to be founded on policies unrelated to the measurement of the actual impacts of the development on the city's transportation system. The maximum assessable roadway impact fee per service unit may be used in evaluating any claim by an applicant, developer, or property owner that the dedication, construction, or contribution of a capital improvement imposed as a condition of development approval pursuant to the city's regulations is not roughly proportionate to the impact(s) of the new development on the city's transportation system.
- (e) Except as herein otherwise provided, the payment of a roadway impact fee shall be additional and supplemental to, and not in substitution of, any other tax, fee, charge or assessment which is lawfully imposed on and due against the new development.

Sec. 12.08.006. Assessment of roadway impact fees.

- (a) Assessment of the roadway impact fee per service unit for any new development shall be made as set forth in subsection 12.08.005.
- (b) Following assessment of the roadway impact fee pursuant to subsection (a), the amount of the roadway impact fee assessed per service unit for that new development cannot be increased, unless the owner proposes to change the approved development by the submission of a new application for final plat approval or replat approval or other development applicant that results in approval of additional service units, in which case new assessment shall occur at the rate then in effect, as set forth in subsection 12.08.005(b).
- (c) Following the vacating of any plat or submittal of any replat, a new assessment must be made in accordance with the then current impact fee as set forth in subsection 12.08.005.
- (d) Approval of an amending plat pursuant to V.T.C.A., Local Government Code § 212.016, is not subject to reassessment of a roadway impact fee hereunder provided that the use of the property remains the same.
- (e) The City Manager or designee shall compute the assessment of roadway impact fees for new development by first determining whether the new development is eligible for offsets calculated in accordance with section 12.08.008, which would further reduce roadway impact fees otherwise due in whole or in part.

Sec. 12.08.007. Payment and collection of roadway impact fees.

- (a) For all new developments, roadway impact fees shall be collected at the time of application for and in conjunction with the issuance of a building permit; however, the City has the ability to require construction greater than the transportation impact fee collection rate for amounts up to the maximum assessable transportation impact fee. The roadway impact fees to be paid and collected are listed in subsection 12.08.005(b). The city reserves the right to enter into an agreement with a developer for a different time and manner of payment of roadway impact fees in which case the agreement shall determine the time and manner of payment.

- (b) The city shall compute the roadway impact fees to be paid and collected for the new development in the following manner:
- (1) Determine the number of development units for each land use category in the new development using Table C then in effect.
 - (2) Multiply the number of development units for each land use category in the new development by the vehicle miles (per development unit) for each such land use category also found in Table C then in effect to determine the number of service units attributable to the new development.
 - (3) The amount of roadway impact fees to be collected shall be determined by multiplying the number of service units for the new development by the roadway impact fee per service unit for the applicable roadway service area and shall be calculated at the time of application for and in conjunction with the issuance of a building permit.
 - (4) If an agreement as described in section 12.08.008 providing for offsets exists, the amount of the offsets shall be deducted from the roadway impact fees as calculated above.
- (c) If the building permit for which a roadway impact fee has been paid has expired, and a new application is thereafter filed, the roadway impact fees shall be computed using the LUVMET found in Table C and subsection 12.08.007(b) then in effect with credits for previous payment of fees being applied against any new fees due.
- (d) Whenever the property owner proposes to increase the number of service units for a development, the additional roadway impact fees collected for such new service units shall be determined by using the LUVMET found in Table C and subsection 12.08.007(b) then in effect, and such additional fees shall be collected at the times prescribed by this section.
- (e) Where an application for a building permit is for a "shell" or speculative building proposed to be used as a shopping center, the amount of the roadway impact fee will be calculated assuming that the entire building will be used as a "shopping center" as shown on Table C. Where a subsequent application for a building permit is made for the finish-out of the shell building, or portion thereof, for the ultimate use, an additional roadway impact fee shall be charged and paid if the ultimate use is different from a "shopping center".
- (f) Where an application for a building permit is for a "shell" or speculative building proposed to be used as an office building, the amount of the roadway impact fee will be calculated assuming that the entire building will be used as a "general office building" as shown on Table C. Where a subsequent application for a building permit is made for the finish-out of the shell building, or portion thereof, for the ultimate use, an additional roadway impact fee shall be charged and paid if the ultimate use is different from a "general office building".
- (g) Where an application for a building permit is for a "shell" or speculative building proposed to be used as an industrial use or industrial flex space, the amount of the roadway impact fee will be calculated assuming that the entire building will be used as "general light industrial" as shown on Table C. Where a subsequent application for a building permit is made for the finish-out of the shell building, or portion thereof, for the ultimate use, an additional roadway impact fee shall be charged and paid if the ultimate use is different from "general light industrial".

Sec. 12.08.008. Offsets against roadway impact fees.

- (a) The city may offset the cost of construction of any system facility that is required or agreed to by the city, pursuant to rules established in this section or pursuant to administrative guidelines promulgated by the city with the following limitations:
- (1) The offset shall be associated with the plat or other detailed plan of development for the property that is to be served by the roadway facility.
 - (2) Projects that consist of multiple phases, whether approved before or after the effective date of this article, may apply for offsets against roadway impact fees for the entire project based upon improvements or funds toward construction of system facilities, or other roadway capital improvements supplying excess capacity. Offset shall be determined by comparing the actual costs of roadway capital improvements supplied by the project with the costs of roadway capital improvements to be utilized by development within the project, utilizing a methodology approved by the city. The offset determination shall be incorporated within an agreement for offsets, in accordance with this article. The roadway requirements of an agreement for offsets shall not be less than what is required by the zoning and development code.
 - (3) The city's then-current policies and regulations shall apply to determine a new development's obligations to construct adjacent system facilities. The obligation to construct, however, shall not exceed the maximum assessable roadway impact fees assessed against new development under Table A. Construction required under such policies and regulations shall be an offset against the amount of impact fees otherwise due. If the costs of constructing a system facility in accordance with the then current city policies and regulations are greater than the amount of the roadway impact fees due, the amount of the credit due shall be deemed to be one hundred percent (100%) of the assessed impact fees and no roadway impact fees shall be collected thereafter for the development, unless the number of service units is subsequently increased.
 - (4) All offsets against roadway impact fees shall be based upon standards promulgated by the city, which may be adopted as administrative guidelines, including the following standards:
 - a. No offset shall be given for the dedication or construction of site-related facilities.
 - b. No offset shall be given for a roadway facility which is not identified within the roadway improvements plan, unless the facility is on or qualifies for inclusion on the transportation master plan and the city agrees that such improvement supplies capacity to new development other than the development paying the roadway impact fee and provisions for offsets are incorporated in an agreement for offsets pursuant to this article.
 - c. In no event will the city grant an offset when no roadway impact fees can be collected pursuant to this article or for any amount exceeding the roadway impact fees due for the new development, unless expressly agreed to by the city in writing.
 - d. The value of right-of-way dedicated for site-related facilities will not be considered for an offset.
 - e. The fair market value of right-of-way conveyed for roadway facilities that are not required by the new development will be entitled to an offset. If said roadway

facilities are partially required by the new development, said portion shall not be entitled to an offset. The fair market value of the conveyed right-of-way will be determined by either:

1. The appropriate Central Appraisal District,
 2. By agreement, or
 3. By a MAI appraisal obtained by the city.
- f. The city may participate in the costs of a system facility to be dedicated to the city, including costs that exceed the amount of the impact fees due for the development, in accordance with policies and rules established by the city. The amount of any offset for construction of a system facility shall be reduced by the amount of any participation funds received from the city.
- g. Where funds for roadway facilities have been escrowed under an agreement that was executed with the city prior to the effective date of this article, the following rules apply:
1. Funds expended under the agreement for roadway facilities shall first be credited against the amount of roadway impact fees that would have been due under subsection 12.08.005(b) for those units of development for which building permits already have been issued;
 2. Any remaining funds shall be credited against roadway impact fees due for the development under subsection 12.08.005(b) at the time building permits are issued.
- (b) Except as provided below, offsets for construction of capital improvements shall be deemed created when the capital improvements are completed and the city has accepted the facility. In the case of capital improvements constructed and accepted prior to the July 7, 2022, offset shall be deemed created on said date. Offsets created on or before July 7, 2022 shall expire ten years from such date. Offsets created after July 7, 2022, shall expire ten years from the date the offset was created. Upon application by the property owner, the city may agree to extend the expiration date for an offset on mutually agreeable terms.
- (c) Unless an agreement for offsets, as described herein, is executed providing for a different manner of applying offsets against roadway impact fees due, an offset associated with a plat shall be applied at the time of application for the first building permit and, at each building permit application thereafter, to reduce roadway impact fees due until the offset is exhausted.
- (d) An owner of new development who has constructed or financed a roadway capital improvement or roadway facility expansion designated in the roadway impact fee capital improvements plans, or other roadway capital improvement that supplies excess capacity, as required or authorized by the city, shall enter into an agreement with the city to provide for offsets against roadway impact fees due for the development in accordance with this subsection. The agreement shall identify the basis for and the method for computing and the amount of the offset due and any reduction in offsets attributable to consumption of road capacity by developed lots or tracts served by the roadway capital improvements. For multi-phased projects, the city may require that total offsets be proportionally allocated among the phases. If authorized by the city, the agreement also may provide for allocation of offsets

among new developments within the project, and provisions for the timing and collection of roadway impact fees.

Sec. 12.08.009. Use of proceeds of roadway impact fees.

- (a) The roadway impact fees collected within each roadway service area may be used to finance, pay for or to recoup the costs of any roadway facility identified in the roadway improvements plan for the roadway service area, including the construction contract price, surveying and engineering fees, land acquisition costs (including land purchases, court awards and costs, attorney's fees, and expert witness fees), and amounts designated in any reimbursement agreements executed pursuant to section 12.08.007
- (b) Roadway impact fees may be used to pay for the contract services of an independent qualified engineer or financial consultant preparing or updating the roadway improvements plan who is not an employee of the political subdivision.
- (c) Roadway impact fees also may be used to pay the principal sum and interest and other finance costs on bonds, notes or other obligations issued by or on behalf of the city to finance such capital improvement.

Sec. 12.08.010. Impact fee as additional and supplemental regulation.

Roadway impact fees established by this article are additional and supplemental to, and not in substitution of, any other requirements imposed by the city on the development of land or the issuance of building permits or certificates of occupancy. Such roadway impact fees are intended to be consistent with and to further the policies of the Leander Comprehensive Plan, the capital improvements plan, the zoning ordinances, subdivision regulations and other city policies, ordinances and resolutions by which the city seeks to ensure the provision of adequate public facilities in conjunction with the development of land. This article shall not affect, in any manner, the permissible use of property, density of development, design, and improvement standards and requirements, or any other aspect of the development of land or provision of public improvements subject to the zoning and subdivision regulations or other regulations and policies of the city, which shall be operative and remain in full force and effect without limitation with respect to all such development.

Sec. 13.07.045 Appeals

(a) The property owner or applicant for new development may appeal the following decisions to the city council:

- (1) The applicability of an impact fee to the development;
- (2) The amount of the impact fee due;
- (3) The availability or the amount of any offset;
- (4) The application of any offset against an impact fee due;
- (5) The amount of a refund due, if any.

(b) The burden of proof shall be on the appellant to demonstrate that the amount of the fee or the amount of the credit was not calculated according to the applicable schedule of service units or the guidelines established for determining credits.

(c) The appellant must file a notice of appeal with the city secretary within thirty (30) days following the decision appealed from. If the notice of appeal is accompanied by a bond or other sufficient surety satisfactory to the city attorney in an amount equal to the original determination of the impact fee due, the development application may be processed while the appeal is pending.



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding Gabriel Tract Annexation Case 22-A-002 regarding the voluntary annexation of 17.821 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcel R500871; and generally located to the west of the western terminus of Gabriels Horn Road, west of the intersection of Ronald W. Reagan Boulevard and Gabriels Horn Road, Leander, Williamson County, Texas.

- Discuss and consider action regarding Gabriel Tract Annexation Case 22-A-002 as described above.

BACKGROUND:

A resolution was approved on June 2, 2022 that commenced the voluntary annexation of 17.821 acres $\pm$ as described above. The resolution sets the public hearing for July 7, 2022 and the readings of the ordinance for July 7, 2022 and July 21, 2022.

This property will be dedicated to the City as part of the Gabriel's Horn ROW extension associated with the adjacent commercial development.

HISTORY/TIMELINE:

06/02/2022 - Resolution approved setting the annexation schedule

APPLICANT/AGENT:

DB Land Consulting, LLC (Diane Bernal) on behalf of Reagan Gabriels Real Estate, LLC (Samir Maredia)

PRESENTER:

Robin M. Griffin, AICP, Executive Director of Development Services

Attachments

1. Resolution
2. Location Exhibit
3. Annexation Schedule
4. Petition
5. Ordinance

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF LEANDER, TEXAS, ACCEPTING THE PETITION FOR ANNEXATION OF 17.821 ACRES, MORE OR LESS AND LESS AND EXCEPT ANY PROPERTY ALREADY ANNEXED INTO THE CITY OF LEANDER OF LAND LOCATED IN WILLIAMSON COUNTY, TEXAS; SETTING AN ANNEXATION SCHEDULE; PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

WHEREAS, the owners of certain property located within Williamson County, Texas, have petitioned the City of Leander, Texas, (herein the “City”), a home-rule City, for annexation of said property, more particularly described herein (the “subject property”), into the City limits;

WHEREAS, the subject property is contiguous and adjacent to the corporate limits of the City and the owner(s) have made application for annexation;

WHEREAS, after review and consideration of such requests and petition for annexation from the owners of the subject property, the City Council finds that the subject property may be annexed pursuant to §43.0671 of the *Local Government Code*; and,

WHEREAS, the petitioner has agreed and consented to the annexation of the subject property by the City and further agreed to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted;

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The petition for annexation of the subject property, including the abutting streets, roadways, and rights of way, not previously annexed into the City, and the draft service plan shown in **Exhibit “B”**, are hereby accepted:

Being all that certain tract or parcel of land containing 17.821 acres, more or less, situated in Henry Garmes Survey, Abstract No. 269, and the Greenleaf Fisk Survey, Abstract No. 5, Williamson County, Texas, said tract being more particularly described by metes and bounds shown on **Exhibit “A”** attached hereto and made a part hereof, less and except any property already annexed into the City of Leander.

A public hearing has been set for the date of the **7th day of July, 2022**. Notice of such hearing shall be posted and the hearing shall be open to the public to accept public comment on the annexation request. In the event of a conflict between the subject property description contained herein, **Exhibit “A”** shall control.

Section 3. Severability. Should any section or part of this Resolution be held

unconstitutional, illegal, or invalid, or the application to any person or circumstance thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this Resolution are declared to be severable.

Section 4. Open Meetings. It is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code.*

PASSED AND APPROVED this the ____ day of _____, 2022.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor

Exhibit “A”

SUBJECT PROPERTY DESCRIPTION

+/- 17.821 ACRES

LESS AND EXCEPT PROPERTY ALREADY ANNEXED BY THE CITY OF LEANDER

Exhibit “B”

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation (“City”), and _____, (“Landowner”), both of which may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto (the “subject property”);

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City’s consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the “Effective Date”).

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently

within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned “SFR-1-B” with the intent to rezone the subject property upon request of the landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity (“CCN”) for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City’s water utility system, the subject property’s owner shall construct the internal water lines and pay the costs of line extension and construction of such facilities necessary to provide water service to the subject property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the subject property’s owner requests and is able to connect to the City’s water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

(i) Inspection of sewer lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subject's property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

(A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and

(B) Routine maintenance as presently performed by the City.

(ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:

(A) As provided in C(i)(A)&(B) above;

(B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

/SIGNATURE PAGE FOLLOWS/

EXECUTED and AGREED to by the Parties this the ____ day of _____, 20__.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard B. Beverlin, III, City Manager

LANDOWNER(S):

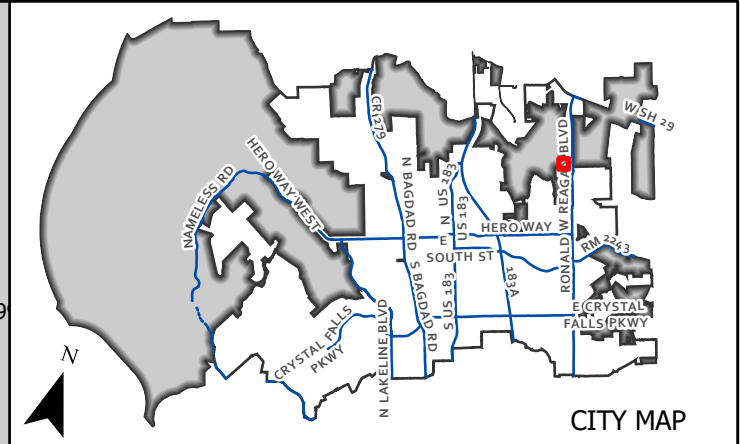
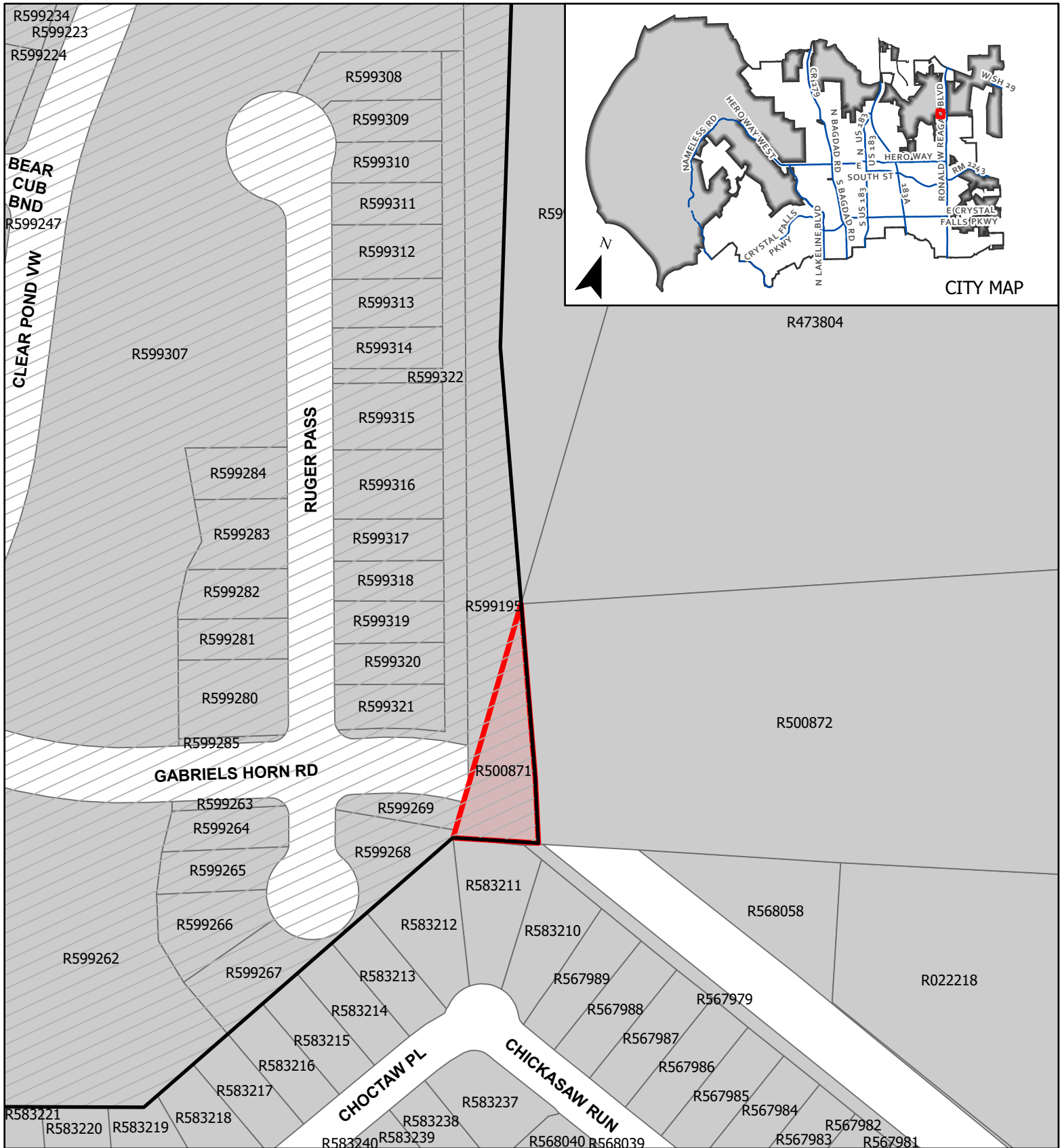
By: _____
Name (print): _____
Title: _____
Date: _____

By: _____
Name (print): _____
Title: _____
Date: _____

Subject Property Description

+/- 17.821 ACRES

LESS AND EXCEPT PROPERTY ALREADY ANNEXED BY THE CITY OF LEANDER



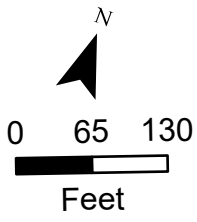
CASE: 22-A-002

ATTACHMENT 2

GABRIEL'S HORN
ANNEXATION

Site Location

This map has been produced by the City of Leander for informational purposes only. No warranty is made by the City regarding completeness or accuracy. This data should not be construed as a legal description or survey instrument. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, completeness, use or misuse of the information herein provided.



- Subject Area
- Leander City Limits
- ETJ

**Schedule for Voluntary Annexation
Gabriel's Horn 17.821 Acres**

DATE	ACTION/EVENT	LEGAL AUTHORITY
Thursday, June 2, 2022* Tuesday, May 24, 2022 – Council packet deadline	COUNCIL CONSIDERS ACCEPTANCE OF ANNEXATION PETITION REQUEST FROM LANDOWNER(S) AND INITIATION OF ANNEXATION - AND SETS A PUBLIC HEARING FOR July, 7, 2022.	Loc. Gov't Code, §43.0671
Thursday, June 23, 2022 * Publish notice of Public Hearing. & Send notice to school district and to each public entity. [Noon Friday, June 17, Noon – Deadline to send notice to paper]	NEWSPAPER NOTICE RE: PUBLIC HEARING; (Certified Notice to Railroad - if railroad company's right-of-way is in the area proposed for annexation.) POST NOTICE OF HEARING ON CITY'S WEBSITE AND MAINTAIN UNTIL HEARINGS COMPLETE. SCHOOL DISTRICT NOTICE. Notify each school district of possible impact <u>w/in the period prescribed for publishing the notice of the Public Hearing.</u> PUBLIC ENTITY NOTICES. Notify each public entity__that is located in or provides services to the area proposed for annexation. Public Entity includes: a county (Williamson), a fire protection service provider, including a volunteer fire department, emergency medical services provider, including a volunteer emergency medical services provider, or special district (MUD, WCID, or other district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution) - of possible impact <u>w/in the period prescribed for publishing the notice of the Public Hearing.</u>	Not less than 10 days nor more than 20 days before public hearing. Loc. Gov't Code, §43.0673 Loc. Gov't Code, §§43.905 & 43.9051 ; <u>send notice to school district and to each public entity not less than 10 days nor more than 20 days before the Public Hearing.</u>
Thursday, July 7, 2022 *	PUBLIC HEARING – REGULAR MEETING	The governing body must provide persons interested in the annexation the opportunity to be heard. Loc. Gov't Code, §43.0673
Thursday, July 7, 2022 * Wednesday, June 29, 2022 – Council packet deadline	FIRST READING OF ORDINANCE <i>REGULAR MEETING</i>	Loc. Gov't Code, §43.0673
Thursday, July 21, 2022 Or at a special called meeting after the First Reading; Or within 90 days of First Reading. Wednesday, July 13, 2022 – Council packet deadline	SECOND & FINAL READING OF ORDINANCE <i>REGULAR MEETING</i>	Second reading of annexation Ordinance – City Charter, Section 4.06(c)
Within 30 days of Second Reading	CITY SENDS COPY OF MAP showing boundary changes to County Voter Registrar in a format that is compatible with mapping format used by registrar	Elec. Code §42.0615
Within 60 days of Second Reading	CITY PROVIDES CERTIFIED COPY OF ORDINANCE AND MAPS TO: 1. County Clerk 2. County Appraisal District 3. County Tax Assessor Collector 4. 911 Addressing 5. Sheriff's Office 6. City Department Heads 7. State Comptroller 8. Franchise Holders ESD - if annexed area located in district and city intends to remove the area from the district and be the sole provider of emergency services; See Health and Safety Code, Section 775.022	Williamson County ESD No. 5 : Notice must be sent to the secretary of the ESD board by certified mail, return receipt requested, as applicable.

*Dates in **BOLD** are **MANDATORY** dates to follow. Please advise of schedule deviation.

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

REQUEST & PETITION TO THE CITY COUNCIL OF THE CITY OF LEANDER
FOR ANNEXATION OF PROPERTY

WHEREAS, the undersigned is the owner of a certain area of land located within Williamson County, Texas, such property being more particularly described hereinafter by true and correct legal description (referred to herein as the “subject property”);

WHEREAS, the undersigned has sought the annexation of the subject property by the City of Leander, Texas, (hereinafter sometimes referred to as “City”), in order to obtain the benefits of City services to the subject property by the City;

WHEREAS, the subject property is contiguous and adjacent to the corporate limits of the City;

WHEREAS, the City, pursuant to §43.003, *Tex. Loc. Gov’t. Code* and the request of the property owner, is authorized to annex the subject property;

WHEREAS, pursuant to §43.0672, *Tex. Loc. Gov’t. Code*, the City and the undersigned have negotiated and entered into a written agreement for the provision of services to the subject property, said agreement being attached hereto as Exhibit “B” and is incorporated herein for all purposes; and,

WHEREAS, the undersigned agrees and consents to the annexation of the subject property by the City and further agrees to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted.

NOW THEREFORE, the undersigned by this Petition and Request:

SECTION ONE: Requests the City Council of the City to commence annexation proceedings and to annex into the corporate limits of the City of Leander, Texas, of all portions of the subject property, including the abutting streets, roadways, and rights-of-way, not previously annexed into the City, and further described as follows:

Being all that certain tract or parcel of land containing 17.821 acres, more or less, situated in Henry Garmes Survey, Abstract No. 269, and the Greenleaf Fisk Survey, Abstract No. 5, Williamson County, Texas, said tract being more particularly described by metes and bounds shown on Exhibit “A” attached hereto and made a part hereof.

SECTION TWO: Requests that after annexation the City provide such services as are legally permissible and provided by the City, including sanitation, water and general governmental services as set forth in the written agreement regarding the provision of services attached hereto as

Exhibit "B".

SECTION THREE: Acknowledges executing and entering into the agreement, attached hereto as Exhibit "B", and that such agreement is wholly adequate and acceptable to the undersigned who hereby requests the City Council to proceed with the annexation and to publish notice and hold the requisite public hearing thereon, in accordance with the applicable laws of the State of Texas.

SECTION FOUR: Acknowledges that the undersigned understands and agrees that all City services to the subject property will be provided by the City on the same terms and conditions as provided to other similarly situated areas of the City and as provided in the written agreement regarding the provision of services attached hereto as Exhibit "B".

SECTION FIVE: Agrees that a copy of this Request and Petition may be filed of record in the offices of the City of Leander and in the real property records of Williamson County, Texas, and shall be notice to and binding upon all persons or entities now or hereafter having any interest in the subject property.

FILED, this ____ day of _____ 20____, with the City Secretary of the City of Leander, Williamson County, Texas.

Petitioners:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, owner of the subject property and Petitioner herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that they had authority to bind the entity and that they executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____ 20__.

(SEAL)

Notary Public - State of Texas

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, owner of the subject property and Petitioner herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that they had authority to bind the entity and that they executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____ 20__.

(SEAL)

Notary Public - State of Texas

Exhibit “A”

DESCRIPTION OF THE SUBJECT PROPERTY

+/- 17.821 acres

STATE OF TEXAS
COUNTY OF WILLIAMSON

Exhibit A

DECEMBER 7, 2021

17.821 ACRE

These notes describe that certain tract of land located in the **HENRY GARMES SURVEY, ABSTRACT NO. 269**, situated in Williamson County, Texas; subject tract being all of a called "17.825 Acre" tract as conveyed in a Substitute Trustee's Deed from Robert E. Tesch to Equity Secured Capital, L.P., dated 01-05-2012 as recorded in Document No. 2012001125 of the Official Public Records of Williamson County (OPRWC) and being surveyed on the ground under the direct supervision of Bruce Lane Bryan, Registered Professional Land Surveyor No. 4249, during the Month of December, 2021 and being more fully described as follows:

BEGINNING at the Northeast corner of said "17.825 Acre" tract in the West Right-of-Way line of Ronald Reagan Boulevard, a publicly maintained roadway, same being the Northwest corner of a called "7.311 Acres" conveyed in a Special Warranty Deed from Robert E. Tesch to Williamson County dated 07-09-2003 as recorded in Document No. 2003064611, OPRWC, the Southwest corner of a called "Tract 'B' - 34.75 Acres" conveyed in a Special Warranty Deed from Carroll Calvin Wedemeyer, AKA Carroll C. Wedemeyer, Barkley Wedemeyer and Carl Doering, Trustee of the Estate of Nora Wedemeyer, deceased, to Williamson County dated 05-20-2004 as recorded in Document No. 2004039669, OPRWC and the Southeast corner of the residual portion of a called "972.33 Acres" as conveyed in an Heirship Affidavit to Howard Barkley Wedemeyer dated 04-13-2007 as recorded in Document No. 2008017931, OPRWC; found a ½" iron rod (capped) at same corner (North = 10,197,690.60 feet, East = 3,086,202.85 feet);

THENCE with said West Right-of-Way line of Ronald Reagan Boulevard, same being the West line of said "7.311 Acres" the following calls:

- South 23° 45' 21" East 801.28 feet to a found ½" iron rod,
- South 17° 12' 30" East 314.81 feet to a found ½" iron rod,
- South 29° 46' 21" East 100.81 feet to a found ½" iron rod and
- South 25° 08' 32" East 86.12 feet to a found ½" iron rod (capped) at the Southeast corner of said "17.825 Acre" tract, same being the Northeast corner of Lot 1, Block "L" (Landscape) of Valley Vista, Phase I Final Plat, a dedicated subdivision in Williamson County, plat of which is recorded in Document no. 2018015624, OPRWC;

THENCE South 76° 11' 12" West with the Easternmost South line of said "17.825 Acre" tract and the North line of said "Lot 1, Block 'L' (Landscape)" a distance of 213.49 feet to a set ½" iron rod (orange plastic cap "Bryan Technical Svc") at a common corner of both "17.825 Acre" tract and Lot 1, Block "L" (Landscape);

THENCE North 72° 35' 37" West with a Southwestern line of said "17.825 Acre" tract and the North line of said Lot 1, Block "L" (Landscape) a distance of 278.16 feet to a set ½" iron rod (orange plastic cap "Bryan Technical Svc") at a common corner of both "17.825 Acre" tract and Lot 1, Block "L" (Landscape);

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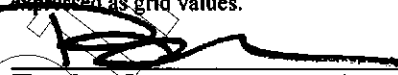
THENCE North 17° 52' 43" West with an interior line of said "17.825 Acre" tract and an exterior line of said Lot 1, Block "L" (Landscape) a distance of **151.77 feet** to a found ½" iron rod (capped) at a common corner of both;

THENCE South 72° 18' 55" West with the Westernmost South line of said "17.825 Acre" tract, the Westernmost North line of said Lot 1, Block "L" (Landscape), the Western terminus of Gabriels Horn Road, the West line of Lot 1, HOA" (Landscape), passing a found 5/8" iron rod at the Northernmost corner of Lot 13, Block "A", Valley Vista, Phase I Final Plat, same being the Westernmost corner of said Lot 1, HOA" (Landscape) at 349.76 feet and continuing with the common line of said "17.825 Acre" tract and Lot 13, Block "A" an additional 73.25 feet for a total distance of **423.01 feet** to a found ½" iron rod (capped "Landmark") at the Southwest corner of said "17.825 Acre" tract, same being a common corner of Lot 13, Block "A" and "Lot 14, Block "A", Valley Vista, Phase I Final Plat, and an exterior corner of Lot 6, Block "J", Bar W Ranch Phase I, Section 1, a dedicated subdivision in Williamson County, plat of which is recorded in Document no. 2020078741, OPRWC;

THENCE North 05° 05' 00" West with the West line of said "17.825 Acre" tract, passing a found ½" iron rod (capped "Landmark") at a common corner of said Lot 6, Block "J" and Lot 7, Block "J", Bar W Ranch Phase I, Section 1 at 8.98 feet, passing a found ½" iron rod (capped "CBD SETSTONE") at the Northeast corner of said Lot 7, Block "J", same being the Southeast corner of Lot 1, Block "J" (HOA), Bar W Ranch Phase I, Section 1 and a South corner of aforementioned at 42.01 feet, passing a found ½" iron rod (capped "CBD SETSTONE") at the Northeast corner of said Lot 1, Block "J" (HOA), same being the Southeast terminus of Gabriels Horn Road and the South corner of aforementioned residual portion of "972.33 Acres" at 59.55 feet (from which was found a ½" iron rod (capped CBD) at the Northeast terminus of said Gabriels Horn Road, same being the Southeast corner of Lot 15, Block "P", Bar W Ranch Phase I, Section 1, bearing North 21° 43' 54" West a distance of 43.93 feet and a found ½" iron rod (capped CBD) at the Northeast corner of said Lot 15, Block "P" bearing North 21° 43' 54" West a distance of 796.00 feet, and continuing with the West line of said "17.825 Acre" tract and the lower East line of said residual portion of "972.33 Acres", joining a barbed wire fence at 176 feet, and continuing with said line, generally along said barbed wire fence, an additional 789.18 feet for a total distance of **965.18 feet** to a found ½" iron rod (capped) near fence corner at the Northwest corner of said "17.825 Acre" tract, same being an interior corner of said residual portion of "972.33 Acres";

THENCE North 69° 23' 30" East with the North line of said "17.825 Acre" tract and a Southern line of said residual portion of "972.33 Acres" a distance of **539.84 feet** to the **PLACE OF BEGINNING**, containing according to the dimensions herein stated, an area of **17.821 Acre**.

NOTE: Bearings and coordinates recited herein based on Texas Plane Coordinate System (central zone) NAD 83/93 adjustment based on local high accuracy reference network and are expressed as grid values.


 Bruce Lane Bryan Registered Professional Land Surveyor No. 4249
 Bryan Technical Services, Inc. 911 North Main, Taylor, Texas 76574
 Firm No. 10128500 www.bryantechnicalservices.com

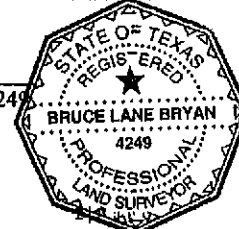


Exhibit “B”

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation (“City”), and _____, (“Landowner”), both of which may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto, less and except any property previously annexed by the City (the “subject property”);

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City’s consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the “Effective Date”).

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned "SFR-1-B" with the intent to rezone the subject property upon request of the landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity ("CCN") for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City's water utility system, the subject property's owner shall construct the internal water lines and pay the costs of line

extension and construction of such facilities necessary to provide water service to the subject property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the subject property's owner requests and is able to connect to the City's water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

(i) Inspection of sewer lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subjects property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

(A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and

(B) Routine maintenance as presently performed by the City.

(ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:

(A) As provided in C(i)(A)&(B) above;

(B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the

Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

EXECUTED and AGREED to by the Parties this the ____ day of _____,
20__.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard B. Beverlin, III, City Manager

LANDOWNER(S):

By: _____

Name (print): _____

Title: _____

Date: _____

By: _____

Name (print): _____

Title: _____

Date: _____

Subject Property Description

(See Attached)

STATE OF TEXAS
COUNTY OF WILLIAMSON

Exhibit A

DECEMBER 7, 2021

17.821 ACRE

These notes describe that certain tract of land located in the **HENRY GARMES SURVEY, ABSTRACT NO. 269**, situated in Williamson County, Texas; subject tract being all of a called "17.825 Acre" tract as conveyed in a Substitute Trustee's Deed from Robert E. Tesch to Equity Secured Capital, L.P., dated 01-05-2012 as recorded in Document No. 2012001125 of the Official Public Records of Williamson County (OPRWC) and being surveyed on the ground under the direct supervision of Bruce Lane Bryan, Registered Professional Land Surveyor No. 4249, during the Month of December, 2021 and being more fully described as follows:

BEGINNING at the Northeast corner of said "17.825 Acre" tract in the West Right-of-Way line of Ronald Reagan Boulevard, a publicly maintained roadway, same being the Northwest corner of a called "7.311 Acres" conveyed in a Special Warranty Deed from Robert E. Tesch to Williamson County dated 07-09-2003 as recorded in Document No. 2003064611, OPRWC, the Southwest corner of a called "Tract 'B' - 34.75 Acres" conveyed in a Special Warranty Deed from Carroll Calvin Wedemeyer, AKA Carroll C. Wedemeyer, Barkley Wedemeyer and Carl Doering, Trustee of the Estate of Nora Wedemeyer, deceased, to Williamson County dated 05-20-2004 as recorded in Document No. 2004039669, OPRWC and the Southeast corner of the residual portion of a called "972.33 Acres" as conveyed in an Heirship Affidavit to Howard Barkley Wedemeyer dated 04-13-2007 as recorded in Document No. 2008017931, OPRWC; found a ½" iron rod (capped) at same corner (North = 10,197,690.60 feet, East = 3,086,202.85 feet);

THENCE with said West Right-of-Way line of Ronald Reagan Boulevard, same being the West line of said "7.311 Acres" the following calls:

- South 23° 45' 21" East 801.28 feet to a found ½" iron rod,
- South 17° 12' 30" East 314.81 feet to a found ½" iron rod,
- South 29° 46' 21" East 100.81 feet to a found ½" iron rod and
- South 25° 08' 32" East 86.12 feet to a found ½" iron rod (capped) at the Southeast corner of said "17.825 Acre" tract, same being the Northeast corner of Lot 1, Block "L" (Landscape) of Valley Vista, Phase I Final Plat, a dedicated subdivision in Williamson County, plat of which is recorded in Document no. 2018015624, OPRWC;

THENCE South 76° 11' 12" West with the Easternmost South line of said "17.825 Acre" tract and the North line of said "Lot 1, Block 'L' (Landscape)" a distance of 213.49 feet to a set ½" iron rod (orange plastic cap "Bryan Technical Svc") at a common corner of both "17.825 Acre" tract and Lot 1, Block "L" (Landscape);

THENCE North 72° 35' 37" West with a Southwestern line of said "17.825 Acre" tract and the North line of said Lot 1, Block "L" (Landscape) a distance of 278.16 feet to a set ½" iron rod (orange plastic cap "Bryan Technical Svc") at a common corner of both "17.825 Acre" tract and Lot 1, Block "L" (Landscape);

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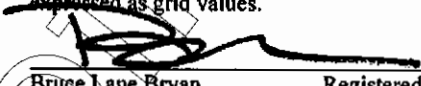
THENCE North 17° 52' 43" West with an interior line of said "17.825 Acre" tract and an exterior line of said Lot 1, Block "L" (Landscape) a distance of **151.77 feet** to a found ½" iron rod (capped) at a common corner of both;

THENCE South 72° 18' 55" West with the Westernmost South line of said "17.825 Acre" tract, the Westernmost North line of said Lot 1, Block "L" (Landscape), the Western terminus of Gabriels Horn Road, the West line of Lot 1, HOA" (Landscape), passing a found 5/8" iron rod at the Northernmost corner of Lot 13, Block "A", Valley Vista, Phase I Final Plat, same being the Westernmost corner of said Lot 1, HOA" (Landscape) at 349.76 feet and continuing with the common line of said "17.825 Acre" tract and Lot 13, Block "A" an additional 73.25 feet for a total distance of **423.01 feet** to a found ½" iron rod (capped "Landmark") at the Southwest corner of said "17.825 Acre" tract, same being a common corner of Lot 13, Block "A" and "Lot 14, Block "A", Valley Vista, Phase I Final Plat, and an exterior corner of Lot 6, Block "J", Bar W Ranch Phase I, Section 1, a dedicated subdivision in Williamson County, plat of which is recorded in Document no. 2020078741, OPRWC;

THENCE North 05° 05' 00" West with the West line of said "17.825 Acre" tract, passing a found ½" iron rod (capped "Landmark") at a common corner of said Lot 6, Block "J" and Lot 7, Block "J", Bar W Ranch Phase I, Section 1 at 8.98 feet, passing a found ¼" iron rod (capped "CBD SETSTONE") at the Northeast corner of said Lot 7, Block "J", same being the Southeast corner of Lot 1, Block "J" (HOA), Bar W Ranch Phase I, Section 1 and a South corner of aforementioned at 42.01 feet, passing a found ½" iron rod (capped "CBD SETSTONE") at the Northeast corner of said Lot 1, Block "J" (HOA), same being the Southeast terminus of Gabriels Horn Road and the South corner of aforementioned residual portion of "972.33 Acres" at 59.55 feet (from which was found a ½" iron rod (capped CBD) at the Northeast terminus of said Gabriels Horn Road, same being the Southeast corner of Lot 15, Block "P", Bar W Ranch Phase I, Section 1, bearing North 21° 43' 54" West a distance of 43.93 feet and a found ½" iron rod (capped CBD) at the Northeast corner of said Lot 15, Block "P" bearing North 21° 43' 54" West a distance of 796.00 feet, and continuing with the West line of said "17.825 Acre" tract and the lower East line of said residual portion of "972.33 Acres", joining a barbed wire fence at 176 feet, and continuing with said line, generally along said barbed wire fence, an additional 789.18 feet for a total distance of **965.18 feet** to a found ½" iron rod (capped) near fence corner at the Northwest corner of said "17.825 Acre" tract, same being an interior corner of said residual portion of "972.33 Acres";

THENCE North 69° 23' 30" East with the North line of said "17.825 Acre" tract and a Southern line of said residual portion of "972.33 Acres" a distance of **539.84 feet** to the **PLACE OF BEGINNING**, containing according to the dimensions herein stated, an area of **17.821 Acre**.

NOTE: Bearings and coordinates recited herein based on Texas Plane Coordinate System (central zone) NAD 83/93 adjustment based on local high accuracy reference network and are expressed as grid values.


 Bruce Lane Bryan Registered Professional Land Surveyor No. 4249
 Bryan Technical Services, Inc. 911 North Main, Taylor, Texas 76574
 Firm No. 10128500 www.bryantechnicalservices.com



AN ORDINANCE OF THE CITY OF LEANDER, TEXAS

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS ANNEXING ALL PORTIONS OF A 17.81 ACRE TRACT, MORE OR LESS, NOT PREVIOUSLY ANNEXED INTO THE CORPORATE LIMITS OF THE CITY, INCLUDING THE ABUTTING ROADWAYS AND RIGHTS-OF-WAY, AT THE REQUEST OF THE PROPERTY OWNER; APPROVING A SERVICE PLAN FOR THE ANNEXED AREA; MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Leander, Texas, is a home rule municipality authorized by State law to annex territory lying adjacent and contiguous to the City;

WHEREAS, the Reagan Gabriels Reals Estate, LLC, the owner of the property, as hereinafter described, made written request for the City to annex such property in compliance with the *Tex. Loc. Gov't. Code*;

WHEREAS, the property is adjacent and contiguous to the present city limits;

WHEREAS, the annexation of the property will cause an area to be entirely surrounded by the City limits but will not include said area within the City;

WHEREAS, the City Council has determined that it is in the public interest for the City limits to surround said area;

WHEREAS, the City Council heard and has decided to grant the owner's request that the City annex said property;

WHEREAS, two separate public hearings were conducted prior to consideration of this Ordinance in accordance with §43.063 of the *Tex. Loc. Gov't. Code*;

WHEREAS, the hearings were conducted and held not more than forty (40) nor less than twenty (20) days prior to the institution of annexation proceedings;

WHEREAS, notice of the public hearings was published in a newspaper of general circulation in the City and the territory proposed to be annexed not more than twenty (20) nor less than ten (10) days prior to the public hearings;

WHEREAS, the City intends to provide services to the property to be annexed according to the Service Plan attached hereto as **Exhibit "B"**.

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

SECTION 1. That all of the above premises and findings of fact are found to be true and correct and are incorporated into the body of this ordinance as if copied in their entirety.

SECTION 2. That the following described property, including the abutting roadways and rights-of-way (hereinafter referred to as the "Annexed Property"), is hereby annexed into the corporate limits of the City of Leander:

All portions of a 17.821 acre tract of land not previously annexed into the corporate limits of the City of Leander, Texas, located in Williamson County, Texas, and said 17.281 acre tract being more particularly shown and described in **Exhibit "A"** attached hereto and incorporated herein for all purposes.

SECTION 3. That the Service Plan submitted herewith is hereby approved as part of this Ordinance, made a part hereof and attached hereto as **Exhibit "B"**.

SECTION 4. That the future owners and inhabitants of the Annexed Property shall be entitled to all of the rights and privileges of the City as set forth in the Service Plan attached hereto as **Exhibit "B"**, and are further bound by all acts, ordinances, and all other legal action now in full force and effect and all those which may be hereafter adopted.

SECTION 5. That the official map and boundaries of the City, heretofore adopted and amended be and hereby are amended so as to include the Annexed Property as part of the City of Leander.

SECTION 6. That the Annexed Property shall be temporarily zoned District "SFR-1-B" as provided in the City Zoning Ordinance, as amended, until permanent zoning is established therefore.

SECTION 7. That if any provision of this ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION 8. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the *Tex. Loc. Gov't. Code*.

SECTION 9. That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

PASSED AND APPROVED on First Reading this 7th day of July, 2022.

FINALLY PASSED AND APPROVED on this 21st day of July, 2022.

ATTEST:

CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor

EXHIBIT “A”

PROPERTY DESCRIPTION

(SEE ATTACHED)

+/- 17.821 ACRES

LESS AND EXCEPT PROPERTY ALREADY ANNEXED BY THE CITY OF LEANDER

EXHIBIT “B”
SERVICE PLAN
(SEE ATTACHED)

**AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES
FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER**

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation ("City"), and _____, ("Landowner"), both of which may be referred to herein singularly as "Party" or collectively as the "Parties."

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto, less and except any property previously annexed by the City. (the "subject property");

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City's consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the "Effective Date").

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of

annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject

property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned "SFR-1-B" with the intent to rezone the subject property upon request of the landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity ("CCN") for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City's water utility system, the subject property's owner shall construct the internal water lines and pay the costs of line extension and construction of such facilities necessary to provide water service to the subject property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the subject property's owner requests and is able to connect to the City's water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

- (i) Inspection of sewer lines as provided by statutes of the State of Texas.
- (ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subject property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

- (i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:
 - (A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and
 - (B) Routine maintenance as presently performed by the City.
- (ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:
 - (A) As provided in C(i)(A)&(B) above;
 - (B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

EXECUTED and AGREED to by the Parties this the ____ day of _____, 20__.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard B. Beverlin, III, City Manager

LANDOWNER(S):

By: _____

Name (print): _____

Title: _____

Date: _____

By: _____

Name (print): _____

Title: _____

Date: _____



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding 500 Heritage Grove Road Annexation Case 22-A-004 regarding the voluntary annexation of 44.385 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcels R031642 and R031640; and commonly known as 500 Heritage Grove Road, Leander, Williamson County, Texas.

- Discuss and consider action on regarding 500 Heritage Grove Road Annexation Case 22-A-004 as described above.

BACKGROUND:

A resolution was approved on June 2, 2022 that commenced the voluntary annexation of 44.385 acres $\pm$ as described above. The resolution sets the public hearing for July 7, 2022 and the readings of the ordinance for July 7, 2022 and July 21, 2022.

This property is subject to a development agreement between the property owner and the City that requires annexation when the land use redevelops and is no longer used for agricultural purposes. This annexation will be paired with a zoning application that will run concurrently with the annexation. This annexation is paired with a zoning application that will run concurrently with the annexation. Approval of this item does not approve the annexation.

HISTORY/TIMELINE:

06/02/2022 Resolution approved setting the annexation schedule

APPLICANT/AGENT:

Armbrust & Brown, PLLC (Jewels Cain) on behalf of RCG Heritage Grove LLC (Lynn Yuan)

PRESENTER:

Robin M. Griffin, AICP, Executive Director of Development Services

Attachments

1. Resolution
2. Location Exhibit
3. Annexation Schedule
4. Petition
5. Ordinance

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF LEANDER, TEXAS, ACCEPTING THE PETITION FOR ANNEXATION OF 44.357 ACRES, MORE OR LESS, OF LAND LOCATED IN WILLIAMSON COUNTY, TEXAS; SETTING AN ANNEXATION SCHEDULE; PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

WHEREAS, the owners of certain property located within Williamson County, Texas, have petitioned the City of Leander, Texas, (herein the “City”), a home-rule City, for annexation of said property, more particularly described herein (the “subject property”), into the City limits;

WHEREAS, the subject property is contiguous and adjacent to the corporate limits of the City and the owner(s) have made application for annexation;

WHEREAS, after review and consideration of such requests and petition for annexation from the owners of the subject property, the City Council finds that the subject property may be annexed pursuant to §43.0671 of the *Local Government Code*; and,

WHEREAS, the petitioner has agreed and consented to the annexation of the subject property by the City and further agreed to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted;

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The petition for annexation of the subject property, including the abutting streets, roadways, and rights of way, not previously annexed into the City and the draft service plan shown in Exhibit “B”, are hereby accepted:

All that certain area of land being 44.357 acres, more or less, in Williamson County, Texas, being more particularly described in **Exhibit A** attached hereto and incorporated herein for all purposes.

A public hearing has been set for the date of **July 7, 2022**. Notice of such hearing shall be posted and the hearing shall be open to the public to accept public comment on the annexation request. In the event of a conflict between the subject property description contained herein, **Exhibit “A”** shall control.

Section 3. Severability. Should any section or part of this Resolution be held unconstitutional, illegal, or invalid, or the application to any person or circumstance thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions

thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this Resolution are declared to be severable.

Section 4. Open Meetings. It is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code.*

PASSED AND APPROVED this the ____ day of _____, 2022.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor

Exhibit “A”

SUBJECT PROPERTY DESCRIPTION

+/- 44.357 ACRES

[SEE ATTACHED]

Exhibit “B”

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation (“City”), and RCG Heritage Grove LLC (“Landowner”), all of which may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto (the “subject property”);

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City’s consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the “Effective Date”).

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently

within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a Landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that Landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned “SFR-1-B” with the intent to rezone the subject property upon request of the Landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity (“CCN”) for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City’s water utility system, the subject property’s owner shall construct the internal water lines and pay the costs of line extension and construction of such facilities necessary to provide water service to the subject property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the subject property’s owner requests and is able to connect to the City’s water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

(i) Inspection of sewer lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subject's property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

(A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and

(B) Routine maintenance as presently performed by the City.

(ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:

(A) As provided in C(i)(A)&(B) above;

(B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

[SIGNATURE PAGE FOLLOWS]

EXECUTED and AGREED to by the Parties this the ____ day of _____, 20__.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard Beverlin, III, City Manager

LANDOWNER(S):

By: _____

Name (print): _____

Title: _____

Date: _____

By: _____

Name (print): _____

Title: _____

Date: _____

Subject Property Description

[SEE ATTACHED]

Schedule for Voluntary Annexation
500 HERITAGE GROVE RD Annexation +/- 44.357 ACRES IN WILLIAMSON COUNTY

DATE	ACTION/EVENT	LEGAL AUTHORITY
Thursday, June 2 2022* Tuesday, May 24, 2022 Council packet deadline	COUNCIL CONSIDERS ACCEPTANCE OF ANNEXATION PETITION REQUEST FROM LANDOWNER(S) AND INITIATION OF ANNEXATION - AND SETS A PUBLIC HEARING FOR July 7, 2022.	Loc. Gov't Code. §43.0671
Thursday, June 23 2022 * Publish notice of Public Hearing. & Send notice to school district and to each public entity. [Noon, Friday, June 17, 2022 – Deadline to send notice to paper]	NEWSPAPER NOTICE RE: PUBLIC HEARING; (Certified Notice to Railroad - if railroad company's right-of-way is in the area proposed for annexation.) POST NOTICE OF HEARING ON CITY'S WEBSITE AND MAINTAIN UNTIL HEARINGS COMPLETE. SCHOOL DISTRICT NOTICE. Notify each school district of possible impact <u>w/in the period prescribed for publishing the notice of the Public Hearing.</u> PUBLIC ENTITY NOTICES. Notify each public entity__that is located in or provides services to the area proposed for annexation. Public Entity includes: a county (Williamson/Travis), a fire protection service provider, including a volunteer fire department, emergency medical services provider, including a volunteer emergency medical services provider, or special district (MUD, WCID, or other district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution) - of possible impact <u>w/in the period prescribed for publishing the notice of the Public Hearing.</u>	Not less than 10 days nor more than 20 days before public hearing. Loc. Gov't Code, §43.0673 Loc. Gov't Code. §§43.905 & 43.9051 ; send notice to school district and to each public entity not less than 10 days nor more than 20 days before the Public Hearing.
Thursday, July 7, 2022*	PUBLIC HEARING – REGULAR MEETING	The governing body must provide persons interested in the annexation the opportunity to be heard. Loc. Gov't Code. §43.0673
Thursday, July 7, 2022* Tuesday, June 28, 2022 – Council packet deadline	FIRST READING OF ORDINANCE <i>REGULAR MEETING</i>	Loc. Gov't Code. §43.0673
Thursday, July 21, 2022. Or at a special called meeting after the First Reading; Or within 90 days of First Reading. Tuesday, July 12, 2022 – Council packet deadline	SECOND & FINAL READING OF ORDINANCE <i>REGULAR MEETING</i>	Second reading of annexation Ordinance – City Charter, Section 4.06(c)
Within 30 days of Second Reading	CITY SENDS COPY OF MAP showing boundary changes to County Voter Registrar in a format that is compatible with mapping format used by registrar	Elec. Code §42.0615
Within 60 days of Second Reading	CITY PROVIDES CERTIFIED COPY OF ORDINANCE AND MAPS TO: 1. County Clerk 2. County Appraisal District 3. County Tax Assessor Collector 4. 911 Addressing 5. Sheriff's Office 6. City Department Heads 7. State Comptroller 8. Franchise Holders ESD - if annexed area located in district and city intends to remove the area from the district and be the sole provider of emergency services; See Health and Safety Code, Section 775.022	Williamson County ESD No. 5: Notice must be sent to the secretary of the ESD board by certified mail, return receipt requested, as applicable Leander is located in Williamson and Travis Counties. Confirm which ESD needs notice of disannexation.

*Dates in BOLD are MANDATORY dates to follow. Please advise of schedule deviation.

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

REQUEST & PETITION TO THE CITY COUNCIL OF THE CITY OF LEANDER
FOR ANNEXATION OF PROPERTY

WHEREAS, the undersigned is the owner of a certain area of land located within Williamson County, Texas, such property being more particularly described hereinafter by true and correct legal description (referred to herein as the “subject property”);

WHEREAS, the undersigned has sought the annexation of the subject property by the City of Leander, Texas, (hereinafter sometimes referred to as “City”), in order to obtain the benefits of City services to the subject property by the City;

WHEREAS, the subject property is contiguous and adjacent to the corporate limits of the City;

WHEREAS, the City, pursuant to §43.003, *Tex. Loc. Gov’t. Code* and the request of the property owner, is authorized to annex the subject property;

WHEREAS, pursuant to §43.0672, *Tex. Loc. Gov’t. Code*, the City and the undersigned have negotiated and entered into a written agreement for the provision of services to the subject property, said agreement being attached hereto as **Exhibit “B”** and is incorporated herein for all purposes; and,

WHEREAS, the undersigned agrees and consents to the annexation of the subject property by the City and further agrees to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted.

NOW THEREFORE, the undersigned by this Petition and Request:

SECTION ONE: Requests the City Council of the City to commence annexation proceedings and to annex into the corporate limits of the City of Leander, Texas, of all portions of the subject property, including the abutting streets, roadways, and rights-of-way, not previously annexed into the City, and further described as follows:

All that certain area of land being 44.357 acres, more or less, in Williamson County, Texas, being more particularly described in **Exhibit A** attached hereto and incorporated herein for all purposes.

SECTION TWO: Requests that after annexation the City provide such services as are legally permissible and provided by the City, including sanitation, water and general governmental services as set forth in the written agreement regarding the provision of services attached hereto as **Exhibit “B”**.

SECTION THREE: Acknowledges executing and entering into the agreement, attached hereto as **Exhibit "B"**, and that such agreement is wholly adequate and acceptable to the undersigned who hereby requests the City Council to proceed with the annexation and to publish notice and hold the requisite public hearing thereon, in accordance with the applicable laws of the State of Texas.

SECTION FOUR: Acknowledges that the undersigned understands and agrees that all City services to the subject property will be provided by the City on the same terms and conditions as provided to other similarly situated areas of the City and as provided in the written agreement regarding the provision of services attached hereto as **Exhibit "B"**.

SECTION FIVE: Agrees that a copy of this Request and Petition may be filed of record in the offices of the City of Leander and in the real property records of Williamson County, Texas, and shall be notice to and binding upon all persons or entities now or hereafter having any interest in the subject property.

FILED, this ____ day of _____ 20 ___, with the City Secretary of the City of Leander, Williamson and Travis Counties, Texas.

Petitioners:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, owner of the subject property and Petitioner herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that they had authority to bind the entity and that they executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____ 20____.

(SEAL)

Notary Public - State of Texas

STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, owner of the subject property and Petitioner herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that they had authority to bind the entity and that they executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____ 20__.

(SEAL)

Notary Public - State of Texas

Exhibit “A”

DESCRIPTION OF THE SUBJECT PROPERTY

+/- 44.357 ACRES

[SEE ATTACHED]

LEGAL DESCRIPTION OF LAND:
TRACT 1 - 44.357 ACRES

BEING A 44.357 ACRES (1,932,179 SQUARE FEET) TRACT OF LAND SITUATED IN THE CHARLES COCHRAN LEAGUE, ABSTRACT 134, BEING LOCATED JUST OUTSIDE OF THE CITY LIMITS OF THE CITY OF LEANDER, WILLIAMSON COUNTY, TEXAS; BEING THE SAME TRACT OF LAND DESCRIBED TO JAMES E. ROBERSON AND MONTA JANE AKIN AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 1991016727 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "SURVTEX" FOUND IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF HERITAGE GROVE ROAD (VARIABLE WIDTH PUBLIC R.O.W.) AT THE SOUTHEAST CORNER OF THE HAVEN OAKS SUBDIVISION AS SHOWN ON PLAT RECORDED IN DOCUMENT NO. 20200895 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE, NORTH 21°06'39" WEST, ALONG THE NORTHEAST BOUNDARY LINE OF SAID HAVEN OAKS SUBDIVISION, AT 1812.56 FEET PASSING A 5/8 INCH IRON ROD FOUND AT THE NORTH CORNER OF SAID HAVEN OAKS SUBDIVISION AND AT THE EAST CORNER OF A CALLED 7.87 ACRE TRACT OF LAND DESCRIBED TO ALAN SMITH AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 1985064367 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; THEN CONTINUING ALONG THE NORTHEAST BOUNDARY LINE OF SAID 7.87 ACRE TRACT, IN ALL A TOTAL DISTANCE OF 2286.84 FEET TO A 5/8 INCH IRON ROD FOUND IN THE SOUTHEAST BOUNDARY LINE OF A CALLED 15.26 ACRE TRACT OF LAND DESCRIBED TO TIM SCHNEIDER, ET UX, AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 2002077123 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; AND AT THE NORTH CORNER OF SAID 7.87 ACRE TRACT; FOR THE WEST CORNER OF THIS TRACT;

THENCE, ALONG THE SOUTHEAST BOUNDARY LINE OF SAID 15.26 ACRE TRACT, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

- NORTH 68°34'15" EAST, A DISTANCE OF 350.00 FEET TO A 5/8 INCH IRON ROD FOUND FOR AN ANGLE CORNER OF THIS TRACT;
- NORTH 19°56'15" EAST, A DISTANCE OF 297.57 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "CEC" FOUND IN THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE CAPITAL METROPOLITAN TRANSIT AUTHORITY RAILROAD AS SHOWN ON DOCUMENT NO. 200002773 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; FOR A POINT OF CURVATURE AT THE NORTH CORNER OF THIS TRACT;

THENCE, IN A SOUTHEASTERLY DIRECTION, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID CAPITAL METROPOLITAN TRANSIT AUTHORITY RAILROAD, ALONG A CURVE TO THE LEFT WITH A CENTRAL ANGLE OF 19°49'48", A RADIUS OF 1092.00 FEET, A CHORD BEARING AND DISTANCE OF SOUTH 73°32'43" EAST, 374.17 FEET, AND A TOTAL ARC LENGTH OF 376.02 FEET TO A RAILROAD SPIKE FOUND FOR THE NORTHERLY EAST CORNER OF THIS TRACT;

THENCE, SOUTH 12°09'43" WEST, AT 3.71 FEET PASSING A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR LINE MARKER AT THE WEST CORNER OF A CALLED 40.57 ACRE TRACT OF LAND DESCRIBED TO CMH HERITAGE, LLC AS SHOWN ON DOCUMENT NO. 2021097881 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; THEN CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID 40.57 ACRE TRACT, IN ALL A DISTANCE OF 23.39 FEET TO A RAILROAD SPIKE FOUND AT FOR AN ANGLE CORNER OF THIS TRACT;

THENCE, CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID 40.57 ACRE TRACT, THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

- SOUTH 20°54'58" EAST, A DISTANCE OF 410.22 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR AN ANGLE CORNER OF THIS TRACT;
- SOUTH 21°19'49" EAST, A DISTANCE OF 914.70 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR AN ANGLE CORNER OF THIS TRACT;
- SOUTH 21°21'51" EAST, A DISTANCE OF 918.55 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID HERITAGE GROVE ROAD; FOR THE SOUTHERLY EAST CORNER OF THIS TRACT;

THENCE, SOUTH 68°44'48" WEST, ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID HERITAGE GROVE ROAD, A DISTANCE OF 829.99' TO THE POINT OF BEGINNING AND CONTAINING 44.357 ACRES OF LAND, MORE OR LESS, IN WILLIAMSON COUNTY, TEXAS.

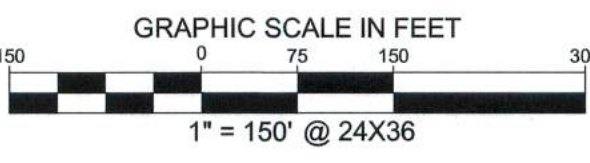
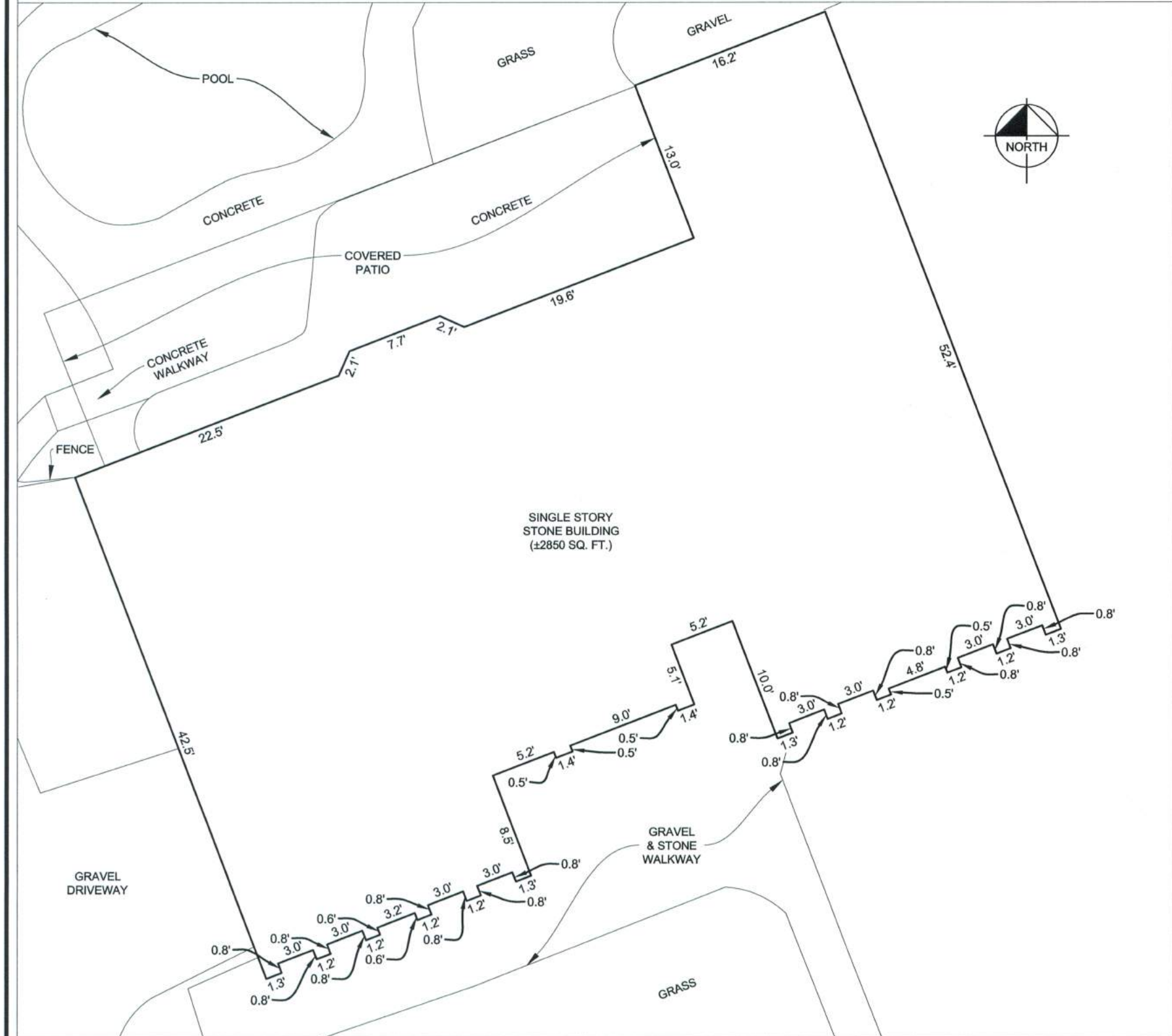
NOTES ADDRESSING SCHEDULE B EXCEPTIONS:

(PURSUANT TO COMMITMENT FOR TITLE INSURANCE LISTED IN GENERAL NOTE 1.)

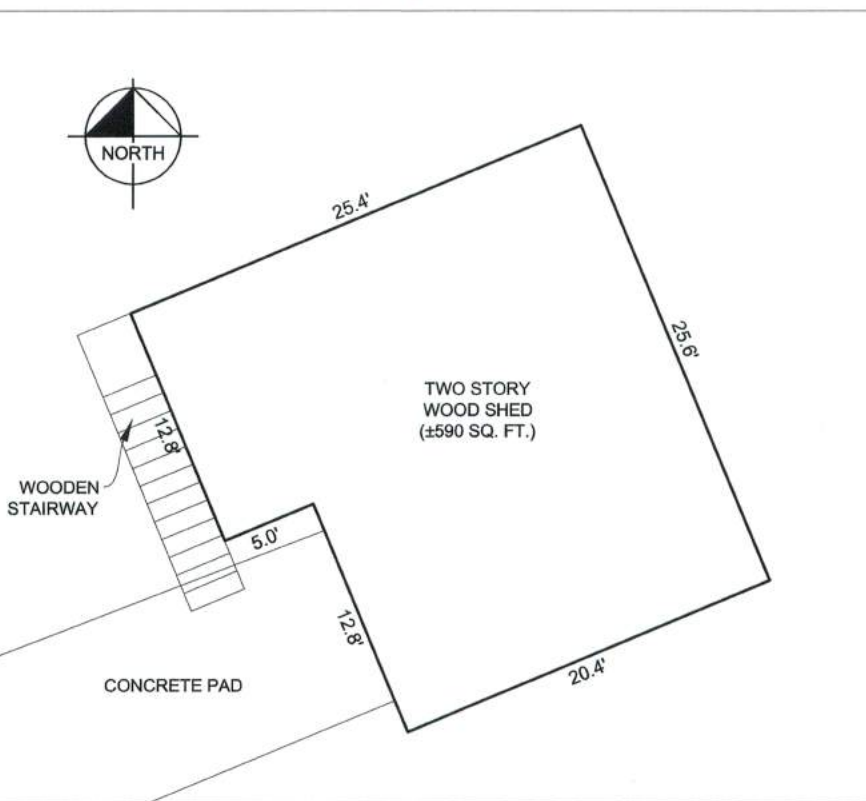
10. THE FOLLOWING MATTERS AND ALL TERMS OF THE DOCUMENTS CREATING OR OFFERING EVIDENCE OF THE MATTERS (WE MUST INSERT MATTERS OR DELETE THIS EXCEPTION):

- RIGHTS OF PARTIES IN POSSESSION (OWNER'S POLICY ONLY). (NOT A SURVEY MATTER)
- ALL LEASES, GRANTS, EXCEPTIONS OR RESERVATIONS OF COAL, LIGNITE, OIL, GAS AND OTHER MINERALS, TOGETHER WITH ALL RIGHTS, PRIVILEGES AND IMMUNITIES RELATING THERETO, APPEARING IN THE PUBLIC RECORDS WHETHER LISTED IN SCHEDULE B OR NOT; THERE MAY BE LEASES, GRANTS, EXCEPTIONS OR RESERVATIONS OF MINERAL INTEREST THAT ARE NOT LISTED. (NOT A SURVEY MATTER)
- RIGHTS OF PARTIES IN POSSESSION AND RIGHTS OF TENANTS UNDER ANY UNRECORDED LEASES OR RENTAL AGREEMENTS. (MAY BE AMENDED OR DELETED UPON EXECUTION OF AFFIDAVIT WITH RESPECT TO PARTIES IN POSSESSION AND TENANTS AT CLOSING.) (NOT A SURVEY MATTER)
- RIGHTS, IF ANY, OF THIRD PARTIES WITH RESPECT TO ANY PORTION OF THE SUBJECT PROPERTY LYING WITHIN THE BOUNDARIES OF A PUBLIC OR PRIVATE ROAD. (MAY BE AMENDED OR DELETED UPON APPROVAL OF SURVEY.) (SUBJECT TO NO DOCUMENTS PROVIDED)
- ANY AND ALL EASEMENTS, BUILDING LINES, AND CONDITIONS, COVENANTS, AND RESTRICTIONS AS SET OUT IN RESTRICTIONS HEREIN ABOVE, (SUBJECT TO, NO DOCUMENTS PROVIDED)
- ANY VISIBLE AND APPARENT EASEMENTS NOT OF RECORD ON OR ACROSS THE PROPERTY HEREIN DESCRIBED. (SUBJECT TO, NO DOCUMENTS PROVIDED)
- DEVELOPMENT AGREEMENT RECORDED IN DOCUMENT NO. 2016058208 AND AMENDED IN DOCUMENT NO. 206058209, OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS. (SUBJECT TO)
- MINERAL AND/OR ROYALTY INTEREST, AS DESCRIBED IN INSTRUMENT AND RECORDED IN UNDER VOLUME 1037, PAGE 931, OF THE REAL PROPERTY RECORDS OF WILLIAMSON COUNTY, TEXAS, INCLUDING BUT NOT LIMITED TO THE RIGHT TO USE THE SURFACE OF THE LAND. COMPANY MAKES NO REPRESENTATION AS TO THE PRESENT OWNERSHIP OF THIS INTEREST. (NOT A SURVEY MATTER)
- MINERAL AND/OR ROYALTY INTEREST, AS DESCRIBED IN INSTRUMENT AND RECORDED IN UNDER VOLUME 659, PAGE 225, OF THE REAL PROPERTY RECORDS OF WILLIAMSON COUNTY, TEXAS, INCLUDING BUT NOT LIMITED TO THE RIGHT TO USE THE SURFACE OF THE LAND. COMPANY MAKES NO REPRESENTATION AS TO THE PRESENT OWNERSHIP OF THIS INTEREST. (NOT A SURVEY MATTER)
- MINERAL AND/OR ROYALTY INTEREST, AS DESCRIBED IN INSTRUMENT AND RECORDED IN UNDER VOLUME 659, PAGE 229, OF THE REAL PROPERTY RECORDS OF WILLIAMSON COUNTY, TEXAS, INCLUDING BUT NOT LIMITED TO THE RIGHT TO USE THE SURFACE OF THE LAND. COMPANY MAKES NO REPRESENTATION AS TO THE PRESENT OWNERSHIP OF THIS INTEREST. (NOT A SURVEY MATTER)
- MINERAL AND/OR ROYALTY INTEREST, AS DESCRIBED IN INSTRUMENT AND RECORDED IN UNDER VOLUME 825, PAGE 912, OF THE REAL PROPERTY RECORDS OF WILLIAMSON COUNTY, TEXAS, INCLUDING BUT NOT LIMITED TO THE RIGHT TO USE THE SURFACE OF THE LAND. COMPANY MAKES NO REPRESENTATION AS TO THE PRESENT OWNERSHIP OF THIS INTEREST. (NOT A SURVEY MATTER)

DETAIL "A"
SCALE 1"=10'



DETAIL "B"
SCALE 1"=10'



LEGEND

AC UNIT	ELECTRIC VAULT	GAS VAULT	SANITARY SEWER BOX	TELEPHONE MARKER FLAG	UNIDENTIFIED TANK	IRON PIPE FOUND
CABLE TV BOX	ELEVATION BRANCH MARK	GAS VALVE	SANITARY SEWER CLEAN OUT	TELEPHONE MARKER SIGN	UNIDENTIFIED VALVE	IRON ROD WITH CAP FOUND
CABLE TV HANDHOLE	FIBER OPTIC BOX	GAS WELL	SANITARY SEWER HANDHOLE	TRAFFIC BOLLARD	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
CABLE TV MANHOLE	FIBER OPTIC HANDHOLE	GUY ANCHOR	SANITARY SEWER MANHOLE	TRAFFIC BOX	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
CABLE TV MARKER FLAG	FIBER OPTIC MARKER	HANDICAPPED PARKING	SANITARY SEWER MARKER FLAG	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
CABLE TV MARKER SIGN	FIBER OPTIC MARKER SIGN	IRIGATION VALVE	SANITARY SEWER MARKER SIGN	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
CABLE TV VAULT	FIBER OPTIC VAULT	LIGHT STANDARD	SANITARY SEWER METER	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
COMMUNICATIONS BOX	FIBER OPTIC VAULT	MAIL BOX	SANITARY SEWER VAULT	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
COMMUNICATIONS HANDHOLE	FIRE DEPT. CONNECTION	MARQUEE/BILLBOARD	SANITARY SEWER VAULT	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
COMMUNICATIONS MANHOLE	FIRE HYDRANT	PIPELINE BOX	STORM SEWER BOX	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
COMMUNICATIONS MARKER FLAG	FLAG POLE	PIPELINE HANDHOLE	STORM SEWER DRAIN	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
COMMUNICATIONS MARKER SIGN	FLOOD LIGHT	PIPELINE METER	STORM SEWER MANHOLE	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
COMMUNICATIONS VAULT	FLOW DIRECTION	PIPELINE MANHOLE	STORM SEWER MANHOLE	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
ELECTRIC BOX	FUEL TANK	PIPELINE MARKER FLAG	STORM SEWER MARKER FLAG	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
ELECTRIC METER	GAS BOX	PIPELINE MARKER SIGN	STORM SEWER MARKER SIGN	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
ELECTRIC MANHOLE	GAS METER	PIPELINE VAULT	STORM SEWER VAULT	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
ELECTRIC MARKER FLAG	GAS MARKER SIGN	PIPELINE VALVE	STORM SEWER VAULT	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
ELECTRIC MARKER SIGN	GAS MARKER SIGN	RAILROAD BOX	STORM SEWER VAULT	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
ELECTRIC SWITCH	GAS SIGN	RAILROAD HANDHOLE	STORM SEWER VAULT	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET
ELECTRIC TRANSFORMER	GAS SIGN	RAILROAD SIGN	STORM SEWER VAULT	TRAFFIC SIGN	UNIDENTIFIED VALVE	IRON ROD WITH "X" CAP SET

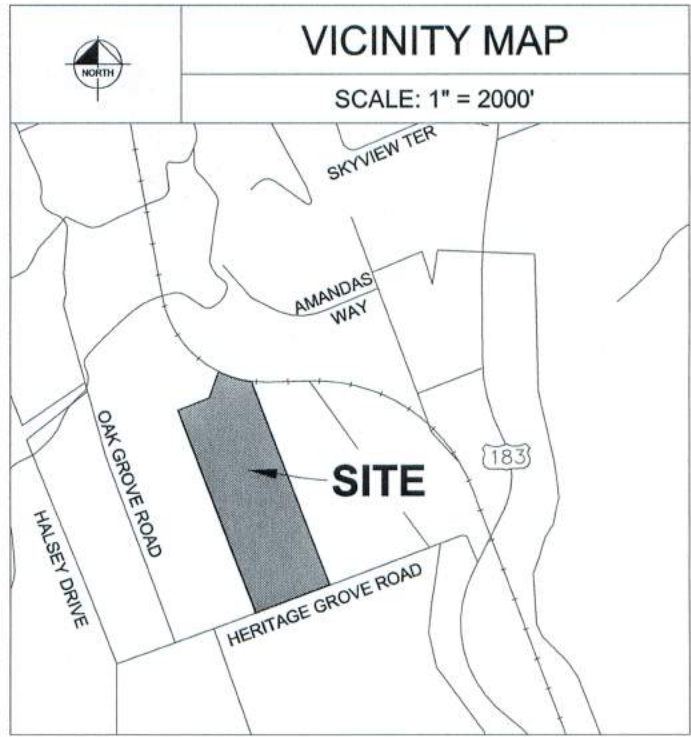
LINE TYPE LEGEND

BOUNDARY LINE	EASEMENT LINE	BUILDING LINE	WATER LINE	SS	SANITARY SEWER LINE	STORM DRAINAGE LINE	UNDERGROUND GAS LINE	OVERHEAD UTILITY LINE	UNDERGROUND CABLE LINE	UNDERGROUND ELECTRIC LINE	SIDEWALK	FENCE	FEMA FLOOD LINE	SURVEY LINE	CONCRETE PAVEMENT	ASPHALT PAVEMENT
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LINE TYPE LEGEND

BOUNDARY LINE	EASEMENT LINE	ADJOINING PROPERTY LINE	CITY LIMITS LINE	FEMA FLOOD LINE	SURVEY LINE	CONCRETE PAVEMENT	ASPHALT PAVEMENT
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ALL RIGHTS RESERVED



GENERAL NOTES:

- THIS SURVEY WAS PERFORMED UTILIZING THE TITLE REPORT PREPARED BY STEWART TITLE GUARANTY COMPANY, G.F. NO. 085546ST (ISSUE DATE: SEPTEMBER 20, 2021, EFFECTIVE DATE: SEPTEMBER 03, 2021) AND REFLECTS ONLY THOSE EASEMENTS AND ENCUMBRANCES OF RECORD MENTIONED THEREIN. KIMLEY-HORN DID NOT ABSTRACT THE PUBLIC RECORDS. THE SURVEYED TRACT MAY BE SUBJECT TO ADDITIONAL GOVERNMENT REGULATIONS AND RESTRICTIONS PRIOR TO FURTHER SITE DEVELOPMENT. KIMLEY-HORN DID NOT REVIEW LEASE INTEREST WHILE PERFORMING THIS SURVEY.
- THE BEARINGS, DISTANCES, AREAS, AND COORDINATES SHOWN HEREON ARE TEXAS STATE COORDINATE SYSTEM GRID, CENTRAL ZONE (FIPS 4203) (NAD83), AS DETERMINED BY THE GLOBAL POSITIONING SYSTEM (GPS). ALL DISTANCES SHOWN HEREON ARE ON THE GRID. THE UNIT OF LINEAR MEASUREMENT IS U.S. SURVEY FEET.
- PER THE AMERICAN LAND TITLE ASSOCIATION (ALTA) AND THE NATIONAL SOCIETY OF PROFESSIONAL SURVEYORS (NSPS) MINIMUM STANDARD DETAIL REQUIREMENTS ITEM 5, SECTION C, PARAGRAPH III, THE TERM "ENCROACHMENT" IMPLIES A LEGAL OPINION. EVIDENCE OF POTENTIALLY ENCROACHING STRUCTURAL APPURTENANCES AND PROJECTIONS OBSERVED IN THE PROCESS OF CONDUCTION FIELDWORK RELATIVE TO TITLE LINES, SETBACKS, ADJOINING PROPERTIES, AND RIGHTS-OF-WAYS, WILL BE SHOWN, BUT THE SURVEY WILL MAKE NO JUDGMENT OF "ENCROACHMENT" OR "NON-ENCROACHMENT".
- AREA(S) OF POTENTIAL ENCROACHMENT:
 - OVERHEAD ELECTRIC LINES AND POWER POLES FOUND OUTSIDE OF KNOWN EASEMENT, RIGHTS UNKNOWN, AS SHOWN ON SURVEY.
 - LIGHT POLES & EVIDENCE OF UNDERGROUND ELECTRIC LINES FOUND OUTSIDE OF KNOWN EASEMENT, RIGHTS UNKNOWN, AS SHOWN ON SURVEY.
 - FENCE MEANDERS INSIDE AND OUTSIDE OF THE PROPERTY LINE AS SHOWN ON SURVEY.
- THIS PROPERTY IS CURRENTLY UN-PLATTED AND IS SUBJECT TO THE TEXAS LOCAL GOVERNMENT CODE, TITLE 7, SUBTITLE B, CHAPTER 232 - COUNTY REGULATION OF SUBDIVISIONS, SUBCHAPTER A - SUBDIVISION PLATTING REQUIREMENTS. A SUBDIVISION PLAT WILL BE REQUIRED FOR SITE DEVELOPMENT.
- THE SUBJECT TRACT HAS ACCESS TO THE PUBLIC STREET RIGHT-OF-WAYS OF HERITAGE GROVE ROAD AND JUD ALLEN WAY.
- THE DESCRIPTION OF THE SUBJECT PROPERTY FORMS A MATHEMATICALLY CLOSED FIGURE.
- KIMLEY-HORN DID NOT REVIEW LEASE INTEREST WHILE PERFORMING THIS SURVEY.
- AFTER REVIEW OF ALL DOCUMENTS PROVIDED TO THE SURVEYOR AT THE TIME OF THE SURVEY, THE SUBJECT PROPERTY DOES NOT APPEAR TO SERVE ANY ADJOINING PROPERTY FOR UTILITIES, DRAINAGE, STRUCTURAL SUPPORT OR INGRESS OR EGRESS, EXCEPT AS SHOWN ON THE SURVEY.
- THIS SURVEY DOES NOT SHOW EXISTING TREES OR LANDSCAPING.
- MONUMENTS (OR REFERENCE MONUMENTS) HAVE BEEN SET AT ALL MAJOR CORNERS OF THE BOUNDARY OF THE SURVEYED PROPERTY, UNLESS ALREADY MARKED OR REFERENCED BY EXISTING MONUMENTS OR WITNESSES TO THE CORNER WERE FOUND IN CLOSE PROXIMITY TO THE CORNER, AS SHOWN ON THE SURVEY.
- THE SURVEYED PROPERTY ADDRESS IS: 500 HERITAGE GROVE ROAD, WILLIAMSON COUNTY, TEXAS
- ACCORDING TO COMMUNITY PANEL NO. 4810790455, MAP NO. 48491C0455F, EFFECTIVE DATE: 12/20/2019 OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP (FIRM), THE SUBJECT TRACT IS LOCATED WITHIN ZONE "X" (UN-SHADED) WHICH IS DEFINED BY FEMA AS "AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN," COMMONLY KNOWN AS THE 500-YEAR FLOODPLAIN. ZONE "X" (UN-SHADED) IS OUTSIDE OF ANY FEMA ESTABLISHED FLOOD HAZARD ZONE. ALL ZONE DELINEATIONS SHOWN HEREON ARE APPROXIMATE. THIS FLOOD STATEMENT DOES NOT IMPLY THAT THE PROPERTY AND/OR THE STRUCTURES THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE. ON RARE OCCASIONS, GREATER FLOODS CAN AND WILL OCCUR AND FLOOD HEIGHTS MAY BE INCREASED BY MAN-MADE OR NATURAL CAUSES. THIS FLOOD STATEMENT SHALL NOT CREATE ANY LIABILITY ON THE PART OF KIMLEY-HORN OR THE UNDERSIGNED.
- THE EXTERIOR "FOOT PRINT" DIMENSIONS OF ALL ONSITE BUILDING(S) SHOWN HEREON ARE USED FOR SQUARE FOOTAGE CALCULATIONS.
- THIS SURVEY DOES NOT REFLECT ZONING STATUS OR RESTRICTIONS. PER ALTA/NSPS OPTIONAL TABLE A NO. 6 (A)(B), A PRIVATE ZONING REPORT WAS NOT PROVIDED BY THE OWNER OR THE INSURER. THE SURVEYOR WILL NOT RESEARCH OR INTERPRET ANY ITEM RELATED TO ZONING IN ORDER SHOW SAID ZONING RESTRICTIONS.
- WHILE PERFORMING THE FIELDWORK, THE SURVEY CREW OBSERVED NO PARKING SPOTS, HANDICAPPED, COMPACT OR OTHERWISE ON THE SUBJECT TRACT AT THE TIME OF SURVEY, EXCEPT AS SHOWN ON SURVEY.
- WHILE PERFORMING THE FIELDWORK, THE SURVEY CREW OBSERVED NO PARTY WALLS ON THE SURVEYED PROPERTY, EXCEPT AS SHOWN ON THE SURVEY.
- THE UNDERGROUND UTILITIES SHOWN HEREON REFLECT TEXAS 811 MARKINGS WHICH WERE OBSERVED AND LOCATED BY SURVEY CREWS WHILE PERFORMING THE FIELDWORK AND IS SUPPLEMENTED BY ANY RECORD DRAWINGS PROVIDED TO THE SURVEYOR BY THE CLIENT, THE CLIENT'S REPRESENTATIVES, AND/OR THE UTILITY COMPANY'S REPRESENTATIVES. KIMLEY-HORN CANNOT GUARANTEE THE LOCATIONS OF SAID UTILITIES, EXCEPT THOSE THAT WERE OBSERVED AND READILY VISIBLE ON THE SURFACE AT THE TIME THE SURVEY CREW PERFORMED THE FIELD SURVEY. KIMLEY-HORN HAS MADE NO ATTEMPT TO OBTAIN OR SHOW DATA CONCERNING THE SIZE, DEPTH, CONDITION, OR CAPACITY OF ANY BURIED UTILITIES OR OTHER UNDERGROUND FACILITIES. FOR INFORMATION REGARDING SAID UTILITIES OR FACILITIES, PLEASE CONTACT THE APPROPRIATE AGENCIES. ANY MARKINGS SHOWING THE LOCATION OF BURIED UTILITIES THAT WERE VISIBLE AND OBSERVED BY THE SURVEY CREW WHILE PERFORMING THE FIELDWORK, WERE LOCATED AND ARE REFLECTED TO THE BEST OF OUR KNOWLEDGE AND ABILITY. KIMLEY-HORN CANNOT GUARANTEE THE ACCURACY AND THOROUGHNESS OF THE UTILITY COMPANY REPRESENTATIVES MARKING EFFORT. KIMLEY-HORN ASSUMES NO LIABILITY FOR POORLY OR IMPROPERLY MARKED UTILITY LOCATIONS. NO PRIVATE INTERIOR SERVICE LINES WERE MARKED AND ARE NOT SHOWN.
- ALL ADJOINING PROPERTY OWNERSHIP INFORMATION REFLECTED ON THIS SURVEY IS BASED ON THE CURRENT TAX RECORDS AND APPRAISAL MAPS WHICH WERE MADE READILY AVAILABLE BY THE LOCAL CITY/COUNTIES AT THE TIME OF SURVEY.
- WHILE PERFORMING THE FIELDWORK, THE SURVEY CREW OBSERVED NO EVIDENCE OF ON-GOING CONSTRUCTION, NEW BUILDING ADDITIONS, OR RECENT EARTH MOVING WORK ON THE SUBJECT TRACT, EXCEPT AS SHOWN ON THE SURVEY.
- THE SURVEYOR IS UNAWARE OF ANY PROPOSED CHANGES TO STREET RIGHT-OF-WAYS AND, WHILE PERFORMING THE FIELDWORK, THE SURVEY CREW DID NOT OBSERVE ANY VISIBLE EVIDENCE THAT CHANGES TO STREET RIGHT-OF-WAYS WERE OCCURRING ON THE SUBJECT TRACT, EXCEPT AS SHOWN ON THE SURVEY.

SURVEYOR'S CERTIFICATION:

TO: STEWART TITLE GUARANTEE COMPANY;
PRESERVE IT TITLE COMPANY, LLC;
REAL HOLDINGS, LLC;
JAMES E. ROBERSON & MONTA JANE AKIN

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2021 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 8, 9, 13 & 16 OF TABLE A THEREOF.

FIELD SURVEY COMPLETION DATE: OCTOBER 6, 2021.
SURVEY COMPLETION DATE: NOVEMBER 17, 2021.

ZACHARY KEITH PETRUS, R.P.L.S.
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 6769
10814 JOLLYVILLE ROAD
CAMPUS IV, SUITE 200
AUSTIN, TEXAS 78759
PH: (512) 572-8674
ZACH.PETRUS@KIMLEY-HORN.COM



ALTA/NSPS LAND TITLE SURVEY OF
TRACT 1 - 44.357 ACRES
ADDRESS: 500 HERITAGE GROVE ROAD
BEING OUT OF THE
CHARLES COCHRAN LEAGUE, ABSTRACT 134
CITY OF LEANDER ETJ, WILLIAMSON COUNTY, TEXAS

Kimley»Horn

10814 JOLLYVILLE ROAD, CAMPUS IV
SUITE 200, AUSTIN, TEXAS 78759
TBPELS FIRM # 10194624
TEL. NO. (512) 418-1771
WWW.KIMLEY-HORN.COM

SCALE	DRAWN BY	CHECKED BY	DATE	PROJECT NO.	SHEET NO.
1" = 150'	NLS	ZKP	11/8/2021	069290901	1 OF 1

Exhibit “B”

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation (“City”), and RCG Heritage Grove LLC (“Landowner”), all of which may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto (the “subject property”);

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City’s consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the “Effective Date”).

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a Landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that Landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned "SFR-1-B" with the intent to rezone the subject property upon request of the Landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity ("CCN") for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City's water utility system, the subject property's owner shall construct the internal water lines and pay the costs of line

extension and construction of such facilities necessary to provide water service to the subject property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the subject property's owner requests and is able to connect to the City's water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

(i) Inspection of sewer lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subjects property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

(A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and

(B) Routine maintenance as presently performed by the City.

(ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:

(A) As provided in C(i)(A)&(B) above;

(B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the

Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

EXECUTED and AGREED to by the Parties this the ____ day of _____,
20__.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard Beverlin, III, City Manager

LANDOWNER(S):

By: _____

Name (print): _____

Title: _____

Date: _____

By: _____

Name (print): _____

Title: _____

Date: _____

Subject Property Description

[SEE ATTACHED]

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS ANNEXING 44.357 ACRES OF LAND, MORE OR LESS, LOCATED IN WILLIAMSON COUNTY, INCLUDING THE ABUTTING STREETS, ROADWAYS, AND RIGHTS-OF-WAY INTO THE CORPORATE LIMITS OF THE CITY, AT THE REQUEST OF THE PROPERTY OWNER; APPROVING AN AGREEMENT FOR THE PROVISION OF SERVICES FOR THE ANNEXED AREA; MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; AND PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

WHEREAS, the City of Leander, Texas, is a home-rule municipality authorized by State law to annex territory lying adjacent and contiguous to the City;

WHEREAS, the owners of the property, as hereinafter described, made written request for the City to annex such property in compliance with the *Tex. Loc. Gov't. Code*;

WHEREAS, the property is adjacent and contiguous to the present city limits;

WHEREAS, the City Council heard and has decided to grant the owners' request that the City annex said property;

WHEREAS, a public hearing was conducted prior to consideration of this Ordinance in accordance with §43.0673 of the *Tex. Loc. Gov't. Code*;

WHEREAS, notice of the public hearing was published not more than twenty (20) nor less than ten (10) days prior to the public hearing;

WHEREAS, the City intends to provide services to the property to be annexed according to the agreement for the provision of services attached hereto as **Exhibit "B"**.

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

SECTION 1. That all of the above premises and findings of fact are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2. All portions of the following described properties (hereinafter referred to as the "Annexed Property"), not previously annexed into the City, including the abutting streets, roadways and rights-of-way, are hereby annexed into the corporate limits of the City of Leander:

All that certain area of land being 44.357 acres, more or less, in Williamson County, Texas, being more particularly described in **Exhibit A** attached hereto and incorporated herein for all purposes.

SECTION 3. That the provision of services agreement submitted herewith is hereby approved as part of this Ordinance, made a part hereof and attached hereto as **Exhibit “B”**.

SECTION 4. That the future owners and inhabitants of the Annexed Property shall be entitled to all of the rights and privileges of the City as set forth in the provisions of services agreement attached hereto as **Exhibit “B”**, and are further bound by all acts, ordinances, and all other legal action now in full force and effect and all those which may be hereafter adopted.

SECTION 5. That the official map and boundaries of the City, heretofore adopted and amended be and hereby are amended so as to include the Annexed Property as part of the City of Leander.

SECTION 6. That the Annexed Property shall be temporarily zoned District “SFR-1-B” as provided in the City Zoning Ordinance, as amended, until permanent zoning is established therefore.

SECTION 7. That if any provision of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 8. That this Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the *Tex. Loc. Gov’t. Code*.

SECTION 9. That it is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov’t. Code*.

PASSED AND APPROVED on First Reading this 7th day of July, 2022.

FINALLY PASSED AND APPROVED on this 21st day of July, 2022.

ATTEST:

CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor

Exhibit “A”

PROPERTY DESCRIPTION

[SEE ATTACHED]

Exhibit “B”

**AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES
FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER**

[Insert executed Agreement]



EXECUTIVE SUMMARY

07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding Zoning Case 22-Z-012 to amend the current zoning of Interim SFR-1-B (Single-Family Rural) to adopt the 500 Heritage Grove Road PUD (Planned Unit Development) with the base zoning district of HC-4-D (Heavy Commercial) on two parcels of land approximately 44.385 acres ± in size, more particularly described by Williamson Central Appraisal District Parcels R031642 and R031640; and commonly known as 500 Heritage Grove Road, Leander, Williamson County, Texas.

- Discuss and consider action regarding Zoning Case 22-Z-012 as described above.

BACKGROUND:

This request is the second step in the zoning process.

HISTORY/TIMELINE:

06/09/2022 Planning & Zoning Commission, 1st Public Hearing

APPLICANT/AGENT:

Armbrust & Brown, PLLC (Jewels Cain) on behalf of RCG Heritage Grove LLC (Lynn Yuan).

RECOMMENDATION:

The Planning & Zoning Commission recommended denial with a 5 to 1 vote (May opposing). The Commission asked that the developer provide more defined project that addressed the following:

1. Provide more information about the proposal. The current PUD is too vague.
2. Reduced permitted outdoor storage
3. Include height limits
4. Provide a transition/buffer between the development and the residential area.

COMMISSIONER COMMENTARY:

Commissioner May, Place 3: Commission May would like for the applicant to review the plan and propose a compromise that would address the concerns of the neighborhood while still allowing the commercial development. The applicant indicated that they would not be able to provide more information.

After the Planning & Zoning Commission meeting, the applicant provided the following edits to the PUD:

1. Increase the height of the screening wall from six feet to eight feet.
2. Increase the building setback from 55 feet to 75 feet.
3. Reduce the amount of outdoor storage
4. Prohibit truck courts that face the residential properties unless the Council is presented with renderings that meet the intent of the code.

PRESENTER:

Robin M. Griffin, AICP, Executive Director of Development Services

Attachments

1. Planning Analysis

2. Current Zoning Map
3. Future Land Use Map
4. Public Notice Map
5. Proposed Zoning Map
6. Aerial Map
7. PUD Notes
8. Letter of Intent
9. Summary of Neighborhood Communication
10. Redline PUD Notes
11. Ordinance
12. P&Z Minutes



PLANNING ANALYSIS

ZONING CASE 22-Z-012
500 HERITAGE GROVE PUD

GENERAL INFORMATION

Owner/Agent: Armbrust & Brown, PLLC (Jewels Cain) on behalf of RCG Heritage Grove LLC (Lynn Yuan).

Current Zoning: Interim SFR-1-B (Single-Family Rural)

Proposed Zoning: PUD (Planned Unit Development) with below base zoning:
HC-4-D (Heavy Commercial)

Size and Location: The property is located at 500 Heritage Grove Road, including approximately 44.40 acres.

Staff Contact: Cory Dale
Planner

APPLICANT REQUEST

The applicant has submitted a request for annexation concurrently with a change to the assigned zoning district of their property in order to develop the property as heavy commercial. Applicant has also prohibited several uses per PUD notes (see below approval criteria).

STAFF CONCLUSIONS

Y N

- ☒ ☐ Does the proposal comply with the intent statements of the Composite Zoning Ordinance? *see pages 2 & 3*
- ☒ ☐ Does the proposal comply with the goal statements of the Comprehensive Plan? *see page 3*
- ☒ ☐ Does the proposal warrant any other special considerations? *see below.*

SPECIAL CONSIDERATIONS

This property is subject to an annexation development agreement. Annexation of the property is required when the property develops and is assigned a base zoning district of Interim SFR-1-B. The annexation request (22-A-004) will be reviewed concurrently with the rezoning request.

SITE INFORMATION:

ABUTTING ZONING AND LAND USE:

	ZONING	LAND USE
NORTH	ETJ	Undeveloped and large lot residential

EAST	HC-4-C HI-5-D	Undeveloped and future industrial use
SOUTH	PUD-SF	Residential
WEST	SFC-2-B	Compact Residential

SURROUNDING AREA:

Subject tract is primarily bound by residential with: properties to the north are large lot residential within the ETJ; east tract is an undeveloped future industrial project (site plans under review); south across Heritage Grove Road is the Reserve at North Fork subdivision and to the west is Haven Oaks subdivision.

PHYSICAL AND NATURAL FEATURES:

This property does not contain floodplain and currently being used as a large lot residential homestead. Heavy tree cover to the north of the tract will be addressed during site development.

PROPERTY HISTORY:

This property was kept in the ETJ with future annexation request and zoning assigned at time of development per executed development agreement.

PREVIOUS ZONING CASES:

The following zone cases were previously submitted for this property:

- **January 14, 2021:** The Planning and Zoning Commission conducted a public hearing on zoning case 20-Z-035, which requested a zone change from Interim SFR-1-B to HC-5-D. The applicant withdrew the request on 01/21/2021.
- **July 22, 2021:** The Planning and Zoning Commission conducted a public hearing on zoning case 21-Z-021 and Concept Plan Amendment 21-CPA-003, which requested to develop the site as single-family detached residential (SFC-2-A and SFU-2-A). The request was denied by City Council on 08/19/2021.

MAJOR CORRIDORS:

This property has access onto Heritage Grove Road (Collector).

TRANSPORTATION PLAN REQUIREMENTS:

This property potentially includes ROW dedication along Heritage Grove Road in addition to the continuation of the eight (8') foot sidewalk eastward. At the time of Concept Plan Submittal, the applicant will submit either a Traffic Impact Analysis (TIA) or a fee in lieu of TIA as determined by the City Engineer.

EXISTING UTILITIES:

This property has access to both sewer and water within the ROW of Heritage Grove Road.

CURRENT LAND USES:

This property is currently being used as large lot residential.

PROPOSED ZONING DISTRICT:**USE COMPONENT****HC – HEAVY COMMERCIAL:**

Features: Any use in GC plus commercial laundry, contractor storage yard, lumber yards, indoor manufacture, assembly and processing, mini-warehouse, RV, trailer and boat storage, testing and research, warehouse and distribution, wholesale, wrecker impoundment.

Intent: Development of a variety of light manufacturing, assembly and processing businesses, storage, warehouses and lumber sales. Access should be provided by an industrial or commercial collector street.

SITE COMPONENT

TYPE 4 (non-residential only):

Features: Accessory buildings up to 60% of primary building; drive-thru service; outdoor fueling and washing of vehicles; overhead service doors; maximum outdoor display; substantial outdoor storage; outdoor entertainment venues and animal boarding.

Intent:

- (1) The Type 4 site component is intended to be utilized in combination with GC, HC or HI components where appropriate for moderately intense outdoor site requirements and a need to utilize the outdoor site area for significant outdoor display, storage and accessory buildings and similar permitted uses.
- (2) This site component is intended only for industrial or heavy commercial uses and may be utilized only with GC, HC or HI use components.
- (3) This site component is not intended for retail or office development not requiring the available limits of outdoor storage and accessory buildings or adjacent to residential neighborhoods where not adequately buffered from residential uses.
- (4) Compliance with Type 1, 2 or 3 standards shall also be deemed as compliance with this component.

ARCHITECTURAL COMPONENT

TYPE D (non-residential only):

Features: 2 or more architectural features.

Intent:

- (1) This architectural component is intended only for industrial warehouse, heavy commercial service and other similar applications and shall be utilized only with GC, HC or HI use components.
- (2) This component is not intended to be utilized with the majority of GC districts.
- (3) This component is not intended for retail or office development or adjacent to residential neighborhoods where not adequately buffered from residential uses.
- (4) This site component is discouraged along major thoroughfares and is intended to be utilized within industrial park development.

COMPREHENSIVE PLAN:

Applicable Comprehensive Plan goal statements

- Guide future growth and development following the comprehensive plan to achieve a more balanced, diverse economy;
- Provide new Commercial development opportunity;

Applicable Future Land Use categories

EMPLOYMENT CENTER

- The Employment Center future development category is for primary jobs and business in strategic locations. These areas are intended for regional-serving employment in planned campus-like environments for office, research, medical, manufacturing, light industrial, warehouse, and heavy commercial uses. To remain competitive in today's corporate marketplace, contemporary workforce-supporting elements such as amenities, retail and high-density residential are also encouraged in an integrated development pattern.

The Employment Center area is focused on meeting the plan goals of an attractive, high-quality business environment for investors to bring to Leander and grow/diversify the tax base. It complements other nearby regional mixed-use areas, but provides opportunities for larger-footprint, single-tenant buildings that can accommodate numerous employees. These areas may be developed with an auto-oriented, traditional character, or in a mixed-use urban design. In a planned environment, upper-story vertical mixed-residential

is encouraged along with limited, integrated high-density residential-only buildings. Such scenarios should be tightly regulated to ensure the proper mix.

Desired Mix: 80-100% Non-Residential, 0-20% Residential

INTERGOVERNMENTAL/INTERDEPARTMENTAL REVIEW:

This proposal was reviewed by all applicable departments within the City of Leander. All plats submitted will be reviewed by City Staff.

SCHEDULE:

DEVELOPMENT MEETING

The developer has had multiple meetings with both Planning and Economic Development staff to discuss the presented project.

NOTIFICATION

05/19/2022 - Public Notice on Hill Country News
 05/25/2022 - Mail Notification to Property Owners within 200'
 05/25/2022 - Public Hearing Signage Posted on Property
 06/09/2022 - Planning and Zoning Commission Public Hearing
 07/07/2022 - City Council Public Hearing & First Reading of the Ordinance
 07/21/2022 - City Council Second & Final Reading of the Ordinance

PUBLIC NOTIFICATION:

In addition to the notice mailed on behalf of the City to all property owners within 200', the agent reached out to all property owners of property zoned as single-family or any properties used as single-family uses within 500' as per Article X, Section 3 (d) of the Composite Zoning Ordinance. Any Homeowner's Association located within 500' were also contacted.

Multiple neighborhood meetings were held by the applicant as outlined in attachment 9 Neighborhood Outreach. Below is a list of comments/concerns that were discussed during the meetings:

- Opposition to Commercial next to residential subdivision (Haven Oaks).

The following changes were made to address issues discussed.

- Project is proposing a fifty-five (55') foot building setback along the western property line;
- Restriction of several uses were discussed as not being appropriate next to existing residential neighborhood;
- Access will be prohibited where Jud Allen Way currently dead ends to the west of the property;

Please see the full report from the applicant attached as Neighborhood Outreach (attachment 9).

APPROVAL CRITERIA:

The zoning request is consistent with the future land use map designation of employment center and the proposed development has placed the below higher standards on the tract to address neighborhood outreach concerns.

- Addition of prohibited uses as outlined in attachment 7 PUD Notes Section D;
- Addition of a six (6') foot masonry screen wall with twenty (20') foot landscape buffer in front on the western property line (facing Haven Oaks Subdivision);
- Modification of a fifty-five (55') foot building setback provided along western property line. Per Composite Zoning Ordinance normally this would be at fifty (50') feet;

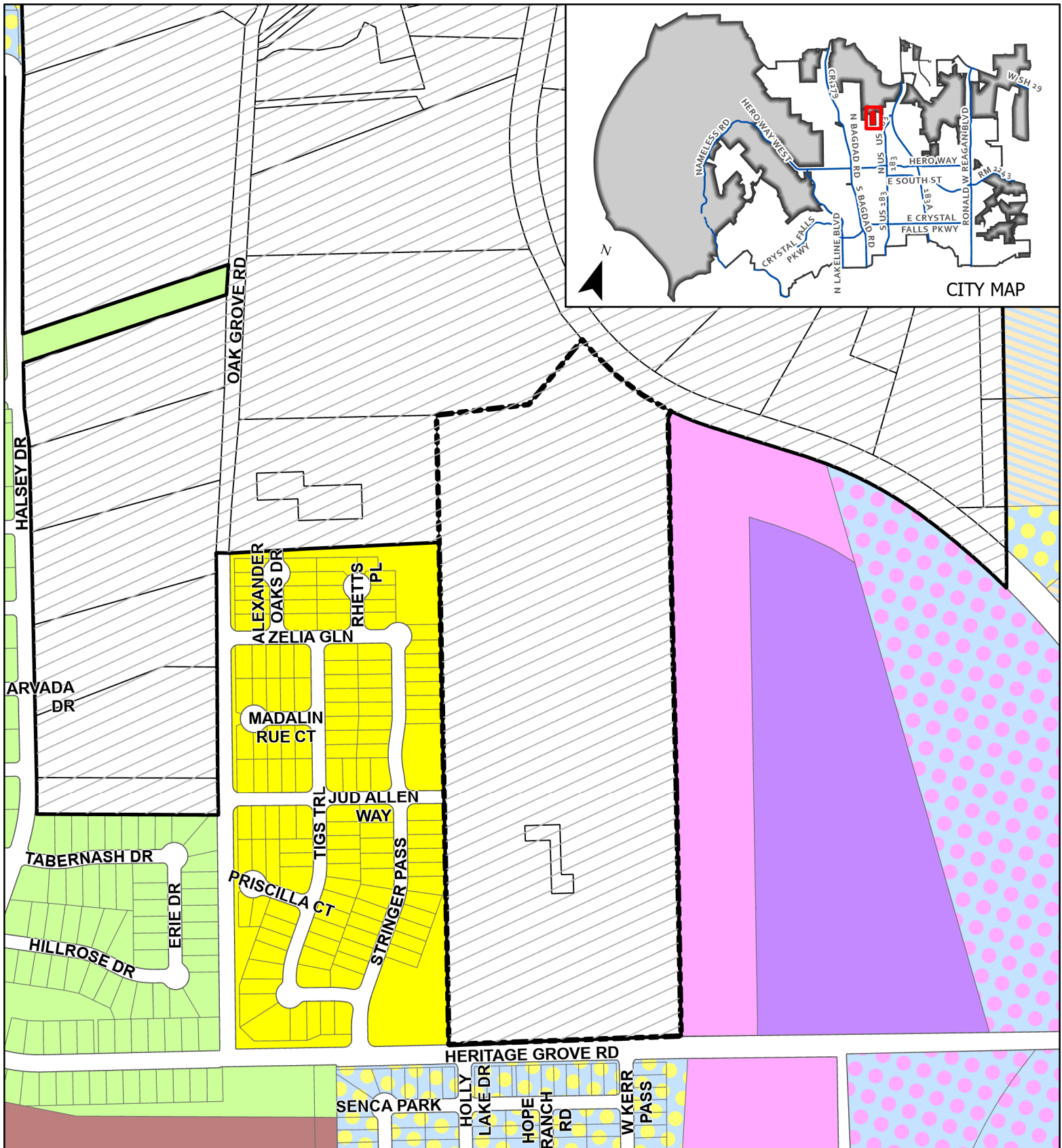
- Proposing waiver to Subdivision Ordinance to not extend Jud Allen Way into the development. With the construction of a six foot masonry wall along the western property line, developer also proposing a barricade/posts with reflective material to be installed where Jud Allen Way dead ends;

The development is requesting the following waiver per CZO, Article VI, Section 13:

- No parking aisle connection to the eastern property boundary since the adjacent use will be incompatible use (industrial);

Staff would like to point out that per the requested Type 4 Site Component:

- Outdoor storage and container storage are permitted as accessory uses with the following conditions.
 - (i) Such storage does not exceed sixty percent (60%) of the gross floor area of the primary building that houses the business storing such materials;
 - (ii) Such storage or container is located no closer to a street frontage than the primary building that houses the business storing such materials;
 - (iii) Such storage or container is screened from view from adjacent properties and any street in accordance with the Screening Requirements of Art. VI, Sec. 1;
 - (iv) Such storage or container is not permitted within required setbacks;
- Accessory buildings / structures are permitted as long as their total square footage is not greater than sixty percent (60%) of the gross floor area of the primary building / structure that houses the business utilizing such (agricultural and recreational buildings / structures are exempt from this limit);
- The combination of outdoor storage and accessory buildings / structures shall not exceed eighty percent (80%) of the gross floor area of the primary building / structure utilizing such. Outdoor storage that is covered by an accessory building / structure shall be counted toward each individual limit for both outdoor storage and accessory buildings, but shall only be counted once toward the combined limit.



CASE: 22-Z-012

ATTACHMENT 2

500 HERITAGE GROVE
ROAD PUD

Current Zoning

This map has been produced by the City of Leander for informational purposes only. No warranty is made by the City regarding completeness or accuracy. This data should not be construed as a legal description or survey instrument. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, completeness, use or misuse of the information herein provided.

Leander City Limits

ETJ

Subject Area

SFU - Single-Family Urban

SFC - Single-Family Compact

LC - Local Commercial

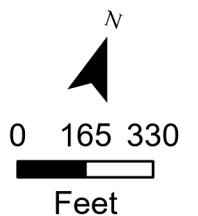
HC - Heavy Commercial

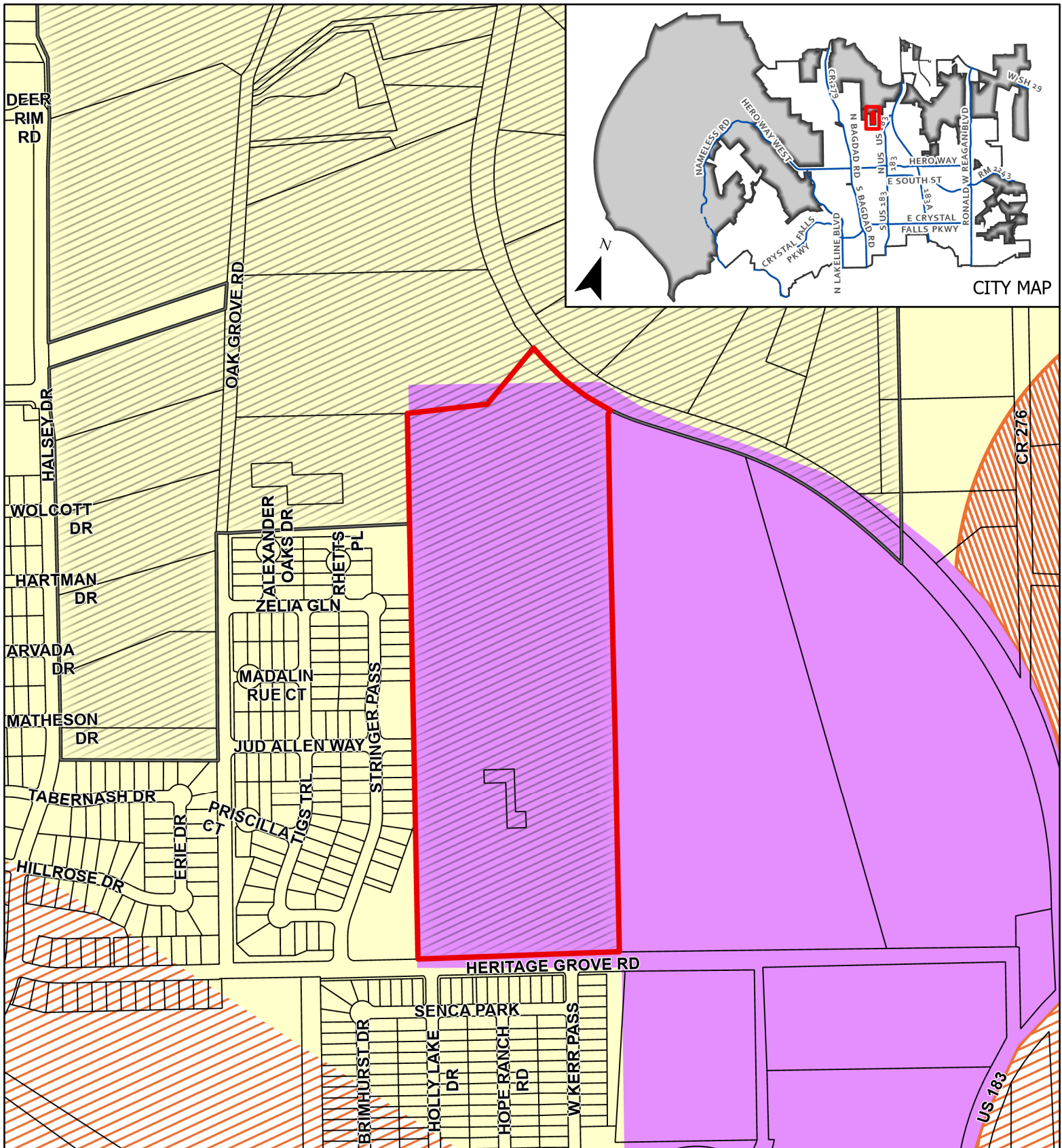
HI - Heavy Industrial

PUD - Single-Family

PUD - Heavy Commercial

CD - Conventional Sector





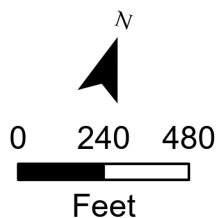
CASE: 22-Z-012

ATTACHMENT #3

500 HERITAGE GROVE
ROAD PUD

Future Land Use Map

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Leander City Limits

Leander ETJ

Subject Area

Future Land Use

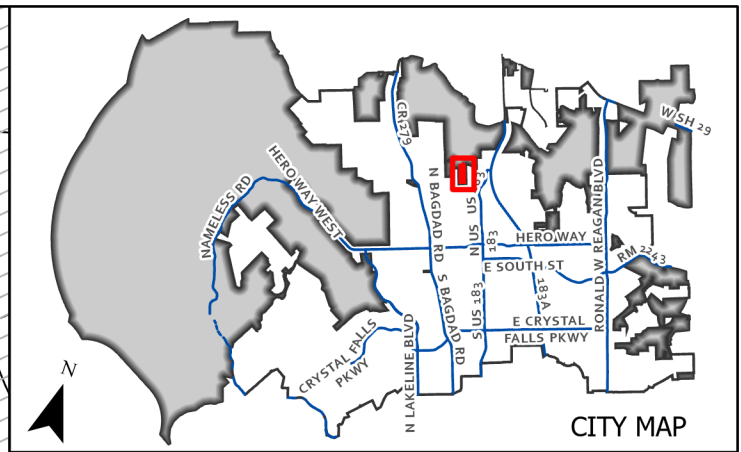
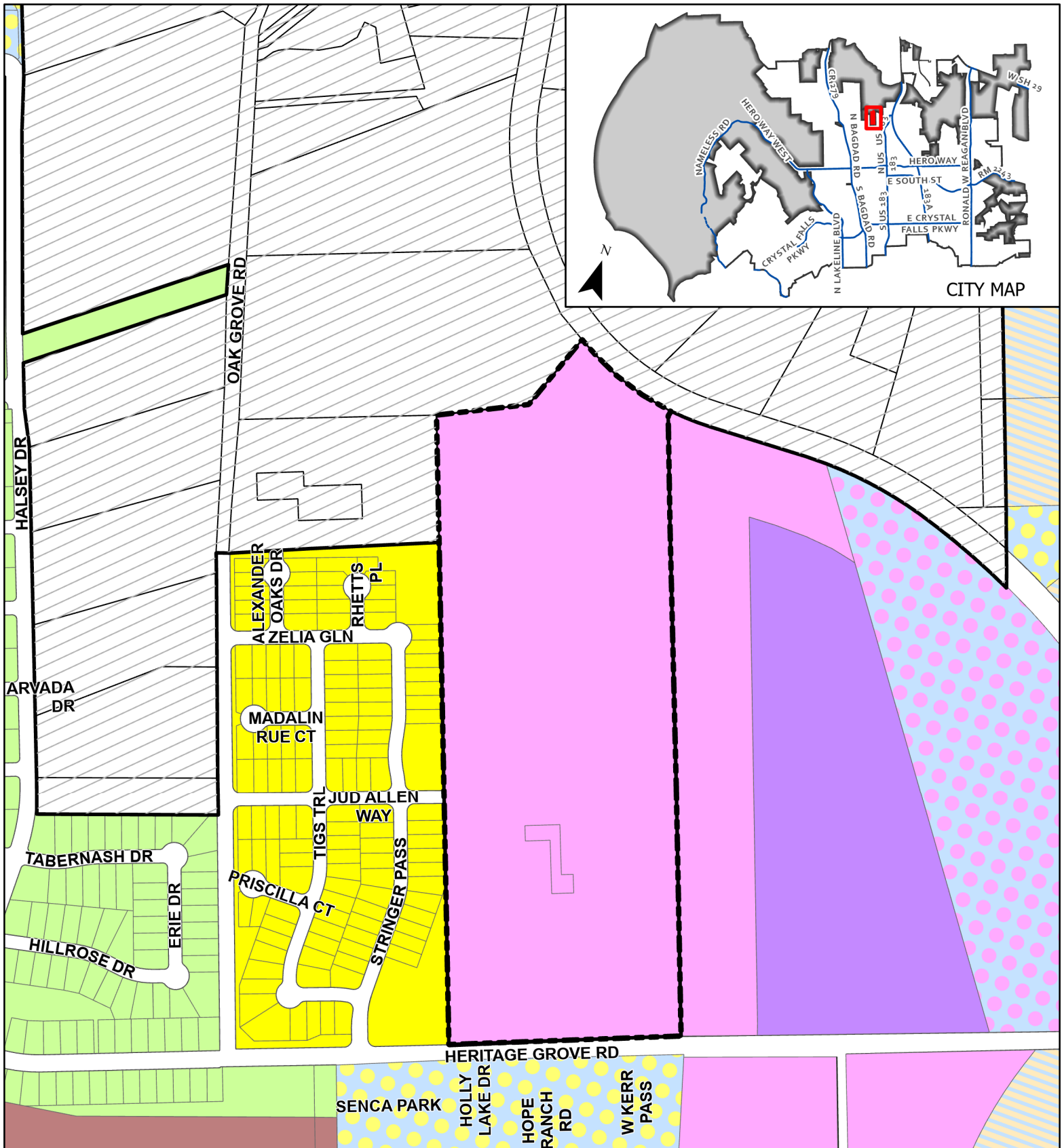
Neighborhood Residential

Multi-Use Corridor

Multi-Use Corridor - Priority Corridor

Neighborhood Center - Priority Corridor

Employment Center



CASE: 22-Z-012

ATTACHMENT 5

500 HERITAGE GROVE
ROAD PUD

Proposed Zoning

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Leander City Limits

Subject Area

SFU - Single-Family Urban

SFC - Single-Family Compact

LC - Local Commercial

HC - Heavy Commercial

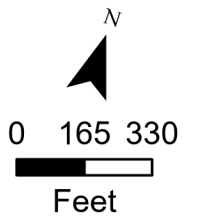
HI - Heavy Industrial

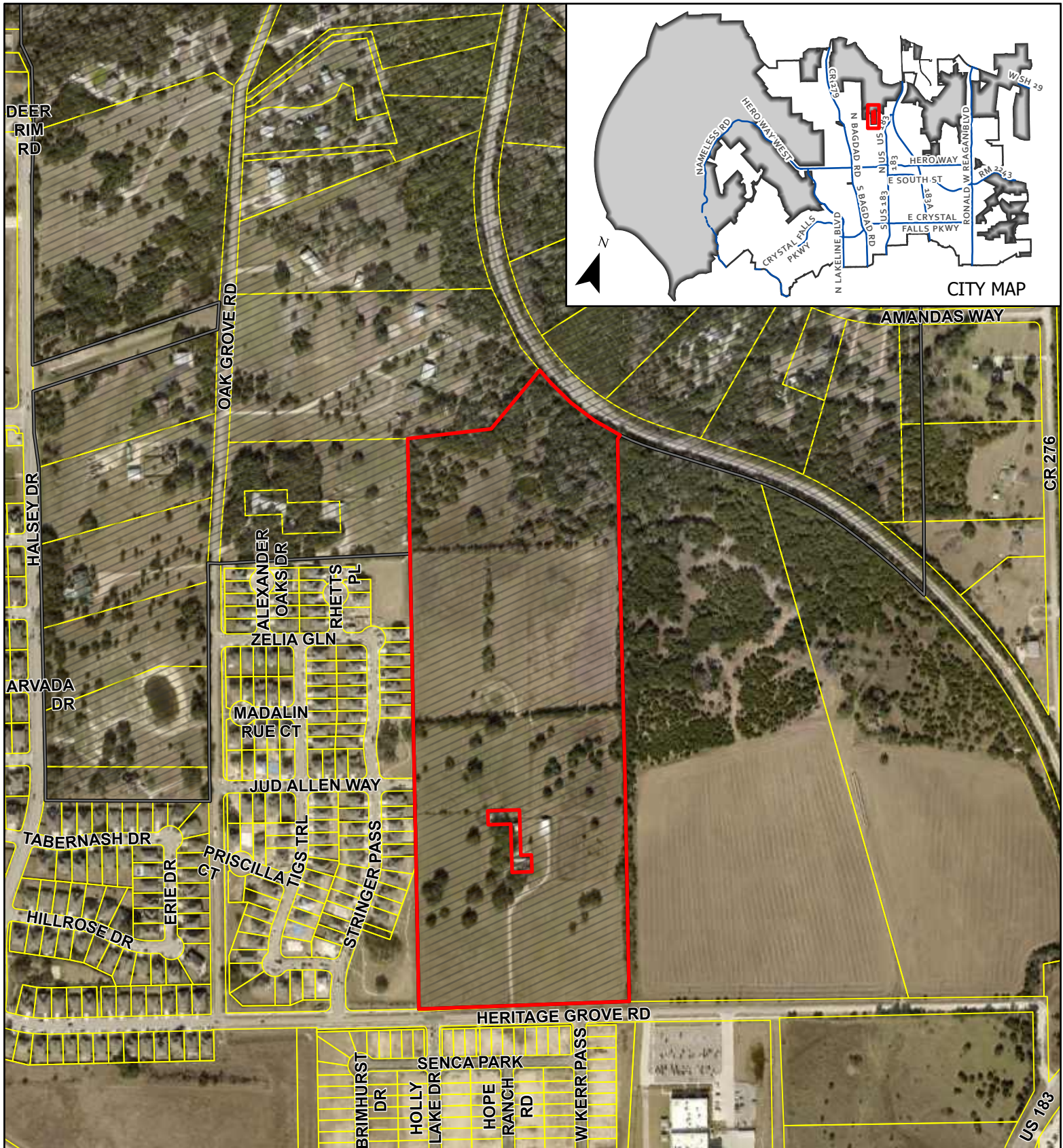
PUD - Single-Family

PUD - Heavy Commercial

CD - Conventional Sector

prop_etj





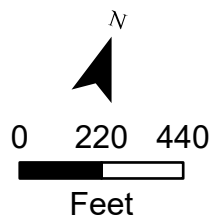
CASE: 22-Z-012

ATTACHMENT #6

500 HERITAGE GROVE
ROAD PUD

Aerial Map

This map has been produced by the City of Leander for informational purposes only. No warranty is made by the City regarding completeness or accuracy. This data should not be construed as a legal description or survey instrument. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, completeness, use or misuse of the information herein provided.



- Leander City Limits
- Leander ETJ
- Subject Area

EXHIBIT A

500 Heritage Grove Planned Unit Development

A. Purpose and Intent

1. The 500 Heritage Grove PUD is comprised of approximately 44.357 acres, as shown in **Exhibit B**. The development of this property includes Heavy Commercial uses.

B. Applicability and Base Zoning

1. All aspects regarding the development of this PUD shall comply the City of Leander Composite Zoning Ordinance, except as established in this exhibit, titled **Exhibit A**.
2. For the purpose of establishing development standards for the PUD, the following base zoning district has been selected from the Leander Composite Zoning Ordinance:
HC-4-D (Heavy Commercial)

C. Conceptual Site Layout & Land Use Plan

1. A Conceptual Site Layout and Land Use Plan has been attached to this PUD, **Exhibit C**, to illustrate the design intent for the property. The Conceptual Site Layout and Land Use Plan is intended to serve as a guide to illustrate the general community vision and design concepts and is not intended to serve as a final document.

D. Allowable / Prohibited Uses

1. The allowable uses shall include uses permitted by right in the HC-4-D except as stated below.
2. The prohibited uses shall include:
 - i. Animal boarding
 - ii. Bar, nightclub or private club
 - iii. Bingo
 - iv. Car Title Loans Shop/Business
 - v. Commercial laundry
 - vi. Entertainment venues including bowling alleys, golf practice ranges, miniature golf establishments, theaters, amusement parks, arcades, arenas, stadiums, gymnasiums, skating rinks, commercial sports venues, indoor shooting range, etc.
 - vii. Farms or truck gardens
 - viii. Funeral home, including embalming and crematory facilities associated with an on-site funeral home or cemetery.
 - ix. Gaming Room Facility/Gaming Device
 - x. Hooka Lounge
 - xi. Mini-warehouse or self-service storage facilities as a primary use.
 - xii. New or used vehicle and major equipment sales, rental or leasing, repair of new or used vehicles, body shop
 - xiii. Outdoor nursery
 - xiv. Pawn Shop

- xv. Payday Lending Business
- xvi. RV, trailer, commercial motor vehicle and boat outdoor storage
- xvii. Standalone crematory or embalming establishment
- xviii. Tattoo and/or Body Piercing Parlor
- xix. Transportation related facilities including commercial parking lots, passenger terminals, taxi cab stations and mass transit terminals as a primary use.
- xx. Utilities, including ground mounted service equipment and structures as a primary use and facilities such as poles, electrical switching facilities, lift stations, water pump stations, gas regulating facilities, electrical substations, generating plants, wastewater and water treatment plants, etc.
- xxi. Vehicle and major equipment sales, rental or leasing, repair of new or used vehicles, body shop
- xxii. Wrecker Impoundment, Towing

E. **Development Standards**

1. Screening shall be provided along the west property line with a six (6') foot masonry wall with a twenty (20') foot landscape buffer in front.
2. A minimum building setback of fifty-five (55') feet shall be provided along the western property line as shown on **Exhibit C**.
3. Article III, Section 42(2)(iii) of the Subdivision Ordinance shall be modified to not require Jud Allen Way to be extended. A six (6') foot masonry wall constructed along the western property line which shall prohibit access from Jud Allen Way through this property. Also, a barricade or posts with reflective material shall be installed where Jud Allen Way dead ends.
4. A waiver is being requested to Article 6 of the Zoning Ordinance under Section 13. No parking aisle connections shall be made to the eastern property boundary since the adjacent use will be incompatible for the purposes of mixing traffic.

Exhibit B



LEGAL DESCRIPTION OF LAND:
TRACT 1 - 44.357 ACRES

BEING A 44.357 ACRES (1,932,179 SQUARE FEET) TRACT OF LAND SITUATED IN THE CHARLES COCHRAN LEAGUE, ABSTRACT 134, BEING LOCATED JUST OUTSIDE OF THE CITY LIMITS OF THE CITY OF LEANDER, WILLIAMSON COUNTY, TEXAS; BEING THE SAME TRACT OF LAND DESCRIBED TO JAMES E. ROBERSON AND MONTA JANE AKIN AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 1991016727 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "SURVTX" FOUND IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF HERITAGE GROVE ROAD (VARIABLE WIDTH PUBLIC R.O.W.); AT THE SOUTHEAST CORNER OF THE HAVEN OAKS SUBDIVISION AS SHOWN ON PLAT RECORDED IN DOCUMENT NO. 20200893 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE, NORTH 21°06'39" WEST, ALONG THE NORTHEAST BOUNDARY LINE OF SAID HAVEN OAKS SUBDIVISION, AT 1812.56 FEET PASSING A 5/8 INCH IRON ROD FOUND AT THE NORTH CORNER OF SAID HAVEN OAKS SUBDIVISION AND AT THE EAST CORNER OF A CALLED 7.87 ACRE TRACT OF LAND DESCRIBED TO ALAN SMITH AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 1985064367 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; THEN CONTINUING ALONG THE NORTHEAST BOUNDARY LINE OF SAID 7.87 ACRE TRACT, IN ALL A TOTAL DISTANCE OF 2266.84 FEET TO A 5/8 INCH IRON ROD FOUND IN THE SOUTHEAST BOUNDARY LINE OF A CALLED 15.26 ACRE TRACT OF LAND DESCRIBED TO TIM SCHNEIDER, ET UX, AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 2002077123 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; AND AT THE NORTH CORNER OF SAID 7.87 ACRE TRACT; FOR THE WEST CORNER OF THIS TRACT;

THENCE, ALONG THE SOUTHEAST BOUNDARY LINE OF SAID 15.26 ACRE TRACT, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 68°34'15" EAST, A DISTANCE OF 350.00 FEET TO A 5/8 INCH IRON ROD FOUND FOR AN ANGLE CORNER OF THIS TRACT;
2. NORTH 19°56'15" EAST, A DISTANCE OF 297.57 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "CEC" FOUND IN THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE CAPITAL METROPOLITAN TRANSIT AUTHORITY RAILROAD AS SHOWN ON DOCUMENT NO. 200002773 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; FOR A POINT OF CURVATURE AT THE NORTH CORNER OF THIS TRACT;

THENCE, IN A SOUTHEASTERLY DIRECTION, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID CAPITAL METROPOLITAN TRANSIT AUTHORITY RAILROAD, ALONG A CURVE TO THE LEFT WITH A CENTRAL ANGLE OF 19°43'46", A RADIUS OF 1092.00 FEET, A CHORD BEARING AND DISTANCE OF SOUTH 73°32'43" EAST, 374.17 FEET, AND A TOTAL ARC LENGTH OF 376.02 FEET TO A RAILROAD SPIKE FOUND FOR THE NORTHERLY EAST CORNER OF THIS TRACT;

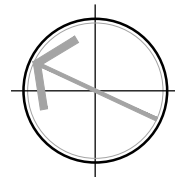
THENCE, SOUTH 12°09'43" WEST, AT 3.71 FEET PASSING A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR LINE MARKER AT THE WEST CORNER OF A CALLED 40.57 ACRE TRACT OF LAND DESCRIBED TO CMHH HERITAGE, LLC AS SHOWN ON DOCUMENT NO. 2021097881 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; THEN CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID 40.57 ACRE TRACT, IN ALL A DISTANCE OF 23.39 FEET TO A RAILROAD SPIKE FOUND AT FOR AN ANGLE CORNER OF THIS TRACT;

THENCE, CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID 40.57 ACRE TRACT, THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

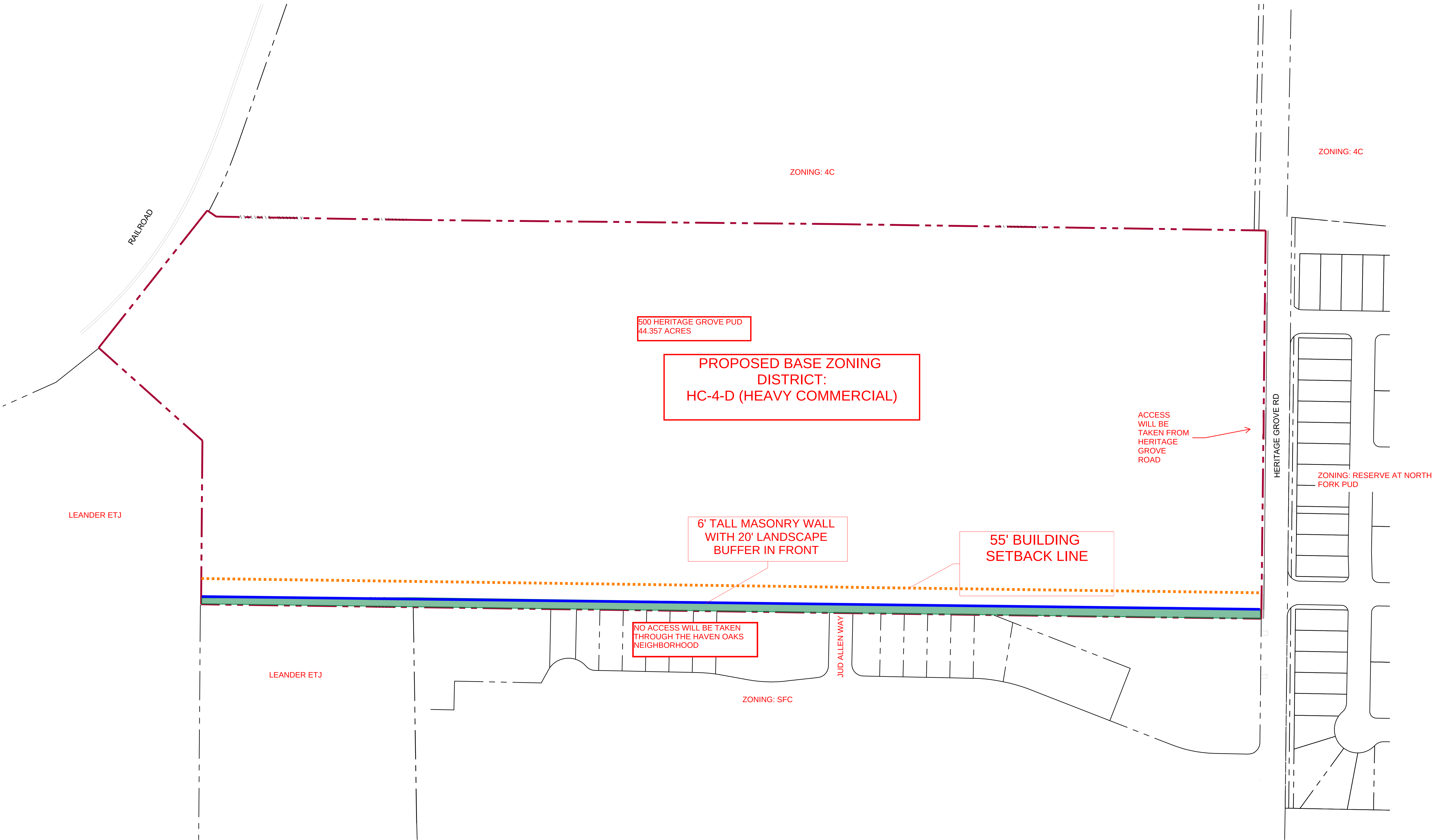
1. SOUTH 20°54'58" EAST, A DISTANCE OF 410.22 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR AN ANGLE CORNER OF THIS TRACT;
2. SOUTH 21°19'49" EAST, A DISTANCE OF 914.70 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR AN ANGLE CORNER OF THIS TRACT;
3. SOUTH 21°21'51" EAST, A DISTANCE OF 918.55 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID HERITAGE GROVE ROAD; FOR THE SOUTHERLY EAST CORNER OF THIS TRACT;

THENCE, SOUTH 68°44'48" WEST, ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID HERITAGE GROVE ROAD, A DISTANCE OF 829.99' TO THE **POINT OF BEGINNING** AND CONTAINING 44.357 ACRES OF LAND, MORE OR LESS, IN WILLIAMSON COUNTY, TEXAS.

Exhibit C



SCALE: 1" = 100'-0"



PRELIMINARY NOT FOR PERMITTING, CONSTRUCTION	
This document is released for the purpose of initial review under the authority of David L. Carson No. 17513 on 02/25/22. It is not to be used for any other purpose, including permitting or construction.	
HERITAGE GROVE 44 LEANDER, TEXAS	
DATE	ISSUED FOR:
02.25.22	REVIEW
DRAWN BY	CHECKED BY
dlc	RCP
PROJECT NUMBER: 22003	
PRELIMINARY	
SITE PLAN	
A0.1	
COPYRIGHT © 2021 TAG INTERNATIONAL, LP	

BUILDING POTENTIAL	Austin	McAllen	Mexico
tag INTERNATIONAL			
1301 S. Capital of Texas Hwy B300 Austin, Texas 78746 Phone: 512.328.1010 Fax: 512.328.3003 www.tagpac.com			

ARMBRUST & BROWN, PLLC

ATTORNEYS AND COUNSELORS

100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701-2744
512-435-2300

FACSIMILE 512-435-2360

Jewels Cain
(512) 435-2318
jcain@abaustin.com

March 10, 2022

Robin M. Griffin, AICP
Planning Director
City of Leander
201 N. Brushy Street
Leander, TX 78646

Re: PUD Zoning Application for the property located at 500 Heritage Grove Road, in Leander, Williamson County, Texas, 78641, also known as WCAD Parcel No. R031640 and R031642 (44.38 acres) (the "Application")

Dear Ms. Griffin:

This letter is submitted on behalf of Waterloo Real Estate Investments, LLC who has contracted with the owner to purchase the property in the above referenced Application. The area to be rezoned is 44.38 acres of land located at 500 Heritage Grove Road, in Leander, Williamson County, Texas (the "Property").

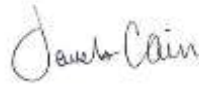
The Property is in the ETJ and has a single family home. Other than the home the Property is currently undeveloped. The request is to rezone the Property to Planned Unit Development (PUD) with a base zoning of HC-5-D to allow for an industrial use. Several uses will be prohibited as listed in the PUD Notes (Exhibit A). Neighborhood outreach is underway and modifications to the proposed PUD may be made based on conversations with the community.

ARMBRUST & BROWN, PLLC

Page 2

Thank you in advance for your time and consideration of this zoning request. If you have any questions or need additional information, please do not hesitate to contact me at (512) 435-2318.

Respectfully,
Armbrust & Brown, PLLC

A handwritten signature in cursive script, appearing to read "Jewels Cain".

Jewels Cain
Land Development Consultant

cc: John Ghiselli, Waterloo Real Estate Investments, LLC
Richard Suttle, Armbrust & Brown, PLLC

ARMBRUST & BROWN, PLLC

ATTORNEYS AND COUNSELORS

100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701-2744
512-435-2300

FACSIMILE 512-435-2360

Jewels Cain
(512) 435-2318
jcain@abaustin.com

April 26, 2022

Robin M. Griffin, AICP
Planning Director
City of Leander
201 N. Brushy Street
Leander, TX 78646

Re: Update - PUD Zoning Application (22-Z-012) for the property located at 500 Heritage Grove Road, in Leander, Williamson County, Texas, 78641, also known as WCAD Parcel No. R031640 and R031642 (44.38 acres) (the "Application")

Dear Ms. Griffin:

This update is being submitted to include a revised concept layout which shows additional setbacks along the western property line for the property referenced in this Application. A copy of the revised concept layout is provided with this update. In addition to the 55' building setback and 6 foot tall masonry wall, no access will be allowed through the Haven Oaks neighborhood. The PUD notes have also been revised accordingly with this update.

Thank you in advance for your time and consideration of this zoning request. If you have any questions or need additional information, please do not hesitate to contact me at (512) 435-2318.

Respectfully,
Armbrust & Brown, PLLC



Jewels Cain
Land Development Consultant

APPLICANT'S SUMMARY OF NEIGHBORHOOD COMMUNICATIONS

This summary is only required for a PUD or a Minor PUD.

1. How and when were the surrounding neighborhood and residential property owners within 500' notified, how was information shared, and who was directly involved in the communication process? Please provide the address of the properties notified and the name and contact information of the residents directly involved in the communication process. Attach any materials that were distributed.

Spoke to Stephen Ashlock with Pulte Group on March 22, 2022. Hosted a Zoom meeting with the Haven Oaks Homeowners Association on April 20, 2022. The proposed zoning was presented to the residents during this virtual meeting and a follow-up letter was sent to Shawn Kirkpatrick with KB Home on May 2, 2022. A copy of that letter has been provided below. On April 26, 2022 eight letters were mailed to the residents to the north and northwest of the site that aren't located in a HOA. A copy of these letters are provided separately. A copy of the WCAD map showing the 500' boundary is shown on the next page. A list of all property owners and their address within 500' is provided below.

2. Who was notified (i.e. property owners, HOA, etc)? The HOA and/or a representative if there is no organized HOA must be contacted, if applicable. Provide a separate sheet listing the contact information used including the names and addresses of the individuals.

Shawn Kirkpatrick with KB Home for the Haven Oaks HOA. skirkpatrick@kbhome.com/512-651-8086
Stephen Ashlock with Pulte Group. Stephen.Ashlock@PulteGroup.com/512-532-3355
The following were contacted via a letter sent by certified mail: Scott and Yesenia Sabelhaus,
Tim and Rebecca Schneider, Marc Smith, Jeff and Katrina Murray, Adrienne Sharp,
Margarita Bernard, Robert and Kathleen Langer, Jason and Heather Larsen, Nigel and Susan Pope.

3. What concerns were raised during these communications?

Opposition to Commercial zoning next to residential neighborhood.

4. What specific conditions were added to or modified within the zoning request in response to the concerns raised at the meeting?

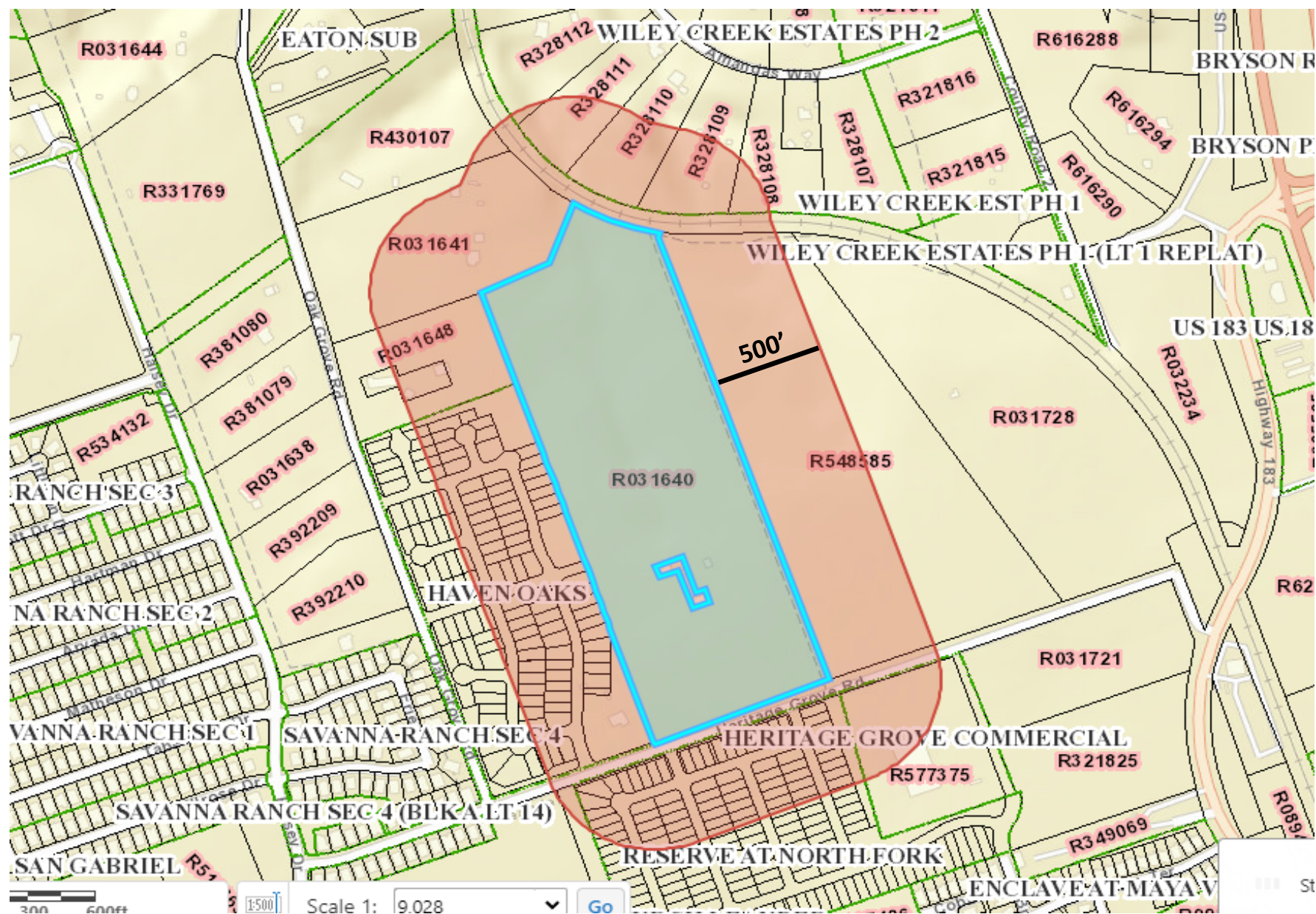
The project is proposing a 55' building setback along the western property line and
restricting several uses on this property that would not be considered appropriate
next to the existing residential neighborhoods. Access will also be prohibited where
Jud Allen Way currently dead-ends to the west of the property.

The above information is deemed to be true to the best of my knowledge.

Signature: _____



_____ Date 5/4/2022



Property Owners Within 500' of the Site

<u>Parcel Identification Number</u>	<u>Owner</u>	<u>SiteAddress</u>
R597142	AKELLA, VENKATESWAR RAO & PHANI SWATHI	1904 TIGS TRL, LEANDER, TX 78641
R597180	ANAND, MANMEET	2020 ALEXANDER OAKS DR, LEANDER, TX 78641
R597181	BAD DEVL LLC	2020 RHETTS PL, LEANDER, TX 78641
R597149	BADGUJAR, MUKESH & KIRTI K	1932 TIGS TRL, LEANDER, TX 78641
R597152	BARAJAS, CAMERON & KREZIA MELCAH	1925 STRINGER PASS, LEANDER, TX 78641
R597114	BARNETT, ANTHONY ALLAN	1824 STRINGER PASS, LEANDER, TX 78641
R597176	BAUTISTA, JOSE ALAN & LESLIE MARISSA	2004 ALEXANDER OAKS DR, LEANDER, TX 78641
R597147	BERMUDEZ, LUIS E ROMERO & CARLEYS PATRICIA SILVA	1924 TIGS TRL, LEANDER, TX 78641
R597113	CHILUVERU, GANESH & HIMABINDU	1820 STRINGER PASS, LEANDER, TX 78641
R548585	CMHH HERITAGE LLC	204 HERITAGE GROVE RD, LEANDER, TX 78641
R597146	DE OLIVEIRA, MARCOS TADEU BERGAMI FLORES	1920 TIGS TRL, LEANDER, TX 78641
R597150	DODDI, VENKATA	1933 STRINGER PASS, LEANDER, TX 78641
R597151	DOSHI, MIHIR & ANKITA DOMADIA	1929 STRINGER PASS, LEANDER, TX 78641
R395787	DRONEYES INVESTMENTS LLC	701 HERITAGE GROVE RD, LEANDER, TX 78641
R462850	DRONEYES INVESTMENTS LLC	COUNTY ROAD 276, LEANDER, TX 78641
R597148	FRIEDRICH, BENJAMIN ALBERT & SAMANTHA M	1928 TIGS TRL, LEANDER, TX 78641
R597171	GASTON, DENNY A & REVA CRYSTAL, II	2021 RHETTS PL, LEANDER, TX 78641
R597173	GHANTA, MANJUSHA	2013 RHETTS PL, LEANDER, TX 78641
R597145	GHNIM, MOHAMMAD A AL	1916 TIGS TRL, LEANDER, TX 78641
R597178	GOZEN, YESIM & SANVER	2012 ALEXANDER OAKS DR, LEANDER, TX 78641
R597174	HASHEM, ABDULLATIF A & DEBRA HOFFER	2009 RHETTS PL, LEANDER, TX 78641
R597166	HAVEN OAKS RESIDENTIAL COMMUNITY INC	1942 STRINGER PASS, LEANDER, TX 78641
R597080	HAVEN OAKS RESIDENTIAL COMMUNITY INC	JUD ALLEN WAY, LEANDER, TX 78641
R612908	HAVEN OAKS RESIDENTIAL COMMUNITY INC	STRINGER PASS, LEANDER, TX 78641
R597158	HAVEN OAKS RESIDENTIAL COMMUNITY INC	1900 STRINGER PASS, LEANDER, TX 78641
R577375	HERITAGE GROVE HOLDINGS LP	203 HERITAGE GROVE RD, LEANDER, TX 78641
R597111	HUGHES, LISA & DERRICK	1812 STRINGER PASS, LEANDER, TX 78641
R597126	KB HOME LONE STAR INC	700 MADALIN RUE CT, LEANDER, TX 78641
R597086	KB HOME LONE STAR INC	1749 STRINGER PASS, LEANDER, TX 78641
R597102	KB HOME LONE STAR INC	1748 TIGS TRL, LEANDER, TX 78641
R597085	KB HOME LONE STAR INC	1745 STRINGER PASS, LEANDER, TX 78641
R597095	KB HOME LONE STAR INC	1820 TIGS TRL, LEANDER, TX 78641
R612906	KB HOME LONE STAR INC	1744 STRINGER PASS, LEANDER, TX 78641
R597172	KB HOME LONE STAR INC	2017 RHETTS PL, LEANDER, TX 78641
R597083	KB HOME LONE STAR INC	1737 STRINGER PASS, LEANDER, TX 78641
R612910	KB HOME LONE STAR INC	2012 RHETTS PL, LEANDER, TX 78641

R597104	KB HOME LONE STAR INC
R597103	KB HOME LONE STAR INC
R597175	KB HOME LONE STAR INC
R597156	KB HOME LONE STAR INC
R597110	KB HOME LONE STAR INC
R597087	KB HOME LONE STAR INC
R597163	KB HOME LONE STAR INC
R597094	KB HOME LONE STAR INC
R597090	KB HOME LONE STAR INC
R597109	KB HOME LONE STAR INC
R612907	KB HOME LONE STAR INC
R597179	KB HOME LONE STAR INC
R597088	KB HOME LONE STAR INC
R597159	KB HOME LONE STAR INC
R597107	KB HOME LONE STAR INC
R597089	KB HOME LONE STAR INC
R597154	KB HOME LONE STAR INC
R597097	KB HOME LONE STAR INC
R597100	KB HOME LONE STAR INC
R597112	KB HOME LONE STAR INC
R597074	KB HOME LONE STAR INC
R597055	KB HOME LONE STAR INC
R597092	KB HOME LONE STAR INC
R597084	KB HOME LONE STAR INC
R597081	KB HOME LONE STAR INC
R597165	KB HOME LONE STAR INC
R597096	KB HOME LONE STAR INC
R597057	KB HOME LONE STAR INC
R597073	KB HOME LONE STAR INC
R597056	KB HOME LONE STAR INC
R612909	KB HOME LONE STAR INC
R597101	KB HOME LONE STAR INC
R597099	KB HOME LONE STAR INC
R597117	KB HOME LONE STAR INC
R597072	KB HOME LONE STAR INC
R597093	KB HOME LONE STAR INC
R597108	KB HOME LONE STAR INC

1736 TIGS TRL, LEANDER, TX 78641
1744 TIGS TRL, LEANDER, TX 78641
2005 RHETTS PL, LEANDER, TX 78641
1909 STRINGER PASS, LEANDER, TX 78641
1808 STRINGER PASS, LEANDER, TX 78641
1801 STRINGER PASS, LEANDER, TX 78641
1932 STRINGER PASS, LEANDER, TX 78641
1824 TIGS TRL, LEANDER, TX 78641
1817 STRINGER PASS, LEANDER, TX 78641
1804 STRINGER PASS, LEANDER, TX 78641
STRINGER PASS, LEANDER, TX 78641
2016 ALEXANDER OAKS DR, LEANDER, TX 78641
1809 STRINGER PASS, LEANDER, TX 78641
1916 STRINGER PASS, LEANDER, TX 78641
1748 STRINGER PASS, LEANDER, TX 78641
1813 STRINGER PASS, LEANDER, TX 78641
1917 STRINGER PASS, LEANDER, TX 78641
1812 TIGS TRL, LEANDER, TX 78641
1756 TIGS TRL, LEANDER, TX 78641
1816 STRINGER PASS, LEANDER, TX 78641
1817 TIGS TRL, LEANDER, TX 78641
1705 TIGS TRL, LEANDER, TX 78641
1829 STRINGER PASS, LEANDER, TX 78641
1741 STRINGER PASS, LEANDER, TX 78641
1729 STRINGER PASS, LEANDER, TX 78641
1940 STRINGER PASS, LEANDER, TX 78641
1816 TIGS TRL, LEANDER, TX 78641
1713 TIGS TRL, LEANDER, TX 78641
1813 TIGS TRL, LEANDER, TX 78641
1709 TIGS TRL, LEANDER, TX 78641
2004 RHETTS PL, LEANDER, TX 78641
1752 TIGS TRL, LEANDER, TX 78641
1804 TIGS TRL, LEANDER, TX 78641
701 JUD ALLEN WAY, LEANDER, TX 78641
1809 TIGS TRL, LEANDER, TX 78641
1828 TIGS TRL, LEANDER, TX 78641
1752 STRINGER PASS, LEANDER, TX 78641

R597140	KHAJA, RAZI	625 JUD ALLEN WAY, LEANDER, TX 78641
R597139	KIM, MIN SUK & YOUNGHWAN NOH	621 JUD ALLEN WAY, LEANDER, TX 78641
R597098	KUMAR, DEEPAK	1808 TIGS TRL, LEANDER, TX 78641
R328110	LANGER, ROBERT J & KATHLEEN A	206 AMANDAS WAY, LEANDER, TX 78641
R430107	LARSEN, JASON & HEATHER	1372 OAK GROVE RD, LEANDER, TX 78641
R597136	MANDAL, JAY RAM & SANGITA K	700 ZELIA GLEN, LEANDER, TX 78641
R597162	MARSHALL, JUSTIN L	1928 STRINGER PASS, LEANDER, TX 78641
R597164	MCNEAL, JERRY BRENT & SANDRA MARIE	1936 STRINGER PASS, LEANDER, TX 78641
R328108	MURRAY, JEFF A & KATRINA A	AMANDAS WAY, LEANDER, TX 78641
R597082	NAGARAJ, RAGHAVENDRA S	1733 STRINGER PASS, LEANDER, TX 78641
R597075	NARAYANAN, PRABHU	700 JUD ALLEN WAY, LEANDER, TX 78641
R597141	NASRELDIN, MOHAMED & YASSIN ABOUELSEUD	629 JUD ALLEN WAY, LEANDER, TX 78641
R597144	OU, DEREK	1912 TIGS TRL, LEANDER, TX 78641
R597160	PATEL, YOGESH & MANISHABEN	1920 STRINGER PASS, LEANDER, TX 78641
R328112	POPE, NIGEL & SUSAN	210 AMANDAS WAY, LEANDER, TX 78641
R615579	PULTE HOMES OF TEXAS LP	1628 W KERR PASS, LEANDER, TX 78641
R615511	PULTE HOMES OF TEXAS LP	605 SENCA PARK, LEANDER, TX 78641
R615592	PULTE HOMES OF TEXAS LP	1624 BRIMHURST DR, LEANDER, TX 78641
R615664	PULTE HOMES OF TEXAS LP	1605 W KERR PASS, LEANDER, TX 78641
R615514	PULTE HOMES OF TEXAS LP	617 SENCA PARK, LEANDER, TX 78641
R615597	PULTE HOMES OF TEXAS LP	1604 BRIMHURST DR, LEANDER, TX 78641
R615580	PULTE HOMES OF TEXAS LP	1624 W KERR PASS, LEANDER, TX 78641
R615622	PULTE HOMES OF TEXAS LP	1608 HOLLY LAKE DR, LEANDER, TX 78641
R615667	PULTE HOMES OF TEXAS LP	1617 W KERR PASS, LEANDER, TX 78641
R615613	PULTE HOMES OF TEXAS LP	1609 HOLLY LAKE DR, LEANDER, TX 78641
R615516	PULTE HOMES OF TEXAS LP	625 SENCA PARK, LEANDER, TX 78641
R615567	PULTE HOMES OF TEXAS LP	533 SENCA PARK, LEANDER, TX 78641
R615643	PULTE HOMES OF TEXAS LP	1625 HOPE RANCH RD, LEANDER, TX 78641
R615645	PULTE HOMES OF TEXAS LP	1620 HOPE RANCH RD, LEANDER, TX 78641
R615593	PULTE HOMES OF TEXAS LP	1620 BRIMHURST DR, LEANDER, TX 78641
R615591	PULTE HOMES OF TEXAS LP	W KERR PASS, LEANDER, TX 78641
R615573	PULTE HOMES OF TEXAS LP	509 SENCA PARK, LEANDER, TX 78641
R615619	PULTE HOMES OF TEXAS LP	1620 HOLLY LAKE DR, LEANDER, TX 78641
R615581	PULTE HOMES OF TEXAS LP	1620 W KERR PASS, LEANDER, TX 78641
R615646	PULTE HOMES OF TEXAS LP	1616 HOPE RANCH RD, LEANDER, TX 78641
R615563	PULTE HOMES OF TEXAS LP	544 SENCA PARK, LEANDER, TX 78641
R615519	PULTE HOMES OF TEXAS LP	1625 BRIMHURST DR, LEANDER, TX 78641

R615668	PULTE HOMES OF TEXAS LP
R615571	PULTE HOMES OF TEXAS LP
R615618	PULTE HOMES OF TEXAS LP
R615564	PULTE HOMES OF TEXAS LP
R615583	PULTE HOMES OF TEXAS LP
R615577	PULTE HOMES OF TEXAS LP
R615644	PULTE HOMES OF TEXAS LP
R615595	PULTE HOMES OF TEXAS LP
R615566	PULTE HOMES OF TEXAS LP
R615578	PULTE HOMES OF TEXAS LP
R615582	PULTE HOMES OF TEXAS LP
R615570	PULTE HOMES OF TEXAS LP
R615513	PULTE HOMES OF TEXAS LP
R615596	PULTE HOMES OF TEXAS LP
R615584	PULTE HOMES OF TEXAS LP
R615649	PULTE HOMES OF TEXAS LP
R615518	PULTE HOMES OF TEXAS LP
R615572	PULTE HOMES OF TEXAS LP
R615569	PULTE HOMES OF TEXAS LP
R615521	PULTE HOMES OF TEXAS LP
R615520	PULTE HOMES OF TEXAS LP
R615641	PULTE HOMES OF TEXAS LP
R615666	PULTE HOMES OF TEXAS LP
R615574	PULTE HOMES OF TEXAS LP
R615616	PULTE HOMES OF TEXAS LP
R615642	PULTE HOMES OF TEXAS LP
R615638	PULTE HOMES OF TEXAS LP
R615512	PULTE HOMES OF TEXAS LP
R615665	PULTE HOMES OF TEXAS LP
R615510	PULTE HOMES OF TEXAS LP
R615517	PULTE HOMES OF TEXAS LP
R615669	PULTE HOMES OF TEXAS LP
R615617	PULTE HOMES OF TEXAS LP
R615523	PULTE HOMES OF TEXAS LP
R615648	PULTE HOMES OF TEXAS LP
R615612	PULTE HOMES OF TEXAS LP
R615575	PULTE HOMES OF TEXAS LP

1621 W KERR PASS, LEANDER, TX 78641
517 SENCA PARK, LEANDER, TX 78641
1624 HOLLY LAKE DR, LEANDER, TX 78641
541 SENCA PARK, LEANDER, TX 78641
1612 W KERR PASS, LEANDER, TX 78641
1636 W KERR PASS, LEANDER, TX 78641
1624 HOPE RANCH RD, LEANDER, TX 78641
1612 BRIMHURST DR, LEANDER, TX 78641
SENCA PARK, LEANDER, TX 78641
1632 W KERR PASS, LEANDER, TX 78641
1616 W KERR PASS, LEANDER, TX 78641
521 SENCA PARK, LEANDER, TX 78641
613 SENCA PARK, LEANDER, TX 78641
1608 BRIMHURST DR, LEANDER, TX 78641
1608 W KERR PASS, LEANDER, TX 78641
1604 HOPE RANCH RD, LEANDER, TX 78641
1629 BRIMHURST DR, LEANDER, TX 78641
513 SENCA PARK, LEANDER, TX 78641
525 SENCA PARK, LEANDER, TX 78641
1617 BRIMHURST DR, LEANDER, TX 78641
1621 BRIMHURST DR, LEANDER, TX 78641
1617 HOPE RANCH RD, LEANDER, TX 78641
1613 W KERR PASS, LEANDER, TX 78641
505 SENCA PARK, LEANDER, TX 78641
1621 HOLLY LAKE DR, LEANDER, TX 78641
1621 HOPE RANCH RD, LEANDER, TX 78641
1605 HOPE RANCH RD, LEANDER, TX 78641
609 SENCA PARK, LEANDER, TX 78641
1609 W KERR PASS, LEANDER, TX 78641
601 SENCA PARK, LEANDER, TX 78641
1633 BRIMHURST DR, LEANDER, TX 78641
1625 W KERR PASS, LEANDER, TX 78641
1625 HOLLY LAKE DR, LEANDER, TX 78641
1609 BRIMHURST DR, LEANDER, TX 78641
1608 HOPE RANCH RD, LEANDER, TX 78641
1605 HOLLY LAKE DR, LEANDER, TX 78641
438 HERITAGE GROVE RD, LEANDER, TX 78641

R615639	PULTE HOMES OF TEXAS LP	1609 HOPE RANCH RD, LEANDER, TX 78641
R615515	PULTE HOMES OF TEXAS LP	621 SENCA PARK, LEANDER, TX 78641
R615620	PULTE HOMES OF TEXAS LP	1616 HOLLY LAKE DR, LEANDER, TX 78641
R615522	PULTE HOMES OF TEXAS LP	1613 BRIMHURST DR, LEANDER, TX 78641
R615640	PULTE HOMES OF TEXAS LP	1613 HOPE RANCH RD, LEANDER, TX 78641
R615647	PULTE HOMES OF TEXAS LP	1612 HOPE RANCH RD, LEANDER, TX 78641
R615594	PULTE HOMES OF TEXAS LP	1616 BRIMHURST DR, LEANDER, TX 78641
R615623	PULTE HOMES OF TEXAS LP	1604 HOLLY LAKE DR, LEANDER, TX 78641
R615565	PULTE HOMES OF TEXAS LP	537 SENCA PARK, LEANDER, TX 78641
R615568	PULTE HOMES OF TEXAS LP	529 SENCA PARK, LEANDER, TX 78641
R615576	PULTE HOMES OF TEXAS LP	1640 W KERR PASS, LEANDER, TX 78641
R615585	PULTE HOMES OF TEXAS LP	1604 W KERR PASS, LEANDER, TX 78641
R615621	PULTE HOMES OF TEXAS LP	1612 HOLLY LAKE DR, LEANDER, TX 78641
R615615	PULTE HOMES OF TEXAS LP	1617 HOLLY LAKE DR, LEANDER, TX 78641
R615614	PULTE HOMES OF TEXAS LP	1613 HOLLY LAKE DR, LEANDER, TX 78641
R597155	RAJENDRAN, INDUMATHY	1913 STRINGER PASS, LEANDER, TX 78641
R597091	RANGASAMY, ANANDKUMAR	1825 STRINGER PASS, LEANDER, TX 78641
R597170	REYNAGA, JORGE & HUIYU GUAN	2016 RHETTS PL, LEANDER, TX 78641
R597157	RONTALA, PRADEEP REDDY	1905 STRINGER PASS, LEANDER, TX 78641
R328111	SABELHAUS, YESENIA & SCOTT	208 AMANDAS WAY, LEANDER, TX 78641
R031641	SCHNEIDER, TIM & REBECCA L	1100 OAK GROVE RD, LEANDER, TX 78641
R597127	SHANMUGAM, MURUGANANDHAN & SAMYUKTHA NARAYANA	701 MADALIN RUE CT, LEANDER, TX 78641
R328109	SHARP, ADRIENNE R & MARGARITA S BERNARD	204 AMANDAS WAY, LEANDER, TX 78641
R597153	SINGARAPU, VENU	1921 STRINGER PASS, LEANDER, TX 78641
R031647	SMITH, MARC RYAN TRUSTEE OF HARVEY ALAN SMITH FAMILY TRUST	1050 OAK GROVE RD, LEANDER, TX 78641
R031648	SMITH, MARC RYAN TRUSTEE OF HARVEY ALAN SMITH FAMILY TRUST	1050 OAK GROVE RD, LEANDER, TX 78641
R597115	SOMU, NARASI MHAREDDY	1828 STRINGER PASS, LEANDER, TX 78641
R597161	SOUZA, OLIVIA HEMMA D & MANJUNATH MARIGOUDAR	1924 STRINGER PASS, LEANDER, TX 78641
R597138	WANG, QI & YI WU	617 JUD ALLEN WAY, LEANDER, TX 78641
R597143	WOLFE, TAYLOR & JOSHUA BRIGATI	1908 TIGS TRL, LEANDER, TX 78641
R597177	ZHOU, XIA & XIANG FU	2008 ALEXANDER OAKS DR, LEANDER, TX 78641

ARMBRUST & BROWN, PLLC

ATTORNEYS AND COUNSELORS

100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701-2744
512-435-2300

FACSIMILE 512-435-2360

Jewels Cain
(512) 435-2318
jcain@abaustin.com

May 2, 2022

Shawn Kirkpatrick
Sr. Director of Public Affairs
KB Home Austin
10800 Pecan Park, Suite 200
Austin, TX 78750

Re: PUD Zoning Application for the property located at 500 Heritage Grove Road, in Leander, Williamson County, Texas, 78641, also known as WCAD Parcel No. R031640 and R031642 (44.38 acres) (the "Application")

Dear Mr. Kirkpatrick:

I'm providing this letter as a follow-up to the Zoom meeting we had with the Haven Oaks residents on April 20, 2022. The purpose of the meeting was to present the proposed Application that's currently in review with the City of Leander. To provide a short summary, the property located at 500 Heritage Grove is in the ETJ and has a single family home. Other than the home the Property is currently undeveloped. The request is to rezone the property to Planned Unit Development (PUD) with a base zoning of HC-5-D to allow for a commercial use. Several uses will be prohibited as listed in the PUD notes provided with this letter. Also, additional setbacks along the western property line are being proposed as shown in the PUD zoning exhibit also provided with this letter. It's our understanding based on the zoning history on this property that the City will not approve a single family development and instead want to see a commercial use that aligns with the Employment Center district as shown in the City Future Land Use Map.

I've listed some of the questions that were raised with a response and have provided my contact information for anyone that would like to discuss the proposed project in more detail.

- The employment center guidelines specifically say that when adjacent to SFH residential, that heavy commercial isn't appropriate. "Heavy commercial and manufacturing uses should not be zoned adjacent to residential-planned or zoned areas. Such commercial users should take access from internal streets, where practical, and separated with transitional zoning districts and substantial buffering from residential." Page 95 of the Comprehensive Plan.

Response: It's our understanding PUD zoning with a base of Heavy Commercial is suitable when next to a residential area since the PUD allows for additional buffering which would provide an appropriate transition from residential to commercial. The additional development restrictions being proposed such as the list of prohibited uses make this specific zoning request appropriate under the employment center guidelines.

- What is the usual process that happens when you request the PUD?

Response: The PUD process is the same as any zoning application process. Neighborhood outreach is required prior to a public hearing at the Planning and Zoning Commission meeting. City staff also reviews the application and provides comments to the request. The Commission recommends approval or denial to City Council and City Council approves or denies the request.

- If the employment center was to come to live, would fixing Oak Grove to support the traffic be part of the project? What are the possible safety concern? Also possible heavy traffic and the Heritage Grove rd already leading to 183 is so narrow already? Traffic

Response: The City has plans to improve and realign Heritage Grove Road. For information related to the proposed City improvements please contact Lorraine Eldred in the Engineering Department at the City of Leander at 512-528-2766 or email at leldred@leandertx.gov.

Thank you in advance for your time and consideration of this zoning request. If you have any questions or need additional information, please do not hesitate to contact me at (512) 435-2318.

Respectfully,
Armbrust & Brown, PLLC



Jewels Cain
Land Development Consultant

EXHIBIT A

500 Heritage Grove Planned Unit Development

A. Purpose and Intent

1. The 500 Heritage Grove PUD is comprised of approximately 44.357 acres, as shown in Exhibit B. The development of this property includes Heavy Commercial uses.

B. Applicability and Base Zoning

1. All aspects regarding the development of this PUD shall comply the City of Leander Composite Zoning Ordinance, except as established in this exhibit, titled Exhibit A.
2. For the purpose of establishing development standards for the PUD, the following base zoning district has been selected from the Leander Composite Zoning Ordinance:
HC-4-D (Heavy Commercial)

C. Conceptual Site Layout & Land Use Plan

1. A Conceptual Site Layout and Land Use Plan has been attached to this PUD, Exhibit C, to illustrate the design intent for the property. The Conceptual Site Layout and Land Use Plan is intended to serve as a guide to illustrate the general community vision and design concepts and is not intended to serve as a final document.

D. Allowable / Prohibited Uses

1. The allowable uses shall include uses permitted by right in the HC-4-D except as stated below.
2. The prohibited uses shall include:
 - i. Animal boarding
 - ii. Bar, nightclub or private club
 - iii. Bingo
 - iv. Car Title Loans Shop/Business
 - v. Commercial laundry
 - vi. Entertainment venues including bowling alleys, golf practice ranges, miniature golf establishments, theaters, amusement parks, arcades, arenas, stadiums, gymnasiums, skating rinks, commercial sports venues, indoor shooting range, etc.
 - vii. Farms or truck gardens
 - viii. Funeral home, including embalming and crematory facilities associated with an on-site funeral home or cemetery.
 - ix. Gaming Room Facility/Gaming Device
 - x. Hooka Lounge
 - xi. Mini-warehouse or self-service storage facilities as a primary use.
 - xii. New or used vehicle and major equipment sales, rental or leasing, repair of new or used vehicles, body shop
 - xiii. Outdoor nursery
 - xiv. Pawn Shop

- xv. Payday Lending Business
- xvi. RV, trailer, commercial motor vehicle and boat outdoor storage
- xvii. Standalone crematory or embalming establishment
- xviii. Tattoo and/or Body Piercing Parlor
- xix. Transportation related facilities including commercial parking lots, passenger terminals, taxi cab stations and mass transit terminals as a primary use.
- xx. Utilities, including ground mounted service equipment and structures as a primary use and facilities such as poles, electrical switching facilities, lift stations, water pump stations, gas regulating facilities, electrical substations, generating plants, wastewater and water treatment plants, etc.
- xxi. Vehicle and major equipment sales, rental or leasing, repair of new or used vehicles, body shop
- xxii. Wrecker Impoundment, Towing

E. **Development Standards**

1. Screening shall be provided along the west property line with a eight (8'six-(6')) foot masonry wall with a twenty (20') foot landscape buffer in front.
2. A minimum building setback of seventy-fifty-five (75'55') feet shall be provided along the western property line as shown on **Exhibit C**.
3. Article III, Section 42(2)(iii) of the Subdivision Ordinance shall be modified to not require Jud Allen Way to be extended. A eight (8'six-(6')) foot masonry wall constructed along the western property line which shall prohibit access from Jud Allen Way through this property. Also, a barricade or posts with reflective material shall be installed where Jud Allen Way dead ends.
4. Parking aisle connections to the properties to the west and east shall not be required. A waiver is being requested to Article 6 of the Zoning Ordinance under Section 13. No parking aisle connections shall be made to the eastern property boundary since the adjacent use will be incompatible for the purposes of mixing traffic.
5. Total outdoor storage on the site may not exceed twenty percent (20%) of the gross floor area of the buildings on the site.
6. Truck courts will be prohibited from facing the western property line unless renderings are presented to City Council for approval.
7. If the applicant elects to seek approval of a Concept Plan and Preliminary Plat under the Alternative Review Procedure set forth in section 20B of the Subdivision Ordinance, concurrent review of the Concept Plan and Preliminary Plat is allowed regardless of the size of the site.

Exhibit B

Exhibit B



LEGAL DESCRIPTION OF LAND:
TRACT 1 - 44.357 ACRES

BEING A 44.357 ACRES (1,932,179 SQUARE FEET) TRACT OF LAND SITUATED IN THE CHARLES COCHRAN LEAGUE, ABSTRACT 134, BEING LOCATED JUST OUTSIDE OF THE CITY LIMITS OF THE CITY OF LEANDER, WILLIAMSON COUNTY, TEXAS; BEING THE SAME TRACT OF LAND DESCRIBED TO JAMES E. ROBERSON AND MONTA JANE AKIN AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 1991016727 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "SURVTX" FOUND IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF HERITAGE GROVE ROAD (VARIABLE WIDTH PUBLIC R.O.W.); AT THE SOUTHEAST CORNER OF THE HAVEN OAKS SUBDIVISION AS SHOWN ON PLAT RECORDED IN DOCUMENT NO. 20200893 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE, NORTH 21°06'39" WEST, ALONG THE NORTHEAST BOUNDARY LINE OF SAID HAVEN OAKS SUBDIVISION, AT 1812.56 FEET PASSING A 5/8 INCH IRON ROD FOUND AT THE NORTH CORNER OF SAID HAVEN OAKS SUBDIVISION AND AT THE EAST CORNER OF A CALLED 7.87 ACRE TRACT OF LAND DESCRIBED TO ALAN SMITH AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 1985064367 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; THEN CONTINUING ALONG THE NORTHEAST BOUNDARY LINE OF SAID 7.87 ACRE TRACT, IN ALL A TOTAL DISTANCE OF 2266.84 FEET TO A 5/8 INCH IRON ROD FOUND IN THE SOUTHEAST BOUNDARY LINE OF A CALLED 15.26 ACRE TRACT OF LAND DESCRIBED TO TIM SCHNEIDER, ET UX, AS SHOWN ON INSTRUMENT RECORDED IN DOCUMENT NO. 2002077123 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; AND AT THE NORTH CORNER OF SAID 7.87 ACRE TRACT; FOR THE WEST CORNER OF THIS TRACT;

THENCE, ALONG THE SOUTHEAST BOUNDARY LINE OF SAID 15.26 ACRE TRACT, THE FOLLOWING TWO (2) COURSES AND DISTANCES:

1. NORTH 68°34'15" EAST, A DISTANCE OF 350.00 FEET TO A 5/8 INCH IRON ROD FOUND FOR AN ANGLE CORNER OF THIS TRACT;
2. NORTH 19°56'15" EAST, A DISTANCE OF 297.57 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "CEC" FOUND IN THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE CAPITAL METROPOLITAN TRANSIT AUTHORITY RAILROAD AS SHOWN ON DOCUMENT NO. 200002773 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; FOR A POINT OF CURVATURE AT THE NORTH CORNER OF THIS TRACT;

THENCE, IN A SOUTHEASTERLY DIRECTION, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID CAPITAL METROPOLITAN TRANSIT AUTHORITY RAILROAD, ALONG A CURVE TO THE LEFT WITH A CENTRAL ANGLE OF 19°43'46", A RADIUS OF 1092.00 FEET, A CHORD BEARING AND DISTANCE OF SOUTH 73°32'43" EAST, 374.17 FEET, AND A TOTAL ARC LENGTH OF 376.02 FEET TO A RAILROAD SPIKE FOUND FOR THE NORTHERLY EAST CORNER OF THIS TRACT;

THENCE, SOUTH 12°09'43" WEST, AT 3.71 FEET PASSING A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR LINE MARKER AT THE WEST CORNER OF A CALLED 40.57 ACRE TRACT OF LAND DESCRIBED TO CMHH HERITAGE, LLC AS SHOWN ON DOCUMENT NO. 2021097881 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; THEN CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID 40.57 ACRE TRACT, IN ALL A DISTANCE OF 23.39 FEET TO A RAILROAD SPIKE FOUND AT FOR AN ANGLE CORNER OF THIS TRACT;

THENCE, CONTINUING ALONG THE WEST BOUNDARY LINE OF SAID 40.57 ACRE TRACT, THE FOLLOWING FOUR (4) COURSES AND DISTANCES:

1. SOUTH 20°54'58" EAST, A DISTANCE OF 410.22 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR AN ANGLE CORNER OF THIS TRACT;
2. SOUTH 21°19'49" EAST, A DISTANCE OF 914.70 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND FOR AN ANGLE CORNER OF THIS TRACT;
3. SOUTH 21°21'51" EAST, A DISTANCE OF 918.55 FEET TO A 1/2" IRON ROD WITH PLASTIC SURVEYOR'S CAP STAMPED "1847" FOUND IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID HERITAGE GROVE ROAD; FOR THE SOUTHERLY EAST CORNER OF THIS TRACT;

THENCE, SOUTH 68°44'48" WEST, ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID HERITAGE GROVE ROAD, A DISTANCE OF 829.99' TO THE **POINT OF BEGINNING** AND CONTAINING 44.357 ACRES OF LAND, MORE OR LESS, IN WILLIAMSON COUNTY, TEXAS.

Exhibit C

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS, AMENDING THE ZONING ORDINANCE BY CREATING THE 500 HERITAGE GROVE PUD (PLANNED UNIT DEVELOPMENT) WITH THE BASE ZONING DISTRICT OF HC-4-D (HEAVY COMMERCIAL); MAKING FINDINGS OF FACT; AND PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the owner of the property described herein after (the "Property") has requested that the Property be rezoned;

WHEREAS, after giving at least ten (10) days written notice to the owners of land within two hundred (200') feet of the Property, the Planning & Zoning Commission held a public hearing on the proposed rezoning and forwarded its recommendation on the rezoning to the City Council;

WHEREAS, after publishing notice of the public hearing at least fifteen (15) days prior to the date of such hearing, the City Council at a public hearing has reviewed the request and the circumstances of the Property and finds that a substantial change in circumstances of the Property, sufficient to warrant a change in the zoning of the Property, has transpired;

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

SECTION 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

SECTION 2. Amendment of Zoning Ordinance. Ordinance No. 05-018-00, as amended, the City of Leander Composite Zoning Ordinance (the "Zoning Ordinance" or "Code"), is hereby modified and amended by rezoning the Property as set forth in Section 3.

SECTION 3. Applicability. This ordinance applies to the following parcel of land, which is herein referred to as the "Property". That certain parcel of land being 44.385 acres, ±; being more particularly described in Exhibit "B"; and identified by tax identification numbers R031642 and R031640; more particularly described in Instrument Number 2021177576 recorded in the Official Public Records of Williamson County, Texas.

SECTION 4. Property Rezoned. The Zoning Ordinance is hereby amended by creating the 500 Heritage Grove PUD (Planned Unit Development) with the base zoning district of HC-4-D (Heavy Commercial). The PUD shall be developed and occupied in accordance with this Ordinance, the PUD plan attached as Exhibits "A", "B", and "C", which are hereby adopted and incorporated herein for all purposes, and the Composite Zoning Ordinance to the extent not amended by this Ordinance. In the event of a conflict between the Composite Zoning Ordinance and the requirements for the Property set forth in this Ordinance, this Ordinance shall control.

SECTION 5. Recording Zoning Change. The City Council directs the Planning Department to record this zoning classification on the City's official zoning map with the official notation as prescribed by the City's zoning ordinance.

SECTION 6. Severability. Should any section or part of this ordinance be held unconstitutional, illegal, or invalid, or the application to any person or circumstance for any reasons thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this ordinance are declared to be severable.

SECTION 7. Open Meetings. That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, Loc. Gov't. Code.

PASSED AND APPROVED on First Reading this the 7th day of July, 2022.

FINALLY PASSED AND APPROVED on this the 21st day of July, 2022.

ATTEST:

THE CITY OF LEANDER, TEXAS:

Dara Crabtree, City Secretary

Christine DeLisle, Mayor



**MINUTES
PLANNING & ZONING COMMISSION
CITY OF LEANDER, TEXAS**

Pat Bryson Municipal Hall
201 North Brushy Street - Leander, Texas

June 9, 2022 at 7:00 PM



Place 1 – Donnie Mahan, *Vice Chair*
Place 2 – John Cosgrove, *Chair*
Place 3 – Ron May
Place 4 – Deirdre Moss

Place 5 – Gary Hampton, Jr.
Place 6 – Laura Lantrip
Place 7 – Rick Carpenter

The meeting will be live-streamed at the following link: <https://www.leandertx.gov/video>.

1. Call to Order at 7:00 p.m.

2. Roll Call.

All Commissioners were present except Vice Chair Donne Mahan.

3. Director's report to the Planning & Zoning Commission on actions taken by the City Council at the June 2, 2022, meeting.

4. Review of meeting protocol.

5. Citizen Comments: Three (3) minutes allowed per speaker.
[Please turn in speaker request form before the meeting begins.]

CONSENT AGENDA: ACTION

6. Approval of Subdivision Case 21-FP-002 regarding Travisso Phase 4 Section 5 Final Plat on one parcel of land approximately 89 acres $\pm$ in size, more particularly described by Travis Central Appraisal District Parcel 353024; generally located at Travisso Parkway and Novara Trail, Leander, Travis County, Texas.
7. Approval of Subdivision Case 22-SFP-001 regarding Crystal Falls Business Park Short Form Final Plat on one parcel of land approximately 13.835 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcel R031217; more commonly known as 10960 E. Crystal Falls Pkwy, Leander, Williamson County, Texas.

8. Approval of the submittal schedule for Subdivision, Site Development Applications, and Dry Utility Applications pursuant to Article IX, Section 9 (a) (1) b. of the Composite Zoning Ordinance and Article II, Section 20 (e) of the Subdivision Ordinance; Leander, Williamson & Travis Counties, Texas.
9. Approval of the Subdivision, Site Development, and Dry Utility Application Forms pursuant to Article IX, Section 9 (a) (1) c. of the Composite Zoning Ordinance; Leander, Williamson & Travis Counties, Texas.
10. Approval of Minutes.

Motion made by Commissioner Ron May, seconded by Commissioner Rick Carpenter to approve consent agenda items 6 through 10.

AYE: Chair John Cosgrove, Commissioner Deirdre Moss, Commissioner Laura Lantrip, Commissioner Rick Carpenter, Commissioner Gary Hampton, Jr., Commissioner Ron May

6 - 0 Passed

PUBLIC HEARING: ACTION

11. Conduct a Public Hearing and consider action regarding Zoning Case 22-Z-012 to amend the current zoning of Interim SFR-1-B (Single-Family Rural) to adopt the 500 Heritage Grove Road PUD (Planned Unit Development) with the base zoning district of HC-4-D (Heavy Commercial) on two parcels of land approximately 44.385 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcels R031642 and R031640; and commonly known as 500 Heritage Grove Road, Leander, Williamson County, Texas.

- Discuss and consider action regarding Zoning Case 22-Z-012 as described above.

Robert Langer, Lee Jackson, Ken Curliss, Vikram Kumar, Adrienne Sharp, Norina Miszori all spoke against.

Anthony Gonzales spoke for.

Motion made by Commissioner Ron May, to postpone the zoning case until June 23, 2022, to give the applicant time to address the following:

1. Provide more information about the proposal. The current PUD is too vague.
2. Reduced permitted outdoor storage.
3. Include height limits
4. Provide a transition/buffer between the development and the residential area.

The applicant confirmed that they were not interested in providing more detail.

No one second the motion.

AYE: Commissioner Ron May

NAY: Chair John Cosgrove, Commissioner Deirdre Moss, Commissioner Laura Lantrip, Commissioner Rick Carpenter, Commissioner Gary Hampton, Jr.

1 - 5 Failed

Motion made by Commissioner Laura Lantrip, seconded by Commissioner Deirdre Moss to deny the zoning request.

AYE: Chair John Cosgrove, Commissioner Deirdre Moss, Commissioner Laura Lantrip, Commissioner Rick Carpenter, Commissioner Gary Hampton, Jr.

NAY: Commissioner Ron May

5 - 1 Passed

12. Conduct a Public Hearing and consider action regarding Zoning Case 22-Z-017 to amend the current zoning of Interim SFR-1-B (Single-Family Rural) and Interim SFS-2-B (Single-Family Suburban) to SFC-2-B (Single-Family Compact) and SFT-2-B (Single-Family Townhouse) on one parcel of land approximately 37.02 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcel R031560; and more commonly known as 800 CR 177, Leander, Williamson County, Texas.
 - Discuss and consider action regarding Zoning Case 22-Z-017 as described above.

Applicant withdrew the zoning application.

REGULAR AGENDA

13. Discuss and consider action regarding Subdivision Case 21-PP-013 to approve the Leander Estates Preliminary Plat on three parcels of land approximately 210.6 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcels R560185 and R560184; and Travis Central Appraisal District Parcel 905245; generally located at the north west corner of CR 280 and the future extension of Lakeline Blvd., Leander, Williamson and Travis Counties, Texas.

Mary Richarson spoke against.

Motion made by Commissioner Laura Lantrip, seconded by Commissioner Rick Carpenter to approve the preliminary plat heritage tree removal.

AYE: Chair John Cosgrove, Commissioner Deirdre Moss, Commissioner Laura Lantrip, Commissioner Rick Carpenter, Commissioner Gary Hampton, Jr., Commissioner Ron May

6 - 0 Passed

14. Adjournment at 8:13 p.m.

APPROVED:

CHAIRMAN COSGROVE

ATTEST:

ELLEN COUFAL
PLANNING & ZONING COMMISSION SECRETARY



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding Sullivan Tract Annexation Case 21-A-007 regarding the voluntary annexation of 308 acres ± in size, more particularly described by Williamson Central Appraisal District Parcels R356046, R022922, R022921, and R022741; and generally located to the west of the intersection of Oak Creek Road and N. Bagdad Road, Leander, Williamson County, Texas.

- Discuss and consider action regarding Sullivan Tract Annexation Case 21-A-007 as described above.

BACKGROUND:

A resolution was approved on June 2, 2022 that commenced the voluntary annexation of 308 acres ± as described above. The resolution set the public hearing for July 7, 2022 and the readings of the ordinance for July 7, 2022 and July 21, 2022.

This property is subject to a development agreement between the property owner and the City that requires annexation when the land use redevelops and is no longer used for agricultural purposes. This annexation will be paired with a zoning application that will run concurrently with the annexation. Approval of this item does not approve the annexation.

HISTORY/TIMELINE:

06/02/2022 - Resolution approved setting the annexation schedule

APPLICANT/AGENT:

Forestar (USA) Real Estate Group, Inc (Elliot Condos)

PRESENTER:

Robin M. Griffin, AICP, Executive Director of Development Services

Attachments

1. Resolution
2. Location Exhibit
3. Annexation Schedule
4. Petition
5. Ordinance

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF LEANDER, TEXAS, ACCEPTING THE PETITION FOR ANNEXATION OF 308 ACRES, MORE OR LESS, OF LAND LOCATED IN WILLIAMSON COUNTY, TEXAS; SETTING AN ANNEXATION SCHEDULE; PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

WHEREAS, the owners of certain property located within Williamson County, Texas, have petitioned the City of Leander, Texas, (herein the “City”), a home-rule City, for annexation of said property, more particularly described herein (the “subject property”), into the City limits;

WHEREAS, the subject property is contiguous and adjacent to the corporate limits of the City and the owner(s) have made application for annexation;

WHEREAS, after review and consideration of such requests and petition for annexation from the owners of the subject property, the City Council finds that the subject property may be annexed pursuant to §43.0671 of the *Local Government Code*; and,

WHEREAS, the petitioner has agreed and consented to the annexation of the subject property by the City and further agreed to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted;

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

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. The petition for annexation of the subject property, including the abutting streets, roadways, and rights of way, not previously annexed into the City and the draft service plan shown in Exhibit “B”, are hereby accepted:

All that certain area of land being 308 acres, more or less, in Williamson County, Texas, being more particularly described in Exhibit A attached hereto and incorporated herein for all purposes, less and except any property already annexed into the City of Leander, Texas.

A public hearing has been set for the date of **July 7, 2022**. Notice of such hearing shall be posted and the hearing shall be open to the public to accept public comment on the annexation request. In the event of a conflict between the subject property description contained herein, Exhibit “A” shall control.

Section 3. Severability. Should any section or part of this Resolution be held unconstitutional, illegal, or invalid, or the application to any person or circumstance thereof ineffective or inapplicable, such unconstitutionality, illegality, invalidity, or ineffectiveness of

such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof; but as to such remaining portion or portions, the same shall be and remain in full force and effect and to this end the provisions of this Resolution are declared to be severable.

Section 4. Open Meetings. It is hereby officially found and determined that the meeting at which this Resolution is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code.*

PASSED AND APPROVED this the ____ day of _____, 2022.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor

Exhibit “A”

SUBJECT PROPERTY DESCRIPTION

+/- 308 ACRES

**LESS AND EXCEPT ANY PROPERTY ALREADY ANNEXED INTO THE CITY OF
LEANDER, TEXAS**

Exhibit “B”

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation (“City”), and Forestar (USA) Real Estate Group, Inc. (“Landowner”), both of which may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto (the “subject property”);

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City’s consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the “Effective Date”).

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned "SFR-1-B" with the intent to rezone the subject property upon request of the landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity ("CCN") for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City's water utility system, the subject property's owner shall construct the internal water lines and pay the costs of line extension and construction of such facilities necessary to provide water service to the subject property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance

with applicable rules and regulations shall be permitted and such use may continue until the subject property's owner requests and is able to connect to the City's water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

(i) Inspection of sewer lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subjects property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

(A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and

(B) Routine maintenance as presently performed by the City.

(ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:

(A) As provided in C(i)(A)&(B) above;

(B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

[SIGNATURE PAGE FOLLOWS]

EXECUTED and AGREED to by the Parties this the ____ day of _____, 20____.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard Beverlin, III, City Manager

LANDOWNER(S):

By: _____

Name (print): _____

Title: _____

Date: _____

By: _____

Name (print): _____

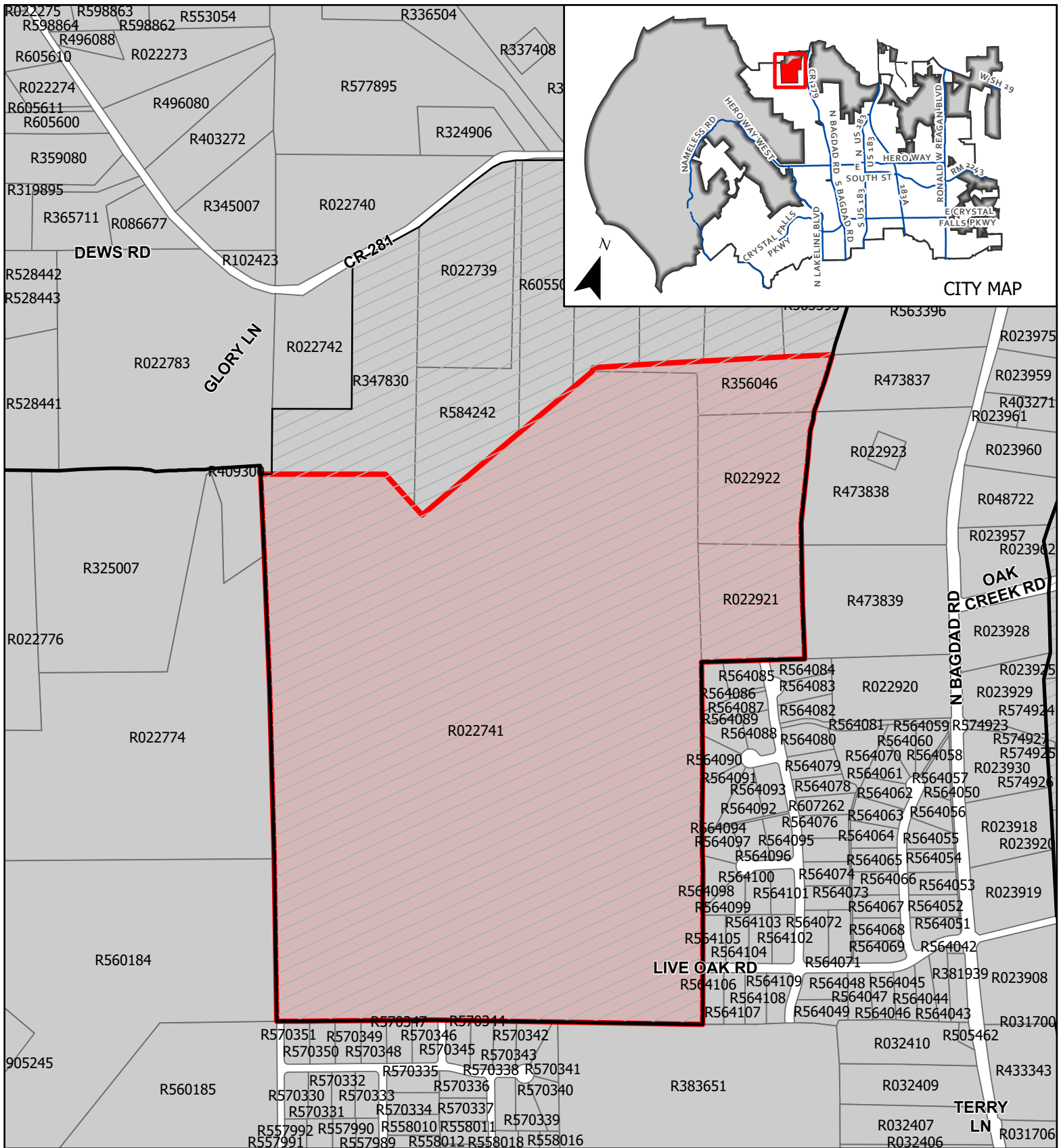
Title: _____

Date: _____

Subject Property Description

**+/- 308 ACRES LESS AND EXCEPT ANY PROPERT ALREADY
ANNEXED INTO THE CITY OF LEANDER, TEXAS**

SEE ATTACHED



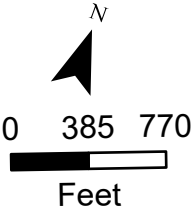
CASE: 21-A-007

EXHIBIT A

SULLIVAN TRACT ANNEXATION

Site Location

This map has been produced by the City of Leander for informational purposes only. No warranty is made by the City regarding completeness or accuracy. This data should not be construed as a legal description or survey instrument. No responsibility is assumed for damages or other liabilities due to the accuracy, availability, completeness, use or misuse of the information herein provided.



- Subject Area
- Leander City Limits
- ETJ

Schedule for Voluntary Annexation SULLIVAN TRACT

DATE	ACTION/EVENT	LEGAL AUTHORITY
Thursday, June 2 2022* Tuesday, May 24, 2022 Council packet deadline	COUNCIL CONSIDERS ACCEPTANCE OF ANNEXATION PETITION REQUEST FROM LANDOWNER(S) AND INITIATION OF ANNEXATION - AND SETS A PUBLIC HEARING FOR July 7, 2022.	Loc. Gov't Code, §43.0671
Thursday, June 23, 2022* Publish notice of Public Hearing. & Send notice to school district and to each public entity. [Noon, Friday, June, 17th 2022 – Deadline to send notice to paper]	NEWSPAPER NOTICE RE: PUBLIC HEARING; (Certified Notice to Railroad - if railroad company's right-of-way is in the area proposed for annexation.) POST NOTICE OF HEARING ON CITY'S WEBSITE AND MAINTAIN UNTIL HEARINGS COMPLETE. SCHOOL DISTRICT NOTICE. Notify each school district of possible impact <u>w/in the period prescribed for publishing the notice of the Public Hearing.</u> PUBLIC ENTITY NOTICES. Notify each public entity_ that is located in or provides services to the area proposed for annexation. Public Entity includes: a county (Williamson/Travis), a fire protection service provider, including a volunteer fire department, emergency medical services provider, including a volunteer emergency medical services provider, or special district (MUD, WCID, or other district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution) - of possible impact <u>w/in the period prescribed for publishing the notice of the Public Hearing.</u>	Not less than 10 days nor more than 20 days before public hearing. Loc. Gov't Code, §43.0673 Loc. Gov't Code, §§43.905 & 43.9051 ; send notice to school district and to each public entity not less than 10 days nor more than 20 days before the Public Hearing.
Thursday, July 7th, 2022*	PUBLIC HEARING – REGULAR MEETING	The governing body must provide persons interested in the annexation the opportunity to be heard. Loc. Gov't Code, §43.0673
Thursday, July 7th, 2022* Tuesday, June 28, 2022 – Council packet deadline	FIRST READING OF ORDINANCE <i>REGULAR MEETING</i>	Loc. Gov't Code, §43.0673
Thursday, July 21, 2022. Or at a special called meeting after the First Reading; Or within 90 days of First Reading. Tuesday, July 12, 2022, – Council packet deadline	SECOND & FINAL READING OF ORDINANCE <i>REGULAR MEETING</i>	Second reading of annexation Ordinance – City Charter, Section 4.06(c)
Within 30 days of Second Reading	CITY SENDS COPY OF MAP showing boundary changes to County Voter Registrar in a format that is compatible with mapping format used by registrar	Elec. Code §42.0615
Within 60 days of Second Reading	CITY PROVIDES CERTIFIED COPY OF ORDINANCE AND MAPS TO: 1. County Clerk 2. County Appraisal District 3. County Tax Assessor Collector 4. 911 Addressing 5. Sheriff's Office 6. City Department Heads 7. State Comptroller 8. Franchise Holders ESD - if annexed area located in district and city intends to remove the area from the district and be the sole provider of emergency services; See Health and Safety Code, Section 775.022	Williamson County ESD No. 5: Notice must be sent to the secretary of the ESD board by certified mail, return receipt requested, as applicable Leander is located in Williamson and Travis Counties. Confirm which ESD needs notice of disannexation.

***Dates in BOLD are MANDATORY dates to follow. Please advise of schedule deviation.**

STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

REQUEST & PETITION TO THE CITY COUNCIL OF THE CITY OF LEANDER
FOR ANNEXATION OF PROPERTY

WHEREAS, the undersigned is the owner of a certain area of land located within Williamson County, Texas, such property being more particularly described hereinafter by true and correct legal description (referred to herein as the “subject property”);

WHEREAS, the undersigned has sought the annexation of the subject property by the City of Leander, Texas, (hereinafter sometimes referred to as “City”), in order to obtain the benefits of City services to the subject property by the City;

WHEREAS, the subject property is contiguous and adjacent to the corporate limits of the City;

WHEREAS, the City, pursuant to §43.003, *Tex. Loc. Gov’t. Code* and the request of the property owner, is authorized to annex the subject property;

WHEREAS, pursuant to §43.0672, *Tex. Loc. Gov’t. Code*, the City and the undersigned have negotiated and entered into a written agreement for the provision of services to the subject property, said agreement being attached hereto as **Exhibit “B”** and is incorporated herein for all purposes; and,

WHEREAS, the undersigned agrees and consents to the annexation of the subject property by the City and further agrees to be bound by all acts, ordinances, and all other legal action now in force and effect within the corporate limits of the City and all those which may be hereafter adopted.

NOW THEREFORE, the undersigned by this Petition and Request:

SECTION ONE: Requests the City Council of the City to commence annexation proceedings and to annex into the corporate limits of the City of Leander, Texas, of all portions of the subject property, including the abutting streets, roadways, and rights-of-way, not previously annexed into the City, and further described as follows:

All that certain area of land being 308 acres, more or less, in Williamson County, Texas, being more particularly described in **Exhibit A** attached hereto and incorporated herein for all purposes, less and except any property already annexed into the City of Leander.

SECTION TWO: Requests that after annexation the City provide such services as are legally permissible and provided by the City, including sanitation, water and general governmental services as set forth in the written agreement regarding the provision of services attached hereto as **Exhibit “B”**.

SECTION THREE: Acknowledges executing and entering into the agreement, attached hereto as **Exhibit “B”**, and that such agreement is wholly adequate and acceptable to the undersigned who hereby requests the City Council to proceed with the annexation and to publish notice and hold the requisite public hearing thereon, in accordance with the applicable laws of the State of Texas.

SECTION FOUR: Acknowledges that the undersigned understands and agrees that all City services to the subject property will be provided by the City on the same terms and conditions as provided to other similarly situated areas of the City and as provided in the written agreement regarding the provision of services attached hereto as **Exhibit “B”**.

SECTION FIVE: Agrees that a copy of this Request and Petition may be filed of record in the offices of the City of Leander and in the real property records of Williamson County, Texas, and shall be notice to and binding upon all persons or entities now or hereafter having any interest in the subject property.

FILED, this ____ day of _____ 20____, with the City Secretary of the City of Leander, Williamson and Travis Counties, Texas.

Petitioners:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, owner of the subject property and Petitioner herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that they had authority to bind the entity and that they executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____ 20__.

(SEAL)

Notary Public - State of Texas

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared _____, owner of the subject property and Petitioner herein, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that they had authority to bind the entity and that they executed the same for the purposes therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the day of 20 .

(SEAL)

Notary Public - State of Texas

Exhibit “A”

DESCRIPTION OF THE SUBJECT PROPERTY

+/- 308 ACRES

**LESS AND EXCEPT ANY PROPERTY ALREADY ANNEXED INTO THE CITY OF
LEANDER**

Exhibit “B”

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation (“City”), and Forestar (USA) Real Estate Group, Inc. (“Landowner”), both of which may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto (the “subject property”);

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City’s consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the “Effective Date”).

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City

will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned "SFR-1-B" with the intent to rezone the subject property upon request of the landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity ("CCN") for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City's water utility system, the subject property's owner shall construct the internal water lines and pay the costs of line extension and construction of such facilities necessary to provide water service to the subject

property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the subject property's owner requests and is able to connect to the City's water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

(i) Inspection of sewer lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subjects property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

(A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and

(B) Routine maintenance as presently performed by the City.

(ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:

(A) As provided in C(i)(A)&(B) above;

(B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

EXECUTED and AGREED to by the Parties this the ____ day of _____, 20__.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard Beverlin, III, City Manager

LANDOWNER(S):

By: _____

Name (print): _____

Title: _____

Date: _____

By: _____

Name (print): _____

Title: _____

Date: _____

Subject Property Description

**+/- 308 ACRES LESS AND EXCEPT ANY PROPERTY ALREADY
ANNEXED INTO THE CITY OF LEANDER**

SEE ATTACHED

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS ANNEXING 308 ACRES OF LAND, MORE OR LESS, LOCATED IN WILLIAMSON COUNTY, INCLUDING THE ABUTTING STREETS, ROADWAYS, AND RIGHTS-OF-WAY INTO THE CORPORATE LIMITS OF THE CITY, AT THE REQUEST OF THE PROPERTY OWNER; APPROVING AN AGREEMENT FOR THE PROVISION OF SERVICES FOR THE ANNEXED AREA; MAKING FINDINGS OF FACT; PROVIDING A SEVERABILITY CLAUSE AND AN EFFECTIVE DATE; AND PROVIDING FOR OPEN MEETINGS AND OTHER RELATED MATTERS.

WHEREAS, the City of Leander, Texas, is home-rule municipality authorized by State law to annex territory lying adjacent and contiguous to the City;

WHEREAS, the owners of the property, as hereinafter described, made written request for the City to annex such property in compliance with the *Tex. Loc. Gov't. Code*;

WHEREAS, the property is adjacent and contiguous to the present city limits;

WHEREAS, the City Council heard and has decided to grant the owners' request that the City annex said property;

WHEREAS, a public hearing was conducted prior to consideration of this Ordinance in accordance with §43.0673 of the *Tex. Loc. Gov't. Code*;

WHEREAS, notice of the public hearing was published not more than twenty (20) nor less than ten (10) days prior to the public hearing;

WHEREAS, the City intends to provide services to the property to be annexed according to the agreement for the provision of services attached hereto as **Exhibit "B"**.

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

SECTION 1. That all of the above premises and findings of fact are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2. All portions of the following described properties (hereinafter referred to as the "Annexed Property"), not previously annexed into the City, including the abutting streets, roadways and rights-of-way, are hereby annexed into the corporate limits of the City of Leander:

All that certain area of land being 308 acres, more or less, in Williamson County, Texas, being more particularly described in **Exhibit "A"** attached hereto and incorporated herein for all purposes.

SECTION 3. That the provision of services agreement submitted herewith is hereby approved as part of this Ordinance, made a part hereof and attached hereto as **Exhibit “B”**.

SECTION 4. That the future owners and inhabitants of the Annexed Property shall be entitled to all of the rights and privileges of the City as set forth in the provisions of services agreement attached hereto as **Exhibit “B”**, and are further bound by all acts, ordinances, and all other legal action now in full force and effect and all those which may be hereafter adopted.

SECTION 5. That the official map and boundaries of the City, heretofore adopted and amended be and hereby are amended so as to include the Annexed Property as part of the City of Leander.

SECTION 6. That the Annexed Property shall be temporarily zoned District “SFR-1-B” as provided in the City Zoning Ordinance, as amended, until permanent zoning is established therefore.

SECTION 7. That if any provision of this Ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 8. That this Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the *Tex. Loc. Gov't. Code*.

SECTION 9. That it is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't. Code*.

PASSED AND APPROVED on First Reading this 7th day of July, 2022.

FINALLY PASSED AND APPROVED on this 21st day of July, 2022.

ATTEST:

CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Christine DeLisle, Mayor

Exhibit “A”

(SEE ATTACHED)

ZONING METES & BOUNDS DESCRIPTION

FIELD NOTES FOR A 308.000 ACRE TRACT OF LAND OUT OF THE JOHN FRANCIS SMITH SURVEY, ABSTRACT NO. 320 AND THE BENJAMIN O. PAYN SURVEY, ABSTRACT NO. 508 SITUATED IN WILLIAMSON COUNTY, TEXAS; BEING ALL OF THAT CALLED 293.34 ACRE TRACT AS CONVEYED TO FORESTAR (USA) REAL ESTATE GROUP, INC. BY GENERAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2021005691, AND ALL OF THAT CALLED 14.948 ACRE TRACT AS CONVEYED TO FORESTAR (USA) REAL ESTATE GROUP, INC. BY GENERAL WARRANTY DEED RECORDED IN DOCUMENT NUMBER 2021005729, BOTH OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 308.000 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2-inch iron rod found on the westerly right-of-way line of County Road No. 279 (right-of-way width varies), at the northeast corner of the above described Forestar 14.948-acre tract, being the southeast corner of a called 16.00 acre tract as conveyed to Roy L. Sullivan II by special warranty deed recorded in Document Number 2020019977 of the official public records of Williamson county, Texas, for the northeast corner and **POINT OF BEGINNING** of the herein described tract;

THENCE, with the westerly right-of-way line of County Road No. 279 as partially conveyed by Document Number's 9824294 & 9824296 of the Official Records of Williamson County, Texas, the following fifteen (15) courses:

- 1) S 06° 14' 26" E a distance of 389.44 feet to a 1/2-inch iron rod found for angle point at the common east corner of the above described Forestar 14.948-acre tract, and Forestar 293.34-acre tracts;
- 2) S 05° 50' 59" E a distance of 155.71 feet to a 1/2-inch iron rod found for angle;
- 3) S 03° 07' 01" E a distance of 100.68 feet to a square bolt in concrete found for angle point;
- 4) S 13° 50' 58" E a distance of 33.95 feet to a 60-D nail found for angle point;
- 5) S 05° 49' 14" E a distance of 50.77 feet to a 60-D nail found for angle point;
- 6) S 06° 33' 20" E a distance of 49.47 feet to a 1/2-inch iron rod found for angle point;
- 7) S 09° 25' 20" E a distance of 97.47 feet to a 1/2-inch iron rod found for angle point;
- 8) S 12° 58' 58" E a distance of 97.50 feet to a 60-D nail found for angle point;
- 9) S 16° 34' 39" E a distance of 97.47 feet to a 60-D nail found for angle point;
- 10) S 19° 20' 40" E a distance of 97.56 feet to a 60-D nail found for angle point;
- 11) S 22° 45' 51" E a distance of 60.24 feet to a 60-D nail found for angle point;

- 12) S 15° 51' 08" E a distance of 17.50 feet to a 1/2-iron pipe found for angle point;
- 13) S 23° 51' 48" E a distance of 117.55 feet to a 60-D nail found for angle point;
- 14) S 22° 47' 23" E a distance of 595.68 feet to a 1/2-inch iron rod found for angle point; and
- 15) S 22° 47' 23" E a distance of 400.11 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set at the most easterly corner of said Forestar 293.34-acre tract, for the most easterly corner of the herein described tract;

THENCE, leaving the westerly right-of-way line of said County Road No. 279, with a south line of said Forestar 293.34-acre tract, and partly with a north line of Whitt Ranch, a subdivision as recorded in Document Number 2017103645 of the Official Public records of Williamson County, Texas, S 67° 01' 38" W a distance of 750.49 feet to a 5/8-inch iron rod found at the common north corner of Lots 32 & 33, Block B, of said Whitt Ranch, being an outside corner of said Forestar 293.34-acre tract, for an outside corner of the herein described tract;

THENCE, with the common lines of said Forestar 293.34-acre tract, and said Whitt Ranch, the following six (6) courses:

- 1) N 22° 40' 09" W a distance of 399.89 feet to a 3/8-inch iron rod found at the northeast corner of Lot 35, Block B, for an inside corner of the herein described tract;
- 2) S 67° 05' 38" W a distance of 821.40 feet to a fence t-post found at the northwest corner of Lot 2, Block C, for an inside corner of the herein described tract;
- 3) S 22° 00' 44" E a distance of 637.94 feet to a 30" Multi-stem Live Oak tree (22", 16") found for angle point on the west line of Lot 6, Block C;
- 4) S 20° 31' 52" E a distance of 399.66 feet to a cotton gin spindle found for angle point on the west line of Lot 7, Block C;
- 5) S 22° 46' 02" E a distance of 266.13 feet to a cedar fence post found for angle point on the west line of Lot 14, Block C; and
- 6) S 21° 16' 02" E a distance of 976.23 feet to a cedar fence post found at the southwest corner Lot 1, Block D of said Whitt Ranch, on the north line of a called 327 acre tract as conveyed to Lackey Holdings, Ltd. by special warranty deed recorded in Document Number 9859224 of the Official Records of Williamson County, Texas, being the southeast corner of said Forestar 293.34-acre tract, for the southeast corner of the herein described tract;

THENCE, with the south line of said Forestar 293.34-acre tract, and the north line of said Lackey Holdings, Ltd. 327-acre tract, S 69° 45' 54" W a distance of 914.70 feet to a 3/8-inch iron rod found for angle point at the northeast corner Lot 7, Block G, and of Greatwood Subdivision Phase 4, a subdivision as recorded in Document Number 2018060702 of the Official Records of Williamson County, Texas;

THENCE, continuing with the south line of said Forestar 293.34-acre tract, and the north line of said Greatwood Subdivision Phase 4, S 69° 38' 27" W a distance of 781.97 feet to a 1/2-inch iron rod with cap stamped "BGE INC" set for angle point on the north line of Lot 1, Block H of said Greatwood Subdivision Phase 4;

THENCE, continuing with the south line of said Forestar 293.34-acre tract, and the north line of said Greatwood Subdivision Phase 4, S 68° 11' 24" W a distance of 993.87 feet to a 3/8-inch iron rod found at the northwest corner of said Greatwood Subdivision Phase 4, in the northerly terminus of Lakeline Boulevard (45' right-of-way) as dedicated by said Greatwood Subdivision Phase 4, on the east line of a called 317.117 acre tract as conveyed to Ann Wheelock Friou by executor's deed recorded in Document Number 2017112934 of the Official Public Records of Williamson County, Texas, being the southwest corner of said Forestar 293.34-acre tract, for the southwest corner of the herein described tract;

THENCE, with the west line of said Forestar 293.34-acre tract, and the east line of said Friou 317.117-acre tract, N 22° 17' 53" W a distance of 1,023.57 feet to a 21" Cedar tree found for angle point at the common east corner of said Friou 317.117-acre tract and a called 57.63 acre tract as conveyed to TFR Realty LP by general warranty deed recorded in Document Number 2010004714 of the Official Public Records of Williamson County, Texas;

THENCE, continuing with the west line of said Forestar 293.34-acre tract, and the east line of said TFR Realty LP, 57.63-acre tract, N 22° 53' 39" W a distance of 1,890.67 feet to a 1/2-inch iron rod found for angle point at the common east corner of said TFR Realty LP, 57.63-acre tract and a called 4.0 acre tract as conveyed to Glory Lane Properties LLC, by special warranty deed recorded in Document Number 201900791 of the Official Public Records of Williamson County, Texas;

THENCE, continuing with the west line of said Forestar 293.34-acre tract, and the east line of said Glory Lane Properties LLC, 4.0-acre tract, N 22° 58' 44" W a distance of 530.46 feet to a 60-D nail found at the most easterly common corner of said Glory Lane Properties LLC, 4.0-acre tract, and a called 123.94 acre tract as conveyed to John Paul Scott, III by warranty deed with vendor's lien recorded in Volume 531, Page 203 of the Deed Records of Williamson County, Texas, being the northwest corner of said Forestar 293.34-acre tract, for the northwest corner of the herein described tract;

THENCE, with a north line of said Forestar 293.34-acre tract, N 62° 58' 29" E a distance of 54.90 feet to a 1/2-inch iron pipe found for angle point on the south line of a called 18.29 acre tract as conveyed Leaning Oak Properties, LLC by special warranty deed recorded in Document Number 2019099040 of the Official Public Records of Williamson County, Texas;

THENCE, continuing with a north line of said Forestar 293.34-acre tract, and the south line of said Leaning Oak Properties, LLC, 18.29-acre tract, N 68° 58' 31" E a distance of 714.21 feet to a 1/2-inch iron pipe found at an outside corner of said Forestar 293.34-acre tract, for an outside corner of the herein described tract;

THENCE, continuing with a north line of said Forestar 293.34-acre tract, and partially with a south line of said Leaning Oak Properties, LLC, 18.29-acre tract, and with a south line of a called 11.505 acre tract as conveyed to Tiffany Stillwell by general warranty deed recorded in Document Number 2020067446 of the Official Public Records of Williamson County, Texas, S 63° 19' 33" E a distance of 347.24 feet to a 1/2-iron rod found at an inside corner of said Forestar 293.34-acre tract, for an inside corner of the herein described tract;

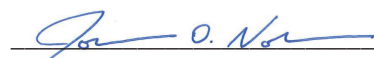
THENCE, continuing with a north line of said Forestar 293.34-acre tract, N 28° 20' 22" E a distance of 1,401.01 feet to 3/4-iron pipe found on the south line of a called 12.396 acre tract as conveyed to Ross Thomas Robertson and Erin Kay Robertson by warranty deed with vendor's lien recorded in Document Number 2020065425 of the Official Public Records of Williamson County, Texas, at an outside corner of said Forestar 293.34-acre tract, for an outside corner of the herein described tract;

THENCE, continuing with a north line of said Forestar 293.34-acre tract, a south line of said Robertson 12.396-acre tract, N 70° 27' 29" E a distance of 10.04 feet to a 1/2-iron rod found at the common west corner of said Forestar 14.948-acre tract, and Forestar 293.34-acre tracts, for an inside corner of the herein described tract;

THENCE, leaving the north line of said Forestar 293.34-acre tract, with the west line of said Forestar 14.948-acre tract, and a east line of said Robertson 12.396-acre tract, N 13° 41' 20" W a distance of 12.58 feet to a 1/2-iron rod found at the northwest corner of said Forestar 14.948-acre tract, for an outside corner of the herein described tract;

THENCE, with the north line of said Forestar 14.948-acre tract, N 65° 47' 50" E a distance of 2,489.96 feet to the **POINT OF BEGINNING** and containing 308.000 acres of land, more or less.

I hereby certify that these notes were prepared from a survey made on the ground by BGE Inc., under my supervision on May 20, 2021 and are true and correct to the best of my knowledge. Bearing orientation is based on the Texas State Plane Coordinate System, NAD 83, Texas Central Zone 4203. A sketch accompanies this description. This document was prepared under 22 TAC §663.21 and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.


Jonathan O. Nobles RPLS No. 5777

BGE, Inc.

101 West Louis Henna Blvd, Suite 400

Austin, Texas 78728

Telephone: (512) 879-0400

TBPELS Licensed Surveying Firm No. 10106502

06/10/2021

Date



Client: Forestar (USA) Real Estate Group, Inc.

Date: June 10, 2021

Job No: 8860-00

Exhibit “B”

**AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES
FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER**

[Insert executed Agreement]

Exhibit “B”

AGREEMENT REGARDING POST-ANNEXATION PROVISION OF SERVICES FOR PROPERTY TO BE ANNEXED INTO THE CITY OF LEANDER

This Agreement is entered into by and between the City of Leander, Texas, a municipal corporation (“City”), and Forestar (USA) Real Estate Group, Inc. (“Landowner”), both of which may be referred to herein singularly as “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, upon the request of the Landowner, the City intends to institute annexation proceedings for an area of land described more fully hereinafter and attached hereto (the “subject property”);

WHEREAS, Section 43.0672, Loc. Gov't. Code, requires the Parties to enter into a written agreement identifying a list of public services to be provided to the subject property and a schedule for the provision of those services that are not otherwise provided on the effective date of the annexation;

WHEREAS, this Agreement is being entered into by and between the Parties to comply with Texas Local Government Code, Chapter 43, Sub-Chapter C-3, Section 43.0672, prior to the City's consideration of an ordinance annexing the subject property, it being understood, acknowledged and agreed by the Parties that annexation of the subject property is a condition precedent to this Agreement becoming effective;

WHEREAS, this Agreement shall be deemed effective on the effective date of an ordinance approved by the City annexing the subject property (the “Effective Date”).

WHEREAS, the subject property is not included in the municipal annexation plan and is exempt from the requirements thereof;

WHEREAS, infrastructure provided for herein and that are existing are sufficient to service the subject property on the same terms and conditions as other similarly situated properties currently within the City limits and no capital improvements are required to offer municipal services on the same terms and conditions as other similarly situated properties within the City; and

WHEREAS, it is found that all statutory requirements have been satisfied and the City is authorized by *Chapter 43, Loc. Gov't. Code*, to annex the subject property into the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

The following services and schedule represent the provision of services agreed to between the Landowner of the subject property and the City establishing a program under which the City

will provide municipal services to the subject property, as required by section 43.0672 of the Texas Local Government Code. The services detailed herein will be provided at a level consistent with service levels provided to other similarly situated areas within the City.

The following services will be provided for the subject property on the Effective Date of annexation:

(1) **General Municipal Services.** Pursuant to the requests of the owner and this Agreement, the following services shall be provided immediately from the effective date of the annexation:

A. Police protection as follows:

Routine patrols of areas, radio response to calls for police service and all other police services now being offered to the citizens of the City. Upon annexation, police protection will be provided to the subject property at a level consistent with the service to other areas of the City with similar population density and characteristics. The City's police services include neighborhood patrols, criminal investigations, crime prevention, community services and school programs.

B. Fire protection and Emergency Medical Services as follows:

Fire protection by the present personnel and equipment of the City fire fighting force and the volunteer fire fighting force with the limitations of water available. Radio response for Emergency Medical Services with the present personnel and equipment.

C. Solid waste collection services as follows:

Solid waste collection and services as now being offered to the citizens of the City. The City provides residential solid waste collection services within the City limits for a fee under a contract between the City and private refuse collection operator. The residential solid waste collection services include garbage collection, recycling, bulky item collection and yard waste collection. Commercial solid waste collection services are also available. This service will be provided for a fee to any person within the subject property requesting the service after the Effective Date of annexation, provided that a privately owned solid waste management service provider is unavailable. If the subject property is already receiving service, the City may not prohibit solid waste collection by the privately owned solid waste management service provider, nor may the City offer solid waste collection services for a period of two (2) years following the Effective Date of the annexation unless a privately owned solid waste management service provider is or becomes unavailable, as established by Texas Local Government Code section 43.0661. If a landowner uses the services of a privately owned solid waste management service provider or services are available from a privately owned solid waste management service provider during the two (2) years following annexation, the City will not provide solid waste collection services to that landowner.

D. Animal control as follows:

Service by present personnel, equipment and facilities or by contract with a third party, as provided within the City.

E. Maintenance of City-owned parks and playgrounds within the City.

F. Inspection services in conjunction with building permits and routine City code enforcement services by present personnel, equipment and facilities. Municipal Court and General Administration services will also be available to property owners and residents in the subject property on the same basis those facilities are available to current City property owners and residents.

G. Maintenance of other City facilities, buildings and service.

H. Land use regulation as follows:

On the effective date of annexation, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered; and shall be temporarily zoned "SFR-1-B" with the intent to rezone the subject property upon request of the landowner or staff. The Planning & Zoning Commission and the City Council will consider rezoning the subject property at future times in response to requests submitted by the Landowner or authorized city staff. The City will impose and enforce its adopted ordinances, including but not limited to, zoning, subdivision development, site development and building code regulations within the subject property upon the Effective Date of the annexation. Enforcement will be in accordance with City ordinances. Development plans and plats for projects within the subject property will be reviewed for compliance with City standards.

(2) **Scheduled Municipal Services.** Due to the size and vacancy of the subject property, the plans and schedule for the development of the subject property, the following municipal services will be provided on a schedule and at increasing levels of service as provided herein:

A. Water service and maintenance of water facilities as follows:

(i) Inspection of water distribution lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of water service, water service will be provided to the subject property, or applicable portions thereof, by the utility holding a water certificate of convenience and necessity ("CCN") for the subject property, or portions thereof as applicable, or absent a water CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of water service. If connected to the City's water utility system, the subject property's owner shall construct the internal water lines and pay the costs of line extension and construction of such facilities necessary to provide water service to the subject

property as required in City ordinances. Upon acceptance of the water lines within the subject property and any off-site improvements, water service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City; subject to all the ordinances, regulations and policies of the City in effect from time to time. The system will be accepted and maintained by the City in accordance with its usual acceptance and maintenance policies. New water line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances of the City in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a water well that is in use on the effective date of the annexation and is in compliance with applicable rules and regulations shall be permitted and such use may continue until the subject property's owner requests and is able to connect to the City's water utility system.

B. Wastewater service and maintenance of wastewater service as follows:

(i) Inspection of sewer lines as provided by statutes of the State of Texas.

(ii) In accordance with the applicable rules and regulations for the provision of wastewater service, wastewater service will be provided to the subjects property, or applicable portions thereof, by the utility holding a wastewater CCN for the subject property, or portions thereof as applicable, or absent a wastewater CCN, by the utility in whose jurisdiction the subject property, or portions thereof as applicable, is located, in accordance with all the ordinances, regulations, and policies of the City in effect from time to time for the extension of wastewater service. If connected to the City's wastewater utility system, the subject property's owner shall construct the internal wastewater lines and pay the costs of line extension and construction of facilities necessary to provide wastewater service to the subject property as required in City ordinances. Upon acceptance of the wastewater lines within the subject property and any off-site improvements, wastewater service will be provided by the City utility department on the same terms, conditions and requirements as are applied to all similarly situated areas and customers of the City, subject to all the ordinances, regulations and policies of the City in effect from time to time. The wastewater system will be accepted and maintained by the City in accordance with its usual policies. Requests for new wastewater line extensions will be installed and extended upon request under the same costs and terms as with other similarly situated customers of the City. The ordinances in effect at the time a request for service is submitted shall govern the costs and request for service. The continued use of a septic system that is in use on the effective date of the annexation and is in compliance with all applicable rules and regulations shall be permitted and such use may continue until the subject property owner requests and is able to connect to the City's wastewater utility system.

C. Maintenance of streets and rights-of-way as appropriate as follows:

(i) Provide maintenance services on existing public streets within the subject property and other streets that are hereafter constructed and finally accepted by the City. The maintenance of the streets and roads will be limited as follows:

(A) Emergency maintenance of streets, repair of hazardous potholes, measures necessary for traffic flow, etc.; and

(B) Routine maintenance as presently performed by the City.

(ii) The City will maintain existing public streets within the subject property, and following installation and acceptance of new roadways by the City as provided by city ordinance, including any required traffic signals, traffic signs, street markings, other traffic control devices and street lighting, the City will maintain such newly constructed public streets, roadways and rights-of-way within the boundaries of the subject property, as follows:

(A) As provided in C(i)(A)&(B) above;

(B) Reconstruction and resurfacing of streets, installation of drainage facilities, construction of curbs, gutters and other such major improvements as the need therefore is determined by the governing body under City policies;

(C) Installation and maintenance of traffic signals, traffic signs, street markings and other traffic control devices as the need therefore is established by appropriate study and traffic standards; and

(D) Installation and maintenance of street lighting in accordance with established policies of the City;

(iii) The outer boundaries of the subject property abut existing roadways. The Landowner agrees that no improvements are required on such roadways to service the subject property.

(3) **Capital Improvements.** Construction of the following capital improvements shall be initiated after the effective date of the annexation: None. Upon development of the subject property or redevelopment, the Landowner will be responsible for the development costs the same as a developer in a similarly situated area under the ordinances in effect at the time of development or redevelopment. No additional capital improvements are necessary at this time to service the subject property the same as similarly situated properties. When deemed necessary, capital improvement acquisition or construction will occur in accordance with applicable ordinances and regulations and the adopted capital improvement plans of the City, as applicable and amended, which are incorporated herein by reference.

(4) **Term.** If not previously expired, this agreement expires at the end of ten (10) years.

(5) **Property Description.** The legal description of the subject property is as set forth in the Annexation Ordinance and exhibits attached to the Annexation Ordinance to which this Agreement is attached.

(6) **Binding Effect/Authority.** This Agreement binds and inures to the benefit of the Parties and their respective heirs, successors, and permitted assigns. Each Party further warrants that each signatory to this Agreement is legally authorized to bind the respective individual or entity for the purposes established herein.

(7) **Choice of Law.** This Agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue for any dispute shall lie exclusively in Williamson County, Texas.

(8) **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts will be construed together and will constitute one and the same instrument.

(9) **Legal Construction.** If any provision in this Agreement is for any reason found to be unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the Parties, the unenforceability will not affect any other provision hereof, and this Agreement will be construed as if the unenforceable provision had never been a part of the Agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(10) **Entire Agreement.** This Agreement contains the entire Agreement between the Parties relating to the rights herein granted and the obligations herein assumed and cannot be varied except by written agreement of the Parties. Any oral representation or modification concerning this instrument shall be of no force and effect except for any subsequent modification in writing, signed by the Party to be charged.

EXECUTED and AGREED to by the Parties this the ____ day of _____, 20__.

ATTEST:

THE CITY OF LEANDER, TEXAS

Dara Crabtree, City Secretary

Richard Beverlin, III, City Manager

LANDOWNER(S):

By: _____

Name (print): _____

Title: _____

Date: _____

By: _____

Name (print): _____

Title: _____

Date: _____



EXECUTIVE SUMMARY

07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding Zoning Case 22-Z-017 to amend the current zoning of Interim SFR-1-B (Single-Family Rural) and Interim SFS-2-B (Single-Family Suburban) to SFC-2-B (Single-Family Compact) and SFT-2-B (Single-Family Townhouse) on one parcel of land approximately 37.02 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcel R031560; and more commonly known as 800 CR 177, Leander, Williamson County, Texas. **[Withdrawn by applicant]**

BACKGROUND:

This application has been withdrawn by the applicant.

HISTORY/TIMELINE:

03/23/2005 – Annexation along CR 177

02/15/2017 – Annexation for remainder of tract.

APPLICANT/AGENT:

Eli Jones Engineering, PLLC (Gary Eli Jones, P.E.) on behalf of Texas Lone Star Landing, LLC (Malik Gillakattula).

PRESENTER:

Robin M. Griffin, AICP, Executive Director of Development Services



EXECUTIVE SUMMARY

07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Major Improvement Project).

- Discuss and consider action on an ordinance authorizing the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Major Improvement Project); approving and authorizing an Amended and Restated Indenture of Trust, a Bond Purchase Agreement, an Official Statement, a Continuing Disclosure Agreement, and other agreements and documents in connection therewith; making findings with respect to the issuance of such Bonds; providing an effective date; and accepting and approving an Update to the Service and Assessment Plan and updated Northern Improvement Area Assessment Roll.

BACKGROUND:

In 2017, the City Council approved the creation of the Deerbrooke Public Improvement District (PID) and authorized the issuance of two bond issues secured by the levy of special assessments on benefiting property within the PID. The bond proceeds were used to fund authorized public improvements within the PID as approved by the Service and Assessment Plan (SAP). The Deerbrooke PID is divided into two areas - the Southern Improvement Area (SIA) and the Northern Improvement Area (NIA). \$8,650,000 in bonds were issued for the SIA projects and \$2,535,000 were issued for the NIA projects.

In addition to the two bond issues, the SAP also included developer financing of \$2,215,000 for authorized improvements which would be reimbursed over time through collection of the annual assessments on the property in the NIA. The Developer and City entered into a Reimbursement Obligation agreement in 2017. This public hearing and action item pertains to the proposed issuance of bonds to retire the outstanding debt owed to the Developer for the 2017 Reimbursement Obligation agreement.

Later, in 2020, a subsequent and final Reimbursement Obligation to the Developer was approved in the amount of \$633,524 for improvements in the NIA. The second public hearing on the agenda pertains to the issuance of bonds to retire the outstanding debt owed to the Developer for that 2020 Reimbursement Obligation.

In total, the previously issued SIA and NIA bonds and the two Reimbursement Obligations amount to \$14,033,524. Since 2018, principal and interest payments have been made on the two bond issues as well as the Developer Reimbursement Obligations.

The purpose of the proposed sale of the 2022 Special Assessment Revenue Bonds is to pay off the balance of the remaining obligation owed to the Developer and reduce interest charges due to tax exempt debt having a lower interest rate than the rate used in the Reimbursement Obligations. Staff began working on this approach last year with the Developer and our legal and financial consultants. Obviously, the interest rate environment last year was much more attractive and the anticipated savings were more tangible. The City Council is under no obligation to approve the bond sale at the Council meeting. In fact, if the benefits are not appreciable, then staff will recommend not going through with the refinancing.

The proposed bonds would impact properties within the Northern Improvement Area only. Although the underlying assessment levied per lot does not change, annual payments would be reduced due to the interest rate savings and

converting the developer reimbursement obligations into bonds. The current and projected annual assessments over the remaining 25 years are as follows:

Northern Improvement Area (NIA)	Current	Projected	Diff.
Lot Size			
40'	\$1,036	\$1,014	-\$22
50'	\$1,308	\$1,281	-\$27
60'	\$1,529	\$1,498	-\$31

Southern Improvement Area (SIA)			
Lot Size			
40'	1,017	1,017	n/c
50'	1,285	1,285	n/c
60'	1,503	1,503	n/c
70'	1,604	1,604	n/c

Although the savings are small on a per lot basis, in total the savings are reasonable and the City retains the opportunity to refinance the debt in five years if interest rates decline. Moreover, it is important to note that the Developer has agreed to accept less than the remaining principal they are owed in order for the PID to achieve positive financial savings on the transaction given the current interest rate environment. The remaining principal amount owed to the Developer is \$2,685,682. The estimated net proceeds back to the Developer from the bond sale is estimated at \$2,020,000. In other words, the Developer is foregoing the difference of approximately \$665,000 paid out over the next 25 years plus interest in exchange for receiving a lump sum payment today.

Because the levy of the PID assessments in the Northern Improvement Area is actually comprised of two layers - one for the initial 2017 levy and a second for the 2020 Developer Reimbursement Obligation, the bonds are being sold in two separate transactions so that the supporting legal and financing documents maintain continuity and consistency.

PRESENTER:

Robert G. Powers, Executive Finance Director

Fiscal Impact

Amount requested: n/a
Approved in current budget (Yes / No): n/a
Expenditure (New / Amended): amended
Recurring or one-time: Recurring
Fund source (Operating / Utility / etc.): Deerbrooke PID

Attachments

1. Ordinance
2. Service & Assessment Plan Update
3. Bond Trust Indenture
4. Preliminary Official Statement
5. Continuing Disclosure Agreement

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS

ORDINANCE NO. 22__-__

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LEANDER, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (DEERBROOKE PUBLIC IMPROVEMENT DISTRICT NORTHERN IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT); APPROVING AND AUTHORIZING AN AMENDED AND RESTATED INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; PROVIDING AN EFFECTIVE DATE; AND ACCEPTING AND APPROVING AN UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND UPDATED NORTHERN IMPROVEMENT AREA ASSESSMENT ROLL

WHEREAS, the City of Leander, 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, as amended (the "PID Act"), has previously established the "Deerbrooke Public Improvement District" (the "District"), pursuant to Resolution No. 17-015-00 adopted by the City Council of the City (the "City Council") on June 15, 2017; and

WHEREAS, the authorization creating the District became effective on June 22, 2017 upon publication of Resolution No. 17-015-00 in the *Hill Country News*, a newspaper of general circulation in the City; and

WHEREAS, pursuant to the PID Act, the City Council published notice and held a public hearing on August 17, 2017 regarding the levy of special assessments within the Northern Improvement Area of the District and on August 17, 2017 adopted Ordinance No. 17-051-00 (the "2017 Assessment Ordinance"); and

WHEREAS, in the 2017 Assessment Ordinance, the City Council approved and accepted the "Original Service and Assessment Plan" (as defined and described in the 2017 Assessment Ordinance, the "Service and Assessment Plan") relating to the District and levied the "Special Assessments" (as defined in the Service and Assessment Plan, the "Special Assessments") against the "Assessment Roll" (as defined and described in the Service and Assessment Plan, the "Assessment Roll"). 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 City issued its "City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrook Public Improvement District Northern Improvement Area Major Improvement Project) (the "Series 2017 Bonds") on November 14, 2017; and

WHEREAS, the Series 2017 Bonds are payable from the assessments levied against that portion of the District designated as the Northern Improvement Area and are secured by that certain Indenture of Trust, dated November 1, 2017 (the “2017 Indenture”), executed and delivered by the City and the Trustee, concurrent with the issuance of the Series 2017 Bonds; and

WHEREAS, the City Council has found and determined that it is in the best interests of the City to issue Additional Northern Improvement Area Major Improvement Bonds (as that term is defined in the Indenture), issued on parity with the Series 2017 Bonds, and to be designated "City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)" (the "Bonds"), such series to be payable from and secured by the Trust Estate, as defined in the Indenture (defined below); and

WHEREAS, concurrently with issuance of the Bonds, the City is also issuing Future Northern Improvement Area Bonds (as that term is defined in the 2017 Indenture), to be designated “City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project) (the “Neighborhood Improvement Bonds”); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purposes of (i) paying the a portion of the Costs of the Authorized Improvements, (ii) funding of the Reserve Fund for payment of principal and interest on the Bonds, and (iii) paying the costs of the issuance of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds for the purposes of paying the costs of the Authorized Improvements, the City has determined such improvements confer a special benefit on the District, as provided in Section III of the Service and Assessment Plan and further depicted on Exhibit C of the Service and Assessment Plan; and

WHEREAS, the City’s Home Rule Charter provides that the City may not issue debt other than general obligation bonds approved by a public vote without prior public notice and a public hearing; and

WHEREAS, the City published notice of a public hearing on the issuance of the Bonds on June 23, 2022 in the time and manner required by the City's Home Rule Charter; and

WHEREAS, the meeting at which this Ordinance was considered was open to the public as required by law; the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; and the meeting was conducted pursuant to the public notice required by the City’s Home Rule Charter that was published on June 23, 2022, and included a public hearing on the issuance of the Bonds; and

WHEREAS, after conducting the duly noticed public hearing on the issuance of the Bonds, the City Council, as set out this Ordinance, hereby approves the: (i) issuance of the Bonds to finance a portion of the costs of the Authorized Improvements as identified in the Service and Assessment Plan, (ii) form, terms and provisions of an Amended and Restated

Indenture of Trust securing the Bonds authorized hereby (defined below), (iii) form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the purchaser of the Bonds, (iv) an Official Statement (defined below), and (v) Continuing Disclosure Agreement (defined below); and

WHEREAS, pursuant to the PID Act and to the terms of the Service and Assessment Plan, the City Council now desires to update the Service and Assessment Plan, including the Northern Improvement Area Assessment Roll, in the form attached hereto as Exhibit D to reflect the issuance of the Bonds and the Neighborhood Improvement Bonds, the interest rates thereon, and updates to other terms of the Service and Assessment Plan.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEANDER, 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 for the purposes of (i) paying a portion of the Costs of the Northern Improvement Area Major Improvements (as defined in the Indenture), (ii) funding of the Reserve Fund for payment of principal and interest on the Bonds, and (iii) paying the costs of the issuance of the Bonds, is hereby authorized and approved.

(b) The Bonds shall be issued and secured under that certain Amended and Restated Indenture of Trust (the "Indenture") dated as of July 1, 2022, 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 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 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 (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to such Bonds, and shall never be payable from ad valorem taxes.

SECTION 3. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to Stifel, Nicolaus & Company, Incorporated (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. Approval of Official Statement. The City Council finds and determines that the Preliminary Official Statement for the Bonds and the Neighborhood Improvement Bonds, dated June 29, 2022 (the "Preliminary Official Statement") was "deemed final," as that term is defined in 17 C.F.R. Section 240.15c2-12, at the time the Preliminary Official Statement was posted on June 29, 2022. The final Official Statement (the "Official Statement") is hereby approved and adopted with such changes and alteration therein as the Mayor, Mayor Pro Tem, the City Manager, the City Secretary, and other appropriate official of the City may approve, such approval to be conclusively evidenced by the delivery thereof. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem, 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 Official Statement and Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of the meeting. The use and distribution of the Preliminary Official Statement in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the execution, approval and delivery of such Preliminary Official Statement and Official Statement by the Mayor or Mayor Pro Tem, the Mayor or Mayor Pro Tem and this City Council are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Official Statement and Official Statement pertaining to the Deerbrooke Public Improvement District, the Developer or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

SECTION 5. Approval of Continuing Disclosure Agreement of the Issuer. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and RBC Capital Markets, LLC (the "Dissemination Agent") is hereby authorized and approved in substantially final form attached hereto as Exhibit C and incorporated herein for all purposes and the Mayor or the 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 as approved by the Mayor or the Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. Update to the Service and Assessment Plan. The Annual Service and Assessment Plan (SAP) Update (2022) attached hereto as Exhibit D is hereby accepted and approved pursuant to the PID Act.

SECTION 7. Additional Actions. The Mayor, the Mayor Pro Tem, the Director of Finance, the City Manager, Assistant City Manager, 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 Director of Finance, the City Manager, Assistant City Manager, 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 8. 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 9. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 11. Construction of Terms. If appropriate in the context of this Ordinance, words of the plural shall be considered to include the singular, and words of the masculine, feminine or neutral gender shall be considered to include the other genders.

SECTION 12. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, as amended, and shall be effective immediately upon its passage and adoption.

SECTION 13. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

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PASSED, APPROVED AND EFFECTIVE THIS 7TH DAY OF JULY 2022.

Christine DeLisle, Mayor
City of Leander, Texas

ATTEST:

Dara Crabtree, City Secretary
City of Leander, Texas

[CITY SEAL]

[SIGNATURE PAGE]

EXHIBIT A

AMENDED AND RESTATED INDENTURE OF TRUST

EXHIBIT B
BOND PURCHASE AGREEMENT

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT
OF THE ISSUER

EXHIBIT D

ANNUAL SERVICE AND ASSESSMENT PLAN (SAP) UPDATE (2022)
WITH UPDATED ASSESSMENT ROLLS



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ANNUAL SERVICE AND ASSESSMENT PLAN (SAP) UPDATE (2022)

CITY OF LEANDER

DEERBROOKE PUBLIC IMPROVEMENT
DISTRICT

Report Date: June 29, 2022

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CITY OF LEANDER



ANNUAL SERVICE AND ASSESSMENT PLAN (SAP) UPDATE (2022)

DEERBROOKE PUBLIC IMPROVEMENT DISTRICT

Prepared for:

City of Leander

105 North Brushy Street

Leander, TX 78641

Attention: Robert Powers, Finance Director

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I INTRODUCTION

The Deerbrooke Public Improvement District (the "PID") was created on June 15, 2017, by Resolution No. 17-015-00 of the City of Leander (the "City") in accordance with the Public Improvement District Act, being Chapter 372 of the Texas Local Government Code (the "PID Act") to finance and/or reimburse the costs of certain Authorized Improvements for the benefit of the property in the PID. A Service and Assessment Plan (the "Service and Assessment Plan" or "SAP") was subsequently prepared at the direction of the City identifying the Authorized Improvements and their estimated costs, the manner of assessing the property in the PID for the costs of the Authorized Improvements, and the indebtedness to be incurred. Following a public hearing held on October 19, 2017, the City accepted and approved the Service and Assessment Plan and levied Northern Improvement Area Special Assessments (the "NIA Special Assessments") and Southern Improvement Area Special Assessments (the "SIA Special Assessments") with the adoption of Ordinance No. 17-051-00 (the "2017 Assessment Ordinance"). The \$8,650,000 Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Southern Improvement Area Major Improvement Project) (the "Series 2017 SIA Bonds") were issued on November 14, 2017, pursuant to Ordinance No. 17-071-00 adopted by the City Council on October 19, 2017. The \$2,535,000 Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the "Series 2017 NIA Bonds") were issued on November 14, 2017, pursuant to Ordinance No. 17-072-00 also adopted by the City Council on October 19, 2017.

The City and Deerbrooke Austin Land, LLC (the "Developer") entered into a Reimbursement Agreement dated as of August 17, 2017 (the "Reimbursement Obligation") pursuant to which the City agreed to reimburse the Developer for the costs of certain Major Improvements benefiting the Northern Improvement Area.

The City and the Developer entered into a separate Reimbursement Agreement dated as of June 18, 2020 (the "2020 Reimbursement Obligation") pursuant to which the City agreed to reimburse the Developer for the costs of certain Northern Neighborhood Improvements benefiting the Northern Improvement Area. Following a public hearing held on June 18, 2020, the City levied separate Future Northern Improvement Area Assessments (referred to hereinafter as the "2020 NIA Special Assessments") for the payment of the 2020 Reimbursement Obligation with the adoption of Ordinance No. 20-012-00 (the "2020 Assessment Ordinance").

The \$1,960,000¹ aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the "2022 Major Improvement Bonds") are being issued by the City pursuant to its ordinance authorizing the issuance of the 2022 Major Improvement Bonds adopted by the City Council on July 7, 2022 (the "Major Improvement Bond Ordinance"),

¹ Preliminary, subject to change.

and an Amended and Restated Indenture of Trust, dated as of July 1, 2022 (the "Major Improvement Indenture"), entered into by and between the City and BOKF, NA, as trustee (the "Trustee"), amending and restating the Indenture of Trust dated November 1, 2017 (the "2017 Indenture"). The 2022 Major Improvement Bonds will be issued on par with the Series 2017 NIA Bonds to refinance the outstanding Reimbursement Obligation and are secured by the NIA Special Assessments.

The \$555,000² aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project) (the "Neighborhood Improvement Bonds") are being issued by the City pursuant to its ordinance authorizing the issuance of the Neighborhood Improvement Bonds adopted by the City Council on July 7, 2022 (the "Neighborhood Improvement Bond Ordinance"), and an Indenture of Trust, dated as of July 1, 2022 (the "Neighborhood Improvement Indenture"), entered into by and between the City and the Trustee. The Neighborhood Improvement Bonds will be issued to refinance the outstanding 2020 Reimbursement Obligation and are secured by the 2020 NIA Special Assessments. The Series 2017 SIA Bonds, the Series 2017 NIA Bonds, the 2022 Major Improvement Bonds, and the Neighborhood Improvement Bonds shall hereafter be collectively referred to as the "Bonds".

Pursuant to Sections 372.013 and 372.014 of the PID Act and the ordinance approving this Annual Service and Assessment Plan (SAP) Update (2022) to the Service and Assessment Plan (the "Annual Service Plan Update"), the Service and Assessment Plan is to be reviewed and updated annually by August of each year or as soon as thereafter practical and is to include an Assessment Plan. This Annual Service Plan Update for 2022 is comprised of the following parts:

- Annual Service Plan Update;
- Assessment Plan; and
- Assessment Roll.

² Preliminary, subject to change.

II ANNUAL SERVICE PLAN UPDATE

Section 372.013 of the PID Act requires that the Annual Service Plan Update (i) define the annual indebtedness and the projected costs of the Authorized Improvements and (ii) cover a period of at least 5 years.

A PID Bonded Indebtedness

The sources and uses of funds for the Bonds are shown in **Table II-1** below.

Table II-1: Sources and Uses of Funds

		NIA			SIA
	Total	NIA Series 2017	2022 Major Improvement Bonds ³	Neighborhood Improvement Bonds ³	SIA Series 2017
Sources of Funds					
Bond Proceeds	\$13,700,000	\$2,535,000	\$1,960,000	\$555,000	\$8,650,000
Mandatory Prepayment Proceeds	\$0	\$0	\$0	\$0	\$0
Original Issue Discount	(\$160,140)	(\$28,625)	(\$34,201)	(\$10,814)	(\$86,500)
Total Sources of Funds	\$13,539,860	\$2,506,375	\$1,925,799	\$544,186	\$8,563,500
Uses of Funds					
Owner-Funded Infrastructure	\$0	\$0	\$0	\$0	\$0
Bond-Funded Infrastructure					
Major	\$6,449,875	\$2,000,425	\$1,550,753	\$0	\$2,898,697
Neighborhood	\$4,501,815	\$0	\$0	\$444,037	\$4,057,778
Costs of Issuance	\$761,729	\$127,713	\$150,832	\$58,019	\$425,165
Underwriting	\$437,631	\$78,152	\$77,966	\$21,034	\$260,479
Reserve Fund	\$908,833	\$175,150	\$146,249	\$21,096	\$566,338
Capitalized Interest	\$435,229	\$106,185	\$0	\$0	\$329,044
Administrative Expenses	\$44,750	\$18,750	\$0	\$0	\$26,000
Total Uses of Funds	\$13,539,860	\$2,506,375	\$1,925,799	\$544,186	\$8,563,500

Note: May not sum due to rounding.

B 5-Year PID Cash Flow Projections

Projected debt service and assessment installments for a 5-year period are shown in **Tables II-2** and **II-3**.

³ Preliminary, subject to change.

Table II-2: 5-Year Cash Flow Projections (Series 2017 NIA Bonds⁴, 2022 Major Improvement Bonds, and Neighborhood Improvement Bonds)

Description	Total	2022	2023	2024	2025	2026
Revenues						
Assessment Installments	\$2,090,465	\$418,736	\$416,047	\$419,211	\$416,944	\$419,527
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$2,090,465	\$418,736	\$416,047	\$419,211	\$416,944	\$419,527
Expenditures						
Interest	\$1,236,434	\$263,321	\$251,311	\$246,185	\$240,651	\$234,966
Principal	\$534,000	\$92,000	\$101,000	\$109,000	\$112,000	\$120,000
Additional Interest Reserve	\$116,995	\$24,400	\$23,940	\$23,435	\$22,890	\$22,330
Administrative Expenses	\$203,036	\$39,015	\$39,795	\$40,591	\$41,403	\$42,231
Total Expenditures	\$2,090,465	\$418,736	\$416,047	\$419,211	\$416,944	\$419,527

Note: May not sum due to rounding. Additionally, administrative expenses have been reset to pre-escalated levels.

Table II-3: 5-Year Cash Flow Projections (Series 2017 SIA Bonds)

Description	Total	2022	2023	2024	2025	2026
Revenues						
Assessment Installments	\$3,121,000	\$626,323	\$623,570	\$625,544	\$622,127	\$623,436
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$3,121,000	\$626,323	\$623,570	\$625,544	\$622,127	\$623,436
Expenditures						
Interest	\$1,842,256	\$383,838	\$376,413	\$368,781	\$360,738	\$352,488
Principal	\$970,000	\$180,000	\$185,000	\$195,000	\$200,000	\$210,000
Additional Interest Reserve	\$184,825	\$38,900	\$37,975	\$37,000	\$36,000	\$34,950
Administrative Expenses	\$140,771	\$27,050	\$27,591	\$28,143	\$28,706	\$29,280
Total Expenditures	\$3,137,853	\$629,788	\$626,979	\$628,924	\$625,444	\$626,718

Note: Due to prepayment of assessments, expenditures exceed revenues in the short-term. Additional bond calls will be made in order to remedy the shortfall. Additionally, administrative expenses have been reset to pre-escalated levels.

⁴ Based on the revised debt service schedule after the anticipated bond call on September 1, 2022.

C Description of Authorized Improvements

A description of each of the Authorized Improvements is listed below.

C.1 Major Improvements

- Deer Rim Road/Stone Branch Drive – These improvements consist of the construction of the full distance of Deer Rim Road and Stone Branch Drive up to the intersection with Sage Ranch Drive. These Major Improvements will provide road and thoroughfare access to all phases of the Project and consist of the construction of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/waste water trunk mains, pipes, valves, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.
- Sage Ranch Drive – These improvements consist of the construction of the full distance of Sage Ranch Drive. These Major Improvements will provide road and thoroughfare access to all phases of the Project and consist of the construction of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/waste water trunk mains, pipes, valves, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.
- Collector Creek Crossing Drainage Improvements – The Collector Creek Crossing is a bridge along Stone Branch Drive, which will include the construction of retaining wall, box culvert, head wall, and pedestrian handrail improvements all of which benefit the entire Assessed Property within the PID. The retaining wall, box culvert, head wall, and pedestrian handrail improvements have been constructed according to City standards, determined in the City's sole discretion.
- Lift Station – The improvements consist of the construction and installation of a lift station and the pipes, service lines, manholes, encasements, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.
- Off-Site Force Main – These improvements consist of the construction and installation of a force main and the pipes, service lines, manholes, encasements, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.

C.2 Southern Neighborhood Improvements

- Water Quality Ponds – These improvements consist of the construction of detention ponds with associated appurtenances to appropriately control and convey storm water, all of which benefit the entire Assessed Property within the SIA.

- Enhanced Landscaping – These improvements consist of the installation of landscaping along Halsey Way, at both entrances to Deerbrooke, at the trailhead park, on trails and in other open spaces and common areas in the SIA. The entryway monuments and associated signage will be constructed and installed in a manner consistent with those typically associated with master planned communities. The entryway monuments and signage are of high quality and low profile displaying neighborhood name and indicating directional information to the Project. These improvements will be constructed according to City standards, determined in the City’s sole discretion.

C.3 Northern Neighborhood Improvements

- Water Quality Ponds – These improvements consist of the construction of detention ponds with associated appurtenances to appropriately control and convey storm water all of which benefit the entire Assessed Property within the NIA.
- Stone Branch Drive – These improvements consist of the construction of Stone Branch Drive north of the intersection with Sage Ranch Drive. These improvements will provide road access to the NIA and consist of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/waste water trunk mains, pipes, valves, and associated appurtenances, all of which benefit the entire Assessed Property within the NIA.
- Enhanced Landscaping – These improvements consist of the installation of landscaping along Sage Ranch Road north of the creek and in other open spaces and common areas in the NIA. The entryway monuments and associated signage have been constructed and installed in a manner consistent with those typically associated with master planned communities. The entryway monuments and signage are of high quality and low profile displaying neighborhood name and indicating directional information to the Project. These improvements have been constructed according to City standards, determined in the City’s sole discretion.

D Estimated Cost of Authorized Improvements

The Bonds will fund all or a portion of the costs of the Authorized Improvements. The estimated costs of the Authorized Improvements are shown in **Tables II-4 and II-5**. The information within the following tables was provided by the Developer.

Table II-4: SIA Progress and Milestone Forecast Table

Construction Budget and Completed/Reimbursed to Date							
Description	Total Budget	Actual Complete as of 6/29/2022	% Actual Complete	Reimbursed as of 6/29/2022	% Reimbursed	Unreimbursed Amount	% Unreimbursed
Major Improvements							
Deer Rim Road/ Stone Branch Drive	\$1,155,881	\$1,155,881	100.00%	\$1,155,881	100.00%	\$0	0.00%
Sage Ranch Drive	\$495,074	\$495,074	100.00%	\$495,074	100.00%	\$0	0.00%
Collector Creek Crossing	\$555,457	\$555,457	100.00%	\$555,457	100.00%	\$0	0.00%
Lift Station	\$240,483	\$240,483	100.00%	\$240,483	100.00%	\$0	0.00%
Off-Site Force Main	\$451,801	\$451,801	100.00%	\$451,801	100.00%	\$0	0.00%
Southern Neighborhood Improvements							
Water Quality Ponds	\$3,307,778	\$3,307,778	100.00%	\$3,307,778	100.00%	\$0	0.00%
Enhanced Landscaping	\$750,000	\$750,000	100.00%	\$750,000	100.00%	\$0	0.00%
Total	\$6,956,474	\$6,956,474	100.00%	\$6,956,474	100.00%	\$0	0.00%

Note: May not sum due to rounding

Table II-5: NIA Progress and Milestone Forecast Table

Construction Budget and Completed/Reimbursed to Date							
Description	Total Budget	Actual Complete as of 6/29/2022	% Actual Complete	Reimbursed as of 6/29/2022	% Reimbursed	Unreimbursed Amount	% Unreimbursed
Major Improvements							
Deer Rim Road/ Stone Branch Drive	\$789,052	\$789,052	100.00%	\$785,882	99.60%	\$3,170	0.40%
Sage Ranch Drive	\$2,180,295	\$2,180,295	100.00%	\$599,608	27.50%	\$1,580,687	72.50%
Collector Creek Crossing	\$379,178	\$379,178	100.00%	\$288,498	76.09%	\$90,680	23.91%
Lift Station	\$164,164	\$164,164	100.00%	\$164,164	100.00%	\$0	0.00%
Off-Site Force Main	\$308,418	\$308,418	100.00%	\$308,418	100.00%	\$0	0.00%
Northern Neighborhood Improvements							
Water Quality Ponds	\$822,578	\$822,578	100.00%	\$0	0.00%	\$822,578	100.00%
Stone Branch Drive	\$331,309	\$311,309	100.00%	\$0	0.00%	\$331,309	100.00%
Enhanced Landscaping	\$80,000	\$80,000	100.00%	\$0	0.00%	\$80,000	100.00%
Total	\$5,054,994	\$5,054,994	100.00%	\$2,146,570	42.46%	\$2,908,424	57.54%

Note: May not sum due to rounding.

E Prepayments

Debt service on the Bonds reflects the redemption of bonds from Assessment prepayments and/or from funds transferred to the Redemption Fund. Early redemption of bonds results in interest savings over the life of the PID.

Table II-6: Principal Redeemed from Prepayments

Redemption Date	Bonds Redeemed
Series 2017 SIA Bonds	
July 20, 2021	\$50,000
Total Amount Redeemed	\$50,000
Series 2017 NIA Bonds	
September 1, 2022 ⁵	\$10,000
Total Amount Redeemed	\$10,000

⁵ Anticipated bond call date.

III HOME COMPLETION DATA

Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Special Assessments levied within the district, the below table shall reflect the number of new units completed within the District within the current fiscal year, as well as aggregate number of new units. The Southern Improvement Area has passed the 95% building permit threshold, however the Northern Improvement Area has not.

Table III-1: Northern Improvement Area Development Status as of May 27, 2022

Fiscal Year	Units Completed During Prior Fiscal Year	Cumulative Units Completed to Date
2016-17	0	0
2017-18	0	0
2018-19	0	0
2019-20	0	0
2020-21	95	95
2021-22	30	125

IV ASSESSMENT PLAN

Section 372.015 of the PID Act states that the governing body of the municipality shall apportion the cost of an improvement to be assessed against property in an improvement district, and the apportionment shall be made on the basis of special benefits accruing to the property because of the improvement. More specifically, the PID Act provides that the costs of the 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 benefitted.

A Method of Assessment

The Service and Assessment Plan provides that the cost of the Authorized Improvements be assessed to residential property in proportion to estimated average build-out value (i.e., estimated completed home values). Residential build-out values for the NIA are estimated for the following three (3) lot types:

- 40' wide lots;
- 50' wide lots; and
- 60' wide lots.

Residential build-out values for the SIA are estimated for the following five (5) lot types:

- 40' wide lots;
- 50' wide lots;
- 60' wide lots;
- 70' wide lots; and
- 80' wide lots.

The special assessments by lot type are shown in **Tables IV-1** and **IV-2** on the following page.

Table IV-1: NIA Special Assessments and 2020 NIA Special Assessments

Lot Type	Lots	Estimated Build-Out Total	Percent of Total	Total Assessment	Assessment Per Lot
40' Lots	47	\$13,150,990	11.31%	\$607,162	\$12,918.33
50' Lots	266 ⁶	\$94,008,979	80.87%	\$4,340,253	\$16,316.74
60' Lots	22	\$9,092,602	7.82%	\$419,792	\$19,081.45
Total	335	\$116,252,571	100.00%	\$5,367,206	N/A

Note: May not sum due to rounding.

Table IV-2: SIA Special Assessments

Phase	Lot Type	Lots	Estimated Build-Out Total	Percent of Total	Total Assessment	Assessment Per Lot
1	40'	21	\$5,875,974	3.43%	\$296,788	\$14,132.77
1	50'	79	\$27,919,960	16.30%	\$1,410,202	\$17,850.67
1	60'	50	\$20,665,005	12.07%	\$1,043,763	\$20,875.28
1	70'	12	\$5,292,000	3.09%	\$267,292	\$22,274.36
1	80'	16	\$8,064,000	4.71%	\$407,302	\$25,456.42
2 and 3	50'	155	\$54,779,668	31.99%	\$2,766,853	\$17,850.67
2 and 3	60'	106	\$43,809,810	25.58%	\$2,212,779	\$20,875.28
2 and 3	70'	11	\$4,851,000	2.83%	\$245,018	\$22,274.36
Total		450	\$171,257,418	100%	\$8,650,000	N/A

Note: May not sum due to rounding.

⁶ Reflects the loss of one lot.

B Annual Assessment Installments

The SIA Special Assessments, the NIA Special Assessments, and the 2020 NIA Special Assessments will be levied on each Parcel or Lot according to the NIA Assessment Roll and SIA Assessment Roll, as applicable, subject to any revisions made pursuant to an Annual Service Plan Update and/or amended and restated SAP. The Annual Installments for the SIA Special Assessments levied for the Series 2017 SIA Bonds, the NIA Special Assessments levied for the Series 2017 NIA Bonds and the 2022 Major Improvement Bonds, and the 2020 NIA Special Assessments levied for the Neighborhood Improvement Bonds will be due no later than January 31 of each year beginning in 2023, in the amounts shown on the respective 2022 Assessment Roll, subject to any revisions made pursuant to an Annual Service Plan Update.

The Special Assessments may be paid in full or in part at any time. If not paid in full, the Special Assessments are payable in annual installments of principal and interest (the "Annual Installments") along with administrative expenses ("Administrative Expenses"). In regard to the Special Assessments securing the Bonds, pursuant to the Service and Assessment Plan and in accordance with Section 372.018 of the PID Act, the SIA Special Assessments, the NIA Special Assessments, and the 2020 NIA Special Assessments bear interest at the rate of interest⁷ on the Series 2017 SIA Bonds, the Series 2017 NIA Bonds and the 2022 Major Improvement Bonds, and the Neighborhood Improvement Bonds, respectively, plus an additional interest rate which will not exceed 0.50%. The interest in excess of the interest on the Bonds (the "Additional Interest Reserve") will be used to fund prepayment and delinquency reserves relating to each respective bond series. Administrative Expenses will be allocated to each tax parcel in proportion to its Special Assessment balance. Annual Installments for each parcel set forth in the Assessment Roll shall be due on October 1st of the year in which the particular annual installment amount is listed and shall be delinquent if not paid by January 31st of the following year.

Pursuant to Section 372.018(e) of the PID Act, a Special Assessment lien may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the governing body of the City. Foreclosure of accrued installments does not eliminate the outstanding principal balance of the Special Assessment. Any purchaser of the property in foreclosure takes the property subject to the Assessment lien and any associated obligations. Furthermore, in accordance with Section 372.018(f) delinquent installments of the Assessment shall incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes. The owner of assessed property may pay at any time all or any part of the Special Assessment, with interest that has accrued on the Special Assessment, on any lot or parcel in the PID.

⁷ The rate of interest for the NIA Special Assessments represents the weighted average rates of interest on the Series 2017 NIA Bonds and the 2022 Major Improvement Bonds.

C Amended Assessment Roll

The Assessment Roll is to be updated each year to reflect (i) the Special Assessments and Annual Installments for each tax parcel in the PID and (ii) prepayments of the Special Assessments, if any. The Special Assessments in the Assessment Roll reflect the number and type of lots projected for each tax parcel as shown in the Service and Assessment Plan. The 2022 Assessment Rolls are attached as Appendices A and B.

APPENDIX A

City of Leander

Annual Service and Assessment Plan (SAP) Update (2022)

Deerbrooke Public Improvement District



NIA ASSESSMENT ROLL

40' Lot Type

Table A-1: Assessment Roll of 40' Lot Type

Parcel ID
R592577
R614272

Revised Annual Installments in Northern Improvement Area

Number of Units:	30
Lot Type:	40

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.
[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.
[3] Assumes tax bill for the Tax Year is already paid.

Revised Annual Installments in Northern Improvement Area

Number of Units:	17
Lot Type:	40

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.
[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.
[3] Assumes tax bill for the Tax Year is already paid.

50' Lot Type

Table A-2: Assessment Roll of 50' Lot Type

Parcel ID						
R592435	R592475	R592515	R592555	R614224	R618854	R618909
R592436	R592476	R592516	R592556	R614225	R618855	R618910
R592437	R592477	R592517	R592557	R614226	R618857	R618911
R592438	R592479	R592518	R592558	R614227	R618858	R618912
R592439	R592480	R592520	R592560	R614228	R618859	R618913
R592440	R592481	R592521	R592561	R614229	R618860	R618914
R592441	R592482	R592522	R592562	R614230	R618861	R618915
R592443	R592483	R592523	R592563	R614233	R618862	R618916
R592444	R592484	R592524	R592564	R614234	R618863	R618917
R592445	R592485	R592525	R592565	R614235	R618864	R618918
R592446	R592486	R592526	R592566	R614236	R618865	R618919
R592447	R592487	R592527	R592567	R614237	R618866	R618920
R592448	R592488	R592528	R592568	R614238	R618883	R618921
R592449	R592489	R592529	R592569	R614239	R618884	R618922
R592450	R592491	R592530	R592570	R614240	R618885	R618923
R592451	R592492	R592531	R592571	R614241	R618886	R618924
R592452	R592493	R592532	R592572	R614242	R618887	R618925
R592453	R592494	R592533	R592573	R614243	R618888	R618926
R592454	R592495	R592534	R592574	R614244	R618889	R618927
R592455	R592496	R592535	R592575	R614245	R618890	R618928
R592456	R592497	R592536	R592576	R614246	R618891	R618929
R592457	R592498	R592537	R592578	R614247	R618892	R618930
R592458	R592499	R592538	R592579	R614248	R618893	R618931
R592459	R592500	R592539	R592580	R614249	R618894	R618932
R592460	R592501	R592540	R592581	R614250	R618895	R618933
R592461	R592502	R592541	R592582	R614251	R618896	R618934
R592463	R592503	R592542	R592583	R614252	R618897	R618935
R592464	R592504	R592543	R592584	R614253	R618898	R618936
R592465	R592505	R592544	R592585	R614254	R618899	R618937
R592466	R592506	R592545	R592586	R614255	R618900	R618938
R592467	R592507	R592546	R592587	R614256	R618901	R618939
R592468	R592508	R592547	R592588	R614264	R618902	R618940
R592469	R592509	R592548	R614218	R614265	R618903	R618941
R592470	R592510	R592549	R614219	R614266	R618904	R618942
R592471	R592511	R592550	R614220	R614267	R618905	R618943
R592472	R592512	R592551	R614221	R618851	R618906	R618944
R592473	R592513	R592553	R614222	R618852	R618907	R618945
R592474	R592514	R592554	R614223	R618853	R618908	R618946

Deerbrooke PID

Revised Annual Installments in Northern Improvement Area

Improvement Area:

NIA

Lot Type:

50

		NIA Series 2017 [2]				2022 Major Improvement Bonds [2]				Neighborhood Improvement Bonds [2]				Administrative Expenses	Annual Installments	Assessment Balance [3]
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve			
		Total	Interest	Principal		Total	Interest	Principal		Total	Interest	Principal				
2022	2023	\$527.20	\$375.66	\$151.54	\$35.84	\$428.74	\$328.72	\$100.02	\$29.70	\$120.99	\$93.71	\$27.28	\$8.41	\$118.25	\$1,269.13	\$14,481.47
2023	2024	\$519.43	\$367.89	\$151.54	\$35.08	\$427.65	\$306.42	\$121.23	\$29.20	\$120.72	\$87.38	\$33.34	\$8.27	\$120.61	\$1,260.97	\$14,175.36
2024	2025	\$526.82	\$360.12	\$166.70	\$34.32	\$427.66	\$300.36	\$127.30	\$28.60	\$122.04	\$85.67	\$36.37	\$8.11	\$123.03	\$1,270.57	\$13,844.99
2025	2026	\$518.28	\$351.58	\$166.70	\$33.49	\$427.35	\$293.99	\$133.36	\$27.96	\$123.21	\$83.81	\$39.40	\$7.93	\$125.49	\$1,263.71	\$13,505.53
2026	2027	\$524.89	\$343.04	\$181.85	\$32.66	\$429.78	\$287.33	\$142.45	\$27.29	\$121.19	\$81.79	\$39.40	\$7.73	\$128.00	\$1,271.54	\$13,141.83
2027	2028	\$515.57	\$333.72	\$181.85	\$31.75	\$431.74	\$280.20	\$151.54	\$26.58	\$122.20	\$79.77	\$42.43	\$7.53	\$130.56	\$1,265.93	\$12,766.01
2028	2029	\$521.41	\$324.40	\$197.01	\$30.84	\$430.24	\$272.63	\$157.61	\$25.82	\$123.05	\$77.59	\$45.46	\$7.32	\$133.17	\$1,271.85	\$12,365.93
2029	2030	\$526.46	\$314.30	\$212.16	\$29.85	\$431.45	\$264.75	\$166.70	\$25.03	\$123.75	\$75.26	\$48.49	\$7.09	\$135.83	\$1,279.47	\$11,938.58
2030	2031	\$515.59	\$303.43	\$212.16	\$28.79	\$432.20	\$256.41	\$175.79	\$24.20	\$124.30	\$72.78	\$51.52	\$6.85	\$138.55	\$1,270.48	\$11,499.11
2031	2032	\$519.87	\$292.55	\$227.32	\$27.73	\$432.50	\$247.62	\$184.88	\$23.32	\$121.66	\$70.14	\$51.52	\$6.59	\$141.32	\$1,272.99	\$11,035.39
2032	2033	\$523.37	\$280.90	\$242.47	\$26.60	\$435.39	\$238.38	\$197.01	\$22.40	\$122.06	\$67.50	\$54.56	\$6.33	\$144.15	\$1,280.30	\$10,541.35
2033	2034	\$526.10	\$268.48	\$257.62	\$25.38	\$434.13	\$228.03	\$206.10	\$21.41	\$122.29	\$64.70	\$57.59	\$6.06	\$147.03	\$1,282.40	\$10,020.04
2034	2035	\$528.05	\$255.27	\$272.78	\$24.10	\$435.43	\$217.21	\$218.22	\$20.38	\$122.37	\$61.75	\$60.62	\$5.77	\$149.97	\$1,286.08	\$9,468.42
2035	2036	\$529.22	\$241.29	\$287.93	\$22.73	\$436.11	\$205.76	\$230.35	\$19.29	\$125.32	\$58.64	\$66.68	\$5.47	\$152.97	\$1,291.11	\$8,883.46
2036	2037	\$514.47	\$226.54	\$287.93	\$21.29	\$439.16	\$193.66	\$245.50	\$18.14	\$124.94	\$55.23	\$69.71	\$5.14	\$156.03	\$1,279.17	\$8,280.32
2037	2038	\$514.87	\$211.78	\$303.09	\$19.85	\$441.43	\$180.78	\$260.65	\$16.91	\$124.22	\$51.48	\$72.74	\$4.79	\$159.15	\$1,281.22	\$7,643.84
2038	2039	\$528.89	\$195.49	\$333.40	\$18.34	\$439.87	\$167.09	\$272.78	\$15.61	\$126.37	\$47.57	\$78.80	\$4.43	\$162.33	\$1,295.83	\$6,958.86
2039	2040	\$526.12	\$177.57	\$348.55	\$16.67	\$443.73	\$152.77	\$290.96	\$14.25	\$125.16	\$43.33	\$81.83	\$4.03	\$165.58	\$1,295.54	\$6,237.52
2040	2041	\$522.54	\$158.84	\$363.70	\$14.93	\$443.62	\$137.50	\$306.12	\$12.79	\$126.84	\$38.94	\$87.90	\$3.62	\$168.89	\$1,293.23	\$5,479.80
2041	2042	\$518.15	\$139.29	\$378.86	\$13.11	\$445.34	\$121.04	\$324.30	\$11.26	\$125.14	\$34.21	\$90.93	\$3.18	\$172.27	\$1,288.45	\$4,685.71
2042	2043	\$528.09	\$118.92	\$409.17	\$11.21	\$446.10	\$103.61	\$342.49	\$9.64	\$126.31	\$29.32	\$96.99	\$2.73	\$175.71	\$1,299.79	\$3,837.06
2043	2044	\$521.25	\$96.93	\$424.32	\$9.17	\$448.90	\$85.20	\$363.70	\$7.93	\$127.16	\$24.11	\$103.05	\$2.24	\$179.23	\$1,295.88	\$2,945.99
2044	2045	\$513.60	\$74.12	\$439.48	\$7.05	\$450.57	\$65.65	\$384.92	\$6.11	\$127.68	\$18.57	\$109.11	\$1.73	\$182.81	\$1,289.54	\$2,012.48
2045	2046	\$520.28	\$50.50	\$469.78	\$4.85	\$451.10	\$44.96	\$406.14	\$4.18	\$127.88	\$12.71	\$115.17	\$1.18	\$186.47	\$1,295.94	\$1,021.39
2046	2047	\$495.03	\$25.25	\$469.78	\$2.50	\$453.51	\$23.13	\$430.38	\$2.15	\$127.75	\$6.52	\$121.23	\$0.61	\$190.20	\$1,271.75	\$0.00
		\$13,025.55	\$5,887.86	\$7,137.69	\$558.13	\$10,943.70	\$5,003.20	\$5,940.50	\$470.16	\$3,104.60	\$1,422.48	\$1,682.12	\$133.15	\$3,787.60	\$32,022.89	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

60' Lot Type

Table A-3: Assessment Roll of 60' Lot Type

Parcel ID	
R614257	R618872
R614258	R618873
R614259	R618874
R614260	R618875
R614261	R618876
R614262	R618877
R614263	R618878
R614270	R618879
R618869	R618880
R618870	R618881
R618871	R618882

Deerbrooke PID

Revised Annual Installments in Northern Improvement Area

Improvement Area:

NIA

Lot Type:

60

		NIA Series 2017 [2]				2022 Major Improvement Bonds [2]				Neighborhood Improvement Bonds [2]				Administrative Expenses	Annual Installments	Assessment Balance [3]
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve			
		Total	Interest	Principal		Total	Interest	Principal		Total	Interest	Principal				
2022	2023	\$616.53	\$439.31	\$177.22	\$41.91	\$501.39	\$384.42	\$116.97	\$34.74	\$141.49	\$109.59	\$31.90	\$9.84	\$138.29	\$1,484.18	\$16,935.26
2023	2024	\$607.45	\$430.23	\$177.22	\$41.03	\$500.12	\$358.34	\$141.78	\$34.15	\$141.18	\$102.19	\$38.99	\$9.68	\$141.05	\$1,474.66	\$16,577.27
2024	2025	\$616.08	\$421.14	\$194.94	\$40.14	\$500.12	\$351.25	\$148.87	\$33.44	\$142.72	\$100.19	\$42.53	\$9.48	\$143.87	\$1,485.85	\$16,190.93
2025	2026	\$606.09	\$411.15	\$194.94	\$39.17	\$499.76	\$343.81	\$155.95	\$32.70	\$144.09	\$98.01	\$46.08	\$9.27	\$146.75	\$1,477.83	\$15,793.96
2026	2027	\$613.82	\$401.16	\$212.66	\$38.19	\$502.60	\$336.01	\$166.59	\$31.92	\$141.73	\$95.65	\$46.08	\$9.04	\$149.68	\$1,486.98	\$15,368.63
2027	2028	\$602.92	\$390.26	\$212.66	\$37.13	\$504.90	\$327.68	\$177.22	\$31.08	\$142.90	\$93.28	\$49.62	\$8.81	\$152.68	\$1,480.42	\$14,929.13
2028	2029	\$609.75	\$379.36	\$230.39	\$36.06	\$503.13	\$318.82	\$184.31	\$30.20	\$143.91	\$90.74	\$53.17	\$8.56	\$155.73	\$1,487.34	\$14,461.26
2029	2030	\$615.67	\$367.56	\$248.11	\$34.91	\$504.54	\$309.60	\$194.94	\$29.28	\$144.73	\$88.02	\$56.71	\$8.29	\$158.85	\$1,496.27	\$13,961.50
2030	2031	\$602.95	\$354.84	\$248.11	\$33.67	\$505.44	\$299.86	\$205.58	\$28.30	\$145.37	\$85.11	\$60.26	\$8.01	\$162.02	\$1,485.76	\$13,447.55
2031	2032	\$607.95	\$342.12	\$265.83	\$32.43	\$505.79	\$289.58	\$216.21	\$27.27	\$142.28	\$82.02	\$60.26	\$7.71	\$165.26	\$1,488.69	\$12,905.25
2032	2033	\$612.05	\$328.50	\$283.55	\$31.10	\$509.16	\$278.77	\$230.39	\$26.19	\$142.73	\$78.93	\$63.80	\$7.41	\$168.57	\$1,497.21	\$12,327.51
2033	2034	\$615.25	\$313.97	\$301.28	\$29.68	\$507.69	\$266.67	\$241.02	\$25.04	\$143.00	\$75.66	\$67.34	\$7.09	\$171.94	\$1,499.69	\$11,717.87
2034	2035	\$617.53	\$298.53	\$319.00	\$28.18	\$509.22	\$254.02	\$255.20	\$23.84	\$143.10	\$72.21	\$70.89	\$6.75	\$175.38	\$1,504.00	\$11,072.78
2035	2036	\$618.90	\$282.18	\$336.72	\$26.58	\$510.00	\$240.62	\$269.38	\$22.56	\$146.56	\$68.58	\$77.98	\$6.40	\$178.89	\$1,509.89	\$10,388.70
2036	2037	\$601.64	\$264.92	\$336.72	\$24.90	\$513.58	\$226.48	\$287.10	\$21.21	\$146.10	\$64.58	\$81.52	\$6.01	\$182.46	\$1,495.90	\$9,683.36
2037	2038	\$602.11	\$247.67	\$354.44	\$23.22	\$516.23	\$211.41	\$304.82	\$19.78	\$145.27	\$60.20	\$85.07	\$5.60	\$186.11	\$1,498.32	\$8,939.03
2038	2039	\$618.50	\$228.61	\$389.89	\$21.44	\$514.40	\$195.40	\$319.00	\$18.25	\$147.78	\$55.63	\$92.15	\$5.17	\$189.84	\$1,515.39	\$8,137.99
2039	2040	\$615.27	\$207.66	\$407.61	\$19.49	\$518.92	\$178.66	\$340.26	\$16.66	\$146.38	\$50.68	\$95.70	\$4.71	\$193.63	\$1,515.06	\$7,294.42
2040	2041	\$611.08	\$185.75	\$425.33	\$17.46	\$518.78	\$160.79	\$357.99	\$14.96	\$148.32	\$45.53	\$102.79	\$4.24	\$197.51	\$1,512.34	\$6,408.31
2041	2042	\$605.94	\$162.89	\$443.05	\$15.33	\$520.80	\$141.55	\$379.25	\$13.17	\$146.34	\$40.01	\$106.33	\$3.72	\$201.46	\$1,506.76	\$5,479.68
2042	2043	\$617.57	\$139.07	\$478.50	\$13.11	\$521.69	\$121.17	\$400.52	\$11.27	\$147.71	\$34.29	\$113.42	\$3.19	\$205.48	\$1,520.02	\$4,487.24
2043	2044	\$609.57	\$113.35	\$496.22	\$10.72	\$524.97	\$99.64	\$425.33	\$9.27	\$148.71	\$28.20	\$120.51	\$2.62	\$209.59	\$1,515.45	\$3,445.18
2044	2045	\$600.62	\$86.68	\$513.94	\$8.24	\$526.92	\$76.78	\$450.14	\$7.14	\$149.32	\$21.72	\$127.60	\$2.02	\$213.79	\$1,508.05	\$2,353.50
2045	2046	\$608.44	\$59.06	\$549.38	\$5.67	\$527.53	\$52.58	\$474.95	\$4.89	\$149.55	\$14.86	\$134.69	\$1.38	\$218.06	\$1,515.52	\$1,194.48
2046	2047	\$578.92	\$29.53	\$549.39	\$2.92	\$530.36	\$27.05	\$503.31	\$2.52	\$149.40	\$7.62	\$141.78	\$0.71	\$222.42	\$1,487.25	\$0.00
		\$15,232.60	\$6,885.50	\$8,347.10	\$652.68	\$12,798.04	\$5,850.96	\$6,947.08	\$549.83	\$3,630.67	\$1,663.50	\$1,967.17	\$155.71	\$4,429.31	\$37,448.84	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

APPENDIX B

City of Leander

Annual Service and Assessment Plan (SAP) Update (2022)

Deerbrooke Public Improvement District



SIA ASSESSMENT ROLL

40' Lot Type

Table B-1: Assessment Roll of 40' Lot Type

Parcel ID	
R556752	R612803
R556753	R612804
R556754	R612805
R556755	R612806
R612796	R612807
R612797	R612808
R612798	R612809
R612799	R612810
R612800	R612811
R612801	R612812
R612802	

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 40

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$925.31	\$631.22	\$294.09	\$65.44	\$44.20	\$1,034.94	\$12,793.02
2023	2024	\$921.35	\$619.08	\$302.26	\$63.97	\$45.08	\$1,030.39	\$12,490.75
2024	2025	\$925.22	\$606.62	\$318.60	\$62.45	\$45.98	\$1,033.65	\$12,172.15
2025	2026	\$920.24	\$593.47	\$326.77	\$60.86	\$46.90	\$1,028.01	\$11,845.39
2026	2027	\$923.10	\$580.00	\$343.11	\$59.23	\$47.84	\$1,030.17	\$11,502.28
2027	2028	\$925.29	\$565.84	\$359.45	\$57.51	\$48.80	\$1,031.60	\$11,142.83
2028	2029	\$918.63	\$551.01	\$367.62	\$55.71	\$49.77	\$1,024.12	\$10,775.22
2029	2030	\$917.14	\$533.19	\$383.95	\$53.88	\$50.77	\$1,021.78	\$10,391.26
2030	2031	\$923.02	\$514.56	\$408.46	\$51.96	\$51.78	\$1,026.76	\$9,982.80
2031	2032	\$919.57	\$494.77	\$424.80	\$49.91	\$52.82	\$1,022.30	\$9,558.00
2032	2033	\$923.47	\$474.16	\$449.31	\$47.79	\$53.87	\$1,025.14	\$9,108.69
2033	2034	\$918.04	\$452.39	\$465.65	\$45.54	\$54.95	\$1,018.53	\$8,643.05
2034	2035	\$919.98	\$429.82	\$490.15	\$43.22	\$56.05	\$1,019.24	\$8,152.89
2035	2036	\$920.71	\$406.05	\$514.66	\$40.76	\$57.17	\$1,018.65	\$7,638.23
2036	2037	\$920.26	\$381.09	\$539.17	\$38.19	\$58.32	\$1,016.77	\$7,099.06
2037	2038	\$918.63	\$354.95	\$563.68	\$35.50	\$59.48	\$1,013.61	\$6,535.39
2038	2039	\$923.12	\$326.77	\$596.35	\$32.68	\$60.67	\$1,016.47	\$5,939.03
2039	2040	\$917.81	\$296.95	\$620.86	\$29.70	\$61.89	\$1,009.39	\$5,318.17
2040	2041	\$919.45	\$265.91	\$653.54	\$26.59	\$63.12	\$1,009.16	\$4,664.63
2041	2042	\$919.45	\$233.23	\$686.22	\$23.32	\$64.39	\$1,007.16	\$3,978.42
2042	2043	\$917.81	\$198.92	\$718.89	\$19.89	\$65.67	\$1,003.38	\$3,259.52
2043	2044	\$922.71	\$162.98	\$759.74	\$16.30	\$66.99	\$1,006.00	\$2,499.78
2044	2045	\$917.40	\$124.99	\$792.42	\$12.50	\$68.33	\$998.23	\$1,707.37
2045	2046	\$918.63	\$85.37	\$833.26	\$8.54	\$69.69	\$996.86	\$874.11
2046	2047	\$917.81	\$43.71	\$874.11	\$4.37	\$71.09	\$993.27	\$0.00
Total		\$23,014.17	\$9,927.06	\$13,087.11	\$1,005.80	\$1,415.62	\$25,435.58	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

50' Lot Type

Table B-2: Assessment Roll of 50' Lot Type

Parcel ID						
R556644	R556704	R556746	R591684	R591722	R592129	R614187
R556645	R556705	R556747	R591685	R591723	R592130	R614188
R556646	R556706	R556748	R591686	R591724	R592131	R614189
R556647	R556707	R556749	R591687	R591725	R592132	R614190
R556648	R556709	R556794	R591688	R591726	R592133	R614191
R556649	R556710	R556795	R591689	R591727	R592134	R614192
R556650	R556711	R556796	R591690	R591914	R592135	R614193
R556651	R556712	R556797	R591691	R591915	R592136	R614194
R556652	R556713	R556798	R591692	R591916	R592137	R614195
R556657	R556714	R591657	R591693	R591917	R592138	R614196
R556658	R556715	R591658	R591695	R591918	R592139	R614197
R556659	R556716	R591659	R591696	R591919	R592140	R614198
R556660	R556723	R591660	R591697	R591920	R592141	R614199
R556661	R556724	R591661	R591698	R591921	R592142	R614200
R556662	R556725	R591662	R591699	R591922	R592143	R614201
R556663	R556726	R591663	R591700	R591923	R592144	R614202
R556664	R556727	R591664	R591701	R591924	R592145	R614203
R556665	R556728	R591665	R591703	R591925	R592146	R614204
R556666	R556729	R591666	R591704	R591926	R592147	R614205
R556667	R556730	R591667	R591705	R591927	R592148	R614206
R556668	R556731	R591668	R591706	R591928	R592151	R614207
R556669	R556732	R591669	R591707	R592115	R592152	R614208
R556670	R556733	R591671	R591708	R592116	R592153	R614209
R556671	R556734	R591672	R591710	R592117	R592154	R614211
R556672	R556735	R591673	R591711	R592118	R592155	R614212
R556673	R556736	R591674	R591712	R592119	R592156	R614213
R556674	R556737	R591675	R591713	R592120	R592157	R614214
R556696	R556738	R591676	R591714	R592121	R592158	R614215
R556697	R556739	R591677	R591715	R592122	R592159	R614216
R556698	R556740	R591678	R591716	R592123	R592160	R614217
R556699	R556741	R591679	R591717	R592124	R614182	
R556700	R556742	R591680	R591718	R592125	R614183	
R556701	R556743	R591681	R591719	R592126	R614184	
R556702	R556744	R591682	R591720	R592127	R614185	
R556703	R556745	R591683	R591721	R592128	R614186	

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 50

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,168.73	\$797.27	\$371.46	\$82.65	\$55.82	\$1,307.20	\$16,158.46
2023	2024	\$1,163.72	\$781.95	\$381.78	\$80.79	\$56.94	\$1,301.46	\$15,776.69
2024	2025	\$1,168.61	\$766.20	\$402.41	\$78.88	\$58.08	\$1,305.57	\$15,374.27
2025	2026	\$1,162.33	\$749.60	\$412.73	\$76.87	\$59.24	\$1,298.44	\$14,961.54
2026	2027	\$1,165.94	\$732.57	\$433.37	\$74.81	\$60.42	\$1,301.17	\$14,528.17
2027	2028	\$1,168.70	\$714.70	\$454.01	\$72.64	\$61.63	\$1,302.98	\$14,074.17
2028	2029	\$1,160.29	\$695.97	\$464.32	\$70.37	\$62.87	\$1,293.53	\$13,609.84
2029	2030	\$1,158.41	\$673.45	\$484.96	\$68.05	\$64.12	\$1,290.58	\$13,124.88
2030	2031	\$1,165.84	\$649.92	\$515.92	\$65.62	\$65.41	\$1,296.87	\$12,608.97
2031	2032	\$1,161.48	\$624.93	\$536.55	\$63.04	\$66.71	\$1,291.24	\$12,072.42
2032	2033	\$1,166.41	\$598.90	\$567.51	\$60.36	\$68.05	\$1,294.82	\$11,504.91
2033	2034	\$1,159.55	\$571.40	\$588.14	\$57.52	\$69.41	\$1,286.48	\$10,916.77
2034	2035	\$1,162.00	\$542.90	\$619.10	\$54.58	\$70.80	\$1,287.38	\$10,297.67
2035	2036	\$1,162.92	\$512.87	\$650.05	\$51.49	\$72.21	\$1,286.63	\$9,647.61
2036	2037	\$1,162.36	\$481.35	\$681.01	\$48.24	\$73.66	\$1,284.25	\$8,966.61
2037	2038	\$1,160.29	\$448.33	\$711.96	\$44.83	\$75.13	\$1,280.26	\$8,254.64
2038	2039	\$1,165.97	\$412.73	\$753.24	\$41.27	\$76.63	\$1,283.87	\$7,501.41
2039	2040	\$1,159.26	\$375.07	\$784.19	\$37.51	\$78.17	\$1,274.93	\$6,717.22
2040	2041	\$1,161.33	\$335.86	\$825.46	\$33.59	\$79.73	\$1,274.64	\$5,891.75
2041	2042	\$1,161.33	\$294.59	\$866.74	\$29.46	\$81.32	\$1,272.11	\$5,025.01
2042	2043	\$1,159.26	\$251.25	\$908.01	\$25.13	\$82.95	\$1,267.34	\$4,117.00
2043	2044	\$1,165.45	\$205.85	\$959.60	\$20.59	\$84.61	\$1,270.65	\$3,157.40
2044	2045	\$1,158.75	\$157.87	\$1,000.88	\$15.79	\$86.30	\$1,260.83	\$2,156.53
2045	2046	\$1,160.29	\$107.83	\$1,052.47	\$10.78	\$88.03	\$1,259.10	\$1,104.06
2046	2047	\$1,159.26	\$55.20	\$1,104.06	\$5.52	\$89.79	\$1,254.57	\$0.00
Total		\$29,068.48	\$12,538.56	\$16,529.92	\$1,270.39	\$1,788.02	\$32,126.89	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

60' Lot Type

Table B-3: Assessment Roll of 60' Lot Type

Parcel ID			
R556618	R556688	R591868	R591908
R556619	R556689	R591869	R591909
R556620	R556690	R591870	R591910
R556621	R556691	R591871	R591911
R556622	R556692	R591872	R591912
R556623	R556693	R591873	R591913
R556624	R556694	R591874	R591930
R556626	R556695	R591875	R591931
R556627	R556718	R591876	R591932
R556628	R556719	R591877	R591933
R556630	R556720	R591878	R591934
R556631	R556721	R591879	R591935
R556632	R591830	R591880	R591936
R556633	R591831	R591881	R591937
R556634	R591832	R591882	R592089
R556635	R591833	R591883	R592090
R556636	R591834	R591886	R592091
R556638	R591835	R591887	R592092
R556639	R591848	R591888	R592093
R556640	R591849	R591889	R592094
R556642	R591850	R591890	R592095
R556643	R591851	R591891	R592096
R556654	R591852	R591892	R592097
R556655	R591853	R591893	R592098
R556656	R591854	R591894	R592099
R556675	R591855	R591895	R592100
R556676	R591856	R591896	R592102
R556677	R591857	R591897	R592103
R556678	R591858	R591898	R592104
R556679	R591859	R591899	R592105
R556680	R591860	R591900	R592106
R556681	R591861	R591901	R592107
R556682	R591862	R591902	R592108
R556683	R591863	R591903	R592109
R556684	R591864	R591904	R592110
R556685	R591865	R591905	R592111
R556686	R591866	R591906	R592112
R556687	R591867	R591907	

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 60

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,366.76	\$932.36	\$434.40	\$96.65	\$65.28	\$1,528.69	\$18,896.35
2023	2024	\$1,360.91	\$914.44	\$446.47	\$94.48	\$66.59	\$1,521.97	\$18,449.88
2024	2025	\$1,366.62	\$896.02	\$470.60	\$92.25	\$67.92	\$1,526.79	\$17,979.28
2025	2026	\$1,359.28	\$876.61	\$482.67	\$89.90	\$69.28	\$1,518.45	\$17,496.62
2026	2027	\$1,363.50	\$856.70	\$506.80	\$87.48	\$70.66	\$1,521.65	\$16,989.82
2027	2028	\$1,366.73	\$835.80	\$530.93	\$84.95	\$72.08	\$1,523.75	\$16,458.89
2028	2029	\$1,356.89	\$813.89	\$543.00	\$82.29	\$73.52	\$1,512.70	\$15,915.89
2029	2030	\$1,354.69	\$787.56	\$567.13	\$79.58	\$74.99	\$1,509.26	\$15,348.76
2030	2031	\$1,363.38	\$760.05	\$603.33	\$76.74	\$76.49	\$1,516.61	\$14,745.43
2031	2032	\$1,358.28	\$730.82	\$627.46	\$73.73	\$78.02	\$1,510.03	\$14,117.96
2032	2033	\$1,364.04	\$700.38	\$663.66	\$70.59	\$79.58	\$1,514.21	\$13,454.30
2033	2034	\$1,356.02	\$668.22	\$687.80	\$67.27	\$81.17	\$1,504.46	\$12,766.50
2034	2035	\$1,358.88	\$634.89	\$724.00	\$63.83	\$82.79	\$1,505.51	\$12,042.50
2035	2036	\$1,359.97	\$599.77	\$760.20	\$60.21	\$84.45	\$1,504.63	\$11,282.30
2036	2037	\$1,359.31	\$562.91	\$796.40	\$56.41	\$86.14	\$1,501.86	\$10,485.90
2037	2038	\$1,356.89	\$524.30	\$832.60	\$52.43	\$87.86	\$1,497.18	\$9,653.31
2038	2039	\$1,363.53	\$482.67	\$880.86	\$48.27	\$89.62	\$1,501.41	\$8,772.44
2039	2040	\$1,355.69	\$438.62	\$917.06	\$43.86	\$91.41	\$1,490.96	\$7,855.38
2040	2041	\$1,358.10	\$392.77	\$965.33	\$39.28	\$93.24	\$1,490.61	\$6,890.05
2041	2042	\$1,358.10	\$344.50	\$1,013.60	\$34.45	\$95.10	\$1,487.65	\$5,876.45
2042	2043	\$1,355.69	\$293.82	\$1,061.86	\$29.38	\$97.00	\$1,482.07	\$4,814.59
2043	2044	\$1,362.93	\$240.73	\$1,122.20	\$24.07	\$98.94	\$1,485.94	\$3,692.39
2044	2045	\$1,355.08	\$184.62	\$1,170.46	\$18.46	\$100.92	\$1,474.47	\$2,521.93
2045	2046	\$1,356.89	\$126.10	\$1,230.80	\$12.61	\$102.94	\$1,472.44	\$1,291.13
2046	2047	\$1,355.69	\$64.56	\$1,291.13	\$6.46	\$105.00	\$1,467.14	\$0.00
Total		\$33,993.83	\$14,663.09	\$19,330.75	\$1,485.64	\$2,090.98	\$37,570.46	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

70' Lot Type

Table B-4: Assessment Roll of 70' Lot Type

Parcel ID	
R556759	R591836
R556760	R591837
R556761	R591838
R556762	R591839
R556763	R591840
R556764	R591841
R556765	R591842
R556766	R591843
R556767	R591844
R556780	R591845
R556781	R591846
R556782	R591836

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 70

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,458.36	\$994.85	\$463.51	\$103.13	\$69.66	\$1,631.15	\$20,162.81
2023	2024	\$1,452.11	\$975.73	\$476.39	\$100.81	\$71.05	\$1,623.98	\$19,686.42
2024	2025	\$1,458.21	\$956.08	\$502.14	\$98.43	\$72.47	\$1,629.12	\$19,184.28
2025	2026	\$1,450.38	\$935.36	\$515.01	\$95.92	\$73.92	\$1,620.22	\$18,669.26
2026	2027	\$1,454.88	\$914.12	\$540.76	\$93.35	\$75.40	\$1,623.63	\$18,128.50
2027	2028	\$1,458.33	\$891.81	\$566.52	\$90.64	\$76.91	\$1,625.88	\$17,561.98
2028	2029	\$1,447.83	\$868.44	\$579.39	\$87.81	\$78.44	\$1,614.09	\$16,982.59
2029	2030	\$1,445.48	\$840.34	\$605.14	\$84.91	\$80.01	\$1,610.41	\$16,377.45
2030	2031	\$1,454.75	\$810.99	\$643.77	\$81.89	\$81.61	\$1,618.26	\$15,733.68
2031	2032	\$1,449.31	\$779.80	\$669.52	\$78.67	\$83.25	\$1,611.23	\$15,064.16
2032	2033	\$1,455.46	\$747.32	\$708.14	\$75.32	\$84.91	\$1,615.69	\$14,356.02
2033	2034	\$1,446.90	\$713.00	\$733.90	\$71.78	\$86.61	\$1,605.29	\$13,622.13
2034	2035	\$1,449.96	\$677.44	\$772.52	\$68.11	\$88.34	\$1,606.41	\$12,849.60
2035	2036	\$1,451.12	\$639.97	\$811.15	\$64.25	\$90.11	\$1,605.47	\$12,038.46
2036	2037	\$1,450.41	\$600.64	\$849.77	\$60.19	\$91.91	\$1,602.51	\$11,188.68
2037	2038	\$1,447.83	\$559.43	\$888.40	\$55.94	\$93.75	\$1,597.53	\$10,300.28
2038	2039	\$1,454.92	\$515.01	\$939.90	\$51.50	\$95.62	\$1,602.04	\$9,360.38
2039	2040	\$1,446.55	\$468.02	\$978.53	\$46.80	\$97.54	\$1,590.88	\$8,381.86
2040	2041	\$1,449.12	\$419.09	\$1,030.03	\$41.91	\$99.49	\$1,590.52	\$7,351.83
2041	2042	\$1,449.12	\$367.59	\$1,081.53	\$36.76	\$101.48	\$1,587.36	\$6,270.30
2042	2043	\$1,446.55	\$313.51	\$1,133.03	\$31.35	\$103.51	\$1,581.40	\$5,137.27
2043	2044	\$1,454.27	\$256.86	\$1,197.41	\$25.69	\$105.58	\$1,585.53	\$3,939.86
2044	2045	\$1,445.90	\$196.99	\$1,248.91	\$19.70	\$107.69	\$1,573.29	\$2,690.95
2045	2046	\$1,447.83	\$134.55	\$1,313.29	\$13.45	\$109.84	\$1,571.13	\$1,377.66
2046	2047	\$1,446.55	\$68.88	\$1,377.66	\$6.89	\$112.04	\$1,565.47	\$0.00
Total		\$36,272.14	\$15,645.83	\$20,626.32	\$1,585.21	\$2,231.12	\$40,088.48	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

80' Lot Type

Table B-5: Assessment Roll of 80' Lot Type

Parcel ID	
R556768	R556778
R556770	R556785
R556771	R556786
R556773	R556787
R556774	R556788
R556775	R556789
R556776	R556791
R556777	R556792

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 80

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,666.70	\$1,136.97	\$529.73	\$117.86	\$79.61	\$1,864.17	\$23,043.21
2023	2024	\$1,659.56	\$1,115.12	\$544.44	\$115.22	\$81.20	\$1,855.98	\$22,498.76
2024	2025	\$1,666.53	\$1,092.66	\$573.87	\$112.49	\$82.82	\$1,861.85	\$21,924.89
2025	2026	\$1,657.57	\$1,068.99	\$588.59	\$109.62	\$84.48	\$1,851.68	\$21,336.30
2026	2027	\$1,662.72	\$1,044.71	\$618.02	\$106.68	\$86.17	\$1,855.57	\$20,718.28
2027	2028	\$1,666.66	\$1,019.21	\$647.45	\$103.59	\$87.89	\$1,858.14	\$20,070.84
2028	2029	\$1,654.67	\$992.51	\$662.16	\$100.35	\$89.65	\$1,844.67	\$19,408.68
2029	2030	\$1,651.98	\$960.39	\$691.59	\$97.04	\$91.44	\$1,840.47	\$18,717.09
2030	2031	\$1,662.58	\$926.84	\$735.73	\$93.59	\$93.27	\$1,849.43	\$17,981.35
2031	2032	\$1,656.36	\$891.20	\$765.16	\$89.91	\$95.14	\$1,841.40	\$17,216.19
2032	2033	\$1,663.39	\$854.08	\$809.31	\$86.08	\$97.04	\$1,846.51	\$16,406.88
2033	2034	\$1,653.60	\$814.86	\$838.74	\$82.03	\$98.98	\$1,834.62	\$15,568.14
2034	2035	\$1,657.09	\$774.21	\$882.88	\$77.84	\$100.96	\$1,835.90	\$14,685.26
2035	2036	\$1,658.42	\$731.39	\$927.03	\$73.43	\$102.98	\$1,834.83	\$13,758.24
2036	2037	\$1,657.61	\$686.44	\$971.17	\$68.79	\$105.04	\$1,831.44	\$12,787.07
2037	2038	\$1,654.67	\$639.35	\$1,015.31	\$63.94	\$107.14	\$1,825.74	\$11,771.75
2038	2039	\$1,662.76	\$588.59	\$1,074.17	\$58.86	\$109.28	\$1,830.90	\$10,697.58
2039	2040	\$1,653.20	\$534.88	\$1,118.32	\$53.49	\$111.47	\$1,818.15	\$9,579.26
2040	2041	\$1,656.14	\$478.96	\$1,177.18	\$47.90	\$113.70	\$1,817.73	\$8,402.09
2041	2042	\$1,656.14	\$420.10	\$1,236.03	\$42.01	\$115.97	\$1,814.12	\$7,166.05
2042	2043	\$1,653.20	\$358.30	\$1,294.89	\$35.83	\$118.29	\$1,807.32	\$5,871.16
2043	2044	\$1,662.02	\$293.56	\$1,368.47	\$29.36	\$120.66	\$1,812.04	\$4,502.70
2044	2045	\$1,652.46	\$225.13	\$1,427.33	\$22.51	\$123.07	\$1,798.05	\$3,075.37
2045	2046	\$1,654.67	\$153.77	\$1,500.90	\$15.38	\$125.53	\$1,795.58	\$1,574.47
2046	2047	\$1,653.20	\$78.72	\$1,574.47	\$7.87	\$128.04	\$1,789.11	\$0.00
Total		\$41,453.88	\$17,880.94	\$23,572.94	\$1,811.67	\$2,549.86	\$45,815.41	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.



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AMENDED AND RESTATED

INDENTURE OF TRUST

By and Between

CITY OF LEANDER, TEXAS

and

**BOKF, NA,
as Trustee**

DATED AS OF July 1, 2022

SECURING

\$2,535,000

CITY OF LEANDER, TEXAS

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017

(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT

NORTHERN IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)

AND

\$ _____

CITY OF LEANDER, TEXAS

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022

(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT

NORTHERN IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)

AMENDED AND RESTATED

INDENTURE OF TRUST

WHEREAS, the City of Leander, Texas (the "*City*") has previously entered into that certain Indenture of Trust, dated as of November 1, 2017 (the "*2017 Indenture*") between the City and BOKF, NA, as Trustee (the "*Trustee*"); and

WHEREAS, pursuant to the 2017 Indenture, the City is authorized to modify or amend the 2017 Indenture and the rights and obligations of the City and of the owners of the City of Leander, Texas, Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the "*2017 NIA Bonds*") at any time by a Supplemental Indenture (as defined in the 2017 Indenture), without the consent of any owners of the 2017 NIA Bonds, so long as such amendments or modifications do not adversely affect the 2017 NIA Bonds in any material respect; and

WHEREAS, in connection with the City's issuance of Additional Northern Improvement Area Major Improvement Bonds (as defined herein), the City wishes to amend and restate the 2017 Indenture in its entirety as this Amended and Restated Indenture of Trust, dated as of July 1, 2022 (this "*Indenture*"), by and between the City and the Trustee;

NOW, THEREFORE:

SECTION 1: Amended and Restated Indenture. The 2017 Indenture is hereby amended and restated in its entirety as follows:

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EXHIBIT A-1	Form of 2017 NIA Bond
EXHIBIT A-2	Form of 2022 NIA Bond
EXHIBIT B	Form of City Certificate

AMENDED AND RESTATED INDENTURE OF TRUST

THIS AMENDED AND RESTATED INDENTURE OF TRUST, dated as of July 1, 2022 is by and between the CITY OF LEANDER, TEXAS (the “City”), and BOKF, NA, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, the City, in accordance with the requirements of Chapter 372 of the Texas Local Government Code, (the “PID Act”), including all those requirements of the PID Act pertaining to notice and public hearing, approved the creation of the Deerbrooke Public Improvement District (the “District”), and on August 17, 2017, approved and adopted the Service and Assessment Plan for the District and an ordinance levying assessments against the real property in the District for the purpose of paying the costs of improvements that provide a special benefit to the properties of the District; and

WHEREAS, on August 17, 2017, the City and Deerbrooke Land Austin, LLC (the “Developer” entered into the Deerbrooke Public Improvement District Reimbursement Agreement, pursuant to which the City agreed to reimburse the Developer for the costs of certain Major Improvements (as defined herein) benefiting the Northern Improvement Area;

WHEREAS, the City Council, in accordance with the Authority granted to it by the PID Act and other applicable laws, issued its “City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)” (the “2017 NIA Bonds”), for the purposes of (i) paying a portion of the costs of the Northern Improvement Area Major Improvements, (ii) paying interest on the 2017 NIA Bonds during and after the period of acquisition and construction of the Northern Improvement Area Major Improvements, (iii) funding a reserve account for payment of principal and interest on Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance; and

WHEREAS, the 2017 NIA Bonds are payable from the assessments levied against that portion of the District designated as the Northern Improvement Area and are secured by that certain Indenture of Trust, dated November 1, 2017 (the “2017 Indenture”), executed and delivered by the City and the Trustee, concurrent with the issuance of the 2017 NIA Bonds; and

WHEREAS, the Service and Assessment Plan, which is amended and restated every year, covers a period of at least five years, defines the District’s annual indebtedness and projected Costs, and states provisions relating to due and delinquency dates for the Assessments, interest on Annual Installments, and procedures in connection with the imposition and collection of the Assessments; and

WHEREAS, pursuant to the Act and other laws, and by Articles X and XIII of the 2017 Indenture, the City is authorized to issue Additional Northern Improvement Area Major Improvement Bonds upon the satisfaction of the requirements stated in Article XIII of the 2017 Indenture pertaining to the progress of the development of the District (the “Additional Bonds Test”), and is authorized to enter into this Indenture; and

WHEREAS, the requirements of the Additional Bonds Test have been accomplished and the City now desires to issue its Additional Northern Improvement Area Major Improvement Bonds for the purposes of (i) paying a portion of the costs of the Northern Improvement Area Major Improvements, (ii) funding a reserve account for payment of principal and interest on Bonds, and (iii) paying costs of issuance, and such series of Bonds are to be entitled “City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)” (the “2022 NIA Bonds”), and

WHEREAS, the 2022 NIA Bonds are being issued as Additional Northern Improvement Area Major Improvement Bonds as provided by Article XIII of the 2017 Indenture and are secured by and payable from a lien on and the pledge of the Trust Estate (as defined in the 2017 Indenture on parity with the 2017 NIA Bonds); and

WHEREAS, to accommodate the issuance of the 2022 NIA Bonds and to remove the ability to issue Additional Northern Improvement Area Major Improvement Bonds after the issuance of the 2022 NIA Bonds, the City has determined that it is necessary and proper to amend and supplement the 2017 Indenture through the execution and delivery of this Indenture; and

WHEREAS, pursuant to Article X of the 2017 Indenture, the City is authorized to modify or amend the 2017 Indenture by a Supplemental Indenture to authorize a Series of Additional Northern Improvement Area Major Improvement Bonds; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the 2022 NIA Bonds have been in all respects duly and validly authorized by written ordinance of the City Council of the City of Leander, Texas; and

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

WHEREAS, all acts and conditions and things required by the laws of the State to happen, exist and be performed precedent to execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make this Indenture, a valid, binding, and legal instrument in accordance with its terms;

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, and all moneys and investments held in the Pledged Funds, as herein defined, 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;

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 and products of the foregoing property described in the above granting clauses;

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

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

PROVIDED, FURTHER, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I
DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

“*2017 Bond Ordinance*” means Ordinance No. 17-072-00 adopted by the City Council on October 19, 2017, authorizing the issuance of the 2017 NIA Bonds pursuant to the 2017 Indenture.

“*2017 Indenture*” means Indenture of Trust dated as of November 1, 2017 between the City and BOKF, NA, securing the 2017 NIA Bonds.

“*2017 NIA Bonds*” or “*2017 NIA Bond*” means the City’s bonds entitled “City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)”.

“*2017 Reimbursement Agreement*” means the Deerbrooke Public Improvement District Reimbursement Agreement (Major Improvements that are allocable to the Northern Improvement Area), dated August 17, 2017, and entered into between the City and the Developer.

“*2022 Amended and Restated Service and Assessment Plan*” means the Service and Assessment Plan, as amended and restated by the Annual Service and Assessment Plan (SAP) Update (2022), passed and approved by City Council on July 7, 2022, by Ordinance No. 22-__-__, as same may be further amended, updated, supplemented or otherwise modified from time to time.

“*2022 NIA Bonds*” or “*2022 NIA Bond*” means the City’s bonds authorized to be issued by Section 3.1 and Section 13.2 of this Indenture entitled “City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project).”

“*Account*” means any of the accounts established pursuant to Section 6.1 of this Indenture.

“*Accredited Investor*” has the meaning given to such term under Rule 501(a) of Regulation D promulgated by the United States Securities and Exchange Commission under the Securities Act.

“*Additional Interest*” means the revenue generated from the Additional Interest Rate permitted to be charged and collected under the PID Act.

“*Additional Interest Rate*” means the incremental interest rate charged on the Special Assessments, in excess of the interest rate charged on the Bonds, not to exceed one-half of one percent (0.50%) as authorized pursuant to the PID Act.

“Additional Interest Reserve Account” means the Account established pursuant to the 2017 Indenture and confirmed by Section 6.1 hereof.

“Additional Interest Reserve Requirement” means, initially, an amount equal to 5.5% of the principal amount of the Outstanding Bonds which will be funded from revenues received from the payment of the Additional Interest deposited to the Bond Pledged Revenue Account of the Pledged Revenue Fund.

“Additional Obligations” means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note or time warrant secured in whole or in part by an assessment, other than the Special Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

“Additional Northern Improvement Area Major Improvement Bonds” means any special revenue bonds that are secured by the Northern Improvement Area Special Assessments and issued to fund the remaining portion of the Major Improvements allocable to the Northern Improvement Area which were not paid for under the 2017 NIA Bonds, together with any costs of issuance and required reserves, including the 2022 NIA Bonds. The 2022 NIA Bonds shall be payable on parity with the Outstanding 2017 NIA Bonds.

“Administrative Expenses” means the following actual or budgeted costs, as applicable, relating to the administrative, organizational, operation costs and expenses associated with, or incident to, the administration, organization and operation of the District (whether incurred by the City or by a third party administrator), including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, including a third party administrator, (ii) organizing the District and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting to the Trustee the Special Assessments or Annual Installments thereof, including Delinquent Collection Costs, (iv) maintaining the record of Special Assessments, including payments, reallocations and/or cancellations of the Special Assessments or Annual Installments thereof, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing the Special Assessments or other monies, (vii) complying with the PID Act with respect to the Bonds including any continuing disclosure requirements, (viii) paying the Paying Agent/Registrar’s and Trustee’s fees and expenses (including the fees and expenses of its legal counsel related to the Bonds), and (ix) administering the construction of Authorized Improvements, in accordance with the terms of this Agreement. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce annual Administrative Expenses in subsequent years to avoid the over-collection of annual Administrative Expenses.

“Administrative Fund” means that Fund established by the terms of the 2017 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.9 hereof.

“Administrator” means an officer, employee or designee of the City or third-party designee of the City who is not an officer or employee thereof, who shall have the responsibilities provided in the 2022 Amended and Restated Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and

responsibilities of the administration of the District. The initial Administrator will be David Taussig & Associates, Inc.

“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, with respect to each Assessed Parcel, each annual payment of the Special Assessments as shown on the Assessment Roll attached to the 2022 Amended and Restated Service and Assessment Plan as Appendix A or in any Annual Service Plan Update and related to the Bonds and the Northern Improvement Area Major Improvements, shown under the column heading “Annual Installments,” which annual payment includes (i) the annual payment of the Special Assessment (including interest thereon at the interest rate on the Bonds); (ii) the Additional Interest; and (iii) Administrative Expenses (as described and calculated in the 2022 Amended and Restated Service and Assessment Plan or in any Annual Service Plan Update).

“Annual Service Plan Update” means the annual review and update of the Amended and Restated Service and Assessment Plan required by the PID Act and the 2022 Amended and Restated Service and Assessment Plan.

“Applicable Laws” means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

“Assessed Parcel” means each respective parcel of land located within Northern Improvement Area of the District against which a Special Assessment is levied by the Assessment Ordinance in accordance with the 2022 Amended and Restated Service and Assessment Plan.

“Assessment Ordinance” means Ordinance No. 17-051-00 adopted by the City Council on August 17, 2017, that levied the Special Assessments on the Assessed Parcels.

“Assessment Roll” means the Assessment Roll attached as Appendix A to the 2022 Amended and Restated Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Special Assessment against each Assessed Parcel related to the Bonds and the Northern Improvement Area Major Improvements, under the column heading “Assessment Balance,” as updated, modified, or amended from time to time in accordance with the terms of the 2022 Amended and Restated Service and Assessment Plan and the PID Act.

“Authorized Denomination” means, with respect to the 2017 NIA Bonds, \$100,000 and any integral multiple of \$5,000 in excess thereof, and with respect to the 2022 NIA Area Bonds, \$5,000 and any integral multiple of \$1,000 in excess thereof, or, in each case, such smaller amount authorized by Section 4.5(c); *provided, however*, that upon receipt by the Paying

Agent/Registrar of written evidence that the Bonds have received an Investment Grade Rating, Authorized Denomination shall mean \$5,000 or any integral multiple thereof, with respect to the 2017 NIA Bonds, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating.

“Authorized Improvements” means those public improvements authorized by Section 372.003 of the PID Act including those listed in Section II.C of the 2022 Amended and Restated Service and Assessment Plan.

“Bond Counsel” means Bickerstaff Heath Delgado Acosta LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Date” means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

“Bond Fund” means the Fund established under the terms of the 2017 Indenture and confirmed by Section 6.1 of this Indenture and administered as provided in Section 6.4 hereof.

“Bond Ordinance” means Ordinance No. 22-__-__ adopted by the City Council on July 7, 2022 authorizing the issuance of the 2022 NIA Bonds pursuant to this Indenture.

“Bond Pledged Revenue Account” means the Account established pursuant to Section 6.1 hereof.

“Bond Year” means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

“Bonds” or *“Bond”* means any Bond or all Bonds as authorized by the Bond Ordinance and issued in accordance with this Indenture, including the 2022 NIA Bonds, the 2017 NIA Bonds, Refunding Bonds and any Bonds issued in exchange or replacement thereof as permitted by this Indenture.

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

“Certification for Payment” means a certification for payment substantially in the form of Exhibits E-1 and E-2 attached to the PID Financing Agreement executed by the Developer and submitted to the City and approved by the City Representative, specifying the amount of work performed and the Costs thereof, and requesting payment for such Costs from money on deposit in accounts of the Common Project Fund as further described in the PID Financing Agreement and Section 6.5 herein.

“City” means the City of Leander, Texas.

“*City Certificate*” means a certificate signed by the City Representative and delivered to the Trustee, certifying that the Trustee is authorized to take the action specified in the City Certificate, and a form of City Certificate is included as *Exhibit B* to this Indenture.

“*City Engineer*” means the civil engineer or firm of civil engineers selected by the City to perform the duties set forth herein and in the PID Financing Agreement.

“*City Order*” means written instructions by the City, executed by a City Representative.

“*City Representative*” means any official or agent of the City authorized by the City Council to undertake the action referenced herein.

“*Closing Date*” means the date of the initial delivery of and payment for the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“*Collection Account – 2017 NIA Bonds*” means the Account of such name established pursuant to this Indenture.

“*Collection Account – 2022 NIA Bonds*” means the Account of such name established pursuant to this Indenture.

“*Common Project Fund*” means that fund established under the terms of the 2017 Indenture confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.5 herein and is the Project Fund as described in Section 5.02 of the PID Financing Agreement.

“*Costs*” means the costs of the Authorized Improvements.

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

“*Delinquent Collection Costs*” means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Special Assessment, including penalties and reasonable attorney’s fees actually paid.

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

“*Designated Successors and Assigns*” means (i) an entity to which Developer, as defined in this Article I, assigns in writing its rights and obligations contained in the PID Financing Agreement, as defined in this Article I, pursuant to Section 8.03 of the PID Financing Agreement related to all or a portion of the Property, as defined in this Article I, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or

reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of the Developer.

“*Developer*” means Deerbrooke Land Austin LLC, a Delaware limited liability company (including its Designated Successors and Assigns).

“*District*” shall have the meaning set forth in the first recital.

“*District Administration Account*” means the Account of such name established pursuant to Section 6.1 hereof.

“*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.

“*Event of Default*” shall have the meaning set forth in Section 11.1 hereof.

“*Excess Additional Interest Reserve Amount*” shall have the meaning set forth in Section 6.7(e) hereof.

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

“*Fund*” means any of the funds established under the terms of the 2017 Indenture and confirmed by Section 6.1 of this Indenture. For sake of clarity, unless the context otherwise requires, any transfer from or to a Fund, or any deposit in a Fund, shall mean a transfer from or to or deposit in, as the case may be, the applicable accounts(s) in such Fund.

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

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

“*Initial Bond*” means the initial Bond of a Series of Bonds, including the Initial 2017 NIA Bond and the Initial 2022 NIA Bond.

“*Initial 2022 NIA Bond*” means the Initial Bond as set forth in *Exhibit A-2* to this Indenture.

“*Interest Payment Date*” means the date or dates upon which interest on the 2017 NIA Bonds and the 2022 NIA Bonds are 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, for 2017 NIA Bonds, on March 1, 2018, and for the 2022 NIA Bonds, March 1, 2023.

“*Investment Grade Rating*” means a rating on the Bonds, assigned by a Rating Agency in one of such Rating Agency's four highest categories for long-term debt instruments (without regard for gradation within a rating category and without regard for credit enhancement unless such credit enhancement extends through the final maturity date of the Bonds) or otherwise designated as investment grade by a Rating Agency.

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

“*Major Improvements*” means the Authorized Improvements which will benefit all of the assessed property within the District and are more particularly described in Section II.C.1 of the 2022 Amended and Restated Service and Assessment Plan.

“*Major Project Collection Fund*” means that Fund established by Section 6.1 of this Indenture and administered pursuant to Section 6.14 herein.

“*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. The City will provide the amount of Maximum Annual Debt Service to the Trustee in a City Certificate from time to time. The Trustee may rely on the most recent City Certificate as to the correct Maximum Annual Debt Service.

“*NIA Costs of Issuance Account*” means the Account of such name established under the terms of the 2017 Indenture and confirmed by Section 6.1 hereof.

“*NIA Improvements Account*” means the account of such name established under the terms of the 2017 Indenture within the Common Project Fund and confirmed by Section 6.1 hereof and is the “Bond Improvement Account” within the Project Fund as described in Section 4.02(e) of the PID Financing Agreement.

“*Northern Improvement Area*” means that portion of the property in the District defined as Phase 4 and generally shown on Figure II-B of the Service and Assessment Plan and as specifically described in Exhibit B of the Service and Assessment Plan.

“*Northern Improvement Area Major Improvements*” means the Northern Improvement Area's proportional share of the Major Improvements, and which improvements confer a special benefit on the related Northern Improvement Area, as more particularly described in Table II-5 of the 2022 Amended and Restated Service and Assessment Plan.

“*Outstanding*” means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.11 herein.

“*Outstanding 2017 NIA Bonds*” means as of any particular date when used with reference to the 2017 NIA Bonds, except (i) any 2017 NIA Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any 2017 NIA Bond for which the payment of the principal or Redemption Price of and interest on such 2017 NIA Bond shall have been made as provided in Article IV of this Indenture, and (iii) any 2017 NIA Bond in lieu of or in substitution for which a new 2017 NIA Bond shall have been authenticated and delivered pursuant to Section 3.11 herein.

“*Outstanding 2022 NIA Bonds*” means as of any particular date when used with reference to the 2022 NIA Bonds, except (i) any 2022 NIA Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any 2022 NIA Bond for which the payment of the principal or Redemption Price of and interest on such 2022 NIA Bond shall have been made as provided in Article IV of this Indenture, and (iii) any 2022 NIA Bond in lieu of or in substitution for which a new 2022 NIA Bond shall have been authenticated and delivered pursuant to Section 3.11 herein.

“*Owner*” means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.13 herein.

“*Paying Agent/Registrar*” means initially the Trustee, or any successor thereto as provided in this Indenture.

“*Person*” or “*Persons*” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“*PID Act*” means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.

“*PID Financing Agreement*” means the “*Deerbrooke Public Improvement District Financing Agreement*” between the City and the Developer and consented to by Sitterle Homes – Austin, LLC; The Brohn Group, LLC; Perry Homes, LLC; and Monticello Custom Homes of Central Texas, LLC, dated as of August 17, 2017, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within in the District, the issuance of bonds, the reimbursement of costs to the Developer from the proceeds of the Bonds for funds advanced by the Developer and used to pay costs of Authorized Improvements and other matters related thereto.

“*Pledged Funds*” means the Pledged Revenue Fund, the Bond Fund, the Common Project Fund (except for the accounts therein established pursuant to the Southern Improvement Area Indenture), the Reserve Fund, and the Redemption Fund.

“*Pledged Revenue Fund*” means that fund established under the terms of the 2017 Indenture and confirmed in Section 6.1 of this Indenture and administered pursuant to Section 6.3 herein.

“*Pledged Revenues*” means the sum of (i) Special Assessment Revenue less (a) the Administrative Expenses and (b) Foreclosure Proceeds; (ii) the moneys held in any of the Pledged Funds; and (iii) any additional revenues that the City may pledge to the payment of Bonds.

“*Prepayment*” means the payment of all or a portion of a Special Assessment, with interest that has accrued to the date of prepayment, before the due date thereof.

“*Principal and Interest Account*” means the Account of such name established pursuant to the 2017 Indenture and confirmed by Section 6.1 hereof.

“*Property*” means those approximately 262 acres of land described on Exhibit B to the PID Financing Agreement, as defined in this Article I.

“*Purchaser*” means, with respect to a Series of Bonds, the initial underwriter of the Bonds.

“*Qualified Institutional Buyers*” has the meaning given in Rule 144A promulgated under The Securities Act of 1933, as amended.

“*Quarter in Interest*” means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of Outstanding Bonds (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

“*Rating Agency*” means each of Moody's Investors Service, Inc., S&P Global Ratings, Fitch Ratings Inc., and any other Nationally Recognized Statistical Rating Organization recognized as such by the SEC.

“*Rebate Amount*” has the meaning set forth in section 1.148-1(b) of the Regulations.

“*Rebate Fund*” means that fund established pursuant to the terms of the 2017 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.8 herein.

“*Record Date*” means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

“*Redemption Agreement*” means that certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation between the City, the Developer, and Trustee, as escrow agent, dated October 19, 2017.

“*Redemption Fund*” means that fund established pursuant to the terms of the 2017 Indenture and confirmed by Section 6.1 of this Indenture and administered pursuant to Section 6.6 herein.

“*Redemption Price*” means, when used with respect to any Bonds or portion thereof, the redemption price, as applicable, shown in Article IV of this Indenture.

“*Refunding Bonds*” means Bonds secured by a parity lien, with the Outstanding Bonds, on the Trust Estate issued pursuant to Section 3.6 hereof, as more specifically described in a Supplemental Trust Indenture, authorizing the refunding or advance refunding of all or any portion of the Outstanding Bonds.

“*Register*” means the register specified in Article III of this Indenture.

“*Regulations*” shall have the meaning set forth in Section 7.5(a) hereof.

“*Reimbursement Obligation*” shall have the meaning set forth in the Annual Update to the Service and Assessment Plan.

“*Reserve Account*” means the Account of such name established pursuant to the terms of the 2017 Indenture and confirmed by Section 6.1 hereof.

“*Reserve Account Requirement*” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, or (iii) 10% of the proceeds of the Bonds; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the 2017 NIA Bonds, the Reserve Account Requirement was \$175,150.00, which was an amount equal to the Maximum Annual Debt Service on the 2017 NIA Bonds. As of the date of delivery of the 2022 NIA Bonds, the Reserve Account Requirement is \$_____, which is an amount equal to the [Maximum Annual Debt Service] on the Bonds. The City will provide the amount of the Reserve Account Requirement to the Trustee in a City Certificate from time to time. The Trustee may conclusively rely on the most recent City Certificate after the date of this Indenture as to the Reserve Account Requirement.

“*Reserve Fund*” means that fund established pursuant to the terms of the 2017 Indenture and confirmed by Section 6.1 of this Indenture and administered in Section 6.7 herein.

“*SEC*” means the United States Securities and Exchange Commission.

“*Series*” means any designated series of Bonds issued under this Indenture.

“*Service and Assessment Plan*” means the original Service and Assessment Plan approved by the City Council on August 17, 2017, as plan is amended and updated from time to time, including any annual updates thereto.

“*Sinking Fund Installment*” means the amount of money to redeem or pay at maturity the principal of a series of Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.

“*Special Assessment Revenue*” means monies collected by or on behalf of the City from any one or more of the following: (i) a Special Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Special Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

“*Special Assessments*” means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the 2022 Amended and Restated Service and Assessment Plan and the PID Act.

“*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 the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

“*Tax Certificate*” means, with respect to (i) the 2017 NIA Bonds, the Certificate as to Tax Exemption delivered by the City on the Closing Date for the 2017 NIA Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the 2017 NIA Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes; and (ii) the 2022 NIA Bonds, the Certificate as to Tax Exemption delivered by the City on the Closing Date for the 2022 NIA Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the 2022 NIA Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes

“*Trust Estate*” means the Trust Estate described in the granting clauses of this Indenture.

“*Trustee*” means BOKF, NA, a national banking association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble

to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) 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.

The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Trust Estate shall be valid and binding and fully perfected from and after November 1, 2017, the date of the 2017 Indenture, without physical delivery or transfer of control of the Pledged Revenues, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Trust Estate granted by the City under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable

provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.4. 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 Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

(a) Authorization of the 2017 NIA Bonds. The 2017 NIA Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The 2017 NIA Bonds shall be issued in the aggregate principal amount of \$2,535,000 for the purpose of (i) paying a portion of the costs of the Northern Improvement Area Major Improvements, (ii) paying interest on the 2017 NIA Bonds during and after the period of acquisition and construction of the Northern Improvement Area Major Improvements, (iii) funding a reserve fund for payment of principal and interest on the 2017 NIA Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the 2017 NIA Bonds.

(b) Authorization of the 2022 NIA Bonds. The 2022 NIA Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The 2022 NIA Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying a portion of the Costs of the Northern Improvement Area Major Improvements, (ii) funding a reserve fund for payment of principal and interest on the 2022 NIA Bonds, and (iii) paying the costs of issuance of the 2022 NIA Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) 2017 NIA Bonds.

- (i) The 2017 NIA Bonds shall be dated November 1, 2017 (the “*Bond Date*”) and shall be issued in Authorized Denominations. The 2017 NIA Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial 2017 NIA Bond, which shall be numbered T-1.
- (ii) Interest shall accrue and be paid on each 2017 NIA Bond from the later of the date of initial delivery of the 2017 NIA Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2018 computed on the basis of a 360-day year of twelve 30-day months.
- (iii) The 2017 NIA Bonds shall mature on September 1 in the year and in the principal amount and shall bear interest as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2037	\$1,225,000	5.125%
2047	1,310,000	5.375%

- (iv) The 2017 NIA Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A-1 to this Indenture.

(b) 2022 NIA Bonds

- (i) The 2022 NIA Bonds shall be dated _____, 2022 (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 2022 NIA Bond, which shall be numbered T-1.

- (ii) Interest shall accrue and be paid on each 2022 NIA Bond from the later of the date of initial delivery of the 2022 NIA Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2023, computed on the basis of a 360-day year of twelve 30-day months.
- (iii) The 2022 NIA Bonds shall mature on September 1 in the year and in the principal amount and shall bear interest as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$	%
20__		%

- (iv) The 2022 NIA Bonds shall be subject to mandatory sinking fund redemption, optional redemption, and extraordinary optional redemption prior to maturity as provided in Article IV herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in Exhibit A-2 to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

(a) 2017 NIA Bonds. The conditions precedent to the delivery of the 2017 NIA Bonds, as set forth in the 2017 Indenture, were satisfied prior to the delivery of the 2017 NIA Bonds.

(b) 2022 NIA Bonds. The 2022 NIA Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the 2022 NIA Bonds and, upon payment of the purchase price of the 2022 NIA Bonds, shall deliver the 2022 NIA Bonds upon the order of the City, but only upon delivery (which delivery may be via electronic mail in portable document (PDF) or similar format) to the Trustee of:

- (i) a copy of the executed Assessment Ordinance;
- (ii) a copy of the executed Bond Ordinance;
- (iii) a copy of the executed PID Financing Agreement;
- (iv) a copy of the 2017 Indenture;
- (v) a copy of this Indenture executed by the Trustee and the City;

- (vi) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;
- (vii) a copy of the executed opinion of Bond Counsel;
- (viii) pursuant to the 2017 Indenture and restated as Section 10.8 of this Indenture, 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; and
- (ix) 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; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "*Special Payment Date*," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

(c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or

authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be held uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain, subject to the escheat laws of the State of Texas.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City 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 of Public Accounts of the State of Texas, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

(d) On each 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, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Refunding Bonds

(a) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture, payable from Special Assessment Revenues on parity with the Bonds, other than Refunding Bonds. 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 of Texas. The City reserves the right to incur debt payable solely from revenue derived from contracts with other entities, including private corporations, municipalities and political subdivisions issued particularly for the purchase, construction, improvement, extension, replacement, enlargement or repair of the facilities needed in performing any such contract.

(b) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 1 of the years in which such principal is scheduled to be paid, subject to mandatory sinking fund redemption or maturity. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture.

(c) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 3.6 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

Section 3.7. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.8. 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, upon written request from the City, file with the City, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within 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 3.9. Limitation on Transfer of the 2017 NIA Bonds.

The 2017 NIA Bonds are transferable only to Accredited Investors and Qualified Institutional Buyers in Authorized Denominations, until such time as the Paying Agent/Registrar receives written notice that the 2017 NIA Bonds have received an Investment Grade Rating by a

nationally recognized Rating Agency, notwithstanding any subsequent downgrade, suspension or withdrawal of such rating.

Section 3.10. 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 canceled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of canceled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.11. 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 therefore 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 3.12. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not

contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, 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 3.13. Book-Entry Only System.

The Bonds shall initially be issued in book-entry-only form and shall be deposited with DTC, which is hereby appointed to act as the securities depository therefor, in accordance with the letter of representations from the City to DTC. On each respective Closing Date the definitive Bonds shall be issued in the form of a single typewritten certificate for each maturity thereof registered in the name of Cede & Co., as nominee for DTC. With respect to the 2017 NIA Bonds, for any 2017 NIA Bonds that are purchased by Accredited Investors or Qualified Institutional Buyers, the City shall follow any procedures required by the DTC for the purchase of bonds generally purchased by Accredited Investors or Qualified Institutional Buyers.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.14. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds 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 3.15. 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) 2017 NIA Bonds. (i) The 2017 NIA Bonds are subject to mandatory sinking fund redemption prior to their maturity and will be redeemed by the City in part at 100% of the principal amount of such 2017 NIA Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption (the “*Redemption Price*”) from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 2037

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2019	\$40,000
September 1, 2020	40,000
September 1, 2021	45,000
September 1, 2022	45,000
September 1, 2023	50,000
September 1, 2024	50,000
September 1, 2025	55,000
September 1, 2026	55,000
September 1, 2027	60,000
September 1, 2028	60,000
September 1, 2029	65,000
September 1, 2030	70,000
September 1, 2031	70,000
September 1, 2032	75,000
September 1, 2033	80,000
September 1, 2034	85,000
September 1, 2035	90,000
September 1, 2036	95,000

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2037**	95,000

Term Bonds Maturing September 1, 2047

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2038	\$100,000
September 1, 2039	110,000
September 1, 2040	115,000
September 1, 2041	120,000
September 1, 2042	125,000
September 1, 2043	135,000
September 1, 2044	140,000
September 1, 2045	145,000
September 1, 2046	155,000
September 1, 2047**	165,000

** Stated Maturity

- (ii) At least 45 days prior to each mandatory sinking fund redemption date, the Trustee shall select a principal amount of 2017 NIA Bonds (in accordance with Section 4.6) of such maturity equal to the Sinking Fund Installment amount of such 2017 NIA Bonds to be redeemed, shall call such 2017 NIA Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.7.
- (iii) The principal amount of 2017 NIA Bonds of a stated maturity 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 2017 NIA 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 2017 NIA Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.
- (iv) The principal amount of 2017 NIA 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 2017 NIA 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.

Term Bonds Maturing September 1, 20

Term Bonds Maturing September 1, 20

** Stated Maturity

(ii) At least 45 days prior to each mandatory sinking fund redemption date, the Trustee shall select a principal amount of 2022 NIA Bonds (in accordance with Section 4.6) of such maturity equal to the Sinking Fund Installment amount of such 2022 NIA Bonds to be redeemed, shall call such 2022 NIA Bonds for redemption on such

scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.7.

(iii) The principal amount of 2022 NIA Bonds of a stated maturity 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 2022 NIA 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 2022 NIA Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(iv) The principal amount of 2022 NIA 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 2022 NIA 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.

Section 4.3. Optional Redemption.

(a) 2017 NIA Bonds. The City reserves the right and option to redeem the 2017 NIA Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 2026, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such 2017 NIA Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption at the Redemption Price. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of 2017 NIA Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.7.

(b) 2022 NIA Bonds. The City reserves the right and option to redeem the 2022 NIA Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20__, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such 2022 NIA Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption at the Redemption Price. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of 2022 NIA Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.7.

Section 4.4. Extraordinary Optional Redemption.

(a) 2017 NIA Bonds. (i) The City reserves the right and option to redeem the 2017 NIA Bonds before their respective scheduled maturity dates, in whole or in part, on any day, at 100% of the principal amount of such 2017 NIA Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption at the Redemption Price from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Account of the Redemption Fund as provided in Section 6.7(c)),

transfers to the Redemption Account of the Redemption Fund made pursuant to Section 6.3(c), 6.3(d), 6.7(c), 6.7(e), 6.7(g), or 6.7(i) hereof, or as a result of unexpended amounts transferred from the NIA Improvements Account of the Common Project Fund as provided in Section 6.5(d). The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of 2017 NIA Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.7.

(ii) Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this Section 4.4 unless it has at least \$5,000 available in the Redemption Fund with which to redeem the 2017 NIA Bonds.

(iii) In lieu of redeeming the 2017 NIA Bonds with the funds described in this Section, the City may purchase the 2017 NIA Bonds in the open market of the maturity to be redeemed at the price not in excess of that provided in Section 4.7.

(b) 2022 NIA Bonds. (i) The City reserves the right and option to redeem the 2022 NIA Bonds before their respective scheduled maturity dates, in whole or in part, on any day, at 100% of the principal amount of such 2022 NIA Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption at the Redemption Price from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Account of the Redemption Fund as provided in this Indenture) or as a result of unexpended amounts transferred from the NIA Improvements Account of the Common Project Fund pursuant to the terms of this Indenture. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of 2022 NIA Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.7.

(ii) Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this Section 4.4 unless it has at least \$1,000 available in the Redemption Fund with which to redeem the 2022 NIA Bonds.

(iii) In lieu of redeeming the 2022 NIA Bonds with the funds described in this Section, the City may purchase the 2022 NIA Bonds in the open market of the maturity to be redeemed at the price not in excess of that provided in Section 4.8 of this Indenture.

Section 4.5. Partial Redemption of 2017 NIA Bonds.

(a) Unless otherwise provided herein, if less than all of the 2017 NIA Bonds are to be redeemed at any time pursuant to either Section 4.2, 4.3 or 4.4 herein, the particular maturities and amounts of 2017 NIA Bonds to be redeemed shall be selected by the City. If less than all of the 2017 NIA Bonds of a particular maturity are to be redeemed, the Trustee shall select the 2017 NIA Bonds of such maturity to be redeemed by lot. Each 2017 NIA Bond shall be treated as representing the number of 2017 NIA Bonds that is obtained by dividing the principal amount of such 2017 NIA Bond by the smallest Authorized Denomination for such 2017 NIA Bond.

(b) A portion of a single 2017 NIA Bond may be redeemed, but only in a principal amount equal to: (i) for redemptions made pursuant to Section 4.3, an Authorized

Denomination or any integral of \$5,000 in excess thereof, or (ii) for redemptions made pursuant to Section 4.2 or 4.4, \$5,000 or any integral multiple thereof. The Trustee shall treat each \$5,000 portion of such 2017 NIA Bond as though it were a single bond for purposes of selection for redemption.

(c) Notwithstanding any provision of this Indenture to the contrary, including Section 4.5(b) above, if any 2017 NIA Bonds are to be redeemed pursuant to Sections 4.2, 4.3 or 4.4 above and such redemption results in the unredeemed portion of a single 2017 NIA Bond in an amount less than the Authorized Denomination, a 2017 NIA Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued (unless the Owners of such 2017 NIA Bond owns other 2017 NIA Bonds of the same maturity which could be combined with such 2017 NIA Bond to form an Authorized Denomination, as herein set forth).

(d) Upon surrender of any 2017 NIA Bond for redemption in part, the Trustee in accordance with Section 3.8 of this Indenture, shall authenticate and deliver and exchange the 2017 NIA Bond or 2017 NIA Bonds in an aggregate principal amount equal to the unredeemed portion of the 2017 NIA Bond so surrendered, which shall be an Authorized Denomination. A new 2017 NIA Bond representing the unredeemed balance of such 2017 NIA Bond shall be issued to the Owner thereof, such exchange being without charge.

Section 4.6. Partial Redemption of 2022 NIA Bonds.

(a) Unless otherwise provided herein, if less than all of the 2022 NIA Bonds are to be redeemed at any time pursuant to either Section 4.2, 4.3 or 4.4 of this Indenture, the particular maturities and amounts of 2022 NIA Bonds to be redeemed shall be selected by the City. If less than all of the 2022 NIA Bonds of a particular maturity are to be redeemed, the Trustee shall select the 2022 NIA Bonds of such maturity to be redeemed by lot. Each 2022 NIA Bond shall be treated as representing the number of 2022 NIA Bonds that is obtained by dividing the principal amount of such 2022 NIA Bond by the smallest Authorized Denomination for such 2022 NIA Bond.

(b) A portion of a single 2022 NIA Bond may be redeemed, but only in a principal amount equal to: (i) for redemptions made pursuant to Section 4.3, an Authorized Denomination or any integral of \$1,000 in excess thereof, or (ii) for redemptions made pursuant to Section 4.2 or 4.4, \$1,000 or any integral multiple thereof. The Trustee shall treat each \$1,000 portion of such 2022 NIA Bond as though it were a single bond for purposes of selection for redemption.

(c) Notwithstanding any provision of this Indenture to the contrary, including Section 4.5(b) above, if any 2022 NIA Bonds are to be redeemed pursuant to Section 4.2, 4.3 or 4.4 above and such redemption results in the unredeemed portion of a single 2022 NIA Bond in an amount less than the Authorized Denomination, a 2022 NIA Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued (unless the Owners of such 2022 NIA Bond owns other 2022 NIA Bonds of the same maturity which could be combined with such 2022 NIA Bond to form an Authorized Denomination, as herein set forth).

(d) Upon surrender of any 2022 NIA Bond for redemption in part, the Trustee in accordance with Section 3.8 of this Indenture, shall authenticate and deliver and exchange the 2022 NIA Bond or 2022 NIA Bonds in an aggregate principal amount equal to the unredeemed portion of the 2022 NIA Bond so surrendered, which shall be an Authorized Denomination. A new 2022 NIA Bond representing the unredeemed balance of such 2022 NIA Bond shall be issued to the Owner thereof, such exchange being without charge.

Section 4.7. Notice of Redemption to Owners.

(a) The Trustee shall give notice of any redemption of 2017 NIA Bonds or the 2022 NIA 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 2017 NIA Bond or 2022 NIA 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 2017 NIA Bonds or 2022 NIA Bonds are to be surrendered for payment, and, if less than all the 2017 NIA Bonds Outstanding or 2022 NIA Bonds are to be redeemed, and subject to Section 4.5 (with respect to the 2017 NIA Bonds) or Section 4.6 (with respect to the 2022 NIA Bonds), an identification of the 2017 NIA Bonds or 2022 NIA 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 2017 NIA Bond or 2022 NIA Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds are not available and deposited with the Trustee on the Business Day prior to the date fixed for redemption for the payment in full of the 2017 NIA Bonds or 2022 NIA 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.

(e) With respect to any optional redemption of the 2017 NIA Bonds or 2022 NIA Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the 2017 NIA Bonds or 2022 NIA Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the 2017 NIA Bonds or 2022 NIA Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the 2017 NIA Bonds or 2022 NIA Bonds have not been redeemed.

Section 4.8. Purchase Price for Bonds

Upon receipt of written notice from the City specifying the Bonds to be purchased, the Trustee shall apply moneys available for redemption to the purchase of Bonds which were otherwise to be redeemed in such order or priority and subject to such restrictions as may be prescribed in this Indenture in the manner provided in this Section. The purchase price paid by the Trustee (excluding accrued and unpaid interest but including any brokerage and other charges) for any Bond purchased by the City shall not exceed the principal amount of such Bond.

Section 4.9. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.10. Effect of Redemption.

Notice of redemption having been given as provided in Section 4.7 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 or the principal of and interest on such Bonds, as applicable, to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the forms set forth in *Exhibit A-1* or *Exhibit A-2* to this Indenture, as applicable, 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) Each respective Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP 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 Trustee, or the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

Section 5.4. Statement of Insurance

A statement relating to municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each 2017 NIA Bond.

ARTICLE VI FUNDS AND ACCOUNTS

Section 6.1. Establishment of Funds and Accounts.

(a) Confirmation of Funds. The following Funds were created and established under the terms of the 2017 Indenture and are hereby confirmed pursuant to the terms of this Indenture:

- (i) Pledged Revenue Fund;
- (ii) Bond Fund;

- (iii) Common Project Fund;
- (iv) Redemption Fund;
- (v) Reserve Fund;
- (vi) Rebate Fund; and
- (vii) Administrative Fund.

(b) Closing of Accounts

(i) The Capitalized Interest Account of the Bond Fund created under the 2017 Indenture is hereby closed.

(ii) The Trustee shall transfer any funds remaining in the Developer Property Tax Account of the Administrative Fund created and established pursuant to the 2017 Indenture to the Developer, and following such transfer, the Development Property Tax Account is hereby closed.

(c) Confirmation of Accounts.

(i) The following Account was created and established by the terms of the 2017 Indenture under the Pledged Revenue Fund and is hereby confirmed pursuant to the terms of this Indenture: Bond Pledged Revenue Account.

(ii) The following Account was created and established by the terms of the 2017 Indenture under the Bond Fund and is hereby confirmed pursuant to the terms of this Indenture: Principal and Interest Account.

(iii) The following Accounts were created and established by the terms of the 2017 Indenture under the Common Project Fund and are hereby confirmed pursuant to the terms of this Indenture:

(A) NIA Improvements Account; and

(B) NIA Costs of Issuance Account.

(iv) The following Account was established by the terms of the 2017 Indenture under the Redemption Fund and is hereby confirmed pursuant to the terms of this Indenture: Redemption Account.

(v) The following Accounts were established by the terms of the 2017 Indenture under the Reserve Fund and are hereby confirmed pursuant to the terms of this Indenture:

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

(vi) The following Account was established by the terms of the 2017 Indenture under the Rebate Fund and is hereby confirmed pursuant to the terms of this Indenture: Rebate Account.

(vii) The following Account was established by the terms of the 2017 Indenture under the Administrative Fund and is hereby confirmed pursuant to the terms of this Indenture: District Administration Account.

(d) Creation of Funds.

(i) The following Fund is hereby created:

(A) Major Project Collection Fund

(e) Creation of Accounts and Subaccounts.

(i) The following Accounts of the Major Project Collection Fund are hereby created:

(A) Collection Account – 2017 NIA Bonds

(B) Collection Account – 2022 NIA Bonds

(f) Each Fund and Account within such Fund previously created by the terms of the 2017 Indenture and confirmed by this Indenture, and not previously closed pursuant to the provisions hereof, 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.

(g) Except as otherwise provided herein, interest earnings and profit on each respective Fund and Account established by this Indenture, including the Major Project Collection Fund, shall be applied or withdrawn for the purposes of such Fund, Account or Subaccount as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

(a) 2017 NIA Bonds. The proceeds from the sale of the 2017 NIA Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Capitalized Interest Account of the Bond Fund: \$106,185.02;

(ii) to the Reserve Account of the Reserve Fund: \$175,150.00, which is equal to the initial 2017 Reserve Account Requirement;

(iii) to the District Administration Account of the Administrative Fund: \$18,750.00;

(iv) to the NIA Costs of Issuance Account of the Common Project Fund: \$205,864.83 (which includes underwriter's discount of \$78,151.83); and

(v) to the NIA Improvements Account of the Common Project Fund: \$2,000,425.15.

(b) Funds received from the Developer on the Closing Date of the 2017 NIA Bonds pursuant to the terms of the Redemption Agreement were paid to the Trustee and deposited or transferred by the Trustee as follows: an amount of the lesser of either (1) \$220.00 or (2) two times the amount of the property tax on the property within the Northern Improvement Area that was classified as agricultural in the then current tax year were be deposited to the Developer Property Tax Account of the Administrative Fund.

(c) 2022 NIA Bonds. The proceeds from the sale of the 2022 NIA 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 the amount required to fully fund the Reserve Requirement;

(ii) to the NIA Costs of Issuance Account of the Common Project Fund: \$_____; and

(iii) to the NIA Improvements Account of the Common Project Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited the Pledged Revenues, other than the Pledged Revenues on deposit in the Major Project Collection Fund which revenues shall be transferred in accordance with Section 6.10 hereof, into the Pledged Revenue Account of the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Special Assessment Revenues to be used in the following order of priority:

(i) first, deposit in the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to pay debt service on the Bonds next coming due in such calendar year;

(ii) second, deposit to the Reserve Account of the Reserve Fund an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement as stated in Section 6.7 of this Indenture;

(iii) third, deposit to the Additional Interest Reserve Account in an amount equal to the Additional Interest;

(iv) fourth, to pay other Costs of Authorized Improvements; and

(v) fifth, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Revenues to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee as to (i) the Funds and Accounts into which the amounts are to be deposited or retained, as applicable, and (ii) the amounts of any payments to be made from such Funds and Accounts.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (a) above, the Trustee shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds. The Trustee shall apply such funds for the payment of interest and principal to be paid on the Bonds, including the 2017 NIA Bonds and the 2022 NIA Bonds, on a pro rata basis. The pro rata amount to be applied shall be based on the comparative proportions of interest and principal to be paid with respect to the 2017 NIA Bonds and the 2022 NIA Bonds as components of the total amount of interest and principal and interest relating to all Outstanding Bonds.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Bond Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds (as such are identified in a City Certificate) to the Bond Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate (*first*, to replenish the Reserve Account Requirement, and *second*, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Account of the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in any Account of the Reserve Fund and transfer of funds pursuant to Section 6.3(i) – (iv) above, the City may direct the Trustee by City Certificate to apply Special Assessments for any lawful purposes permitted by the PID Act for which Special Assessments may be paid.

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.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

Section 6.5. Common Project Fund.

(a) Concurrent with the issuance of the 2017 NIA Bonds, the City issued its Southern Improvement Area Bonds pursuant to the Southern Improvement Area Indenture to finance the Southern Improvement Area Improvements. The Common Project Fund is established for the 2017 NIA Bonds, the 2022 NIA Bonds and the Southern Improvement Area Bonds. Money on deposit in the NIA Improvements Account and the NIA Costs of Issuance Account of the Common Project Fund shall be used for the purposes specified herein.

(b) Disbursements from the NIA Costs of Issuance Account of the Common Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from the NIA Improvements Account of the Common Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates containing a properly executed and completed Certification for Payment. The disbursement of funds from the NIA Improvements Account of the Common Project Fund pursuant to a City Certificate delivered under this Section 6.5 shall be pursuant to and in accordance with the disbursement procedures described in the PID Financing Agreement. Such provisions and procedures related to such disbursement contained in the PID Financing Agreement are herein incorporated by reference and deemed set forth herein in full.

(c) Each City Certificate delivered to the Trustee under this Section 6.5 shall set forth the Costs of the Authorized Improvements to be paid from the SIA Improvements Account and the NIA Improvements Account, of the Common Project Fund.

(d) If the City Representative determines in his or her sole discretion that amounts then on deposit in the NIA Improvements Account of the Common Project Fund are not expected to be expended for purposes of the NIA Improvements Account of the Common Project Fund due to the abandonment, or constructive abandonment, of the Northern Improvement Area Major Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the NIA Improvements Account of the Common Project Fund will ever be expended for the purposes of the NIA Improvements Account of the Common Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the NIA Improvements Account of the Common Project Fund that are not expected to be used for purposes of the NIA Improvements Account of the Common Project Fund. If such City Certificate is so filed, the amounts identified on the City Certificate

on deposit in the NIA Improvements Account of the Common Project Fund shall be transferred to the Redemption Account of the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture.

(e) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a report issued by the City Engineer or a certificate of an Independent Financial Consultant.

(f) Upon a determination by the City Representative that all costs of issuance of the Bonds have been paid, any amounts remaining in the NIA Costs of Issuance Account shall be transferred to the NIA Improvements Account of the Common Project Fund and used to pay Costs or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the NIA Costs of Issuance Account of the Common Project Fund shall be closed. If the City does not provide a City Certificate as to the determination within ninety (90) days, the Trustee is instructed to transfer the funds to the NIA Improvements Account of the Common Project Fund, and the NIA Costs of Issuance Account of the Common Project Fund shall be closed.

(g) Upon the filing of a City Certificate stating that all Northern Improvement Area Major Improvements have been completed and that all Costs of the Northern Improvement Area Major Improvements allocable to the Assessed Parcels have been paid, or that any such Costs are not required to be paid from the NIA Improvements Account of the Common Project Fund, the Trustee shall (i) transfer the amount, if any, remaining within the NIA Improvements Account of the Common Project Fund to the Principal and Interest Account of the Bond Fund, and (ii) close the NIA Improvements Account of the Common Project Fund.

Section 6.6. Redemption Fund.

The Trustee, as directed by City Order, shall cause to be deposited to the Redemption Account of the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Account of 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 Reserve Account was initially funded with a deposit of \$175,150.00 from the proceeds of the 2017 NIA Bonds. The Reserve Account will be funded with an additional deposit of \$_____ from the proceeds of the 2022 NIA Bonds. The City agrees with the Owners of the Bonds to accumulate from the deposits outlined in Section 6.3(a) hereof, 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. Pursuant to the City Certificate provided in accordance with Section 6.3(a) hereof, the Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve

Account on or before February 20 and August 20 of each year, commencing February 20, 2023 to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in Section 6.3(a) hereof, an amount equal to the Additional Interest in the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account.

(b) Whenever a transfer is made from an account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Account of the Redemption Fund to be applied to the redemption of the Bonds as detailed in the City's written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Account of the Redemption Fund toward payment of accrued and unpaid interest to the date of redemption on the Bonds to be redeemed, 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 Additional Interest Reserve Account to the Redemption Account of the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess by use of online portfolio access. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 45 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the District Administration Account of the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds, or (iii) to the NIA Improvements Account of the Common Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “*Excess Additional Interest Reserve Amount*”). Such excess on deposit in the Additional Interest Reserve Account shall be transferred, at the direction of the City pursuant to a City Order, to the District Administration Account of the Administrative Fund for the payment of Administrative Expenses or to the Redemption Account of the Redemption Fund in order to effect the redemption of Bonds pursuant to Section 4.4. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Additional Interest Reserve Amount to the District Administration Account of the Administrative Fund within 45 days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Account of the Redemption Fund and redeem Bonds pursuant to Section 4.4 hereof.

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

(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Redemption Account of the Redemption Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Account of the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

Section 6.8. Rebate Fund: Rebate Amount.

(a) Under the terms of the 2017 Indenture and as confirmed by this Indenture, the City has created a special fund of the City to be designated the “City of Leander, Texas Rebate Fund” (the “Rebate Fund” to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Account of the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Trustee shall transfer from the Bond Pledged Revenue Account to the credit of the Rebate Account of the Rebate Fund each amount instructed by City Order to be transferred thereto.

(b) In order to assure that Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Account of the Rebate Fund shall be made as directed pursuant to the City's written direction in accordance with the Code and the Tax Certificate. The Trustee shall withdraw from the Rebate Account of the Rebate Fund and pay to the United States the amounts instructed by City Order.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) hereof 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 and Section 7.5(h) hereof in the absence of written instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the City may direct the Trustee, pursuant to a City Order, to transfer the amount in excess of the Rebate Amount to the Principal and Interest Account of the Bond Fund.

Section 6.9. Administrative Fund.

(a) The City shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund the amounts collected each year to pay Administrative Expenses and Delinquent Collection Costs. Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Order solely for the purposes set forth in the 2022 Amended and Restated Service and Assessment Plan.

(b) The Administrative Fund is not a Pledged Fund.

Section 6.10. Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee only as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment (or as directed below) in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; the City Order shall direct investment in such deposits and investments (which may include repurchase agreements for such investment with any primary dealer of such agreements) so that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of

participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default. In the event the City does not provide written investment directions, which may include electronic direction, the Trustee is instructed to invest funds into the Federated Treasury Obligations Fund (CUSIP No. 60934N120, TOTXX).

(b) Obligations purchased as an investment of moneys in any Fund shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses (including depreciation of value) arising from any investments or the sale of any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.10(a) above.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City monthly cash transaction statements via access to its online portfolio system which include detail for all investment transactions made by the Trustee hereunder. The Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such online access.

Section 6.11. Advances from Available Funds

In the event of a delinquency in the payment of any installment of the Special Assessment levied upon any property for the payment of the principal portion of an Annual Installment, the City may, but is not obligated to, be the purchaser of the delinquent property upon which any of said Special Assessments are levied in like manner in which it may become the purchaser of property sold for the nonpayment of general ad valorem property taxes, and in the event the City does so become the purchaser of such property, shall pay and transfer and deposit into the Bond Pledged Revenue Account of the Pledged Revenue Fund the amount of any remaining amount of unpaid Special Assessment, delinquent Special Assessment installments and interest thereon. The City may also pay and transfer from available funds and deposit into the Bond Pledged Revenue Account, but shall not be so obligated, the amount of any such Special Assessment pending redemption or sale. Any amounts so advanced by the City shall be recoverable upon sale or redemption of the property. The City shall not be obligated to

advance available funds to cure any deficiency in the Bond Pledged Revenue Account, or any other Fund created hereunder, and has determined that it would not obligate itself to advance available funds from other funds of the City to cure any such deficiency.

Section 6.12. [RESERVED].

Section 6.13. Security of Funds.

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

Section 6.14. Major Project Collection Fund.

While any Bonds are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Special Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Special Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Special Assessment Revenue and deposit the same into the applicable Collection Account of the Major Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Special Assessment Revenue deposited into the applicable Collection Account of the Major Project Collection Fund that consists of the Administrative Expenses and Delinquent Collection Costs to the Administrative Fund and, as directed pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Special Assessment Revenue deposited into the applicable Collection Account of the Major Project Collection Fund that consists of Pledged Revenue into the Pledged Revenue Fund. The City shall provide such City Certificate on or before February 20, 2023 and every August 20 and February 20 thereafter while the Bonds are Outstanding. The Major Project Collection Fund is not a Pledged Fund.

ARTICLE VII COVENANTS

Section 7.1. Confirmation of Special Assessments.

The City hereby confirms, covenants, and agrees that, in the Assessment Ordinance, it has levied the Special Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Special Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Special Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Special Assessments.

(b) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Special Assessment or the corresponding Assessed Parcel.

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 Pledged Revenues, 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 Refunding Bonds issued to refund all or a portion of the Bonds secured by any pledge of or other lien or charge on the Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or Outstanding Bonds or any interest thereon remain outstanding and unpaid, and the obligation to the Developer to reimburse it for funds it has contributed to pay costs of the Authorized Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Special 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, but not the responsibility or duty, to inspect the project and 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 the project and such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Issue Date.

“Computation Date” has the meaning set forth in section 1.148 1(b) of the Regulations.

“*Gross Proceeds*” means any proceeds as defined in section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in section 1.148-1(c) of the Regulations, of the Bonds.

“*Investment*” has the meaning set forth in section 1.148-1(b) of the Regulations.

“*Issue Date*” for the Tax-Exempt Bonds or other obligations of the District is the respective date on which such bonds or other obligations of the District is delivered against payment therefor.

“*Net Sale Proceeds*” has the meaning stated in section 1.148-1(b) of the Regulations.

“*Nonpurpose Investment*” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“*Proceeds*” has the meaning stated in section 1.148-1(b) of the Regulations.

“*Rebate Amount*” has the meaning set forth in Section 1.148 1(b) of the Regulations.

“*Regulations*” means any proposed, temporary or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of (1) any Investment has the meaning set forth in section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Special Assessments will meet the requirements of the “tax assessment loan exception” within the meaning of section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Special Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any

Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Issue Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the final Computation Date. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Order, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of

any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) *Not to Divert Arbitrage Profits.* Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) *Not Hedge Bonds.* The City will not invest more than 50 percent of the Proceeds of each series of the Bonds in Nonpurpose Investments having a substantially guaranteed yield for four years or more. On the Issue Date of each series of the Bonds, the City reasonably expects that at least 85 percent of the Net Sale Proceeds of each series of the Bonds will be used to carry out the governmental purpose of such series within three years after the respective Issue Date of such series.

(k) *Elections.* The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Finance Director, or City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII LIABILITY OF CITY

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.

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the “*Bond Documents*”), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues and the Administrative Expenses) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers, if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City’s failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues or the amounts collected to pay Administrative Expenses on deposit in the District Administration Account of the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or the City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX THE TRUSTEE

Section 9.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds. The Trustee hereby 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 Owners of the Bonds agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, 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 or exercise of any rights and powers hereunder, until it shall be indemnified to its satisfaction and to the extent permitted by law 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 required hereunder, or to deliver any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the District Administration Account of the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue 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 this Indenture or the Bonds, or the right, title or interest of the City therein, or with respect to the security afforded by this Indenture, or the technical or financial feasibility of the Project, or the compliance of the Project with the PID Act or the tax-exempt status of the Bonds, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; (iv) any calculation of arbitrage or rebate under the Code; (v) undertaking any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture; or (vi) the use of Bond proceeds or sufficiency of said proceeds or cash flow to accomplish the intended objective of the financing.

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or obligation and, with respect to such permissive rights, the Trustee shall not be answerable for other than its 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 or 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 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. The permissive right of the Trustee to take actions (or to refrain from taking actions) shall not be construed as a duty.

(d) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be responsible for misconduct or negligence of any such attorneys, agents, receivers or employees, and (ii) shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder, and (iii) may pay at the expense of the Owners reasonable compensation in all cases to all of those attorneys, agents, receivers and employees employed by it in connection with the trusts hereof. The Trustee may act upon the opinion or advice of its own counsel concerning all matters of trust hereof and the duties hereunder. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion or advice.

(e) The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except a default in payment when due of the principal, premium, if any, or interest on any Bond or the failure of the Issuer or the Borrower to file with the Trustee any documents required by this Indenture, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Issuer or by the Owners of at least 75% in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default or Event of Default except as aforesaid.

(f) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises granted in this Indenture.

(g) The immunities and protections from liability extended to the Trustee also extend to its directors, officers, employees, attorneys and agents.

(h) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal, discharge of this Indenture and the final payment or the defeasance of the Bonds (or the discharge of the Bonds or the defeasance of the lien of this Indenture).

(i) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any liability financial or otherwise, in the performance of any of its duties or in the exercise of any of its rights or powers. The Trustee shall not be required to make any disbursement of funds until having collected funds.

(j) The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum, financial report or other disclosure material prepared or distributed with respect to the issuance of the Bonds and makes no representation as to the accuracy or completeness of any information contained therein.

(k) The Trustee shall have the right but not the obligation to act as directed by the Owners of at least a majority of the aggregate outstanding principal of the Bonds and shall not be liable in taking any action so directed if the Trustee acts in the absence of bad faith.

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.

The Trustee may require and conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture to be paid for the Issuer or holders of the Bonds. The Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument or verify any calculations in connection therewith. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. The cost of any such opinion or advice shall be borne by the Issuer.

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

In the absence of bad faith, the Trustee 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 Trustee and conforming to the requirements of this Indenture. The Trustee shall not be liable for any error of judgment made in good faith.

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

Section 9.6. Compensation.

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

Section 9.7. Permitted Acts.

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

Section 9.8. Resignation of Trustee.

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

Section 9.9. Removal of Trustee.

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

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged 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.

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 a Quarter in Interest of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. 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.

If in a proper case no appointment of a successor Trustee shall be made within 30 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. . Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

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

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, 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 of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

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

Section 9.13. Trustee to File Continuation Statements.

The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed

initial financing statement, naming the Trustee as secured party or additional secured party, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement.

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 any 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. Permissive rights of the Trustee are not to be construed as duties or obligations. Whether or not therein expressly so provided, every provision of this Indenture or any other financing document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article IX.

ARTICLE X
MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or 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, (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues superior to or on parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;

(ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to authorize a Series of Refunding Bonds; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

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

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of ninety (90) 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 ninety-day period.

Section 10.4. Effect of Supplemental Indenture.

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

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

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

Section 10.6. Amendatory Endorsement of Bonds.

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

Section 10.7. Waiver of Default.

With the written consent of the Owners of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of Bond Counsel addressed and delivered to the Trustee in accordance with this Article X.

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 Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Special Assessments including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make any such payments; and

(iv) Default in the performance or observance of any other covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of a Quarter in Interest of the Bonds with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Bonds at the time Outstanding requesting that the failure be remedied.

The Trustee will not be deemed to have notice of an Event of Default under Section 11.1(ii) unless notified in writing by the Issuer or the Owners of a Quarter in Interest of the Bonds.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of a Quarter in Interest of the Bonds then Outstanding, and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all Outstanding Bonds, in the selection of Trust Estate assets to be used in the payment of Bonds due under this Article, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of a Quarter in Interest of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his 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 shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, 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 or Redemption Price due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

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

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to

take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII
GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Special Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

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

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

Section 12.4. No Israel Boycott.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 12.5. No Terrorist Organization.

The Trustee represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 12.6. No Discrimination Against Fossil Fuel Companies.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 12.7. No Discrimination Against Firearm Entities and Firearm Trade Associations.

a) To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in

the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that

(i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

b) The Trustee understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

ARTICLE XIII SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances, transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens; Refunding Bonds.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from any portion of the Trust Estate.

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

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV
PAYMENT AND CANCELLATION OF THE BONDS 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 the 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.

All Outstanding Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided herein, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the

principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on of the Bonds to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Bonds. Neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Bonds on and prior to such redemption date or maturity date thereof, as the case may be. Any payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to

act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate or City Order, shall be in writing and shall be delivered by hand, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City:

City of Leander, Texas
P.O. Box 319 (mailing address)
Leander, Texas 78646
105 N. Brushy Street (physical address)
Leander, Texas 78641
Attention: Rick Beverlin, City Manager
Fax No.: 512.690.2193
Email: rbeverlin@leandertx.gov

With copy to:

The Knight Law Firm, LLP
223 West Anderson
Suite A-105
Austin, Texas 78752
Attention: Paige Saenz, City Attorney
Fax No.: 512.323.5773
Email: Paige@cityattorneytexas.com

If to the Trustee
or the Paying Agent/Registrar:

BOKF, NA
Corporate Trust Services
1401 McKinney, Suite 1000
Houston, Texas 77010
Attention: Rachel Roy
E-Fax No.: 713.354.0279

Email: Rachel.Roy@bankoftexas.com

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions and their authorized e-mail addresses from which such instruction may be sent, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method), the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest 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.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF LEANDER, TEXAS

By: _____
Mayor

Attest:

City Secretary

[CITY SEAL]

BOKF, NA
as Trustee

By: _____
Authorized Officer

EXHIBIT A-1

(a) Form of 2017 NIA 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 2017 NIA BOND.

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas

CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2017
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____%	_____, 20__	_____, 2017	_____

The City of Leander, Texas (the “City”), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this 2017 NIA Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing March 1, 2018, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this 2017 NIA Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this 2017 NIA Bond at the corporate trust office in Houston, Texas (the “*Designated Payment/Transfer Office*”), of BOKF, NA, as trustee and paying agent/registrar (the “*Trustee*”, which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this 2017 NIA 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 2017 NIA Bond, the registered owner shall be the Person in whose name this 2017 NIA Bond is registered at the close of business on the “*Record Date*,” which shall be the fifteenth day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “*Special Record Date*”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “*Special Payment Date*,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a 2017 NIA 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 2017 NIA 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 2017 NIA Bond is one of a duly authorized issue of special assessment revenue bonds of the City having the designation specified in its title (herein referred to as the “*2017 NIA Bonds*”), dated November 1, 2017 and issued in the aggregate principal amount of \$2,535,000 and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of November 1, 2017 (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 2017 NIA Bonds, the Trustee, and the City, and the terms upon which the 2017 NIA Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this 2017 NIA Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The 2017 NIA Bonds are being issued for the purpose of (i) paying a portion of the Costs of the Northern Improvement Area Major Improvements, (ii) paying interest on the 2017 NIA Bonds during and after the period of acquisition and construction of the Northern Improvement Area Major Improvements; (iii) funding a reserve fund for payment of principal and interest on the 2017 NIA Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying the costs of issuance of the 2017 NIA Bonds.

The Bonds are limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this 2017 NIA Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this 2017 NIA 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 2017 NIA Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in Authorized Denominations.

The 2017 NIA Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to 100% of the principal amount thereof, or portions thereof, to be redeemed plus accrued interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

Term Bonds Maturing September 1, 2037

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2019	\$40,000
September 1, 2020	40,000
September 1, 2021	45,000
September 1, 2022	45,000
September 1, 2023	50,000
September 1, 2024	50,000
September 1, 2025	55,000
September 1, 2026	55,000
September 1, 2027	60,000
September 1, 2028	60,000
September 1, 2029	65,000
September 1, 2030	70,000
September 1, 2031	70,000
September 1, 2032	75,000
September 1, 2033	80,000
September 1, 2034	85,000
September 1, 2035	90,000
September 1, 2036	95,000
September 1, 2037**	95,000

Term Bonds Maturing September 1, 2047

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
September 1, 2038	\$100,000
September 1, 2039	110,000
September 1, 2040	115,000
September 1, 2041	120,000
September 1, 2042	125,000
September 1, 2043	135,000
September 1, 2044	140,000
September 1, 2045	145,000
September 1, 2046	155,000
September 1, 2047**	165,000

** Stated Maturity

At least 45 days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot a principal amount of 2017 NIA Bonds of such maturity equal to the Sinking Fund Installments of such 2017 NIA Bonds to be redeemed, shall call such 2017 NIA Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.7 of the Indenture.

The principal amount of 2017 NIA 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 2017 NIA 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 2017 NIA Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption and not previously credited to a sinking fund redemption.

The City reserves the right and option to redeem the 2017 NIA Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 2026, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such 2017 NIA Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption.

The 2017 NIA Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any day, at a Redemption Price equal to at 100% of the principal amount of such 2017 NIA Bonds called for redemption, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments, other transfers to the Redemption Account of the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the NIA Improvements Account of the Common Project Fund as provided in the Indenture.

Upon surrender of any 2017 NIA Bond for redemption in part, the Trustee in accordance with the Indenture, shall authenticate and deliver and exchange the 2017 NIA Bond or 2017 NIA Bonds in an aggregate principal amount equal to the unredeemed portion of the 2017 NIA Bond

so surrendered, which shall be an Authorized Denomination. A new 2017 NIA Bond representing the unredeemed balance of such 2017 NIA Bond shall be issued to the Owner thereof, such exchange being without charge. If any 2017 NIA Bonds are to be redeemed and such redemption results in the unredeemed portion of a single 2017 NIA Bond in an amount less than the Authorized Denomination, a 2017 NIA Bond in the principal amount equal to the unredeemed portion, but not less than \$5,000, may be issued.

The Trustee shall give notice of any redemption of the 2017 NIA 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 2017 NIA 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 2017 NIA Bonds are to be surrendered for payment, and, if less than all the 2017 NIA Bonds Outstanding are to be redeemed, an identification of the 2017 NIA Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

With respect to any optional redemption of the 2017 NIA Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the 2017 NIA Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the 2017 NIA Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the 2017 NIA Bonds have not been redeemed.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of 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 2017 NIA 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 2017 NIA 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 2017 NIA Bond.

As provided in the Indenture, this 2017 NIA Bond is transferable upon surrender of this 2017 NIA Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this 2017 NIA Bond. Upon satisfaction of such requirements, one or more new fully registered 2017 NIA 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 2017 NIA 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 2017 NIA Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this 2017 NIA 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 2017 NIA Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this 2017 NIA Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF LEANDER, TEXAS, WILLIAMSON COUNTY, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2017 NIA BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this 2017 NIA 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 2017 NIA 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 2017 NIA Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this 2017 NIA Bond to be executed under the official seal of the City.

Mayor, City of Leander, Texas

City Secretary, City of Leander, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Series 2017 NIA Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this 2017 NIA Bond, and that this 2017 NIA 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 2017 NIA Bonds of the series of 2017 NIA 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, address and zip code of transferee):

(Social Security or other identifying number: _____) the within 2017 NIA Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____

attorney to transfer the within 2017 NIA Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within 2017 NIA Bond in every particular and must be guaranteed in a manner acceptable to the Trustee

Authorized Signatory

(e) The Initial Series 2017 NIA Bond shall be in the form set forth in paragraphs (a), (b), (d) and (e) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the 2017 NIA 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 2017 NIA Bond, the words “on the Maturity Date 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 amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u> ”
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(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Series 2017 NIA Bond shall be numbered T-1.

EXHIBIT A-2

(a) Form of 2022 NIA 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 2022 NIA BOND.

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas

CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP NUMBER</u>
_____%	_____, 20__	_____, 2022	_____

The City of Leander, Texas (the “City”), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this 2022 NIA Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing March 1, 2023, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this 2022 NIA Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this 2022 NIA Bond at the corporate trust office in Houston, Texas (the “*Designated Payment/Transfer Office*”), of BOKF, NA, as trustee and paying agent/registrar (the “*Trustee*”, which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this 2022 NIA 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 2022 NIA Bond, the registered owner shall be the Person in whose name this 2022 NIA Bond is registered at the close of business on the “*Record Date*,” which shall be the fifteenth day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days or more thereafter, a new record date for such interest payment (a “*Special Record Date*”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “*Special Payment Date*,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a 2022 NIA 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 2022 NIA 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 2022 NIA Bond is one of a duly authorized issue of special assessment revenue bonds of the City having the designation specified in its title (herein referred to as the “*2022 NIA Bonds*”), dated _____, 2022 and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Amended and Restated Indenture of Trust, dated as of July 1, 2022 (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 2022 NIA Bonds, the Trustee, and the City, and the terms upon which the 2022 NIA Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this 2022 NIA Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The 2022 NIA Bonds are being issued for the purpose of (i) paying a portion of the Costs of the Northern Improvement Area Major Improvements, (ii) funding a reserve fund for payment of principal and interest on the 2022 NIA Bonds, and (iii) paying the costs of issuance of the 2022 NIA Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others,

with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The Owner of this 2022 NIA Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this 2022 NIA 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 2022 NIA Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in Authorized Denominations.

The 2022 NIA Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to 100% of the principal amount thereof, or portions thereof, to be redeemed plus accrued interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

At least 45 days prior to each sinking fund redemption date, the Trustee shall select for redemption by lot a principal amount of 2022 NIA Bonds of such maturity equal to the Sinking Fund Installments of such 2022 NIA Bonds to be redeemed, shall call such 2022 NIA Bonds for redemption on such scheduled mandatory sinking fund redemption date, and shall give notice of such redemption, as provided in Section 4.7 of the Indenture.

The principal amount of 2022 NIA 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 2022 NIA 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 2022 NIA Bonds plus accrued and unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem the 2022 NIA Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20__, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such 2022 NIA Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption.

The 2022 NIA Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any day, at a Redemption Price equal to at 100% of the principal amount

of such 2022 NIA Bonds called for redemption, or portions thereof, to be redeemed plus accrued interest to the date of redemption from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments, other transfers to the Redemption Account of the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the NIA Improvements Account of the Project Fund as provided in the Indenture.

Upon surrender of any 2022 NIA Bond for redemption in part, the Trustee in accordance with the Indenture, shall authenticate and deliver and exchange the 2022 NIA Bond or 2022 NIA Bonds in an aggregate principal amount equal to the unredeemed portion of the 2022 NIA Bond so surrendered, which shall be an Authorized Denomination. A new 2022 NIA Bond representing the unredeemed balance of such 2022 NIA Bond shall be issued to the Owner thereof, such exchange being without charge. If any 2022 NIA Bonds are to be redeemed and such redemption results in the unredeemed portion of a single 2022 NIA Bond in an amount less than the Authorized Denomination, a 2022 NIA Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the 2022 NIA Bonds are to be redeemed at any time pursuant to either Section 4.2, 4.3 or 4.4 of the Indenture, the particular maturities and amounts of 2022 NIA Bonds to be redeemed shall be selected by the City. If less than all of the 2022 NIA Bonds of a particular maturity are to be redeemed, the Trustee shall select the 2022 NIA Bonds of such maturity to be redeemed by lot. Each 2022 NIA Bond shall be treated as representing the number of 2022 NIA Bonds that is obtained by dividing the principal amount of such 2022 NIA Bond by the smallest Authorized Denomination for such 2022 NIA Bond.

A portion of a single 2022 NIA Bond may be redeemed, but only in a principal amount equal to: (i) for redemptions made pursuant to Section 4.3 of the Indenture, an Authorized Denomination or any integral of \$1,000 in excess thereof, or (ii) for redemptions made pursuant to Section 4.2 or 4.4 of the Indenture, \$1,000 or any integral multiple thereof. The Trustee shall treat each \$1,000 portion of such 2022 NIA Bond as though it were a single bond for purposes of selection for redemption.

Notwithstanding any provision of the Indenture to the contrary, including Section 4.5(b), if any 2022 NIA Bonds are to be redeemed pursuant to Section 4.2, 4.3 or 4.4 and such redemption results in the unredeemed portion of a single 2022 NIA Bond in an amount less than the Authorized Denomination, a 2022 NIA Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued (unless the Owners of such 2022 NIA Bond owns other 2022 NIA Bonds of the same maturity which could be combined with such 2022 NIA Bond to form an Authorized Denomination, as herein set forth).

Upon surrender of any 2022 NIA Bond for redemption in part, the Trustee in accordance with Section 3.8 of the Indenture, shall authenticate and deliver and exchange the 2022 NIA Bond or 2022 NIA Bonds in an aggregate principal amount equal to the unredeemed portion of the 2022 NIA Bond so surrendered, which shall be an Authorized Denomination. A new 2022 NIA Bond representing the unredeemed balance of such 2022 NIA Bond shall be issued to the Owner thereof, such exchange being without charge.

The Trustee shall give notice of any redemption of the 2022 NIA 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 2022 NIA 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 2022 NIA Bonds are to be surrendered for payment, and, if less than all the 2022 NIA Bonds Outstanding are to be redeemed, an identification of the 2022 NIA Bonds or portions thereof to be redeemed. Any notice so given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

With respect to any optional redemption of the 2022 NIA Bonds, unless the Trustee has received funds sufficient to pay the Redemption Price of the 2022 NIA Bonds to be redeemed before giving of a notice of redemption, the notice may state the City may condition redemption on the receipt of such funds by the Trustee on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the 2022 NIA Bonds and the Trustee shall give notice, in the manner in which the notice of redemption was given, that the 2022 NIA Bonds have not been redeemed.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the City and the rights of the holders of 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 2022 NIA 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 2022 NIA 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 2022 NIA Bond.

As provided in the Indenture, this 2022 NIA Bond is transferable upon surrender of this 2022 NIA Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Trustee, and upon delivery to the Trustee of such certifications and/or opinion of counsel as may be required under the Indenture for the transfer of this 2022 NIA Bond. Upon satisfaction of such requirements, one or more new fully registered 2022 NIA 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 2022 NIA 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 2022 NIA Bond.

The City, the Trustee, and any other Person may treat the Person in whose name this 2022 NIA 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 2022 NIA Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes,

whether or not this 2022 NIA Bond be overdue, and neither the City nor the Trustee shall be affected by notice to the contrary.

The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF LEANDER, TEXAS, WILLIAMSON COUNTY, TEXAS, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2022 NIA BONDS.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this 2022 NIA 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 2022 NIA 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 2022 NIA Bonds, does not exceed any Constitutional or statutory limitation.

IN WITNESS WHEREOF, the City Council of the City has caused this 2022 NIA Bond to be executed under the official seal of the City.

Mayor, City of Leander, Texas

City Secretary, City of Leander, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Series 2022 NIA Bond:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion to the effect that the Attorney General of the State of Texas has approved this 2022 NIA Bond, and that this 2022 NIA 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 2022 NIA Bonds of the series of 2022 NIA 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, address and zip code of transferee):

(Social Security or other identifying number: _____) the within 2022 NIA Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 2022 NIA Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within 2022 NIA Bond in every particular and must be guaranteed in a manner acceptable to the Trustee

(f) The Initial Series 2022 NIA Bond shall be in the form set forth in paragraphs (a), (b), (d) and (e) of this Exhibit A, except for the following alterations:

- (i) immediately under the name of the 2022 NIA 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 2022 NIA Bond, the words “on the Maturity Date 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 amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate”</u>
-------------	-------------------------	-----------------------

(Information to be inserted from Section 3.2(c) hereof); and

- (iii) the Initial Series 2022 NIA Bond shall be numbered T-1.

[City Letterhead]

In the opinion of Bond Counsel, assuming continuing compliance by the City after the date of initial delivery of the Bonds with certain covenants contained in the applicable Bond Ordinance and Indenture and subject to the matters described under “TAX MATTERS” herein, interest on the Bonds (1) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as described herein, corporations. See “TAX MATTERS – Tax Exemption” herein for a discussion of Bond Counsel’s opinion, including a description of certain alternative minimum tax consequences for corporations.

\$1,960,000*
CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA
MAJOR IMPROVEMENT PROJECT)

\$555,000*
CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA
NEIGHBORHOOD IMPROVEMENT PROJECT)

Dated as of the Date of Delivery
Interest Accrues from Date of Delivery

Due: September 1, as shown on pages i and ii

The City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the “2022 Major Improvement Bonds”) and Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project) (the “Neighborhood Improvement Bonds”) and, together with the 2022 Major Improvement Bonds, the “Bonds”), are being issued by the City of Leander, Texas (the “City”). The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$5,000 of principal amount and any integral multiple of \$1,000 in excess thereof. The 2022 Major Improvement Bonds and the Neighborhood Improvement Bonds will bear interest at the rates set forth on pages i and ii, respectively, each calculated on the basis of a 360-day year of twelve 30-day months, payable on each March 1 and September 1, commencing March 1, 2023, until maturity or earlier redemption. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. No physical delivery of the Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Bonds will be paid from the sources described herein by BOKF, NA, as trustee (the “Trustee”), to DTC as the registered owner thereof. See “BOOK-ENTRY ONLY SYSTEM.”

The 2022 Major Improvement Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), an ordinance adopted by the City Council of the City (the “City Council”) on July 7, 2022 (the “Major Improvement Bond Ordinance”), and an Amended and Restated Indenture of Trust, dated July 1, 2022 (the “Major Improvement Indenture”), entered into by and between the City and the Trustee, amending and restating the Indenture of Trust dated November 1, 2017. **The 2022 Major Improvement Bonds are being issued as “Additional Northern Improvement Area Major Improvement Bonds” pursuant to the terms of the 2017 Indenture and are being issued on parity with the 2017 Major Improvement Bonds (as defined herein).** The Neighborhood Improvement Bonds are being issued by the City pursuant to the PID Act, an ordinance adopted by the City Council on July 7, 2022 (the “Neighborhood Improvement Bond Ordinance”), and an Indenture of Trust, dated July 1, 2022 (the “Neighborhood Improvement Indenture”), entered into by and between the City and the Trustee.

Proceeds of the Bonds shall be applied as described herein. The Bonds, when issued and delivered, will constitute valid and binding special obligations of the City payable solely from and secured by the applicable Pledged Revenues (as defined herein), consisting primarily of Major Improvement Special Assessments and Neighborhood Improvement Special Assessments (as defined herein), as applicable, levied against assessable property in the Northern Improvement Area of the District in accordance with a Service and Assessment Plan, all to the extent and upon the conditions described herein. The Bonds are not payable from funds raised or to be raised from taxation or other City funds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 MAJOR IMPROVEMENT BONDS,” “SECURITY FOR AND SOURCE OF PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT BONDS,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 – Service and Assessment Plan Update.”

The Bonds are subject to redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption “DESCRIPTION OF THE BONDS — 2022 Major Improvement Bonds Redemption Provisions” and “— Neighborhood Improvement Bonds Redemption Provisions.”

The 2022 Major Improvement Bonds and the Neighborhood Improvement Bonds are being offered concurrently by the City. **However, the 2022 Major Improvement Bonds and the Neighborhood Improvement Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, and other features.**

The Bonds involve a significant degree of risk and are not suitable for all investors. See “BONDHOLDERS’ RISKS” and “SUITABILITY FOR INVESTMENT” herein. Prospective purchasers should carefully evaluate the risks and merits of an investment in the Bonds, should consult with their legal and financial advisors before considering a purchase of the Bonds, and should be willing to bear the risks of loss of their investment in the Bonds.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY AND EACH ISSUE OF BONDS ARE PAYABLE SOLELY FROM AND SECURED BY THE RELATED TRUST ESTATE ESTABLISHED UNDER THE CORRESPONDING INDENTURE, AS AND TO THE EXTENT PROVIDED THEREIN. THE BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT PAYABLE OR SECURED EXCEPT AS PROVIDED IN THE CORRESPONDING INDENTURE. 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 ESTABLISHED UNDER THE CORRESPONDING INDENTURE, AS AND TO THE EXTENT PROVIDED THEREIN. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE BONDS TO PAY THE BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE PLEDGED REVENUES AND OTHER FUNDS HELD UNDER THE CORRESPONDING INDENTURE COMPRISING THE APPLICABLE TRUST ESTATE. SEE “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 MAJOR IMPROVEMENT BONDS” AND “SECURITY FOR AND SOURCE OF PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT BONDS.”

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

The Bonds are offered for delivery when, as, and if issued by the City and accepted by the Underwriter, subject to, among other things, the approval of the Bonds by the Attorney General of Texas and the receipt of the opinions of Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, Bond Counsel, as to the validity of the Bonds and the excludability of interest thereon from gross income for federal income tax purposes. See “APPENDIX D-1 – Form of Opinion of Bond Counsel (2022 Major Improvement Bonds)” and “APPENDIX D-2 – Form of Opinion of Bond Counsel (Neighborhood Improvement Bonds).” Certain legal matters will be passed upon for the Underwriter by its counsel, Kelly Hart & Hallman LLP, Fort Worth, Texas, and for the Developer by its counsel, Winstead PC, Dallas, Texas. It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC on or about August 9, 2022.

STIFEL

* Preliminary, subject to change.

\$1,960,000*

CITY OF LEANDER, TEXAS

(a municipal corporation of the State of Texas located in Williamson and Travis Counties)

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)

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

\$ _____ % Term Bonds due _____ 20____, Priced to Yield _____%; CUSIP _____ (a) (b) (c)

\$ _____ % Term Bonds due _____ 20____, Priced to Yield _____%; CUSIP _____ (a) (b) (c)

-
- (a) The 2022 Major Improvement Bonds are subject to redemption, in whole or in part, in amounts equal to Authorized Denominations, prior to stated maturity, at the option of the City, on any date on or after _____ 20____ at the redemption prices described herein under “DESCRIPTION OF THE BONDS — 2022 Major Improvement Bonds Redemption Provisions.”
- (b) The 2022 Major Improvement Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS — 2022 Major Improvement Bonds Redemption Provisions.”
- (c) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City’s Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

\$555,000*
CITY OF LEANDER, TEXAS
(a municipal corporation of the State of Texas located in Williamson and Travis Counties)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA NEIGHBORHOOD IMPROVEMENT PROJECT)

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

\$ _____ % Term Bonds due _____ 20____, Priced to Yield _____%; CUSIP _____ (a) (b) (c)

\$ _____ % Term Bonds due _____ 20____, Priced to Yield _____%; CUSIP _____ (a) (b) (c)

-
- (a) The Neighborhood Improvement Bonds are subject to redemption, in whole or in part, in amounts equal to Authorized Denominations, prior to stated maturity, at the option of the City, on any date on or after _____, 20____ at the redemption prices described herein under “DESCRIPTION OF THE BONDS — Neighborhood Improvement Bonds Redemption Provisions.”
- (b) The Neighborhood Improvement Bonds are also subject to mandatory sinking fund redemption and extraordinary optional redemption as described herein under “DESCRIPTION OF THE BONDS – Redemption Provisions.”
- (c) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”), managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the service provided by CGS. CUSIP numbers are provided for convenience of reference only. The City, the City’s Financial Advisor and the Underwriter do not take any responsibility for the accuracy of such numbers.

* Preliminary, subject to change.

**CITY OF LEANDER, TEXAS
CITY COUNCIL**

<u>Name</u>	<u>Term Expires (May)</u>
Christine DeLisle, Mayor	2024
Kathryn Pantalion – Parker, Place 1	2025
Esme Mattke Longoria, Place 2	2024
Jason Shaw, Place 3	2022*
Na'Cole Thompson, Place 4	2024
Chris Czernek, Place 5	2025
Becki Ross, Place 6	2024

* David McDonald to be sworn in as council member for Place 3 on July 7, 2022.

CITY MANAGER
Richard B. Beverlin III

CITY SECRETARY
Dara Crabtree

FINANCE DIRECTOR
Robert Powers

PID ADMINISTRATOR
David Taussig & Associates, Inc.

FINANCIAL ADVISOR TO THE CITY
RBC Capital Markets, LLC

BOND COUNSEL
Bickerstaff Heath Delgado Acosta LLP

UNDERWRITER'S COUNSEL
Kelly Hart & Hallman LLP

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Executive Finance Director
City of Leander, Texas
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Leander, Texas 78641
(512) 528-2734

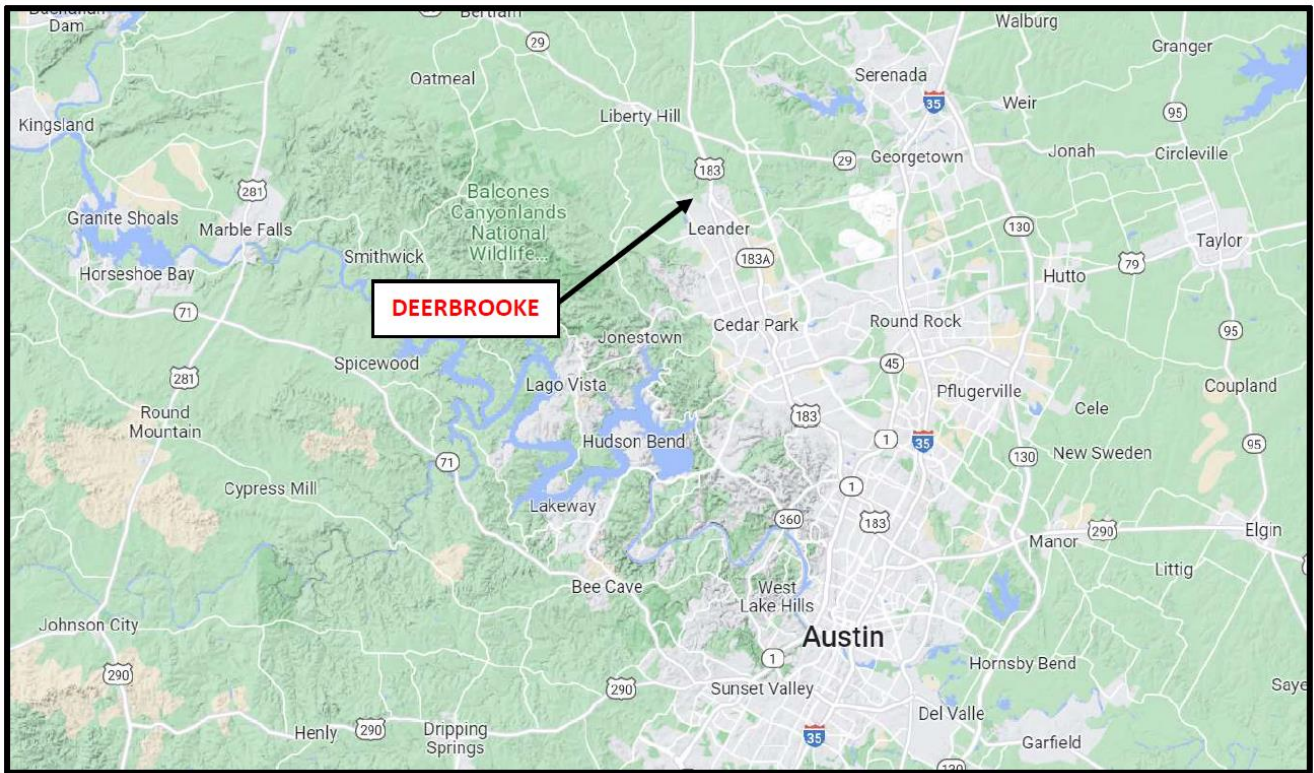
or

Chris W. Allen
Managing Director
RBC Capital Markets, LLC
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Houston, Texas 77002
(713) 651-3338

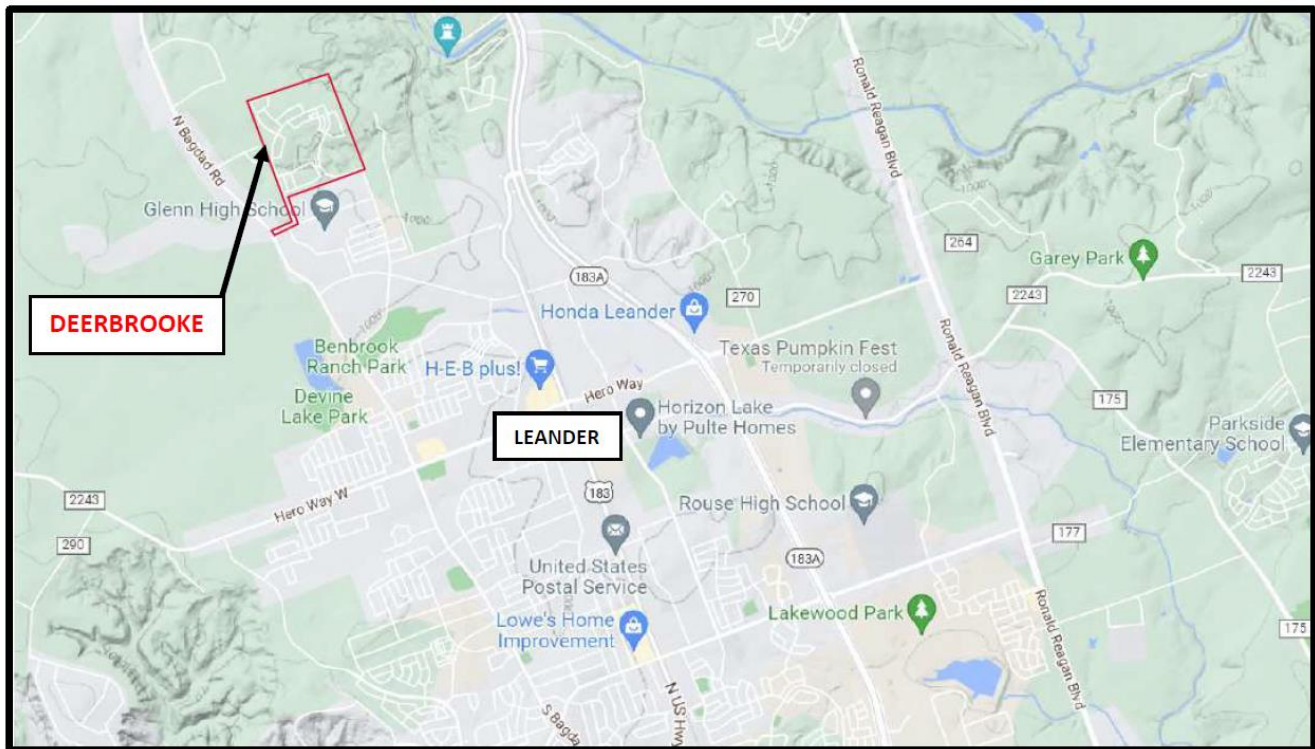
or

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DEERBROOKE



AREA LOCATION MAP OF DISTRICT



MAP SHOWING BOUNDARIES OF THE DEERBROOKE PUBLIC IMPROVEMENT DISTRICT AND OF THE SOUTHERN IMPROVEMENT AREA AND THE NORTHERN IMPROVEMENT AREA



AERIAL MAP OF THE DISTRICT



(boundaries are approximate; image taken on April 9, 2022)

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AS AMENDED AND IN EFFECT ON THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT ("RULE 15C2-12"), THIS DOCUMENT CONSTITUTES AN OFFICIAL STATEMENT OF THE CITY WITH RESPECT TO THE BONDS THAT HAS BEEN "DEEMED FINAL" BY THE CITY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

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

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

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

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

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE SECURITIES ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

THE TRUSTEE HAS NOT PARTICIPATED IN THE PREPARATION OF THIS OFFICIAL STATEMENT AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT OR THE RELATED TRANSACTIONS AND DOCUMENTS OR FOR ANY FAILURE BY ANY PARTY TO DISCLOSE EVENTS THAT MAY HAVE OCCURRED AND MAY AFFECT THE SIGNIFICANCE OR ACCURACY OF SUCH INFORMATION.

UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE CITY NOR THE

DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE – THE CITY” HEREIN.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER’S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, THE RULE.

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APPENDIX D-2	Form of Opinion of Bond Counsel (Neighborhood Improvement Bonds)
APPENDIX E	Form of City Disclosure Agreement
APPENDIX F-1	2017 Reimbursement Agreement
APPENDIX F-2	2020 Reimbursement Agreement

OFFICIAL STATEMENT

Relating to

\$1,960,000*
CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA MAJOR
IMPROVEMENT PROJECT)

\$555,000*
CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA NEIGHBORHOOD
IMPROVEMENT PROJECT)

INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover pages and Appendices hereto, is to provide certain information in connection with the issuance and sale by the City of Leander, Texas (the “City”) of its \$1,960,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the “2022 Major Improvement Bonds”) and \$555,000* aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project) (the “Neighborhood Improvement Bonds”). The 2022 Major Improvement Bonds and Neighborhood Improvement Bonds are collectively referred to herein as the “Bonds.” The Bonds are separate and distinct securities offerings being authorized for issuance under separate ordinances, but are being offered and sold pursuant to a common Official Statement, and while the Bonds share certain common attributes, each issue is separate and apart from the other and should be reviewed and analyzed independently, including the kind and type of obligation being issued, its terms of payment, the security for its payment, the rights of the holders and the covenants and agreements made with respect thereto.

The 2022 Major Improvement Bonds are being issued by the City pursuant to the Public Improvement District Assessment Act, Subchapter A of Chapter 372, Texas Local Government Code, as amended (the “PID Act”), the ordinance authorizing the issuance of the 2022 Major Improvement Bonds adopted by the City Council on July 7, 2022 (the “Major Improvement Bond Ordinance”), and an Amended and Restated Indenture of Trust, dated as of July 1, 2022 (the “Major Improvement Indenture”), entered into by and between the City and BOKF, NA, as trustee (the “Trustee”), amending and restating the Indenture of Trust dated November 1, 2017 (the “2017 Indenture”). **The 2022 Major Improvement Bonds are being issued as “Additional Northern Improvement Area Major Improvement Bonds” pursuant to the terms of the 2017 Indenture and are being issued on parity with the 2017 Major Improvement Bonds (as defined herein).** The 2022 Major Improvement Bonds are secured by special assessments (the “Major Improvement Special Assessments”) levied against assessable property located within the Northern Improvement Area (“Northern Improvement Area”) of the Deerbrooke Public Improvement District (the “District”) in accordance with a service and assessment plan (the “Service and Assessment Plan”) adopted pursuant to an ordinance enacted by the City Council on August 17, 2017 (the “Major Improvement Assessment Ordinance”).

The Neighborhood Improvement Bonds are being issued by the City pursuant to the PID Act, the ordinance authorizing the issuance of the Neighborhood Improvement Bonds adopted by the City Council on July 7, 2022 (the “Neighborhood Improvement Bond Ordinance”), and an Indenture of Trust, dated as of July 1, 2022 (the “Neighborhood Improvement Indenture”), entered into by and between the City and the Trustee. The Neighborhood Improvement Bonds are secured by special assessments (the “Neighborhood Improvement Special Assessments”) levied against assessable property located within the Northern Improvement Area of the District in accordance with an update to the Service and Assessment Plan adopted pursuant to an ordinance enacted by the City Council on June 18, 2020 (the “Neighborhood Improvement Assessment Ordinance”).

Other terms used in this Official Statement are defined as follows:

The 2022 Major Improvement Bonds and the Neighborhood Improvement Bonds are referred to collectively herein as the “Bonds.”

* Preliminary, subject to change.

The 2022 Major Improvement Bonds and the 2017 Major Improvement Bonds are referred to collectively as the “Major Improvement Bonds.”

The Major Improvement Bond Ordinance and the Neighborhood Improvement Bond Ordinance are referred to collectively herein as the “Bond Ordinances.”

The Major Improvement Indenture and the Neighborhood Improvement Indenture are referred to collectively herein as the “Indentures.”

The Major Improvement Assessment Ordinance and the Neighborhood Improvement Assessment Ordinance are referred to collectively herein as the “Assessment Ordinances.”

The Major Improvement Special Assessments and the Neighborhood Improvement Special Assessments are each referred to herein as the “Special Assessments.”

The major improvements allocable to the Northern Improvement Area and financed by the 2017 Major Improvement Bonds and the 2022 Major Improvement Bonds are referred to herein as the “Major Improvements.”

The local improvements benefitting only the Northern Improvement Area and financed by the Neighborhood Improvement Bonds are referred to herein as the “Neighborhood Improvements.”

The Major Improvements and the Neighborhood Improvements are referred to collectively herein as the “Northern Improvement Area Improvements.”

The District was created for the purpose of financing the acquisition and/or construction of public improvements as set forth in the PID Act for the special benefit of the District. The PID Act authorizes the issuance of bonds for the purposes of, among others, financing, acquiring and constructing water supply, sewer and wastewater, public roads, street lights and other basic infrastructure projects within or outside the boundaries of the District.

The boundaries of the District include approximately 262 gross acres of land, located entirely within the corporate limits of the City. The Major Improvement Special Assessments securing the 2022 Major Improvement Bonds and the Neighborhood Improvement Special Assessments securing the Neighborhood Improvement Bonds have been levied and will be collected on assessable land within the Northern Improvement Area consisting of approximately 87.7 acres within the District that have been developed for 335 residential units. See “THE DEVELOPMENT” herein for a summary of the current development status of the Development and additional information regarding the Development Plan.

Reference is made to each respective Indenture for a full statement of the authority for, and the terms and provisions of, the Bonds. All capitalized terms used in this Official Statement that are not otherwise defined herein shall have the meanings set forth in the Major Improvement Indenture and the Neighborhood Improvement Indenture, as applicable. See “APPENDIX B-1 – Form of Major Improvement Indenture,” and “Appendix B-2 – Form of Neighborhood Improvement Indenture.”

Set forth herein are brief descriptions of the City, the District, the Assessment Ordinances, the Bond Ordinances, the Service and Assessment Plan (as defined herein), the 2017 Reimbursement Agreement (as defined herein), the 2020 Reimbursement Agreement (as defined herein), and the Developer (as defined herein), together with summaries of terms of the Bonds and the Indentures and certain provisions of the PID Act. See “APPENDIX F-1 - 2017 Reimbursement Agreement” and “APPENDIX F-2 - 2020 Reimbursement Agreement.” All references herein to such documents and the PID Act are qualified in their entirety by reference to such documents or such PID Act and all references to the Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the applicable Indenture. Copies of these documents may be obtained during the period of the offering of the Bonds from the Underwriter, Stifel, Nicolaus & Company, Incorporated, 70 Northeast Loop 410, Suite 295, San Antonio, Texas 78216, Phone: (210) 525-8048. The form of Major Improvement Indenture appears in APPENDIX B-1, the form of Neighborhood Improvement Indenture appears in APPENDIX B-2 and the Service and Assessment Plan and Update to the Service and Assessment Plan, which update is to be adopted on July 7, 2022 to reflect the sale of the Bonds described in this Official Statement, appear in APPENDIX C-1 and APPENDIX C-2, respectively. The information provided under this caption “INTRODUCTION” is intended to provide a brief overview of the information provided in the other captions herein and is not intended, and should not be considered, fully representative or complete as to the subjects discussed hereunder.

PLAN OF FINANCE

Development Plan

The District consists of the “Southern Improvement Area” and the “Northern Improvement Area” and is being developed in four phases. The term “Southern Improvement Area” is used herein to describe the initial three phases of development and the term “Northern Improvement Area” is used herein to describe the final phase of development within the District. The boundaries of the District and the two improvement areas are shown in the maps on page vi of this Official Statement.

Initially, major infrastructure was developed to serve the entire District, including the Major Improvements serving the Northern Improvement Area, as well as internal improvements serving only the Southern Improvement Area of the District. That concurrent development was followed by the development of Neighborhood Improvements serving only the Northern Improvement Area of the District. The District will feature approximately 786 single-family detached residential home units, with 335 such units in the Northern Improvement Area and 451 such units in the Southern Improvement Area. As of May 27, 2022, 479 single-family detached residential homes have been constructed (125 in the Northern Improvement Area and 354 in the Southern Improvement Area). Amenities serving the District include an amenity center completed and opened in 2019 featuring indoor gathering space, a pool, fitness center, outdoor pavilion and playground, as well as parks, open spaces and trails. See, generally “THE DEVELOPMENT.”

Financing Plan

Deerbrooke Land Austin, LLC (the “Developer”) and the City, along with Sitterle Homes - Austin, LLC, Perry Homes, LLC, The Brohn Group, LLC and Monticello Custom Homes of Central Texas, LLC, as consenting parties, in accordance with Subchapter G of Chapter 212 of the Texas Local Government Code, entered into the Deerbrooke Public Improvement District Financing Agreement dated as of August 17, 2017 (the “PID Financing Agreement”). The PID Financing Agreement set forth, among other things, (a) provisions for the levy and collection of Special Assessments; (b) the construction of Authorized Improvements to be acquired by the City, including standards relating to the development of the Authorized Improvements to benefit the District and the acceptance thereof by the City; (c) reimbursement and/or advancement of construction funds from special assessments, including the execution by the City and the Developer of the 2017 Reimbursement Agreement and the 2020 Reimbursement Agreement (as each such term is defined herein); and (d) the issuance of bonds secured by special assessments for the financing of the Authorized Improvements. On August 20, 2015, the City passed Ordinance No. 15-041-00 designating the District as a Planned Unit Development, as amended by Ordinance No. 17-043-00 dated June 15, 2017 (together, the “PUD Ordinance”) and stating the development standards applicable to the District.

The Northern Improvement Area Major Improvements

On August 17, 2017, the City and the Developer entered into that certain “Deerbrooke Public Improvement District Reimbursement Agreement (Major Improvements that are allocable to the Northern Improvement Area)” (the “2017 Reimbursement Agreement”) which provided the specific terms pursuant to which the Developer would be reimbursed by the City for the actual costs of construction of the Major Improvements. The amount owed to the Developer pursuant to the 2017 Reimbursement Agreement was not to exceed \$4,750,000 (the “Original Major Improvement Reimbursement Obligation”).

On August 17, 2017, the City also adopted the Major Improvement Assessment Ordinance and levied \$4,750,000 (not including interest or administrative expenses) in principal amount of Major Improvement Special Assessments on parcels in the Northern Improvement Area to pay the costs of the Major Improvements. On November 14, 2017, the City issued its Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) in the aggregate principal amount of \$2,535,000 (the “2017 Major Improvement Bonds”) secured by the Major Improvement Special Assessments, reducing the Original Major Improvement Reimbursement Obligation to \$2,215,000 (the “Revised Major Improvement Reimbursement Obligation”). Pursuant to the 2017 Reimbursement Agreement, the City has continued to make payments to the Developer in satisfaction of the Revised Major

Improvement Reimbursement Obligation from that portion of the Major Improvement Special Assessments not pledged to the payment of the 2017 Major Improvement Bonds. As a result, at the time of issuance of the 2022 Major Improvement Bonds, the Revised Major Improvement Reimbursement Obligation will have been reduced to \$2,067,034 (the “Outstanding Major Improvement Reimbursement Obligation”). The 2022 Major Improvement Bonds are being used to reimburse the Developer for the Outstanding Major Improvement Reimbursement Obligation. Following the issuance of the 2022 Major Improvement Bonds and the payment of funds therefrom to the Developer, there will be no further reimbursement owed to the Developer pursuant to the 2017 Reimbursement Agreement. See “APPENDIX F-1 - 2017 Reimbursement Agreement.”

The 2022 Major Improvement Bonds are “Additional Northern Improvement Area Major Improvement Bonds” as defined in the 2017 Indenture, and are being issued on a parity basis with the 2017 Major Improvement Bonds.

The Northern Improvement Area Neighborhood Improvements

On June 18, 2020, the City and the Developer entered into that certain Deerbrooke Public Improvement District Reimbursement Agreement (Northern Improvement Area Neighborhood Improvements) (the “2020 Reimbursement Agreement”) which provided the specific terms pursuant to which the Developer would be reimbursed by the City for the actual costs of construction of the Neighborhood Improvements which benefit only the Northern Improvement Area of the District. The amount owed to the Developer pursuant to the 2020 Reimbursement Agreement was not to exceed \$633,524 (the “Original Neighborhood Improvement Reimbursement Obligation”).

On June 18, 2020, the City also adopted the Neighborhood Improvement Assessment Ordinance and levied \$633,524 (not including interest or administrative expenses) in principal amount of Special Assessments on parcels in the Northern Improvement Area to pay the costs of the Neighborhood Improvements. Pursuant to the 2020 Reimbursement Agreement, the City has made payments to the Developer in satisfaction of the Original Neighborhood Improvement Reimbursement Obligation from such Special Assessments. As a result, assuming the payment of all draw requests currently pending for payment directly from the Special Assessments, at the time of issuance of the Neighborhood Improvement Bonds, the Original Neighborhood Improvement Reimbursement Obligation will have been reduced to \$612,363.47 (the “Outstanding Neighborhood Improvement Reimbursement Obligation”). The Neighborhood Improvement Bonds are being used to reimburse the Developer for the Outstanding Neighborhood Improvement Reimbursement Obligation. Following the issuance of the Neighborhood Improvement Bonds and the payment of funds therefrom to the Developer, there will be no further reimbursement owed to the Developer pursuant to the 2020 Reimbursement Agreement. See “APPENDIX F-2 - 2020 Reimbursement Agreement.”

The Neighborhood Improvement Bonds are “Future Northern Improvement Area Bonds” as defined in the 2017 Indenture. The Neighborhood Improvement Bonds and the 2022 Major Improvement Bonds are separately secured by the Neighborhood Improvement Special Assessment and the Major Improvement Special Assessment, respectively. The Bonds are not being issued on a parity basis, however, in the event of nonpayment of any of the Neighborhood Improvement Special Assessments or Major Improvement Special Assessments. See “BONDHOLDERS’ RISKS –Special Assessment Limitations” herein.

The Southern Improvement Area Improvements

Separate special assessments have also been levied on all of the parcels in the Southern Improvement Area for the portion of the Major Improvements benefitting the Southern Improvement Area and the Southern Neighborhood Improvements (together, the “Southern Improvement Area Improvements”) to pay for the Southern Improvement Area Bonds (as defined herein), as described in the Service and Assessment Plan. **Such special assessments for the Southern Improvement Area do not secure the 2022 Major Improvement Bonds, the 2017 Major Improvement Bonds, or the Neighborhood Improvement Bonds.**

The 2022 Major Improvement Bonds

Proceeds of the 2022 Major Improvement Bonds will be used to provide funds for (i) paying a portion of the costs of the Major Improvements; (ii) funding a reserve fund for the payment of principal of and interest on the 2022 Major Improvement Bonds; and (iii) paying the costs of issuance of the 2022 Major Improvement Bonds. See “THE NORTHERN IMPROVEMENT AREA IMPROVEMENTS” and “APPENDIX B-1 – Form of Major Improvement Indenture.”

Payment of the 2022 Major Improvement Bonds is secured by a pledge of and a lien upon the Major Improvement Pledged Revenues, consisting primarily of Major Improvement Special Assessments levied against the assessable parcels

within the Northern Improvement Area of the District (each an “Assessed Parcel”), all to the extent and upon the conditions described herein and in the Major Improvement Indenture. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 MAJOR IMPROVEMENT BONDS” and “SPECIAL ASSESSMENT PROCEDURES.”

The 2022 Major Improvement Bonds are “Additional Northern Improvement Area Major Improvement Bonds” as defined in the 2017 Indenture, and are being issued on a parity basis with the 2017 Major Improvement Bonds. Including the 2022 Major Improvement Area Bonds, a total of \$4,315,000* of bonds will be outstanding and secured by the Major Improvement Special Assessments on a parity basis:

Bonds Secured by Major Improvement Special Assessments

<u>Series</u>	<u>Amount Outstanding</u>
2017 Major Improvement Bonds	\$2,355,000**
2022 Major Improvement Bonds	<u>1,960,000*</u>
Total	\$4,315,000*

*Preliminary, subject to change.

**Amount net of \$45,000 in principal amount is schedule to mature September 1, 2022 and \$10,000 in principal amount expected to be redeemed on September 1, 2022 due to extraordinary optional redemption resulting from a mandatory prepayment expected to be paid by the Developer prior to delivery of the Bonds (see “SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment”).

The 2022 Major Improvement Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the 2022 Major Improvement Bonds are limited and special obligations of the City, payable solely from the Major Improvement Trust Estate as provided in the Major Improvement Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the 2022 Major Improvement Bonds.

The Neighborhood Improvement Bonds

Proceeds of the Neighborhood Improvement Bonds will be used to provide funds for (i) paying a portion of the costs of the Neighborhood Improvements; (ii) funding a reserve fund for the payment of principal of and interest on the Neighborhood Improvement Bonds; and (iii) paying the costs of issuance of the Neighborhood Improvement Bonds. See “THE NORTHERN IMPROVEMENT AREA IMPROVEMENTS” and “APPENDIX B-2 – Form of Neighborhood Improvement Indenture.”

Payment of the Neighborhood Improvement Bonds is secured by a pledge of and a lien upon the Neighborhood Improvement Pledged Revenues, consisting primarily of Neighborhood Improvement Special Assessments levied against the Assessed Parcels within the Northern Improvement Area of the District, all to the extent and upon the conditions described herein and in the Neighborhood Improvement Indenture. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT BONDS” and “SPECIAL ASSESSMENT PROCEDURES.”

The Neighborhood Improvement Bonds shall never constitute an indebtedness or general obligation of the City, the State or any other political subdivision of the State, within the meaning of any constitutional provision or statutory limitation whatsoever, but the Neighborhood Improvement Bonds are limited and special obligations of the City, payable solely from the Neighborhood Improvement Trust Estate under the Neighborhood Improvement Indenture. Neither the faith and credit nor the taxing power of the City, the State or any other political subdivision of the State is pledged to the payment of the Neighborhood Improvement Bonds.

No Additional Obligations

Other than refunding bonds, no additional obligations will be issued secured by the Special Assessments or any other assessments levied in the District.

DESCRIPTION OF THE BONDS

General Description

The Bonds will mature on the dates and in the amounts set forth on pages (i) and (ii) of this Official Statement. Interest on the Bonds will accrue from their date of delivery to the Underwriter and will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds will be payable on each March 1 and September 1, commencing March 1, 2023 (each an “Interest Payment Date”), until maturity or prior redemption. BOKF, NA is the initial Trustee, Paying Agent and Registrar for the Bonds.

The Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$5,000 of principal and any integral multiple of \$1,000 in excess thereof (or smaller amounts of not less than \$1,000 as authorized under the applicable Indenture as a result of mandatory sinking fund redemption or extraordinary redemption) (“Authorized Denominations”). No physical delivery of the Bonds will be made to the beneficial owners thereof. Upon initial issuance, the ownership of the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), and purchases of beneficial interests in the Bonds will be made in book-entry-only form. See “BOOK-ENTRY ONLY SYSTEM” and “SUITABILITY FOR INVESTMENT.”

2022 Major Improvement Bonds Redemption Provisions

Optional Redemption.

The City reserves the right and option to redeem the 2022 Major Improvement Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20__, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such 2022 Major Improvement Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption. The Trustee shall receive written notice from the City of the City’s intention to conduct an option redemption of the 2022 Major Improvement Bonds not less than forty-five (45) days prior to the required notice mailing date provided in the Major Improvement Indenture.

Extraordinary Optional Redemption.

The 2022 Major Improvement Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity, in whole or in part, on any day after the required notice of redemption at a redemption price equal to 100% of the principal amount of the 2022 Major Improvement Bonds, or portions thereof, to be redeemed plus accrued interest to the redemption date from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Account of the Redemption Fund pursuant to the Major Improvement Indenture), other transfers to the Redemption Account of the Redemption Fund made pursuant to the Major Improvement Indenture, or as a result of unexpended amounts transferred from the NIA Improvements Account of the Common Project Fund as provided in the Major Improvement Indenture. The Trustee shall receive written notice from the City of the City’s intention to conduct an optional redemption of 2022 Major Improvement Bonds not less than forty-five (45) days prior to the required notice mailing date provided in the Major Improvement Indenture. Unexpended proceeds shall be transferred to the Redemption Account of the Redemption Fund only in the event that such proceeds are not expected to be expended for purposes of the Common Project Fund due to the abandonment, or constructive abandonment, of the Major Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the NIA Improvements Account of the Common Project Fund will ever be expended for the purposes of the Common Project Fund. See “SPECIAL ASSESSMENT PROCEDURES – Prepayment of Special Assessments” for a description of Prepayments. See “APPENDIX B-1 – Form of Major Improvement Indenture.”

Mandatory Sinking Fund Redemption.

The 2022 Major Improvement Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price of 100% of the principal amount of such 2022 Major Improvement Bonds, or portions thereof, plus accrued interest to the redemption date, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Major Improvement Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

Term Bonds Maturing 20

<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
------------------------	-------------------------------------

**

** Stated Maturity.

At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Trustee will select by lot a principal amount of 2022 Major Improvement Bonds equal to the Sinking Fund Installment amount of such 2022 Major Improvement Bonds to be redeemed, will call such 2022 Major Improvement Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in the Major Improvement Indenture.

The principal amount of 2022 Major Improvement Bonds of a Stated Maturity required to be redeemed on any redemption date pursuant to the Major Improvement Indenture shall be reduced, at the option of the City, by the principal amount of any 2022 Major Improvement 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 2022 Major Improvement Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of 2022 Major Improvement Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Major Improvement Indenture shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any 2022 Major Improvement Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Neighborhood Improvement Bonds Redemption Provisions

Optional Redemption.

The City reserves the right and option to redeem the Neighborhood Improvement Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20__, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such Neighborhood Improvement Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption. The Trustee shall receive written notice from the City of the City's intention to conduct an option redemption of the Neighborhood Improvement Bonds not less than forty-five (45) days prior to the required notice mailing date provided in the Neighborhood Improvement Indenture.

Extraordinary Optional Redemption.

The Neighborhood Improvement Bonds are subject to extraordinary optional redemption by the City prior to their scheduled maturity, in whole or in part, on any day after the required notice of redemption at a redemption price equal to 100% of the principal amount of the Neighborhood Improvement Bonds, or portions thereof, to be redeemed plus accrued interest to the redemption date from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Account of the Redemption Fund pursuant to the Neighborhood Improvement Indenture), other transfers to the Redemption Account of the Redemption Fund made pursuant to the Neighborhood Improvement Indenture, or as a result of unexpended amounts transferred from the Improvements Account of the Project as provided in the Neighborhood Improvement Indenture. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Neighborhood Improvement Bonds not less than forty-five (45) days prior to the required notice mailing date provided in the Neighborhood Improvement Indenture. Unexpended proceeds shall be transferred to the Redemption Account of the Redemption Fund only in the event that such proceeds are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Neighborhood Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvements Account of the Project Fund will ever be expended for the purposes of the Project Fund. See "SPECIAL ASSESSMENT PROCEDURES – Prepayment of Special Assessments" for a description of Prepayments. See "APPENDIX B-2 – Form of Neighborhood Improvement Indenture."

The Trustee will not be required to make an extraordinary optional redemption pursuant to the either Indenture unless it has at least \$1,000 available in the applicable Redemption Account of the applicable Redemption Fund with which to redeem Bonds.

In lieu of redeeming Bonds with the funds described herein, the City may purchase Bonds in the open market of the maturity to be redeemed at the price not in excess of the principal amount of such Bond.

Mandatory Sinking Fund Redemption.

The Neighborhood Improvement Bonds are subject to mandatory sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price of 100% of the principal amount of such Neighborhood Improvement Bonds, or portions thereof, plus accrued interest to the redemption date, from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to the Neighborhood Improvement Indenture, on the dates and in the respective Sinking Fund Installments as set forth in the following schedules:

<u>Term Bonds Maturing</u> <u>20</u>	
<u>Redemption Date</u>	<u>Sinking Fund Installment</u>
**	

** Stated Maturity.

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

The principal amount of Neighborhood Improvement Bonds of a Stated Maturity required to be redeemed on any redemption date pursuant to the Neighborhood Improvement Indenture shall be reduced, at the option of the City, by the principal amount of any Neighborhood Improvement 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 Neighborhood Improvement Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

The principal amount of Neighborhood Improvement Bonds required to be redeemed on any mandatory sinking fund redemption date pursuant to the Neighborhood Improvement Indenture shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Neighborhood Improvement Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption

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

The City has the right to rescind any optional redemption or extraordinary optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available and deposited with the Trustee on the Business Day prior to 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 applicable Indenture. The Trustee shall mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

With respect to any optional redemption of the Bonds, unless the Trustee has received funds sufficient to pay the redemption price of the Bonds to be redeemed before giving notice of redemption, the notice may state the City may condition

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

Additional Provisions with Respect to Redemption

If any Bonds are to be redeemed pursuant to mandatory sinking fund redemption, optional redemption, extraordinary optional redemption under the applicable Indenture and such redemption results in the unredeemed portion of a single Bond in an amount less than the Authorized Denomination, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued (unless the Owner of such Bond owns other Bonds of the same Series and maturity which could be combined with such Bond to form an Authorized Denomination, as herein set forth).

Pursuant to the applicable Indenture, if less than all of the Bonds are to be redeemed at any time by optional, mandatory or extraordinary redemption, the particular maturities and amounts of Bonds to be redeemed shall be selected by the City. If less than all of the Bonds of a particular maturity are to be redeemed, the Trustee shall select the Bonds of such maturity to be redeemed by lot. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

A portion of a single Bond may be redeemed, but only in a principal amount equal to: (i) for optional redemption made pursuant to the applicable Indenture, an Authorized Denomination or any integral of \$1,000 in excess thereof, or (ii) for a mandatory or an extraordinary redemption made pursuant to the applicable Indenture, \$1,000 or any integral multiple thereof. The Trustee shall treat each \$1,000 portion of such Bond as though it were a single bond for purposes of selection for redemption.

Upon surrender of any Bond for redemption in part, the Trustee, in accordance with the provisions of the applicable Indenture, shall authenticate and deliver in exchange thereof a Bond or Bonds of like tenor, maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, which shall be an Authorized Denomination. A new Bond representing the unredeemed balance of such Bond shall be issued to the Owner thereof, such exchange being without charge.

BOOK-ENTRY ONLY SYSTEM

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

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

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset

servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

time. All payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, the Paying Agent/Registrar or the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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

SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 MAJOR IMPROVEMENT BONDS

The following is a summary of certain provisions contained in the Major Improvement Indenture. Any descriptions of funds, accounts or revenues under this caption are applicable only to the 2022 Major Improvement Bonds and the Major Improvement Indenture.

Defined terms used in this caption shall have the meanings assigned to them in the Major Improvement Indenture, unless context shall otherwise require.

For a description of the provisions of the Neighborhood Improvement Indenture, see "SECURITY FOR AND SOURCE OF PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT BONDS." Reference is made to the Major Improvement Indenture for a full statement of the terms and provisions of the 2022 Major Improvement Bonds. Investors must read the Major Improvement Indenture in its entirety to obtain information essential to the making of an informed investment decision. See "APPENDIX B-1 - Form of Major Improvement Indenture."

General

THE 2022 MAJOR IMPROVEMENT BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM AND SECURED BY THE MAJOR IMPROVEMENT TRUST ESTATE ESTABLISHED UNDER THE MAJOR IMPROVEMENT INDENTURE, AS AND TO THE EXTENT PROVIDED THEREIN. THE 2022 MAJOR IMPROVEMENT BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT PAYABLE OR SECURED EXCEPT AS PROVIDED IN THE MAJOR IMPROVEMENT INDENTURE. THE OWNERS OF THE 2022 MAJOR IMPROVEMENT BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE MAJOR IMPROVEMENT TRUST ESTATE ESTABLISHED UNDER THE MAJOR IMPROVEMENT INDENTURE, AS AND TO THE EXTENT PROVIDED THEREIN. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE OWNERS OF THE 2022 MAJOR IMPROVEMENT BONDS TO PAY THE 2022 MAJOR IMPROVEMENT BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE MAJOR IMPROVEMENT PLEDGED REVENUES AND OTHER FUNDS HELD UNDER THE MAJOR IMPROVEMENT INDENTURE

COMPRISING THE MAJOR IMPROVEMENT TRUST ESTATE.

The principal of, premium, if any, and interest on the 2022 Major Improvement Bonds and the 2017 Major Improvement Bonds are secured by a pledge of and a lien upon the “Pledged Revenues,” as defined in the Major Improvement Indenture (“Major Improvement Pledged Revenues”, as used herein), consisting primarily of Major Improvement Special Assessments levied against the Assessed Parcels within the Northern Improvement Area and other funds comprising the “Trust Estate,” as defined in the Major Improvement Indenture (the “Major Improvement Trust Estate”), all to the extent and upon the conditions described herein and in the Major Improvement Indenture. **The Major Improvement Pledged Revenues, Major Improvement Special Assessments and Major Improvement Trust Estate under the Major Improvement Indenture do not secure the Neighborhood Improvement Bonds.**

In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as amended and supplemented from time to time, the “Service and Assessment Plan”), which describes the special benefit received by the property within the District, including the Assessed Parcels, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of each of the Major Improvement Special Assessments and the Neighborhood Improvement Special Assessments and provides for the allocation of Major Improvement Pledged Revenues for payment of principal of, premium, if any, and interest on the Major Improvement Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for Administrative Expenses (as defined in the Service and Assessment Plan), updating the estimated Northern Improvement Area Improvements costs, and updating the Assessment Roll. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future owners and developers within the District. See “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

Major Improvement Pledged Revenues

The City is authorized by the PID Act, the Major Improvement Assessment Ordinance and other provisions of law to finance the Major Improvements by levying the Major Improvement Special Assessments upon properties in the Northern Improvement Area of the District benefitted thereby. For a description of the assessment methodology and the amounts of Major Improvement Special Assessments levied in the Northern Improvement Area of the District, see “SPECIAL ASSESSMENT PROCEDURES,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

Pursuant to the Major Improvement Indenture:

“Additional Interest” means the revenue generated from the Additional Interest Rate permitted to be charged and collected under the PID Act.

“Additional Interest Rate” means the incremental interest rate charged on the Major Improvement Special Assessments, in excess of the interest rate charged on the Major Improvement Bonds, not to exceed one-half of one percent (0.50%) as authorized pursuant to the PID Act.

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Major Improvement Special Assessments as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix A or in any Annual Service Plan Update and related to the Bonds and the Major Improvements; which annual payment includes (i) the annual payment of the Major Improvement Special Assessment (including interest thereon at the interest rate on the Bonds); (ii) the Additional Interest; and (iii) Administrative Expenses (as described and calculated in the Service and Assessment Plan or in any Annual Service Plan Update).

“Pledged Funds” means the Pledged Revenue Fund, the Bond Fund, the Common Project Fund (except for the accounts therein established pursuant to the Southern Improvement Area Indenture), the Reserve Fund, and the Redemption Fund.

“Major Improvement Pledged Revenues” (“Pledged Revenues” in the Major Improvement Indenture) means the sum of (i) Major Improvement Special Assessment Revenue less (a) the Administrative Expenses and (b) Foreclosure Proceeds; (ii) the moneys held in any of the Pledged Funds; and (iii) any additional revenues that the City may pledge to the payment of Major Improvement Bonds.

“Major Improvement Special Assessments” (“Special Assessments” in the Major Improvement Indenture) means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Major Improvement Special Assessment Revenue” (“Special Assessment Revenue” in the Major Improvement Indenture) means monies collected by or on behalf of the City from any one or more of the following: (i) a Major Improvement Special Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Major Improvement Special Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

See “SECURITY FOR AND SOURCE OF PAYMENT FOR THE 2022 MAJOR IMPROVEMENT BONDS - Pledged Revenue Fund,” “APPENDIX B-1 - Form of Major Improvement Indenture,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

Collection and Deposit of Major Improvement Special Assessments

The City will covenant in Major Improvement Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Major Improvement Special Assessments to be collected and the liens thereof to be enforced continuously. See “-Pledged Revenue Fund,” “APPENDIX B-1 – Form of Major Improvement Indenture,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

The PID Act provides that the Major Improvement Special Assessment (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) is a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the applicable Assessment Ordinance until the corresponding Major Improvement Special Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “ASSESSMENT PROCEDURES” and “BONDHOLDERS’ RISKS –Special Assessment Limitations” herein.

The Major Improvement Special Assessments have been levied in the Major Improvement Assessment Ordinance and described in the Service and Assessment Plan and the Major Improvement Special Assessments have been set at a level sufficient to pay the principal of, premium if any, and interest on the 2022 Major Improvement Bonds.

Portions of the Annual Installments of Major Improvement Special Assessments collected to pay Administrative Expenses and Delinquent Collection Costs shall be deposited in the respective accounts within the District Administration Account of the Administrative Fund under the Major Improvement Indenture and shall not constitute Major Improvement Pledged Revenues.

Unconditional Levy of Major Improvement Special Assessments

The City has imposed Major Improvement Special Assessments on the property within the Northern Improvement Area of the District to pay, inter alia, the principal of and interest on the Major Improvement Bonds scheduled for payment from Major Improvement Pledged Revenues as described in the 2017 Indenture and the Major Improvement Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Major Improvement Special Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Major Improvement Assessment Ordinance. Each Major Improvement Special Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Major Improvement Bonds, which installments shall include interest on the Major Improvement Special Assessments. Pursuant to the Major Improvement Assessment Ordinance, interest on the Major Improvement Special Assessments will be calculated at the rate of interest on the applicable series of Bonds plus 0.50%, calculated on the basis of a 360-day year consisting of twelve 30-day months. Each Annual Installment, including the interest on the unpaid amount of a Major Improvement Special Assessment, shall be calculated on or before September 1 of each year and shall be due on October 1 of each year, and shall be delinquent if not paid by February 1 of the following year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Major Improvement Bonds are Outstanding and unpaid, an amount to pay the Administrative Expenses. The portion of each Annual Installment of a Major Improvement Special Assessment used to pay such Administrative Expenses shall remain in effect from year to year until all Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Administrative Expenses shall be due in the manner set forth in the Major Improvement Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. There will be no discount for the early payment of Major Improvement Special Assessments. **Amounts collected for Administrative Expenses are not part of the Major Improvement Trust Estate and will not secure repayment of the 2022 Major Improvement Bonds.**

Failure to pay an Annual Installment when due shall not accelerate the payment of the remaining Annual Installments of Major Improvement Special Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Major Improvement Trust Estate under the Major Improvement Indenture will be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of such Major Improvement Trust Estate, the filing of the Major Improvement Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the 2022 Major Improvement Bonds and the pledge of Major Improvement Trust Estate granted by the City under the Major Improvement Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the 2022 Major Improvement Bonds are Outstanding such that the pledge of the Major Improvement Trust Estate granted by the City under Major Improvement Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve the perfection of the security interest in said pledge to the registered owners of the Bonds, the City has agreed to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Major Improvement Pledged Revenue Fund

The City has created under the Major Improvement Indenture a Pledged Revenue Fund to be held by the Trustee. On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the 2022 Major Improvement Bonds are Outstanding, the City shall deposit or cause to be deposited the Major Improvement Pledged Revenues, other than the Major Improvement Pledged Revenues on deposit in the Major Project Collection Fund which revenues shall be transferred in accordance with the Major Improvement Indenture, into the Pledged Revenue Account of the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Major Improvement Special Assessment Revenues to be used in the following order of priority:

- (i) first, deposit in the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to pay debt service on the 2022 Major Improvement Bonds next coming due in such calendar year;
- (ii) second, deposit to the Reserve Account of the Reserve Fund an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement as stated in the Indenture;
- (iii) third, deposit to the Additional Interest Reserve Account in an amount equal to the Additional Interest;
- (iv) fourth, to pay other costs of Authorized Improvements; and
- (v) fifth, to pay other costs permitted by the PID Act.

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 Bond Pledged Revenue Account of the Pledged Revenue Fund, and transfer to the Principal and Interest Account of the Bond Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account and any expected transfers from the Capitalized Interest Account, 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.

If, after the foregoing transfers and any transfer from the Reserve Fund as provided in the Major Improvement Indenture, there are insufficient funds to make the payments provided in the preceding paragraph, 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 Major Improvement Bonds. The Trustee shall apply such funds for the payment of interest and principal to be paid on the Major Improvement Bonds, including the 2017 Major Improvement Bonds and the 2022 Major Improvement Bonds, on a pro rata basis. The pro rata amount to be applied shall be based on the comparative proportions of interest and principal to be paid with respect to the 2017 Major Improvement Bonds and the 2022 Major Improvement Bonds as components of the total amount of interest and principal and interest relating to all Outstanding Bonds.

Notwithstanding the deposits described in (i) through (v) above, the Trustee shall deposit Prepayments to the Major Improvement Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Account of the Redemption Fund.

Notwithstanding the deposits described in (i) through (v) above, the Trustee shall deposit Foreclosure Proceeds (as such are identified in a City Certificate) to the Major Improvement Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, first, to the Reserve Fund to restore any transfers from the Reserve Fund to the Bond Fund made with respect to the Assessed Parcels to which the Foreclosure Proceeds relate (*first*, to replenish the Reserve Account Requirement and *second*, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Account of the Redemption Fund promptly after deposit of such amounts into the Pledged Revenue Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Major Improvement Bonds to fund any deficiency that may exist in any Account of the Reserve Fund and transfer of funds pursuant to the deposits described in (i) through (iv) above, the City may direct the Trustee by City Certificate to apply Major Improvement Special Assessments for any lawful purposes permitted by the PID Act for which Major Improvement Special Assessments may be paid.

Major Improvement Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Major Improvement Bonds.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the paragraph above, the Trustee shall withdraw first from the Additional Interest Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Common Project Fund

Concurrent with the issuance of the 2017 Major Improvement Bonds, the City issued its Southern Improvement Area Bonds pursuant to the Southern Improvement Area Indenture to finance the Southern Improvement Area Improvements. The Common Project Fund is established for the 2017 Major Improvement Bonds, the 2022 Major Improvement Bonds and the Southern Improvement Area Bonds. The Southern Improvement Area Improvements have been completed and all funds associated therewith have been disbursed. Money on deposit in the NIA Improvements Account and the NIA Costs of Issuance Account of the Common Project Fund of the Major Improvement Indenture shall be used for the purposes specified in the Major Improvement Indenture.

Disbursements from the NIA Costs of Issuance Account of the Common Project Fund of the Major Improvement Indenture shall be made by the Trustee to pay costs of issuance of the 2022 Major Improvement Bonds pursuant to one or more City Certificates. Disbursements from the NIA Improvements Account of the Common Project Fund of the Major Improvement Indenture to pay costs of the Major Improvements shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates containing a properly executed and completed Certification for Payment. The disbursement of funds from the NIA Improvements Account of the Common Project Fund of the Major Improvement Indenture pursuant to a City Certificate delivered under the Major Improvement Indenture shall be pursuant to and in accordance with the disbursement procedures described in the PID Financing Agreement.

Each City Certificate delivered to the Trustee under the Major Improvement Indenture shall set forth the Costs of the Authorized Improvements to be paid from the NIA Improvements Account of the Common Project Fund of the Major Improvement Indenture.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the NIA Improvements Account of the Common Project Fund are not expected to be expended for purposes of the NIA Improvements Account of the Common Project Fund due to the abandonment, or constructive abandonment, of the Major Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the NIA Improvements Account of the Common Project Fund will ever be expended for the purposes of the NIA Improvements Account of the Common Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the NIA Improvements Account of the Common Project Fund that are not expected to be used for purposes of the NIA Improvements Account of the Common Project Fund. If such City Certificate is so filed, the amounts identified on the City Certificate on deposit in the NIA Improvements Account of the Common Project Fund shall be transferred to the Redemption Account of the Redemption Fund to redeem Major Improvement Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Major Improvement Indenture.

In making any determination pursuant to this Section, the City Representative may conclusively rely upon a report issued by the City Engineer or a certificate of an Independent Financial Consultant.

Upon a determination by the City Representative that all costs of issuance of the 2022 Major Improvement Bonds have been paid, any amounts remaining in the NIA Costs of Issuance Account shall be transferred to the NIA Improvements Account of the Common Project Fund and used to pay Costs or to the Principal and Interest Account of the Bond Fund and used to pay interest on the 2022 Major Improvement Bonds and 2017 Major Improvement Bonds, as directed by the City in a City Certificate filed with the Trustee, and the NIA Costs of Issuance Account of the Common Project Fund shall be closed. If the City does not provide a City Certificate as to the determination within ninety (90) days, the Trustee is instructed to transfer the funds to the NIA Improvements Account of the Common Project Fund, and the NIA Costs of Issuance Account of the Common Project Fund shall be closed.

Upon the filing of a City Certificate stating that all Major Improvements have been completed and that all Costs of the Major Improvements allocable to the Assessed Parcels have been paid, or that any such Costs are not required to be paid from the NIA Improvements Account of the Common Project Fund, the Trustee shall (i) transfer the amount, if any, remaining within the NIA Improvements Account of the Common Project Fund to the Principal and Interest Account of the Bond Fund, and (ii) close the Improvements Account of the Common Project Fund.

Major Improvement Redemption Fund

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Fund from the Pledged Revenue Fund an amount sufficient to redeem Major Improvement Bonds as a result of an optional or extraordinary optional redemption on the dates specified for such redemption as provided in the Indenture. Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Trustee to redeem Major Improvement Bonds as provided in the Major Improvement Indenture.

Major Improvement Reserve Fund

The Reserve Account was initially funded with a deposit from the proceeds of the 2017 Major Improvement Bonds. The balance of the Reserve Account immediately prior to the issuance of the Bonds was \$175,173.65. The Reserve Account will be funded with an additional deposit of \$_____ from the proceeds of the 2022 Major Improvement Bonds. Following the deposit from the proceeds of the 2022 Major Improvement Bonds, the Reserve Account balance will be \$_____. The City agrees with the Owners of the Bonds to accumulate from the deposits outlined in “ - Major Improvement Pledged Revenue Fund” above, and when accumulated maintain in the Reserve Account, an amount equal to not less than the Reserve Account Requirement. The “Reserve Account Requirement” means the least of: (i) Maximum Annual Debt Service on the Bonds as of the date of issuance, (ii) 125% of average Annual Debt Service on the Bonds as of the date of issuance, or (iii) 10% of the proceeds of the Bonds, as reduced as provided in the Indenture.

When Major Improvement Special Assessment Revenues and other Major Improvement Pledged Revenues on deposit in the Reserve Account of the Reserve Fund of the Major Improvement Indenture do not in the aggregate total the Reserve Account Requirement, funds shall be deposited, pursuant to the Major Improvement Indenture 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 the Major Improvement Indenture.

The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund of the Major Improvement Indenture to the Additional Interest Reserve Account of the Major Improvement Indenture, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority described in “Pledged Revenue Fund - 2022 Major Improvement Bonds” above, an amount equal to the Additional Interest in the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account of the Major Improvement Indenture; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. “Additional Interest Reserve Requirement” means, initially, an amount equal to 5.5% of the principal amount of the Outstanding Bonds which will be funded from revenues received from the payment of the Additional Interest deposited to the Bond Pledged Revenue Account of the Pledged Revenue Fund. As of the date of this Official Statement, the current balance of the Additional Interest Reserve Account is \$60,103.19.

Whenever a transfer is made from an account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

Whenever 2022 Major Improvement Bonds or 2017 Major Improvement Bonds are to be redeemed with the proceeds of Prepayments pursuant to the Major Improvement Indenture, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Account of the Redemption Fund to be applied to the redemption of the Major Improvement Bonds as detailed in the City’s written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Account of the Redemption Fund toward payment of accrued and unpaid interest to the date of redemption on the Major Improvement Bonds to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Major Improvement Bonds to the date fixed for redemption of the Major Improvement Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Additional Interest Reserve Account to the Redemption Account of the Redemption Fund to be applied to the redemption of the Major Improvement Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess by use of online portfolio access. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Major Improvement Bonds on the next Interest Payment Date in accordance with the Major Improvement Indenture, unless within 45 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund under the Major Improvement Indenture, (ii) to the District Administration Account of the Administrative Fund in an amount not more than the Administrative Expenses for the Major Improvement Bonds, or (iii) to the NIA Improvements Account of the Common Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “Excess Additional Interest Reserve Amount”). Such excess on deposit in the Additional Interest Reserve Account shall be transferred, at the direction of the City pursuant to a City Order, to the District Administration Account of the Administrative Fund for the payment of Administrative Expenses or to the Redemption Account of the Redemption Fund in order to effect the extraordinary optional redemption of Major Improvement Bonds pursuant to the Major Improvement Indenture. In the event that the Trustee does not receive a City Order directing the transfer of the Excess Additional Interest Reserve Amount to the District Administration Account of the Administrative Fund within 45 days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Account of the Redemption Fund and redeem Major Improvement Bonds.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Major Improvement Bonds due on such date, the Trustee shall transfer first from the Additional Interest 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.

At the final maturity of the Major Improvement Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Redemption Account of the Redemption Fund and applied to the payment of the principal of the Major Improvement Bonds.

If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency.

If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Major Improvement Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Account of the Redemption Fund and thereafter used to redeem all Major Improvement Bonds as of such Interest Payment Date.

Major Improvement Rebate Fund

The City has created under the Major Improvement Indenture a Rebate Fund held by the Trustee. 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 Internal Revenue Code of 1986, as amended (the “Code”).

Major Improvement Administrative Fund

The City has created under the Major Improvement Indenture the Administrative Fund, and within that Fund a District Administration Account, held by the Trustee, and, the City shall deposit to the District Administration Account of the Administrative Fund a portion of the amounts collected each year to pay Administrative Expenses and Delinquent Collection Costs. Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created under the Major Improvement Indenture and are not Major Improvement Pledged Revenues and may be used as directed by City Order for the purposes set forth in the Service and Assessment Plan. See “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

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

Major Improvement Project Collection Fund

While any Major Improvement Bonds are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Major Improvement Special Assessment Revenue on the City’s behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Major Improvement Special Assessment Revenue for deposit on the City’s behalf, the Trustee shall accept such Major Improvement Special Assessment Revenue and deposit the same into the applicable Collection Account of the Major Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Major Improvement Special Assessment Revenue deposited into the applicable Collection Account of the Major Project Collection Fund that consists of the Administrative Expenses and Delinquent Collection Costs to the Administrative Fund and, as directed pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Major Improvement Special Assessment Revenue deposited into the applicable Collection Account of the Major Project Collection Fund that consists of Pledged Revenue into the Pledged Revenue Fund. The City shall provide such City Certificate on or before February 20, 2023 and every August 20 and February 20 thereafter while the Bonds are Outstanding.

THE MAJOR PROJECT COLLECTION FUND SHALL NOT BE PART OF THE MAJOR IMPROVEMENT TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE MAJOR IMPROVEMENT BONDS.

Defeasance

All Outstanding Major Improvement Bonds shall prior to the Stated Maturity or redemption date thereof be deemed to have been paid and to no longer be deemed Outstanding if (i) in case any such Major Improvement Bonds are to be redeemed on any date prior to their Stated Maturity, the Trustee shall have given notice of redemption on said date as provided in the Major Improvement Indenture, (ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Defeasance Securities the principal of and the interest on which when due will provide moneys which, together with any moneys deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest on the Major Improvement Bonds to become due on such Major Improvement Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iii) the Trustee shall have received a report by an independent certified public accountant selected by the City verifying the sufficiency of the moneys or Defeasance Securities deposited with the Trustee to pay when due the principal of and interest on the Major Improvement Bonds to become due on such Major Improvement Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (iv) if the Major Improvement Bonds are then rated, the Trustee shall have received written confirmation from each rating agency that such deposit will not result in the reduction or withdrawal of the rating on the Major Improvement Bonds. Neither Defeasance Securities nor moneys so deposited with the Trustee nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Major Improvement Bonds. Any cash received from such principal of and interest on such Defeasance Securities deposited with the Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Major Improvement 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.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and provided further investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current law, the following constitute Defeasance Securities, all of which may be in book-entry form:

- (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America;
- (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and
- (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Major Improvement Bonds. Because the Major Improvement Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Major Improvement Indenture:

- (i) the failure of the City to deposit the Major Improvement Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;
- (ii) the failure of the City to enforce the collection of the Major Improvement Special Assessments including the prosecution of foreclosure proceedings;
- (iii) the failure to make payment of the principal of or interest on any of the Major Improvement Bonds

when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter; provided, however, that the payments are to be made only from the Major Improvement Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make any such payments; and

(iv) default in the performance or observance of any other covenant, agreement or obligation of the City under the Major Improvement Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of a Quarter in Interest of the aggregate outstanding principal of the Major Improvement Bonds with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Major Improvement Bonds at the time Outstanding requesting that the failure be remedied.

The Trustee will not be deemed to have notice of an Event of Default unless notified in writing by the Issuer or the Owners of a Quarter in Interest of the aggregate outstanding principal amount of the Major Improvement Bonds.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Trustee may, and at the written direction of the Owners of a Quarter in Interest of the Major Improvement Bonds then Outstanding, and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Major Improvement Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief to the extent permitted by Applicable Laws including, but not limited to, the specific performance of any covenant or agreement contained in the Major Improvement Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or will be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

If the assets of the Major Improvement Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Major Improvement Trust Estate assets to be used in the payment of the Major Improvement Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Major Improvement Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Major Improvement Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

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

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Major Improvement Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing or of which it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of a Quarter in Interest of the aggregate principal amount of the Major Improvement Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name,

(iii) the Owners have furnished to the Trustee indemnity as provided in the Major Improvement Indenture, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of a majority of the aggregate principal amount of the Major Improvement 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 Major Improvement Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Major Improvement Indenture by its, his or their action or to enforce any right under the Major Improvement Indenture except in the manner provided in the Major Improvement Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Major Improvement Indenture and for the equal benefit of the Owners of all Bonds then Outstanding. The notification, request and furnishing of shall be conditions precedent to the execution of the powers and trusts of the Major Improvement Indenture and to any action or cause of action for the enforcement of the Major Improvement Indenture or for any other remedy thereunder.

Subject to provisions of the Major Improvement Indenture with respect to certain liabilities of the City, nothing in the Major Improvement Indenture shall affect or impair the right of any Owner to enforce, by action at law, payment of any Major Improvement Bond at and after the maturity thereof, or on the date fixed for redemption or the obligation of the City to pay each Major Improvement Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Major Improvement Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Major Improvement Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Major Improvement Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Major Improvement Indenture with respect to Events of Default, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Major Improvement Indenture, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Major Improvement 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 Major Improvement 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 Major Improvement Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to the Major Improvement Indenture.

In the event funds are not adequate to cure any of the Events of Default, the available funds shall be allocated to the Major Improvement Bonds that are Outstanding in proportion to the quantity of the Major Improvement Bonds that are currently due and in default under the terms of the Major Improvement Indenture.

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

Investment or Deposit of Funds

Money in any Fund established pursuant to the Major Improvement Indenture will be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any Fund established pursuant to the Major Improvement Indenture shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Major Improvement Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Major Improvement 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.

Against Encumbrances

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

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

SECURITY FOR AND SOURCE OF PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT BONDS

The following is a summary of certain provisions contained in the Neighborhood Improvement Indenture. Any descriptions of funds, accounts or revenues under this caption are applicable only to the Neighborhood Improvement Bonds and the Neighborhood Improvement Indenture.

Defined terms used in this caption shall have the meanings assigned to them in the Neighborhood Improvement Indenture, unless context shall otherwise require.

For a description of the provisions of the Major Improvement Indenture, see “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 MAJOR IMPROVEMENT BONDS.” Reference is made to the Neighborhood Improvement Indenture for a full statement of the terms and provisions of the Neighborhood Improvement Bonds. Investors must read the Neighborhood Improvement Indenture in its entirety to obtain information essential to the making of an informed investment decision. See “APPENDIX B-2 - Form of Neighborhood Improvement Indenture.”

General

THE NEIGHBORHOOD IMPROVEMENT BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM AND SECURED BY THE NEIGHBORHOOD IMPROVEMENT TRUST ESTATE ESTABLISHED UNDER THE NEIGHBORHOOD IMPROVEMENT INDENTURE, AS AND TO THE EXTENT PROVIDED THEREIN. THE NEIGHBORHOOD IMPROVEMENT BONDS DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY AND ARE NOT PAYABLE OR SECURED EXCEPT AS PROVIDED IN THE NEIGHBORHOOD IMPROVEMENT INDENTURE. THE OWNERS OF THE NEIGHBORHOOD IMPROVEMENT BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS OF THE CITY OTHER THAN THE NEIGHBORHOOD IMPROVEMENT TRUST ESTATE ESTABLISHED UNDER THE NEIGHBORHOOD IMPROVEMENT INDENTURE, AS AND TO THE EXTENT PROVIDED THEREIN. THE CITY SHALL HAVE NO LEGAL OR MORAL OBLIGATION TO THE

OWNERS OF THE NEIGHBORHOOD IMPROVEMENT BONDS TO PAY THE NEIGHBORHOOD IMPROVEMENT BONDS OUT OF ANY FUNDS OF THE CITY OTHER THAN THE NEIGHBORHOOD IMPROVEMENT PLEDGED REVENUES AND OTHER FUNDS HELD UNDER THE NEIGHBORHOOD IMPROVEMENT INDENTURE COMPRISING THE NEIGHBORHOOD IMPROVEMENT TRUST ESTATE.

The principal of, premium, if any, and interest on the Neighborhood Improvement Bonds are secured by a pledge of and a lien upon the “Pledged Revenues” as defined in the Neighborhood Improvement Indenture (“Neighborhood Improvement Pledged Revenues”, as used herein), consisting primarily of Neighborhood Improvement Special Assessments levied against the Assessed Parcels within the Northern Improvement Area and other funds comprising the “Trust Estate” as defined in the Neighborhood Improvement Indenture (the “Neighborhood Improvement Trust Estate”), all to the extent and upon the conditions described herein and in the Neighborhood Improvement Indenture. **The Neighborhood Improvement Pledged Revenues, Neighborhood Improvement Special Assessments and Neighborhood Improvement Trust Estate under the Neighborhood Improvement Indenture do not secure the Major Improvement Bonds.**

In accordance with the PID Act, the City has caused the preparation of a Service and Assessment Plan (as amended and supplemented from time to time, the “Service and Assessment Plan”), which describes the special benefit received by the property within the District, including the Assessed Parcels, provides the basis and justification for the determination of special benefit on such property, establishes the methodology for the levy of each of the Neighborhood Improvement Special Assessments and provides for the allocation of Neighborhood Improvement Pledged Revenues for payment of principal of, premium, if any, and interest on the Neighborhood Improvement Bonds. The Service and Assessment Plan is reviewed and updated annually for the purpose of determining the annual budget for Administrative Expenses, updating the estimated Northern Improvement Area Improvements costs, and updating the Assessment Roll. The determination by the City of the assessment methodology set forth in the Service and Assessment Plan is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on all current and future owners and developers within the District. See “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

Neighborhood Improvement Pledged Revenues

The City is authorized by the PID Act, the Neighborhood Improvement Assessment Ordinance and other provisions of law to finance the Neighborhood Improvements by levying the Neighborhood Improvement Special Assessments upon properties in the Northern Improvement Area of the District benefitted thereby. For a description of the assessment methodology and the amounts of Neighborhood Improvement Special Assessments levied in the Northern Improvement Area of the District, see “SPECIAL ASSESSMENT PROCEDURES,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

Pursuant to the Neighborhood Improvement Indenture:

“Additional Interest” means the revenue generated from the Additional Interest Rate permitted to be charged and collected under the PID Act.

“Additional Interest Rate” means the incremental interest rate charged on the Special Assessments, in excess of the interest rate charged on the Neighborhood Improvement Bonds, not to exceed one-half of one percent (0.50%) as authorized pursuant to the PID Act.

“Annual Installment” means, with respect to each Assessed Parcel, each annual payment of the Special Assessments as shown on the Assessment Roll attached to the Service and Assessment Plan as Appendix A or in any Annual Service Plan Update and related to the Neighborhood Improvement Bonds and the Neighborhood Improvements; which annual payment includes (i) the annual payment of the Special Assessment (including interest thereon at the interest rate on the Neighborhood Improvement Bonds); (ii) the Additional Interest; and (iii) Administrative Expenses (as described and calculated in the Service and Assessment Plan or in any Annual Service Plan Update).

“Pledged Funds” means the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“Neighborhood Improvement Pledged Revenues” (“Pledged Revenues” in the Neighborhood Improvement Indenture) means the sum of (i) Neighborhood Improvement Special Assessment Revenue less (a) the Administrative Expenses and (b) Foreclosure Proceeds; (ii) the moneys held in any of the Pledged Funds; and (iii)

any additional revenues that the City may pledge to the payment of Neighborhood Improvement Bonds.

“Neighborhood Improvement Special Assessments” (“Special Assessments” in the Neighborhood Improvement Indenture) means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the Service and Assessment Plan and the PID Act.

“Neighborhood Improvement Special Assessment Revenue” (“Special Assessment Revenue” in the Neighborhood Improvement Indenture) means monies collected by or on behalf of the City from any one or more of the following: (i) a Special Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Special Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

See “SECURITY FOR AND SOURCE OF PAYMENT FOR THE NEIGHBORHOOD IMPROVEMENT BONDS - Pledged Revenue Fund,” “APPENDIX B-2 - Form of Neighborhood Improvement Indenture,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

Collection and Deposit of Neighborhood Improvement Special Assessments

The City will covenant in the Neighborhood Improvement Indenture that it will take and pursue all actions permissible under Applicable Laws to cause the Neighborhood Improvement Special Assessments to be collected and the liens thereof to be enforced continuously. See “– Neighborhood Improvement Pledged Revenue Fund,” “APPENDIX B-2 – Form of Neighborhood Improvement Indenture,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

The PID Act provides that the Neighborhood Improvement Special Assessments (including any reassessment, with interest, the expense of collection and reasonable attorney’s fees, if incurred) is a first and prior lien (the “Assessment Lien”) against the property assessed, superior to all other liens or claims, except liens or claims for State, county, school district, or municipality ad valorem taxes and are a personal liability of and charge against the owners of property, regardless of whether the owners are named. Pursuant to the PID Act, the Assessment Lien is effective from the date of the Neighborhood Improvement Assessment Ordinance until the Neighborhood Improvement Special Assessments are paid (or otherwise discharged), and is enforceable by the City Council in the same manner that an ad valorem property tax levied against real property may be enforced by the City Council. See “SPECIAL ASSESSMENT PROCEDURES” and “BONDHOLDERS’ RISKS – Special Assessment Limitations” herein.

Each of the Neighborhood Improvement Special Assessments have been levied in the Neighborhood Improvement Assessment Ordinance and described in the Service and Assessment Plan and each of the Neighborhood Improvement Special Assessments be set at a level sufficient to pay the principal of, premium if any, and interest on the Neighborhood Improvement Bonds.

Portions of the Annual Installments of Neighborhood Improvement Special Assessments collected to pay Administrative Expenses and Delinquent Collection Costs shall be deposited in the respective accounts within the District Administration Account of the Administrative Fund and shall not constitute Neighborhood Improvement Pledged Revenues.

Unconditional Levy of Neighborhood Improvement Special Assessments

The City has imposed Neighborhood Improvement Special Assessments on the property within the Northern Improvement Area of the District to pay, inter alia, the principal of and interest on the Neighborhood Improvement Bonds scheduled for payment from Neighborhood Improvement Pledged Revenues as described in the Neighborhood Improvement Indenture and in the Service and Assessment Plan and coming due during each Fiscal Year. The Neighborhood Improvement Special Assessments shall be effective on the date of, and strictly in accordance with the terms of, the Neighborhood Improvement Assessment Ordinance. Each Neighborhood Improvement Special Assessment may be paid immediately in full or in periodic Annual Installments over a period of time equal to the term of the Neighborhood Improvement Bonds, which installments shall include interest on the Neighborhood Improvement Special Assessments. Pursuant to the Neighborhood Improvement Assessment Ordinance, interest on the Neighborhood Improvement Special Assessments will be calculated at the rate of interest on the applicable series of Bonds plus 0.50%, calculated on the basis of a 360-day year consisting of twelve 30-day months. Each Annual Installment, including the interest on the unpaid amount of a Neighborhood

Improvement Special Assessment, shall be calculated on or before September 1 of each year and shall be due on October 1 of each year, and shall be delinquent if not paid by February 1 of the following year. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year.

As authorized by Section 372.018(b) of the PID Act, the City will calculate and collect each year while the Neighborhood Improvement Bonds are Outstanding and unpaid, an amount to pay the Administrative Expenses. The portion of each Annual Installment of a Neighborhood Improvement Special Assessment used to pay such Administrative Expenses shall remain in effect from year to year until all Neighborhood Improvement Bonds are finally paid or until the City adjusts the amount of the levy after an annual review in any year pursuant to Section 372.013 of the PID Act. The amount collected to pay Administrative Expenses shall be due in the manner set forth in the Neighborhood Improvement Assessment Ordinance on October 1 of each year and shall be delinquent if not paid by February 1 of the following year. There will be no discount for the early payment of Neighborhood Improvement Special Assessments. **Amounts collected for Administrative Expenses are not part of the Neighborhood Improvement Trust Estate and will not secure repayment of the Neighborhood Improvement Bonds.**

Failure to pay an Annual Installment when due shall not accelerate the payment of the remaining Annual Installments of Neighborhood Improvement Special Assessments and such remaining Annual Installments (including interest) shall continue to be due and payable at the same time and in the same amount and manner as if such default had not occurred.

Perfected Security Interest

The lien on and pledge of the Neighborhood Improvement Trust Estate under the Neighborhood Improvement Indenture will be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of such Neighborhood Improvement Trust Estate, the filing of the Neighborhood Improvement Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Neighborhood Improvement Bonds and the pledge of the Neighborhood Improvement Trust Estate granted by the City under the Neighborhood Improvement Indenture, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Neighborhood Improvement Bonds are Outstanding such that the pledge of the Neighborhood Improvement Trust Estate granted by the City under the Neighborhood Improvement Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve the perfection of the security interest in said pledge to the registered owners of the Neighborhood Improvement Bonds, the City has agreed to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Neighborhood Improvement Pledged Revenue Fund

The City has created under the Neighborhood Improvement Indenture a Pledged Revenue Fund to be held by the Trustee. On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the Neighborhood Improvement Bonds are Outstanding, the City shall deposit or cause to be deposited the Neighborhood Improvement Pledged Revenues, other than the Neighborhood Improvement Pledged Revenues on deposit in the Neighborhood Project Collection Fund which revenues shall be transferred in accordance with the Neighborhood Improvement Indenture, into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Neighborhood Improvement Special Assessment Revenues to be used in the following order of priority:

- (i) first, deposit in the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to pay debt service on the Neighborhood Improvement Bonds next coming due in such calendar year;
- (ii) second, deposit to the Reserve Account of the Reserve Fund an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement;
- (iii) third, deposit to the Additional Interest Reserve Account in an amount equal to the Additional Interest;
- (iv) fourth, to pay other costs of Authorized Improvements; and
- (v) fifth, to pay other costs permitted by the PID Act.

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

If, after the foregoing transfers and any transfer from the Reserve Fund as provide in the Neighborhood Improvement Indenture, 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 of the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Neighborhood Improvement Bonds.

Notwithstanding the deposits described in (i) through (v) above, the Trustee shall deposit Prepayments to the Bond Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

Notwithstanding the deposits described in (i) through (v) above, the Trustee shall deposit Foreclosure Proceeds (as identified in a City Certificate) to the Bond Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate (*first*, to replenish the Reserve Account Requirement, and *second*, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Account of the Redemption Fund.

After satisfaction of the requirement to provide for the payment of the principal and interest on the Neighborhood Improvement Bonds and to fund any deficiency that may exist in any Account of the Reserve Fund and transfer of funds pursuant to the deposits described in (i) through (iv) above, the City may direct the Trustee by City Certificate to apply Neighborhood Improvement Special Assessments for any lawful purposes permitted by the PID Act for which Neighborhood Improvement Special Assessments may be paid.

Neighborhood Improvement Bond Fund

On each Interest Payment Date, the Trustee shall withdraw from the Principal and Interest Account and transfer to the Paying Agent/Registrar the principal (including any Sinking Fund Installments) and interest then due and payable on the Neighborhood Improvement Bonds.

If amounts in the Principal and Interest Account are insufficient for the purposes set forth in the paragraph above, the Trustee shall withdraw first from the Additional Interest Reserve Account of the Reserve Fund and second from the Reserve Account of the Reserve Fund amounts to cover the amount of such insufficiency. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and transferred to the Paying Agent/Registrar.

Neighborhood Improvement Project Fund

Money on deposit in the Improvements Account and the Costs of Issuance Account of the Project Fund shall be used for the purposes specified herein.

Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Neighborhood Improvement Bonds pursuant to one or more City Certificates. Disbursements from the Improvements Account of the Project Fund to pay costs of the Neighborhood Improvements shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates containing a properly executed and completed Certification for Payment. The disbursement of funds from the Improvements Account of the Project Fund pursuant to a City Certificate delivered under the Neighborhood Improvement Indenture shall be pursuant to and in accordance with the disbursement procedures described in the PID Financing Agreement.

If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvements Account of the Project Fund are not expected to be expended for purposes of the Improvements Account of the Project Fund due to the abandonment, or constructive abandonment, of the Neighborhood Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the Improvements Account of the Project Fund will ever be expended for the purposes of the Improvements Account of the Project Fund, the City Representative shall file a City

Certificate with the Trustee which identifies the amounts then on deposit in the Improvements Account of the Project Fund that are not expected to be used for purposes of the Improvements Account of the Project Fund. If such City Certificate is so filed, the amounts identified on the City Certificate on deposit in the Improvements Account of the Project Fund shall be transferred to the Redemption Account of the Redemption Fund to redeem Neighborhood Improvement Bonds on the earliest practicable date after notice of redemption has been provided in accordance with the Neighborhood Improvement Indenture.

In making any determination pursuant to this Section, the City Representative may conclusively rely upon a report issued by the City Engineer or a certificate of an Independent Financial Consultant.

Upon a determination by the City Representative that all costs of issuance of the Neighborhood Improvement Bonds have been paid, any amounts remaining in the Costs of Issuance Account shall be transferred to the Improvements Account of the Project Fund and used to pay costs of the Neighborhood Improvements or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Neighborhood Improvement Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account of the Project Fund shall be closed. If the City does not provide a City Certificate as to the determination within ninety (90) days, the Trustee is instructed to transfer the funds to the Improvements Account of the Project Fund, and the Costs of Issuance Account of the Project Fund shall be closed.

Upon the filing of a City Certificate stating that all Neighborhood Improvements have been completed and that all Costs of the Neighborhood Improvements allocable to the Assessed Parcels have been paid, or that any such Costs are not required to be paid from the Improvements Account of the Project Fund, the Trustee shall (i) transfer the amount, if any, remaining within the Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund, and (ii) close the Improvements Account of the Project Fund.

Neighborhood Improvement Redemption Fund

Subject to adequate amounts on deposit in the Pledged Revenue Fund, the Trustee shall cause to be deposited to the Redemption Account of the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Neighborhood Improvement Bonds as a result of an optional or extraordinary optional redemption on the dates specified for such redemption as provided in the Neighborhood Improvement Indenture. Amounts on deposit in the Redemption Account of the Redemption Fund shall be used and withdrawn by the Trustee to redeem Neighborhood Improvement Bonds as provided in the Neighborhood Improvement Indenture.

Neighborhood Improvement Reserve Fund

The Reserve Account. The Reserve Account will be initially funded with a deposit of \$_____ from the proceeds of the Neighborhood Improvement Bonds and the City agrees with the Owners of the Neighborhood Improvement Bonds to accumulate from the deposits outlined in “ - Neighborhood Improvement Pledged Revenue Fund” above, 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 the Neighborhood Improvement Indenture. “Reserve Account Requirement” means 50% of Maximum Annual Debt Service on the Bonds as of the date of issuance, as reduced as provided in the Neighborhood Improvement Indenture.

Whenever a transfer is made from an account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

Whenever Neighborhood Improvement Bonds are to be redeemed with the proceeds of Prepayments, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Account of the Redemption Fund to be applied to the redemption of the Neighborhood Improvement Bonds as detailed in the City’s written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Account of the Redemption Fund toward payment of accrued and unpaid interest to the date of redemption on the Neighborhood Improvement Bonds to be redeemed, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on such Neighborhood

Improvement Bonds to the date fixed for redemption of the Neighborhood Improvement Bonds to be redeemed as a result of such Prepayment, the Trustee shall transfer an amount equal to the shortfall from the Additional Interest Reserve Account to the Redemption Account of the Redemption Fund to be applied to the redemption of the Neighborhood Improvement Bonds.

Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess by use of online portfolio access. Such excess shall be transferred to the Principal and Interest Account to be used for the payment of interest on the Neighborhood Improvement Bonds on the next Interest Payment Date in accordance with the Neighborhood Improvement Indenture, unless within 45 days of such notice to the City Representative, the Trustee receives a City Order instructing the Trustee to apply such excess: (i) to pay amounts due to the Rebate Fund under the Neighborhood Improvement Indenture, (ii) to the District Administration Account of the Administrative Fund in an amount not more than the Administrative Expenses for the Neighborhood Improvement Bonds, or (iii) to the Improvements Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

The Additional Interest Reserve Account. The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in “ - Neighborhood Improvement Pledged Revenue Fund” above, an amount equal to the Additional Interest in the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account. “Additional Interest Reserve Requirement” means an amount equal to 5.5% of the principal amount of the outstanding Neighborhood Improvement Bonds, as provided in the Neighborhood Improvement Indenture.

Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “Excess Additional Interest Reserve Amount”). Such excess on deposit in the Additional Interest Reserve Account shall be transferred, at the direction of the City pursuant to a City Certificate, to the District Administration Account of the Administrative Fund for the payment of Administrative Expenses or to the Redemption Account of the Redemption Fund in order to effect the extraordinary optional redemption of Bonds. In the event that the Trustee does not receive a City Certificate directing the transfer of the Excess Additional Interest Reserve Amount to the District Administration Account of the Administrative Fund within 45 days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Account of the Redemption Fund and redeem Neighborhood Improvement Bonds.

Whenever, on any Interest Payment Date, the amount on deposit in the Bond Fund is insufficient to pay the debt service on the Neighborhood Improvement Bonds due on such date, the Trustee shall transfer first from the Additional Interest 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.

At the final maturity of the Neighborhood Improvement Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Redemption Account of the Redemption Fund and applied to the payment of the principal of the Neighborhood Improvement Bonds.

If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency.

If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Neighborhood Improvement Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Account of the Redemption Fund and thereafter used to redeem all Neighborhood Improvement Bonds as of such Interest Payment Date.

Neighborhood Improvement Rebate Fund

The City has created under the Neighborhood Improvement Indenture a Rebate Fund held by the Trustee. 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.

Neighborhood Improvement Administrative Fund

The City has created under the Neighborhood Improvement Indenture the Administrative Fund, and within that Fund a District Administration Account, held by the Trustee, and the City shall deposit to the District Administration Account of the Administrative Fund a portion of the amounts collected each year to pay Administrative Expenses and Delinquent Collection Costs. Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created under the Neighborhood Improvement Indenture and are not Neighborhood Improvement Pledged Revenues and may be used as directed by a City Certificate for the purposes set forth in the Service and Assessment Plan. See “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

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

Neighborhood Improvement Project Collection Fund

While any Neighborhood Improvement Bonds are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Neighborhood Improvement Special Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Neighborhood Improvement Special Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Neighborhood Improvement Special Assessment Revenue and deposit the same into the Neighborhood Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Neighborhood Improvement Special Assessment Revenue deposited into the Neighborhood Project Collection Fund that consists of the Administrative Expenses and Delinquent Collection Costs to the Administrative Fund and, as directed pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Neighborhood Improvement Special Assessment Revenue deposited into the Neighborhood Project Collection Fund that consists of Pledged Revenue into the Pledged Revenue Fund. The City shall provide such City Certificate on or before February 20, 2023 and every August 20 and February 20 thereafter while the Neighborhood Improvement Bonds are Outstanding.

THE PROJECT COLLECTION FUND SHALL NOT BE PART OF THE NEIGHBORHOOD IMPROVEMENT TRUST ESTATE AND SHALL NOT BE SECURITY FOR THE NEIGHBORHOOD IMPROVEMENT BONDS.

Defeasance

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

Trustee, if not then needed for such purpose, shall be reinvested in Defeasance Securities as directed in writing by the City maturing at times and in amounts sufficient to pay when due the principal of and interest on the Neighborhood Improvement 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.

“Defeasance Securities” means Investment Securities then authorized by applicable law for the investment of funds to defease public securities. “Investment Securities” means those authorized investments described in the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the “PFIA”); and provided further investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time. Under current law, the following constitute Defeasance Securities, all of which may be in book-entry form:

(iv) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America;

(v) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality, and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and

(vi) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Neighborhood Improvement Bonds. Because the Neighborhood Improvement Indenture does not contractually limit such investments, Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or that for any other Defeasance Security will be maintained at any particular rating category.

Events of Default

Each of the following occurrences or events constitutes an “Event of Default” under the Neighborhood Improvement Indenture:

(v) the failure of the City to deposit the Neighborhood Improvement Pledged Revenues to the Bond Pledged Revenue Account of the Pledged Revenue Fund;

(vi) the failure of the City to enforce the collection of the Neighborhood Improvement Special Assessments including the prosecution of foreclosure proceedings;

(vii) the failure to make payment of the principal of or interest on any of the Neighborhood Improvement Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter; provided, however, that the payments are to be made only from the Neighborhood Improvement Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make any such payments; and

(viii) default in the performance or observance of any other covenant, agreement or obligation of the City under the Neighborhood Improvement Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of a Quarter in Interest of the aggregate outstanding principal of the Neighborhood Improvement Bonds with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Neighborhood Improvement Bonds at the time Outstanding requesting that the failure be remedied.

The Trustee will not be deemed to have notice of an Event of Default unless notified in writing by the Issuer or the Owners of a Quarter in Interest of the aggregate outstanding principal amount of the Neighborhood Improvement Bonds.

Remedies in Event of Default

Upon the happening and continuance of any Event of Default, the Trustee may, and at the written direction of the Owners of a Quarter in Interest of the Neighborhood Improvement Bonds then Outstanding and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under the Neighborhood Improvement Indenture by action seeking mandamus or by other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief to the extent permitted by Applicable Laws including, but not limited to, the specific performance of any covenant or agreement contained in the Neighborhood Improvement Indenture, or injunction; provided, however, that no action for money damages against the City may be sought or will be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

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

If the assets of the Neighborhood Improvement Trust Estate are sufficient to pay all amounts due with respect to Outstanding Bonds, in the selection of Neighborhood Improvement Trust Estate assets to be used in the payment of the Neighborhood Improvement Bonds due in an Event of Default, the City shall determine, in its absolute discretion, and shall instruct the Trustee by City Order, which Neighborhood Improvement Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Order, the Trustee shall select and liquidate or sell Neighborhood Improvement Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

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

Restriction on Owner's Actions

No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Neighborhood Improvement Indenture or for the execution of any trust thereof or any other remedy thereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing or of which it is deemed to have notice, (ii) such default has become an Event of Default and the Owners of a Quarter in Interest of the aggregate principal amount of the Neighborhood Improvement Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in the Neighborhood Improvement Indenture, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of a majority of the aggregate principal amount of the Neighborhood Improvement 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 Neighborhood Improvement Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the Neighborhood Improvement Indenture by its, his or their action or to enforce any right under the Neighborhood Improvement Indenture except in the manner provided in the Neighborhood Improvement Indenture, and that all proceedings at law or in equity shall be instituted and maintained in the manner provided in the Neighborhood Improvement Indenture and for the equal benefit of the Owners of all Neighborhood Improvement Bonds then Outstanding. The notification, request and furnishing of shall be conditions precedent to the execution of the powers and trusts of the Neighborhood Improvement Indenture and to any action or cause of action for the enforcement of the Neighborhood Improvement Indenture or for any other remedy thereunder.

Subject to provisions of the Neighborhood Improvement Indenture with respect to certain liabilities of the City, nothing in the Neighborhood Improvement 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 Neighborhood Improvement Bond issued thereunder to the respective Owners thereof at the time and place, from the source and in the manner expressed therein and in the Neighborhood Improvement Bonds.

In case the Trustee or any Owners shall have proceeded to enforce any right under the Neighborhood Improvement Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights thereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Application of Revenues and Other Moneys After Event of Default

All moneys, securities, funds and Neighborhood Improvement Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of the Neighborhood Improvement Indenture with respect to Events of Default, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out the Neighborhood Improvement Indenture, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, 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 Neighborhood Improvement Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to the Neighborhood Improvement Indenture.

In the event funds are not adequate to cure any of the Events of Default, the available funds shall be allocated to the Neighborhood Improvement Bonds that are Outstanding in proportion to the quantity of the Neighborhood Improvement Bonds that are currently due and in default under the terms of the Neighborhood Improvement Indenture.

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

Investment or Deposit of Funds

Money in any Fund established pursuant to the Neighborhood Improvement Indenture will be invested by the Trustee as directed by the City pursuant to a City Order filed with the Trustee at least two (2) days in advance of the making of such investment in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the PFIA, or any successor law, as in effect from time to time including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; provided that all such deposits and investments shall be made in such manner (which may include repurchase agreements for such investment with any primary dealer of such agreements) that the money required to be expended from any Fund will be available at the proper time or times.

Obligations purchased as an investment of moneys in any Fund established pursuant to the Neighborhood

Improvement Indenture shall be deemed to be part of such Fund or Account, subject, however, to the requirements of the Neighborhood Improvement Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in the Neighborhood Improvement 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.

Against Encumbrances

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

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

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SOURCES AND USES OF FUNDS: 2022 Major Improvement Bonds

The table that follows summarizes the expected sources and uses of proceeds of the 2022 Major Improvement Bonds:

Sources of Funds:	
Principal Amount	\$ _____
Original Issue [Discount/Premium]	
TOTAL SOURCES	\$ _____
Use of Funds:	
Deposit to NIA Improvements Account of the Common Project Fund	\$ _____
Deposit to Reserve Account of the Reserve Fund	_____
Deposit to NIA Costs of Issuance Account of the Common Project Fund	_____
Underwriter's Discount ⁽¹⁾	_____
TOTAL USES	\$ _____

⁽¹⁾ Includes Underwriter's Counsel's fee of \$ ____.

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DEBT SERVICE REQUIREMENTS: Major Improvement Bonds

The following table sets forth the projected debt service requirements for the 2022 Major Improvement Bonds and the 2017 Major Improvement Bonds:

Year Ending September 30	<u>2017 Major Improvement Bonds*</u>			<u>2022 Major Improvement Bonds*</u>			Total Major Improvement Debt Service*
	Principal	Interest	Total	Principal	Interest	Total	
2023	\$50,000	\$123,944	\$173,944	\$33,000	\$108,456	\$141,456	\$315,399
2024	50,000	121,381	171,381	40,000	101,098	141,098	312,479
2025	55,000	118,819	173,819	42,000	99,098	141,098	314,916
2026	55,000	116,000	171,000	45,000	96,998	141,998	312,998
2027	60,000	113,181	173,181	47,000	94,748	141,748	314,929
2028	60,000	110,106	170,106	50,000	92,398	142,398	312,504
2029	65,000	107,031	172,031	52,000	89,898	141,898	313,929
2030	70,000	103,700	173,700	55,000	87,298	142,298	315,998
2031	70,000	100,113	170,113	58,000	84,548	142,548	312,660
2032	75,000	96,525	171,525	61,000	81,648	142,648	314,173
2033	80,000	92,681	172,681	65,000	78,598	143,598	316,279
2034	85,000	88,581	173,581	68,000	75,185	143,185	316,766
2035	90,000	84,225	174,225	72,000	71,615	143,615	317,840
2036	95,000	79,613	174,613	76,000	67,835	143,835	318,448
2037	95,000	74,744	169,744	81,000	63,845	144,845	314,589
2038	100,000	69,875	169,875	85,000	59,593	144,593	314,468
2039	110,000	64,500	174,500	90,000	55,130	145,130	319,630
2040	115,000	58,588	173,588	96,000	50,405	146,405	319,993
2041	120,000	52,406	172,406	101,000	45,365	146,365	318,771
2042	125,000	45,956	170,956	107,000	39,936	146,936	317,893
2043	135,000	39,238	174,238	113,000	34,185	147,185	321,423
2044	140,000	31,981	171,981	120,000	28,111	148,111	320,093
2045	145,000	24,456	169,456	127,000	21,661	148,661	318,118
2046	155,000	16,663	171,663	134,000	14,835	148,835	320,498
2047	155,000	8,331	163,331	142,000	7,633	149,633	312,964
Total	\$2,355,000	\$1,942,638	\$4,297,638	\$1,960,000	\$1,650,114	\$3,610,000	\$7,907,752

*Preliminary, subject to change. Assumes a mandatory prepayment of assessments by the Developer (see "SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment").

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SOURCES AND USES OF FUNDS: Neighborhood Improvement Bonds

The table that follows summarizes the expected sources and uses of proceeds of the **Neighborhood Improvement Bonds**:

Sources of Funds:	
Principal Amount	\$ _____
Original Issue [Discount/Premium]	
TOTAL SOURCES	\$ _____
Use of Funds:	
Deposit to Improvements Account of the Project Fund	\$ _____
Deposit to Reserve Account of the Reserve Fund	_____
Deposit to Costs of Issuance Account of the Project Fund	_____
Underwriter's Discount ⁽¹⁾	_____
TOTAL USES	\$ _____

⁽¹⁾ Includes Underwriter's Counsel's fee of \$ _____.

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DEBT SERVICE REQUIREMENTS: Neighborhood Improvement Bonds

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

Year Ending (September 30)	Principal	Interest	Debt Service
2023	\$9,000	\$30,919	\$39,919
2024	11,000	28,830	39,830
2025	12,000	28,266	40,266
2026	13,000	27,651	40,651
2027	13,000	26,985	39,985
2028	14,000	26,319	40,319
2029	15,000	25,601	40,601
2030	16,000	24,833	40,833
2031	17,000	24,013	41,013
2032	17,000	23,141	40,141
2033	18,000	22,270	40,270
2034	19,000	21,348	40,348
2035	20,000	20,374	40,374
2036	22,000	19,349	41,349
2037	23,000	18,221	41,221
2038	24,000	16,985	40,985
2039	26,000	15,695	41,695
2040	27,000	14,298	41,298
2041	29,000	12,846	41,846
2042	30,000	11,288	41,288
2043	32,000	9,675	41,675
2044	34,000	7,955	41,955
2045	36,000	6,128	42,128
2046	38,000	4,193	42,193
2047	40,000	2,150	42,150
Total	<u>\$555,000</u>	<u>\$469,330</u>	<u>\$1,024,330</u>

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Projected Annual Installments of the Special Assessments

The following table sets forth the projected annual installments of Major Improvement Assessments and Neighborhood Improvement Assessments, including amounts levied for annual Administrative Expenses, upon issuance of the Bonds:

Year Ending 9/30	<u>Major Improvement Installments¹</u>				<u>Neighborhood Improvement Installments</u>				Administrative Expenses	Total Northern Improvement Area Installments
	Principal	Interest	Additional Interest	Total	Principal	Interest	Additional Interest	Total		
2023	\$83,000	\$232,399	\$21,575	\$336,974	\$9,000	\$30,919	\$2,775	\$42,694	\$39,015	\$418,683
2024	90,000	222,479	21,160	333,639	11,000	28,830	2,730	42,560	39,795	415,994
2025	97,000	217,916	20,710	335,626	12,000	28,266	2,675	42,941	40,591	419,159
2026	100,000	212,998	20,225	333,223	13,000	27,651	2,615	43,266	41,403	417,892
2027	107,000	207,929	19,725	334,654	13,000	26,985	2,550	42,535	42,231	419,420
2028	110,000	202,504	19,190	331,694	14,000	26,319	2,485	42,804	43,076	417,574
2029	117,000	196,929	18,640	332,569	15,000	25,601	2,415	43,016	43,937	419,522
2030	125,000	190,998	18,055	334,053	16,000	24,833	2,340	43,173	44,816	422,041
2031	128,000	184,660	17,430	330,090	17,000	24,013	2,260	43,273	45,712	419,075
2032	136,000	178,173	16,790	330,963	17,000	23,141	2,175	42,316	46,627	419,906
2033	145,000	171,279	16,110	332,389	18,000	22,270	2,090	42,360	47,559	422,308
2034	153,000	163,766	15,385	332,151	19,000	21,348	2,000	42,348	48,510	423,009
2035	162,000	155,840	14,620	332,460	20,000	20,374	1,905	42,279	49,480	424,219
2036	171,000	147,448	13,810	332,258	22,000	19,349	1,805	43,154	50,470	425,881
2037	176,000	138,589	12,955	327,544	23,000	18,221	1,695	42,916	51,479	421,939
2038	185,000	129,468	12,075	326,543	24,000	16,985	1,580	42,565	52,509	421,617
2039	200,000	119,630	11,150	330,780	26,000	15,695	1,460	43,155	53,559	427,494
2040	211,000	108,993	10,150	330,143	27,000	14,298	1,330	42,628	54,630	427,400
2041	221,000	97,771	9,095	327,866	29,000	12,846	1,195	43,041	55,723	426,631
2042	232,000	85,893	7,990	325,883	30,000	11,288	1,050	42,338	56,837	425,057
2043	248,000	73,423	6,830	328,253	32,000	9,675	900	42,575	57,974	428,802
2044	260,000	60,093	5,590	325,683	34,000	7,955	740	42,695	59,134	427,512
2045	272,000	46,118	4,290	322,408	36,000	6,128	570	42,698	60,316	425,421
2046	289,000	31,498	2,930	323,428	38,000	4,193	390	42,583	61,523	427,533
2047	297,000	15,964	1,485	314,449	40,000	2,150	200	42,350	62,753	419,552
Total	\$4,315,000	\$3,592,752	\$337,965	\$8,245,717	\$555,000	\$469,330	\$43,930	\$1,068,260	\$1,249,659	\$10,563,636

**Preliminary, subject to change.*

⁽¹⁾ Assumes a mandatory prepayment of assessments by the Developer (see “SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment”).

OVERLAPPING TAXES AND DEBT

Overlapping Taxes and Debt

The land within the Northern Improvement Area of the District has been, and is expected to continue to be, subject to taxes and assessments imposed by taxing entities other than the City. Such taxes are payable in addition to the Special Assessments.

In addition to the taxes and Special Assessments described above, the Developer anticipates that each lot owner in the Northern Improvement Area of the District will pay a maintenance and operation fee and/or a property owner's association fee to a homeowner's association (the "Owners' Association"), which was formed by the Developer in December 2016. In addition to the City, the Leander Independent School District, Williamson County, and Austin Community College District ("Austin CCD") may each levy ad valorem taxes upon land in the Northern Improvement Area of the District for payment of debt incurred by such governmental entities and/or for payment of maintenance and operations expenses. The City has no control over the level of ad valorem taxes or special assessments levied by such other taxing authorities. The following table reflects the overlapping ad valorem tax rates currently levied on property located in the Northern Improvement Area of the District. The District is located entirely within Williamson County.

<u>Taxing Entity</u>	<u>Tax Year 2021 Ad Valorem Tax Rate⁽¹⁾</u>
City of Leander	\$0.479699
Leander Independent School District	\$1.337000
Williamson County ⁽²⁾	\$0.440846
Austin CCD	\$0.104800
TOTAL TAX RATE	\$2.362345
Estimated Average Northern Improvement Area Annual Installment as tax rate equivalent per Lot ⁽³⁾	\$0.37157
Total Tax Rate and Average Northern Improvement Area Annual Assessment as tax rate equivalent per \$100 in value	\$2.733915

⁽¹⁾ As reported by the taxing entities. Per \$100 taxable appraised value.

⁽²⁾ Includes Williamson County's roads and bridges ad valorem tax rate (\$0.0400 in Tax Year 2021).

⁽³⁾ Includes the Major Improvement Special Assessment and the Neighborhood Improvement Special Assessment. Based on the build out value estimated in the Service and Assessment Plan. Preliminary, subject to change.

Sources: Williamson Central Appraisal District, the City and PID Administrator

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As noted above, the Northern Improvement Area of the District includes territory located within the boundaries of other governmental entities that may issue or incur debt secured by the levy and collection of ad valorem taxes. Set forth below is an overlapping debt table showing the outstanding indebtedness payable from ad valorem taxes with respect to property within the District and the City and City debt secured by the Special Assessments.

<u>Taxing or Assessing Entity</u>	Gross Outstanding Debt ⁽¹⁾	Estimated % Applicable ⁽²⁾	Direct and Estimated Overlapping
The City (Special Assessments – The 2022 Major Improvement Bonds)*	\$1,960,000*	100.00	\$1,960,000*
The City (Special Assessments – The 2017 Major Improvement Bonds)	2,355,000	100.00	2,355,000
The City (Special Assessments – Neighborhood Improvement Bonds)*	555,000*	100.00	555,000*
The City (Ad Valorem Taxes)	203,440,000	0.23%	467,912
Williamson County	1,028,875,000	0.02%	205,775
Leander Independent School District	1,064,637,918	0.06%	638,783
Austin CCD	<u>436,260,000</u>	0.01%	<u>43,626</u>
TOTAL	<u>\$2,738,082,918</u>		<u>\$6,226,096</u>

*Preliminary, subject to change.

⁽¹⁾As of May 31, 2022. Excludes assessments levied for the Southern Improvement Area Bonds. Principal on the 2017 Major Improvement Bonds has been reduced by the sinking fund installment scheduled to be paid September 1, 2022 and expected bond redemption due to a mandatory prepayment of assessments by the Developer (see “SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment”).

⁽²⁾Based on Tax Year 2021 Net Taxable Assessed Valuation for assessable property in the Northern Improvement Area and the taxing entities.

Sources: City of Leander, Williamson Central Appraisal District, Austin Community College District, Municipal Advisory Council of Texas.

Homeowner’s Association

In addition to the Special Assessments and the taxes described herein, each residential lot owner in the District will pay to the Deerbrooke Community, Inc. (the “HOA”) an annual HOA fee of \$650 per lot, as well as a one-time fee of \$250 at home closing. Such fees are subject to changes pursuant to any modification of the HOA’s governing documents.

SPECIAL ASSESSMENT PROCEDURES

General

Capitalized terms used under this caption and not otherwise defined in this Official Statement shall have the meanings given in the Service and Assessment Plan. As required by the PID Act, when the City determines to defray a portion of the costs of Northern Improvement Area Improvements through Special Assessments, it must adopt a resolution generally describing the Northern Improvement Area Improvements and the land within the Northern Improvement Area of the District to be subject to Special Assessments to pay the costs therefor. The City has caused an assessment roll to be prepared (the “Northern Improvement Area Assessment Roll”), which Northern Improvement Area Assessment Roll shows the land within the Northern Improvement Area assessed, the amount of the benefit to and the Special Assessment against each Northern Improvement Area Assessed Property and the number of Annual Installments in which the Special Assessments are divided. The Northern Improvement Area Assessment Roll was filed with the City Secretary and made available for public inspection. Statutory notice was given to the owners of the Northern Improvement Area Assessed Property and a public hearing was conducted to hear testimony from affected property owners as to the propriety and advisability of undertaking the Northern Improvement Area Improvements and funding the same with Special Assessments. The City levied the Major Improvement Special Assessments and adopted the Major Improvement Assessment Ordinance on August 17, 2017. Accordingly, the Major Improvement Special Assessments became legal, valid and binding liens upon the property against which the Major Improvement Special Assessments are made as of August 17, 2017. The initial Annual Installments of the Major Improvement Special Assessments were billed in October of 2017. The City levied the Neighborhood Improvement Special Assessments and adopted the Neighborhood Improvement Assessment Ordinance on June 18, 2020. Accordingly, the Neighborhood Improvement Special Assessments became legal, valid and binding liens upon the property against which the Neighborhood Improvement Special Assessments are made as of June 18, 2020. The initial Annual Installments of the Neighborhood Improvement Special Assessments were billed in October of 2020. See “SPECIAL ASSESSMENT DATA — Collection and Delinquency History of Assessments.”

Under the PID Act, the costs of the Northern Improvement Area Improvements may be assessed by the City against the assessable property in the Northern Improvement Area so long as the special benefit conferred upon the Assessed Parcels

by the Northern Improvement Area Improvements equals or exceeds the Special Assessments. The costs of the Northern Improvement Area Improvements may be assessed using any methodology that results in the imposition of equal shares of cost on Assessed Parcels similarly benefited. The allocation of benefits and assessments to the benefited land within the District is presented in the Service and Assessment Plan, which should be read in its entirety. See “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.” Unless otherwise defined herein, capitalized terms used under this heading “SPECIAL ASSESSMENT PROCEDURES” will have the meaning assigned to such terms in the Service and Assessment Plan, including any Annual Updates thereto.

Special Assessment Methodology

The Service and Assessment Plan describes the special benefit to be received by each parcel of assessable property as a result of the Northern Improvement Area Improvements, provides the basis and justification for the determination that such special benefit exceeds the Special Assessments being levied, and establishes the methodology by which the City allocates the special benefit of the Northern Improvement Area Improvements to parcels in a manner that results in equal shares of costs being apportioned to parcels similarly benefited. As described in the Service and Assessment Plan, a portion of the costs of the Major Improvements will be funded with proceeds of the 2022 Major Improvement Bonds and 2017 Major Improvement Bonds which are payable from and secured by Major Improvement Pledged Revenues, including the Major Improvement Special Assessment Revenues. As described in the Service and Assessment Plan, a portion of the costs of the Neighborhood Improvements will be funded with proceeds of the Neighborhood Improvement Bonds which are payable from and secured by Neighborhood Improvement Pledged Revenues, including the Neighborhood Improvement Special Assessment Revenues. As set forth in the Service and Assessment Plan, the benefits received by the Assessed Parcels are currently spread among the existing parcels in the District based on the estimated build-out value of each Lot (as defined in the Service and Assessment Plan) to the total build-out value for all Parcels. As the existing Parcels are subsequently divided the Special Assessments will be further apportioned by Lot Type, the assessment for which is based on the build-out value of each Lot to the total build-out value for all Parcels.

Collection and Enforcement of Special Assessment Amounts

Under the PID Act, the Annual Installments may be collected in the same manner and at the same time as regular ad valorem taxes of the City. The Special Assessments may be enforced by the City in the same manner that an ad valorem tax lien against real property is enforced. Delinquent installments of the Special Assessments incur interest, penalties and attorney’s fees in the same manner as delinquent ad valorem taxes. Under the PID Act, the Assessment Lien is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for State, county, school district or municipality ad valorem taxes. See “BONDHOLDERS’ RISKS – Special Assessment Limitations” herein.

In the Major Improvement Indenture and the Neighborhood Improvement Indenture, the City covenants to the Major Improvement Special Assessments and the Neighborhood Improvement Special Assessments, respectively, as provided in the Assessment Ordinances. No less frequently than annually, the City staff or a designee of the City shall prepare or shall cause to be prepared, and the City Council shall approve, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Parcel. Administrative Expenses shall be allocated among Assessed Parcels in proportion to the amount of the Annual Installments for the Parcels. The City will covenant, agree and warrant in each Indenture that, for so long as any Bonds are Outstanding, it will take and pursue all actions permissible under Applicable Laws to cause the Special Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and to cause no reduction, abatement or exemption in the Special Assessments.

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

The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Special Assessment or the corresponding Assessed Parcel.

The City will, to the extent practicable, implement a timeline and procedures for Special Assessment collections and pursuit of delinquencies that is substantially similar to the timeline set forth in Exhibit C of the City Disclosure Agreement set forth in APPENDIX E and to comply therewith to the extent that the City reasonably determines that such compliance is the most appropriate timeline and procedures for enforcing the payment of delinquent Special Assessments.

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 the Indentures or otherwise other than funds on deposit in the Administrative Fund.

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

<u>Date Payment Received</u>	<u>Cumulative Penalty</u>	<u>Cumulative Interest</u>	<u>Total</u>
February	6%	1%	7%
March	7%	2%	9%
April	8%	3%	11%
May	9%	4%	13%
June	10%	5%	15%
July	12%	6%	18%

After July, the penalty remains at 12%, and interest increases at the rate of 1% each month. In addition, if an account is delinquent in July, a 20% attorney's collection fee may be added to the total penalty and interest charge. In general, property subject to lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. An automatic stay by creditors or other entities, including governmental units, could prevent governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In most cases, post-petition Special Assessments are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Special Assessment Amounts

Major Improvement Special Assessment Amounts. The maximum amounts of the Major Improvement Special Assessments have been established by the City methodology described in the Service and Assessment Plan. The Major Improvement Special Assessments have been levied against the parcels comprising the Assessed Parcels as indicated on the Assessment Roll. See "APPENDIX C-1 – Service and Assessment Plan," and "APPENDIX C-2 - Service and Assessment Plan Update."

Neighborhood Improvement Special Assessment Amounts. The maximum amounts of the Neighborhood Improvement Special Assessments have been established by the City methodology described in the Service and Assessment Plan. The Neighborhood Improvement Special Assessments have been levied against the parcels comprising the Assessed Parcels as indicated on the Assessment Roll. See "APPENDIX C-1 – Service and Assessment Plan," and "APPENDIX C-2 - Service and Assessment Plan Update."

Special Assessments and Average Annual Installment per Lot in the Northern Improvement Area

Lot Type	Lots	Estimated Buildout Total	% of Total	Outstanding Total Major Improvement Assessment	Outstanding Neighborhood Improvement Assessment	Total Outstanding Assessment	Outstanding Assessment Per Lot	Average Annual Installment Per Lot
40'	47	\$13,150,990	11.28%	\$500,558	\$69,064	\$569,621	\$12,120	\$1,036
50'	266	\$94,362,396	80.92%	\$3,578,221	\$493,693	\$4,071,915	\$15,308	\$1,309
60'	22	\$9,092,602	7.80%	\$346,087	\$47,751	\$393,838	\$17,902	\$1,531
Total	335	\$116,605,988	100.00%	\$4,424,866	\$610,508	\$5,035,374	N/A	N/A

**Preliminary, subject to change. Reflects outstanding assessment after expected mandatory prepayment (see "SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment").*

Method of Apportionment of Special Assessments. For purposes of the Service and Assessment Plan, the City Council has determined that the Costs of the portion of the Northern Improvement Area Improvements to be financed with the Bonds shall be allocated to the Assessed Parcels by spreading the entire Special Assessment across all Lots within the Northern Improvement Area, based on the ratio of the estimated build-out value of each Lot to the total build-out value for all Lots and Parcels in the Northern Improvement Area.

The 2022 Major Improvement Bonds are secured by a first lien on and pledge of Major Improvement Pledged Revenues, including the Major Improvement Special Assessments. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 MAJOR IMPROVEMENT BONDS,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

The 2022 Neighborhood Improvement Bonds are secured by a first lien on and pledge of Neighborhood Improvement Pledged Revenues, including the Neighborhood Improvement Special Assessments. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT BONDS,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

Prepayment of Special Assessments

Pursuant to the PID Act and each Indenture, the owner of the property assessed may voluntarily prepay (a “Prepayment”) all or part of any Special Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. Upon receipt of such Prepayment, such amounts will be applied as provided in the applicable Indenture. Amounts received at the time of a Prepayment which represent a payment of principal, interest or penalties on a delinquent installment of a Special Assessment are not to be considered a Prepayment, but rather are to be treated as payment of regularly scheduled Special Assessments.

Mandatory Prepayment

If Assessed Property or a portion thereof is transferred to a party that is exempt from the payment of the Special Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the City the full amount of the Special Assessment, plus all Prepayment Costs, for such Parcel or portion thereof prior to any such transfer or act (a “Mandatory Prepayment”). Should a Mandatory Prepayment of Special Assessments occur, the owner of such Parcel or portion thereof shall notify the City and the PID Administrator no later than thirty (30) days after the date of the payment of the Mandatory Prepayment. The sum of the Special Assessments for all newly-divided Assessed Properties shall equal the Special Assessments for the Assessed Property prior to subdivision. If the Special Assessment for the Assessed Property prior to subdivision exceeds the sum of the Special Assessments for all newly divided Assessed Properties after such reallocation, the Parcel owner shall pay the Special Assessment in excess of the Maximum Assessment per Unit amount as a Mandatory Prepayment.

2022 Mandatory Prepayment

At the time of the levy of the Major Improvement Assessments in the Northern Improvement Area, it was expected that there would be a total of 334 units. The expected unit count was revised upwards to 336 at the time of the levy of the Neighborhood Improvement Assessments. Due to subdivision, the total actual number of units expected as of the present date is 335 units. Under the terms of the Service and Assessment Plan, this change in unit count triggers a mandatory prepayment in the amount of \$15,308.15, of which \$7,168.77 is attributable to the 2017 Major Improvement Bonds, \$6,283.49 is attributable to the Outstanding Major Improvement Obligation, and \$1,855.89 is attributable to the Outstanding Neighborhood Improvement Obligation. The amount attributable to the 2017 Major Improvement Bonds will be deposited to the Redemption Account of the Redemption Fund under the Major Improvement Indenture and used to redeem 2017 Major Improvement Bonds as an extraordinary optional redemption. It is expected that the bonds to be called for such redemption will be redeemed on or about September 1, 2022. The Service and Assessment Plan Update reflects the mandatory prepayment described above.

Priority of Lien

The Special Assessments or any reassessment, the expense of collection, and reasonable attorney’s fees, if incurred, constitute a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for the State, county, school district or municipality ad valorem taxes, and are a personal liability of and charge against the owners of the property regardless of whether the owners are named. The lien is effective from the date of the applicable

Assessment Ordinance until the Special Assessment is paid, and may be enforced by the City in the same manner as an ad valorem tax levied against real property may be enforced by the City. The owner of any property assessed may pay the entire Special Assessment levied against any lot or parcel, together with accrued interest to the date of payment, at any time. See “BONDHOLDERS’ RISKS –Special Assessment Limitations” herein.

Foreclosure Proceedings

In the event of delinquency in the payment of any Annual Installment, except for unpaid Special Assessments on homestead property (unless the lien associated with the assessment attached prior to the date the property became a homestead), the City is empowered to order institution of an action in State district court to foreclose the lien of such delinquent Annual Installment. In such action the real property subject to the delinquent Annual Installments may be sold at judicial foreclosure sale for the amount of such delinquent Annual Installments, plus penalties and interest.

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

In the Indentures, the City covenants to take and pursue all actions permissible under Applicable Laws to cause the Special Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Special Assessments, provided that the City is not required to expend any funds for collection and enforcement of Special Assessments other than funds on deposit in the District Administration Account of the Administrative Fund under each Indenture. See “APPENDIX B-1 – Form of Major Improvement Indenture” and “APPENDIX B-2 - Form of Neighborhood Improvement Indenture.” See also “APPENDIX E – Form of City Disclosure Agreement” for a description of the expected timing of certain events with respect to collection of delinquent Special Assessments.

The City will not be obligated to fund foreclosure proceedings out of any funds other than in the District Administration Account of the Administrative Fund. If funds in the District Administration Account of the Administrative Fund are insufficient to pay foreclosure costs, the owners of the Bonds may be required to pay amounts necessary to continue foreclosure proceedings. See “APPENDIX B-1 – Form of Major Improvement Indenture,” “APPENDIX B-2 - Form of Neighborhood Improvement Indenture,” “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update.”

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SPECIAL ASSESSMENT DATA

Collection and Delinquency History of Assessments

Northern Improvement Area Special Assessments. The Annual Installments for the Special Assessments in the Northern Improvement Area were billed beginning in October of 2017. The following table shows the collection and delinquency history of the Northern Improvement Area.

Collection and Delinquency of Northern Improvement Area Special Assessments⁽¹⁾

Annual Installments <u>Due 1/31</u>	Annual Installments <u>Billed</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Annual Installments <u>Collected⁽¹⁾</u>
2018	\$63,003.47	1	\$0.00	0.00%	\$0.00	0.00%	\$63,003.47
2019	\$378,937.99	1	\$0.00	0.00%	\$0.00	0.00%	\$378,937.99
2020	\$377,452.99	1	\$0.00	0.00%	\$0.00	0.00%	\$377,452.99
2021 ⁽²⁾	\$427,902.71	1	\$0.00	0.00%	\$0.00	0.00%	\$427,902.71
2022 ⁽²⁾	\$423,826.31	152	\$20,552.96	4.85%	N/A	N/A	\$423,826.31

⁽¹⁾ Collected as of June 1, 2022. Excluding prepayments, penalties and interest.

⁽²⁾ Includes the Neighborhood Improvement Special Assessments billed beginning in October of 2020.

Southern Improvement Area Special Assessments. The Annual Installments for special assessments levied in the Southern Improvement Area were billed beginning in October of 2017. The following table shows the collection and delinquency history of the Southern Improvement Area. The Bonds are not secured by special assessments levied upon assessable property within the Southern Improvement Area and such information is being provided for informational purposes only.

Collection and Delinquency of Southern Improvement Area Special Assessments⁽¹⁾

Annual Installments <u>Due 1/31</u>	Annual Installments <u>Billed</u>	Parcels <u>Levied</u>	Delinquent Amount <u>as of 3/1</u>	Delinquent Percentage <u>as of 3/1</u>	Delinquent Amount <u>as of 9/1</u>	Delinquent Percentage <u>as of 9/1</u>	Annual Installments <u>Collected⁽¹⁾</u>
2018	\$26,045.55	1	\$0.00	0.00%	\$0.00	0.00%	\$26,045.55
2019	\$632,508.08	163	\$14,533.35	2.30%	\$0.00	0.00%	\$632,508.08
2020	\$628,473.30	161	\$3,941.13	0.63%	\$0.00	0.00%	\$628,473.30
2021	\$631,854.19	161	\$4,810.36	0.76%	\$0.00	0.00%	\$631,854.19
2022	\$625,343.09	398	\$16,597.59	2.65%	N/A	N/A	\$620,446.46

⁽¹⁾ Collected as of June 1, 2022. Excluding prepayments, penalties and interest.

THE COLLECTION AND DELINQUENCY HISTORY OF THE SPECIAL ASSESSMENTS IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY; NO ASSURANCE CAN BE GIVEN THAT THE FUTURE COLLECTION OF THE SPECIAL ASSESSMENTS WILL MIRROR THE COLLECTION HISTORY.

Prepayment History of Special Assessments

Major Improvement Special Assessments. As of June 1, 2022, no parcel owners have prepaid their Major Improvement Special Assessment in full and no parcel owners have partially prepaid their Major Improvement Special Assessment.

Neighborhood Improvement Special Assessments. As of June 1, 2022, no parcel owners have prepaid their Neighborhood Improvement Special Assessment in full and no parcel owners have partially prepaid their Neighborhood Improvement Special Assessment.

It is anticipated that a mandatory prepayment equal to the outstanding assessment of one 50' lot will be made prior delivery of the Bonds. See "SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment."

Northern Improvement Area Special Assessment Payer Concentration

The following table shows the Special Assessment payers in the Northern Improvement Area, as of June 3, 2022:

Special Assessment Payers

<u>Owner⁽¹⁾</u>	<u>No. of Assessed Lots Owned</u>	<u>Aggregate Outstanding Assessment⁽²⁾</u>	<u>Percentage of Aggregate Outstanding Assessment</u>	<u>Total Values⁽³⁾</u>	<u>Value to Lien Ratio</u>
<u>Homebuilders</u>					
Gehan Homes	142	\$2,230,791	44.30%	\$13,064,000	5.86:1
Chesmar Homes ⁽³⁾	62 ⁽³⁾	799,242	15.87%	3,772,066	4.72:1
Meritage Homes	5	76,540	1.52%	1,367,677	17.87:1
Century Communities	1	15,308	0.30%	92,000	6.01:1
<u>Individual Property Owners</u>					
Individual Property Owners	125	1,913,493	38.00%	51,961,690	27.16:1
TOTAL⁽⁴⁾	335	\$5,035,374	100.00%	\$70,257,433	13.95:1

⁽¹⁾ Parcel ownership data provided by Williamson CAD as of June 3, 2022.

⁽²⁾ Total Outstanding Assessment, assuming expected mandatory prepayment (see "SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment"). The Total Outstanding Assessment shown in this table includes both the Major Improvement Special Assessment and the Neighborhood Improvement Special Assessment.

⁽³⁾ 2022 Assessed Values as provided by Williamson CAD as of June 3, 2022. Value of two parcels owned by Chesmar Homes and slated for development as 47 cottage homes assumed to be equal to Chesmar Homes' August 31, 2021 purchase prices of \$701,912 and \$1,450,588, respectively.

⁽⁴⁾ Totals may not add due to rounding.

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VALUE TO ASSESSMENT BURDEN RATIO ANALYSIS RELATING TO THE BONDS

The City has obtained assessed values (excluding exemptions) of all of the property in the Northern Improvement Area upon which the Special Assessments have been levied, as established by Williamson CAD for Tax Year 2022. It is noted that two parcels owned by Chesmar Homes, which are slated for development as 47 cottage homes, were assigned Tax Year 2022 values of \$978 and \$2,016, respectively; however such parcels were purchased from the Developer on August 31, 2021 for \$701,912 and \$1,450,588, respectively. Taking into account the Tax Year 2022 values for all other assessable parcels within the Northern Improvement Area and the aforementioned purchase prices, the total value of assessable property within the Northern Improvement Area is \$70,257,433. Therefore, the value-to-lien ratio of the assessable property within the District after issuance of the Bonds equals approximately 13.95:1.

Value-to-lien Ratios by Category. The following table summarizes value-to-lien ratios within the Northern Improvement Area by value-to-lien category.

Deerbrooke Public Improvement District Northern Improvement Area Value to Assessment Burden Stratification

Value to Assessment Burden Ratio	Lot Count	Total Values ^{1,2}	Share of Outstanding Special Assessments ³	Percent of Outstanding Special Assessments
30:1 or Greater	40	\$ 19,554,611	\$ 612,318	12.16%
20:1 to 29.99:1	65	27,676,216	995,016	19.76%
10:1 to 19.99:1	26	6,390,106	398,006	7.90%
6:1 to 9.99:1	135	12,460,000	2,066,572	41.04%
4:1 to 5.99:1	22	2,024,000	393,838	7.82%
3:1 to 3.99:1	47 ⁽²⁾	2,152,500	569,623	11.31%
Total⁽⁴⁾	335	\$ 70,257,433	\$ 5,035,373	100.00%

⁽¹⁾ Tax Year 2022 assessed values as reported by Williamson CAD on June 3, 2022. Excludes exemptions.

⁽²⁾ Value of two parcels owned by Chesmar Homes and slated for development as 47 cottage homes assumed to be equal to Chesmar Homes' August 31, 2021 purchase prices of \$701,912 and \$1,450,588, respectively.

⁽³⁾ Total Outstanding Assessment assuming expected mandatory prepayment (see "SPECIAL ASSESSMENT PROCEDURES - 2022 Mandatory Prepayment"). Preliminary, subject to change.

⁽⁴⁾ Totals may not add due to rounding

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THE CITY

Background

The City is located in Williamson and Travis Counties on U.S. Highway 183, approximately 24 miles northwest of Austin, Texas. The City spans 38.37 square miles and has a current estimated population of 86,880. A U.S. Census report describing national growth trends among cities in the last decade ranked Leander as the nation's fastest-growing city of 50,000 or more in population between 2018 and 2019.

City Government

The City operates as a home-rule city under the laws of the State and the City's home-rule charter (the "Charter") initially approved by the voters in 1998 and amended in 2003, 2005, 2013, 2018 and 2022. The City operates under the Council/Manager form of government in which the Mayor and six councilmembers are elected. The City Council formulates operating policy for the City, while an appointed City Manager is the chief executive and administrative officer. It is the duty of the City Manager to implement the policies and directives of the Council. The current members of the City Council, their respective expiration of terms of office, and the principal administrators of the City are listed on page iii.

THE DISTRICT

General

The PID Act authorizes municipalities, such as the City, to create public improvement districts within their boundaries or extraterritorial jurisdiction, and to impose assessments within the public improvement districts to pay for certain improvements. The District was created by Resolution No. 17-015-00 of the City adopted on June 15, 2017, in accordance with the PID Act (the "Creation Resolution") for the purpose of, among others, funding the Northern Improvement Area Improvements. The District is located within the corporate boundaries of the City. The District is not a separate political subdivision of the State and is governed by the City Council. Maps of the property within the District is included on page vi and vii hereof, and photographs of the Deerbrooke Development are included under the caption "THE DEVELOPMENT - Photographs of the District."

The Northern Improvement Area is a part of the District as created in the Creation Resolution and as described in the PID Financing Agreement, and the Northern Improvement Area Improvements are within the scope of the improvements as authorized in those documents.

Powers and Authority

Pursuant to the PID Act, the City may establish and create the District and undertake, or reimburse a developer for the costs of, improvement projects that confer a special benefit on property located within the District, whether located within the City limits or the City's extraterritorial jurisdiction. The PID Act provides that the City may levy and collect Special Assessments on property in the District, or portions thereof, payable in full or periodic installments based on the benefit conferred by an improvement project to pay all or part of its cost.

Pursuant to the PID Act and the Creation Resolution, the City may establish and create the District, and has the power to undertake, or reimburse a developer for the costs of, the financing, acquisition, construction or improvement of the Northern Improvement Area Improvements. See "THE NORTHERN IMPROVEMENT AREA IMPROVEMENTS." The Northern Improvement Area Improvements will provide a special benefit to the Northern Improvement Area, other than the Non-Benefited Property. The costs of the Northern Improvement Area Improvements are, therefore, allocated to the Northern Improvement Area Assessed Parcels, as shown in the Service and Assessment Plan. Pursuant to the authority granted by the PID Act and the Creation Resolution, the City has determined to undertake the construction, acquisition or purchase of certain water improvements, wastewater improvements, drainage improvements, and roadway improvements within the Northern Improvement Area of the District comprising the Northern Improvement Area Improvements and to finance a portion of the costs thereof through the issuance of the Bonds. See "SPECIAL ASSESSMENT PROCEDURES," "APPENDIX C-1 – Service and Assessment Plan," and "APPENDIX C-2 - Service and Assessment Plan Update."

THE NORTHERN IMPROVEMENT AREA IMPROVEMENTS

The following information has been provided by the Developer and taken from the Service and Assessment Plan. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter has any way of guaranteeing the accuracy of such information. The Developer has reviewed this Official Statement and warrants and represents that the information contained herein under the captions "THE NORTHERN IMPROVEMENT AREA IMPROVEMENTS," "THE DEVELOPMENT" and "THE DEVELOPER," and to the best of its knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the project, and the Development), is 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 light of the circumstances under which they were made, not misleading.

General

The Northern Improvement Area Improvements consist of the construction, acquisition, or purchase of certain water and wastewater improvements, drainage improvements, enhanced landscaping and roadway improvements within the District, which are attributable to the proportionate special benefit conferred on Northern Improvement Area of the District.

The Developer was initially responsible for the completion of the construction, acquisition or purchase of all of the Northern Improvement Area Improvements. Pursuant to a Partial Assignment and Assumption Agreement by and between the Developer and Gehan Homes, LTD. ("Gehan"), dated December 16, 2020, the Developer assigned to Gehan the obligation to finance certain Neighborhood Improvements, consisting of the construction of one detention pond, one water quality basin, a portion of Stone Branch Drive, and certain landscaping improvements. Notwithstanding the construction of these improvements by Gehan, the Developer retained the right of reimbursement for these projects.

From proceeds of the 2022 Major Improvement Bonds, the City will reimburse the Developer for a portion of the project costs actually incurred in developing and constructing the Major Improvements within the District. From proceeds of the Neighborhood Improvement Bonds, the City will reimburse the Developer for a portion of project costs actually incurred in developing and constructing the Neighborhood Improvements within the District. The balance of the costs of the Northern Improvement Area Improvements and other Authorized Improvements were financed by the Developer, or, as described in the paragraph above, by Gehan, without reimbursement by the City. See "THE DEVELOPMENT."

Description and Costs of Major Improvements and Status of Construction

The Major Improvements include water and wastewater improvements, drainage improvements and roadway improvements benefitting the Northern Improvement Area of the District. A summary of the Major Improvements and their associated costs are set forth below. All of the Major Improvements have been completed and accepted by the City. The following information has been taken from the Service and Assessment Plan.

Deer Rim Road / Stone Branch Drive – These improvements consist of the construction of the full distance of Deer Rim Road and Stone Branch Drive up to the intersection with Sage Ranch Drive. These Major Improvements provide road and thoroughfare access to all phases of the Project and consist of the construction of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/wastewater trunk mains, pipes, valves and associated appurtenances, all of which benefit the entire Assessed Property within the District. The Northern Improvement Area portion of these improvements financed by Major Improvement Special Assessments is approximately \$789,052.

Sage Ranch Drive – These improvements consist of the construction of the full distance of Sage Ranch Drive. These Major Improvements provide road and thoroughfare access to all phases of the Project and consist of the construction of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/wastewater trunk mains, pipes, valves and associated appurtenances, all of which benefit the entire Assessed Property within the District. The Northern Improvement Area portion of these improvements financed by Major Improvement Special Assessments is approximately \$1,980,295.

Collector Creek Crossings – These improvements consist of the construction of creek crossings at Stone Branch Drive. These Major Improvements provide road and thoroughfare access to all phases of the Project and consist of the construction of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices,

manholes, storm drainage systems, water/wastewater trunk mains, pipes, valves and associated appurtenances, all of which benefit the entire Assessed Property within the District. The Northern Improvement Area portion of these improvements financed by Major Improvement Special Assessments is approximately \$379,178.

Lift Station – These improvements consist of the construction and installation of a lift station and the pipes, service lines, manholes, encasements, and associated appurtenances, all of which benefit the entire Assessed Property within the District. The Northern Improvement Area portion of these improvements financed by Major Improvement Special Assessments is approximately \$164,164.

Off-Site Force Main – These improvements consist of the construction and installation of a force main and the pipes, service lines, manholes, encasements, and associated appurtenances, all of which benefit the entire Assessed Property within the District. The Northern Improvement Area portion of these improvements financed by Major Improvement Special Assessments is approximately \$308,418.

See “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update” for more information regarding the above improvements.

Description and Costs of Neighborhood Improvements and Status of Construction

The Neighborhood Improvements include water and wastewater improvements, drainage improvements and roadway improvements benefitting the Northern Improvement Area of the District. A summary of the Neighborhood Improvements and their associated costs are set forth below. All of the Neighborhood Improvements have been completed and accepted by the City. The following information has been taken from the Service and Assessment Plan.

Water Quality Ponds - These improvements consist of the construction of detention ponds with associated appurtenances to appropriately control and convey storm water, all of which will benefit the entire Assessed Property within the Northern Improvement Area. The costs of these improvements financed by the Neighborhood Improvement Special Assessments are \$822,578.

Stone Branch Drive - These improvements consist of the construction of Stone Branch Drive north of the intersection with Sage Ranch Drive. These improvements provide road access to the Northern Improvement Area and consist of related earthwork, paving, sidewalks, retaining walls, signage traffic control devices, manholes, storm drainage systems, water/wastewater trunk mains, pipes, valves, and associated appurtenances, all of which benefit the entire Assessed Property within the Northern Improvement Area. The costs of these improvements financed by the Neighborhood Improvement Special Assessments are \$331,309. [NTD: pursuant to Jennifer’s comments to Draft 1, the Enhanced Landscaping costs to be PID-financed were \$100,000, but \$20,000 to be reallocated to Stone Branch Drive. Please confirm that Stone Branch Drive should be increased from 331,309 to 351,309.]

Enhanced Landscaping - These improvements consist of the installation of landscaping along Sage Ranch Road north of the creek and in other open spaces and common areas in the Northern Improvement Area. The entryway monuments and associated signage were constructed and installed in a manner consistent with those typically associated with master planned communities. The costs of these improvements financed by the Neighborhood Improvement Special Assessments are \$80,000.

See “APPENDIX C-1 – Service and Assessment Plan,” and “APPENDIX C-2 - Service and Assessment Plan Update” for more information regarding the above improvements.

Other Improvements in the Northern Improvement Area

The Developer constructed an amenity center and certain other amenities and enhancements at an approximate cost of more than \$3,000,000 within the District consisting of, among other improvements, a community center, open air pavilion, swimming pool, splash pad, children’s play area, and hike and bike trails. The cost of such enhancements were paid entirely by the Developer without reimbursement by the City.

Ownership and Maintenance of Improvements

All Northern Improvement Area Improvements have been dedicated to and accepted by the City by fee or through a public use easement and will constitute a portion of the City’s infrastructure improvements. The City will provide for the

ongoing operation, maintenance and repair of the roads, water, wastewater and drainage portions of the Northern Improvement Area Improvements constructed and conveyed to the City.

THE DEVELOPMENT

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City's Financial Advisor, and the Underwriter, and none of the City, the City's Financial Advisor, or the Underwriter has any way of guaranteeing the accuracy of such information. The Developer has reviewed this Official Statement and warrants and represents that the information contained herein under the captions "THE NORTHERN IMPROVEMENT AREA IMPROVEMENTS," "THE DEVELOPMENT" and "THE DEVELOPER," and to the best of its knowledge after due inquiry, under the captions "BONDHOLDERS' RISKS" (only as it pertains to the Developer, the project, and the Development), is 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 light of the circumstances under which they were made, not misleading.

General

The District is being developed as a master planned residential community that is known as "Deerbrooke" (the "Development"). The Development consists of 262 total acres located within the city limits of the City of Leander, Texas in Williamson County, Texas. The Development is located approximately 30 miles north of Austin, Texas, approximately one-half mile from the junction of US Highway 183 and San Gabriel Parkway, off Halsey Drive, in Leander. The Development is located in a growing development area situated in the northern region of the Austin-Round Rock Metropolitan Statistical Area, which has experienced and is poised for significant growth.

Land Use and Development Plan

The Development will consist of 786 single-family residential units, developed in four phases. It is anticipated that the Development will contain a mix of 40', 50', 60', 70' and 80' wide single-family residential lots.

Status of Development

Northern Improvement Area

The Northern Improvement Area is the final phase of development, located on approximately 87.7 acres planned to be developed as 335 single-family residential lots, consisting of 47 40' cottage lots (to be developed under a condominium regime), 266 50' lots, and 22 60' lots.

Status of Single-Family Lot and Home Construction and Home Sales in Northern Improvement Area⁽¹⁾

Lot Size	Total Planned No. of Lots	Construction Status				Status of Home Sales			
		Remaining Undeveloped Units ⁽²⁾	Vacant Developed Lots	Lots with Homes Under Construction	Lots with Completed Homes	Homes Under Construction Not Under Contract	Homes Under Construction Under Contract	Completed Homes Not Sold or Under Contract	Completed Homes Closed with 3 rd Party Buyer
40' ⁽²⁾	47	47	0	0	0	0	0	0	0
50'	266	0	80	61	125	6	55	0	125
60'	22	0	8	14	0	1	13	0	0
Total	335	47	88	75	125	7	68	0	125

⁽¹⁾ Source: Developer. As of May 27, 2022.

⁽²⁾ Includes 2 condo parcels owned by Chesmar Homes with 47 units planned and to be developed under a condominium regime.

All assessable lots and parcels in the Northern Improvement Area have previously been sold and conveyed to homebuilders as follows:

Meritage Homes. Meritage Homes ("Meritage") purchased a total of 91 50' finished lots from the Developer on June 30, 2020. Meritage has since constructed a total of 86 homes, all of which have been sold to end users as of May 27, 2022.

Gehan Homes. Gehan Homes, LTD. ("Gehan") purchased a total of 142 lots (120 50' lots and 22 60' lots) from the

Developer on December 28, 2020. The lots were sold on a paper lot basis and self-developed all 142 lots to finished lot condition. As of May 27, 2022, Gehan has not completed any homes. Gehan currently has 57 homes under construction. As discussed under the “NORTHERN IMPROVEMENT AREA IMPROVEMENTS - General,” Gehan also financed construction of certain Neighborhood Improvements, consisting of the construction of one detention pond, one water quality pond, a portion of Stone Branch Drive, and certain landscaping improvements.

Century Communities. Century Communities (“Century”) purchased a total of 28 50’ finished lots from the Developer on October 13, 2020. Century has since constructed a total of 27 homes, all of which have been sold to end users as of May 27, 2022.

Chesmar Homes. Chesmar Homes (“Chesmar”) purchased a total of 27 50’ finished lots from the Developer on a takedown structure with the last finished lot closing on May 4, 2021. Chesmar has constructed a total of 12 homes, all of which have been sold to end users as of May 27, 2022.

Chesmar separately contracted and purchased 2 parcels on September 7, 2021 (the “Chesmar Cottage Parcels”) totaling 9.28 acres which are intended to be developed with 47 cottage homes using a condominium regime. Chesmar is currently in the preliminary approval process with the City for development of the Chesmar Cottage Parcels and anticipates parcel development, including any internal driveways and landscaping, to begin in Summer 2022 once all required approvals have been received from the City.

Southern Improvement Area

The Southern Improvement Area consists of approximately 173.5 acres and has been developed as 451 single-family residential lots, consisting of 21 40’ lots, 240 50’ lots, 151 60’ lots, 23 70’ lots, and 16 80’ lots. All lots have been conveyed to homebuilders and home construction and sale to end users commenced in 2017. Homebuilders in the Southern Improvement Area include Perry Homes, LLC, The Brohn Group, LLC, Meritage Homes of Texas, LLC, Sitterle Homes - Austin, LLC, Gehan, GFO Home, LLC, Century Communities Land Holdings II, LLC, Chesmar Homes, LLC, and Monticello Custom Homes of Central Texas, LLC. The following table outlines the status of home construction within the Southern Improvement Area.

Status of Single-Family Lot and Home Construction in Southern Improvement Area⁽¹⁾

Lot Size	Total Planned No. of Lots	Construction Status			Status of Home Sales			
		Vacant Developed Lots	Lots with Homes Under Construction	Lots with Completed Homes	Homes Under Construction Not Under Contract	Homes Under Construction Under Contract	Completed Homes Not Sold or Under Contract ⁽²⁾	Completed Homes Closed with 3 rd Party Buyer
40’	21	13	4	4	4	0	0	4
50’	240	9	41	190	8	33	1	189
60’	151	2	22	127	6	16	0	127
70’	23	0	3	20	0	3	0	20
80’	16	0	3	13	0	3	2	11
Total	451	24	73	354	18	55	3	351

⁽¹⁾ Source: Developer. As of May 27, 2022.

⁽²⁾ Includes model homes.

Expected Sale of Single-Family Homes by Lot Type in the District by Improvement Area

Northern Improvement Area Home Sales to Homeowners by Lot Type

	40'			
	Cottage	50'	60'	
Year End	Lots	Lots	Lots	Total
Through 2020	-	-	-	-
2021	-	95	-	95
2022	-	32	8	40
2023	-	139	14	153
2024	47	-	-	47
Total	47	266	22	335

Southern Improvement Area Home Sales to Homeowners by Lot Type

	40'						
	Cottage	40'	50'	60'	70'	80'	
Year End	Lots	Lots	Lots	Lots	Lots	Lots	Total
Through 2020	-	-	73	30	6	4	113
2021	4	-	67	30	14	7	122
2022	-	-	78	82	3	4	167
2023	-	-	22	9	-	1	32
2024	13	4	-	-	-	-	17
Total	17	4	240	151	23	16	451

Source: Developer.

The tables above reflect certain actual sales of single-family homes to date based on information available to the Developer, as well as the Developer's expectations for the sale of single-family homes within the District to homeowners. SUCH PROJECTIONS ARE BASED SOLELY ON THE DEVELOPER'S CALCULATIONS AND THERE CAN BE NO GUARANTEE THAT SUCH PROJECTIONS WILL BE ACHIEVED.

Estimated Home Prices in the District

Approximately 351 homes (on a mix of 40', 50', 60', 70' and 80' lots) have been closed in the Southern Improvement Area, at sales prices averaging over \$438,000. Approximately 125 homes have been closed on 50' lots in the Northern Improvement Area at sales prices averaging over \$406,000. The foregoing information is provided as of May 27, 2022 and is based on closing prices actually reported by builders to Developer but does not represent 100% of the sales as of such date.

Set forth below are the Developer's estimate of expected future sales prices of homes in the District by Improvement Area.

Estimated Home Prices by Improvement Area - Future Home Closings					
Northern Improvement Area			Southern Improvement Area		
Lot Size	Number of Homes	Estimated Average Sales Price of Homes	Lot Size	Number of Homes	Estimated Average Sales Price of Homes
40'	47	\$450K	40'	17	\$400K
50'	141	\$575K	50'	51	\$550K
60'	22	\$860K	60'	24	\$600K
			70'	3	\$650K
			80'	5	\$700K

Source: Developer. As of May 27, 2022.

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Concept Plan

LEGEND		
	AMENITY	
	80'S	
	70'S	
	60'S	
	60'S (ALLEY-LOAD)	
	50'S	
	50'S (ALLEY-LOAD)	
	40'S	
	COTTAGE HOMES	
SUMMARY TABLE		
	LOT SIZE	NO. OF LOTS
PHASE 1	40's	21
	50's	79
	60's	50
	70's	12
	80's	16
PHASE 2 SEC 1		67
PHASE 2 SEC 3	50's	15
	60's	78
	70's	11
PHASE 2 SEC 4	50's	44
	60's	23
PHASE 2 SEC 5	40's	30
	50's	146
PHASE 2 SEC 6	40's	17
	50's	76
	60's	8
PHASE 2 SEC 7	50's	79
	60's	14



Photographs of Deerbrooke Development

Shown below, for purposes of illustration of the status of overall development within the District, including the Northern Improvement Area, are pictures of completed and ongoing home construction in the District, as well as the Amenity Center serving the entire District.

Entry Monument & Amenity Center

As of June 9, 2022



Entry Monument



Amenity Center – Pavillion and Playground



Amenity Center – Meeting Space & Fitness Center



Amenity Center Pool

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Photos of Development Within the Northern Improvement Area
As of June 9, 2022



Longhorn Ranch Drive & Ivy Arbor Lane



Longhorn Ranch Drive & Deering Run



Longhorn Ranch Drive & Deering Run



Birch Park Path & Sage Ranch Drive



Birch Park Path & Truscon Path



Truscon Path & Noble Prairie Run



Nobel Prairie Run & Hadley Way



Nobel Prairie Run & Youngwood Street



Nobel Prairie Run & Sablebrooke Drive



Sablebrooke Drive & Oak Chase Way



Birdcall Path & Oak Chase Way



Amber Creek Way & Birdcall Path



Amber Creek Way & Stone Branch Drive



Sage Ranch Road & Stone Branch Drive



*Longhorn Ranch Drive & Sage Ranch Road
(6.72 acre Chesmar-owned parcel to be developed with 30
cottage homes)*



*Oak Chase Way & Stone Branch Drive
(3.26 acre Chesmar-owned parcel to be developed with 17
cottage homes)*

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Photos of Completed Homes in the Northern Improvement Area
As of June 9, 2022



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Amenities

The District features an amenity center, construction of which was funded by the Developer, that features indoor gathering space, a pool, fitness center, outdoor pavilion and a playground. See “THE DEVELOPMENT – Photographs of Deerbrooke Development.” The amenity center was completed and opened in 2019. Additionally, all parks, open spaces and trails within the District are complete.

Southern Improvement Area Bonds

On November 14, 2017, the City issued its \$8,650,000 Southern Improvement Area Bonds to finance the Southern Improvement Area Improvements. The Southern Improvement Area Bonds are secured solely by the special assessments levied in the Southern Improvement Area of the District. The Indenture for the Southern Improvement Area Bonds and the Service and Assessment Plan provide for the issuance of additional bonds solely for the purpose of refunding the Southern Improvement Area Bonds.

The Major Improvement Bonds, the Neighborhood Improvement Bonds and the Southern Improvement Area Bonds are separate and distinct issues of securities secured by separate special assessments. Following the issuance of the 2022 Major Improvement Bonds and the Neighborhood Improvement Bonds, only refunding bonds are authorized under the Indentures.

Education

The Leander Independent School District (“LISD”) serves the District. LISD encompasses nearly 200 square miles with 44 instructional campuses and student enrollment of approximately 42,000 as of Fiscal Year ending June 30, 2021. According to the Texas Education Agency, in 2019, HCISD received a “District Accountability Rating” of “B” from the Texas Education Agency. Properties within the District are located in the attendance zones for Plain Elementary (located 2.5 miles south of the District), Stacy K. Danielson Middle School (located immediately adjacent to the District to the south), and Glenn High School (located 0.2 miles south of District on the opposite side of the middle school).

Utilities

The City provides both water and wastewater service to the District. The City owns and maintains its own water distribution system and wastewater collection and treatment system. The City’s water distribution system and wastewater collection and treatment system will have sufficient capacity to provide water and wastewater service to the District.

Additional utilities are provided by: (1) Phone / Data – AT&T; (2) Electric – PEC; (3) Cable – Suddenlink; and (4) Natural Gas – Atmos Energy.

Floodplain

None of the property in the Northern Improvement Area is within a 100-year floodplain.

THE DEVELOPER

The following information has been provided by the Developer. Certain of the following information is beyond the direct knowledge of the City, the City’s Financial Advisor, and the Underwriter, and none of the City, the City’s Financial Advisor, or the Underwriter has any way of guaranteeing the accuracy of such information. The Developer has reviewed this Official Statement and warrants and represents that the information contained herein under the captions “THE NORTHERN IMPROVEMENT AREA IMPROVEMENTS,” “THE DEVELOPMENT” and “THE DEVELOPER,” and to the best of its knowledge after due inquiry, under the captions “BONDHOLDERS’ RISKS” (only as it pertains to the Developer, the project, and the Development), is 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 light of the circumstances under which they were made, not misleading.

General

In general, the activities of a developer in a development such as the District include purchasing the land, designing the subdivision, including the utilities and streets to be installed and any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities, as well as telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. The relative success or failure of a developer to perform such activities within a development may have a material effect on the security of the revenue bonds issued by a public improvement district. A developer is generally under no obligation to a public improvement district, such as the District, to develop the property which it owns in a development. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a development. In addition, a developer is ordinarily the major tax and assessment payer within a district during its development.

Description of the Developer

The Developer, Deerbrooke Land Austin LLC, was formed in September 2014, with two members: Deerbrooke Development, LLC, a Texas limited liability company formed in July 2014, and HC Austin Deerbrooke LLC ("HCA"), a Delaware limited liability company formed in March 2015. The project is currently managed by HCA.

HCA's sole member is HC Austin, LLC, a Delaware limited liability company, the manager of which is Henry Crown and Company. Henry Crown and Company is a private investment group with its principal offices at 222 North LaSalle Street, Suite 100, Chicago, Illinois 60601. Founded in 1923 as a family-owned mining and material services business, Henry Crown and Company is a privately held business organization which is active in land development throughout the U.S. The organization's diverse interests range from large-scale office buildings such as Rockefeller Center in New York City, to Aspen Ski Company and the Ojai Resort in Ojai, California. Additionally, the Crown family holds stock positions and board memberships in General Dynamics and JP Morgan Chase Bank, as well as investment holdings in the New York Yankees and Chicago Bulls. The family also owns the Great Dane Trailers, a truck trailer manufacturer. These financial resources, coupled with the flexibility of private ownership, provide backing for Crown Community Development (CCD), a Henry Crown Company. CCD was founded in 1973 to invest in, and later to develop and manage large scale, mixed-use master planned communities around the country.

Land Acquisition and Financing of Development in the District

The Developer acquired the real property within the District in September 2014 via cash purchases. Except as described below, Developer funded construction of infrastructure within the District, including the Authorized Improvements, through a combination of Developer equity, bond proceeds and third-party loan financing. The Developer has completed construction of the Authorized Improvements and no longer owns any assessable property within the District. The Developer has no remaining financing liens on property within the District. As discussed under the "NORTHERN IMPROVEMENT AREA IMPROVEMENTS - General," and " - Status of Development," Gehan financed construction of certain Neighborhood Improvements, consisting of the construction of one detention pond, one water quality pond, a portion of Stone Branch Drive, and certain landscaping improvements. There are no outstanding financing lines with respect to the construction of Authorized Improvements within the District.

While the Developer continues to own some open space parcels within the District, such parcels will eventually be turned over to the Deerbrooke Community Inc. (Homeowners Association). All rights-of-way have been dedicated to the City of Leander, some open space parcels and the amenity facility have been turned over to Deerbrooke Community Inc. (Homeowners Association), and all saleable land has closed with homebuilders.

PID ADMINISTRATOR

The City hired David Taussig & Associates, Inc. on April 1, 2017 to serve as administrator of the District (the "PID Administrator"). The PID Administrator was primarily responsible for finalizing the Service and Assessment Plan, and will be primarily responsible for preparing the annual update to the Service and Assessment Plan. The PID Administrator is based in Newport Beach, California.

Related duties will include:

- Billing and collection of assessment installments
- Establishing and maintaining a database of all County Parcel IDs within the District
- Trust account analysis and reconciliation
- Property owner inquiries
- Lump sum payment of assessments
- Disclosure and dissemination agent services
- Review of draw requests for reimbursement of authorized improvement costs

BONDHOLDERS' RISKS

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

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

General

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

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

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

Infectious Disease Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States. On March 13, 2020, the President of the United States declared the Pandemic a national emergency and the Governor of Texas (the “Governor”) declared a state of disaster for all counties in the State in response to the Pandemic. Under State law, the proclamation of a state of disaster by the Governor may not continue for more than 30 days unless renewed. The Governor has renewed his declaration monthly, most recently on June 21, 2022. On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness, mitigation and phased reopening of the State. On March 2, 2021, the Governor issued Executive Order GA-34, which, among other things, removed any COVID-19-related operating limits for any business or other establishment and ended the State-wide mask mandate. Most recently, on July 29, 2021, the Governor issued Executive Order GA-38, which, among other things, maintains that there are no COVID-19 related operating limits for any business or establishment and that no person may be required by any jurisdiction to wear or mandate the wearing of a face covering. The Governor’s order also maintains, in providing or obtaining services, every person (including individuals, businesses, and other legal entities) should use good-faith efforts and available resources to follow the minimum standard health protocols. Executive Order GA-38 remains in place until amended, rescinded, or superseded by the Governor. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. The State may be particularly at risk from any global slowdown, given the prevalence of international trade in the State and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, may reduce or negatively affect economic conditions in the City and lead to unemployment for property owners within the District or may otherwise have a negative impact on the sale of parcels, lots or homes within the District. The Bonds are secured primarily by Assessments levied on benefitted property within the District.

The City continues to monitor the spread of COVID-19 and is working with local, State, and national agencies to address the potential impact of the Pandemic upon the City. None of the City, the Financial Advisor, the Underwriter or the Developer can predict the impact the Pandemic may have on the City, the projected buildout schedule, home prices and buildout values or an investment in the Bonds.

Risk from Weather Events

All of the State, including the City, is subject to extreme weather events that can cause loss of life and damage to property through droughts, strong winds, hurricanes, tropical storms, flooding, heavy rains and freezes, including events similar to the severe winter storm that the continental United States experienced in February 2021, which resulted in disruptions in the Electric Reliability Council of Texas power grid and prolonged blackouts throughout the State. It is impossible to predict whether similar events will occur in the future and the impact they may have on the City, including land within the District.

Certain events described above may become more extreme or frequent due to climate change caused by human activities. The effects of climate change could include more variable weather patterns, which can lead to longer and more severe droughts as well as increased risk of flooding.

In the event of a severe natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Assessments when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Assessments.

Special Assessment Limitations

Annual Installments of Special Assessments are billed to property owners in the District. Annual Installments are due and payable, and bear the same penalties and interest for non-payment, as for ad valorem taxes as set forth under “SPECIAL ASSESSMENT PROCEDURES” herein. Additionally, Annual Installments established by the Service and Assessment Plan correspond in number and proportionate amount to the number of installments and principal amounts of the Bonds maturing in each year and the Annual Collection Costs for such year. See “SPECIAL ASSESSMENT PROCEDURES” herein. The unwillingness or inability of a property owner to pay regular property tax bills as evidenced by property tax delinquencies may also indicate an unwillingness or inability to make regular property tax payments and Special Assessment installment payments in the future.

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

Upon an ad valorem tax lien foreclosure event of a property within the District, any Special Assessment that is also delinquent will be foreclosed upon in the same manner as the ad valorem tax lien (assuming all necessary conditions and procedures for foreclosure are duly satisfied). To the extent that a foreclosure sale results in insufficient funds to pay in full both the delinquent ad valorem taxes and the delinquent Special Assessments, the liens securing such delinquent ad valorem taxes and delinquent Special Assessments would likely be extinguished. Any remaining unpaid balance of the delinquent Special Assessments would then be an unsecured personal liability of the original property owner.

Based upon the language of Texas Local Government Code, § 372.017(b), case law relating to other types of assessment liens and opinions of the Texas Attorney General, the Assessment Lien as it relates to installment payments that are not yet due should remain in effect following an ad valorem tax lien foreclosure, with future installment payments not being accelerated. Texas Local Government Code § 372.018(d) supports this position, stating that an Assessment Lien runs with the land and the portion of a Special Assessment payment that has not yet come due is not eliminated by foreclosure of an ad valorem tax lien.

The Assessment Lien is superior to any homestead rights of a property owner that were properly claimed after the adoption of the Assessment Ordinances. However, an Assessment Lien may not be foreclosed upon if any homestead rights of a property owner were properly claimed prior to the adoption of the Assessment Ordinances (“Pre-existing Homestead Rights”) for as long as such rights are maintained on the property. It is unclear under Texas law whether or not Pre-existing Homestead Rights would prevent the Assessment Lien from attaching to such homestead property or instead cause the Assessment Lien to attach, but remain subject to the Pre-existing Homestead Rights.

Under Texas law, in order to establish homestead rights, the claimant must show a combination of both overt acts of homestead usage and intention on the part of the owner to claim the land as a homestead. Mere ownership of the property alone is insufficient and the intent to use the property as a homestead must be a present one, not an intention to make the property a homestead at some indefinite time in the future. As of the dates of adoption of the respective Assessment Ordinances, no such homestead rights had been claimed. Consequently, there are and can be no homestead rights on the Assessed Parcels superior to the Assessment Lien and, therefore, the Assessment Lien may be foreclosed upon by the City.

Failure by owners of the parcels to pay Annual Installments when due, depletion of the Reserve Funds, delay in foreclosure proceedings, or the inability of the City to sell parcels which have been subject to foreclosure proceedings for amounts sufficient to cover the delinquent installments of Special Assessments levied against such parcels may result in the inability of the City to make full or punctual payments of debt service on the Bonds.

THE SPECIAL ASSESSMENTS CONSTITUTE A FIRST AND PRIOR LIEN AGAINST THE PROPERTY ASSESSED, SUPERIOR TO ALL OTHER LIENS AND CLAIMS EXCEPT LIENS AND CLAIMS FOR STATE, COUNTY, SCHOOL DISTRICT OR MUNICIPALITY AD VALOREM TAXES AND WILL BE PERSONAL OBLIGATIONS OF AND CHARGES AGAINST THE OWNERS OF PROPERTY LOCATED WITHIN THE DISTRICT.

The Major Improvement Special Assessments levied for and pledged to the payment of the Major Improvement Bonds and the Neighborhood Improvement Special Assessments levied for and pledged to the payment of the

Neighborhood Improvement Bonds have liens of equal dignity against the parcels assessed therefore. In the event of partial payments of the Annual Installments of the Major Improvement Special Assessments and the Neighborhood Improvement Special Assessments, the Williamson County Tax Assessor-Collector advises that such partial payments will be applied to the payment of the Annual Installments of the Major Improvement Special Assessments and the Neighborhood Improvement Special Assessments on a pro rata basis unless otherwise directed by the payer of such Annual Installments.

Recent Changes in State Law Regarding Public Improvement Districts

The 87th Legislature passed HB 1543, which became effective September 1, 2021, and requires a person who proposes to sell or otherwise convey real property within a public improvement district to provide to the purchaser of the property, before the execution of a binding contract of purchase and sale, written notice of the obligation to pay public improvement district assessments, in accordance with Section 5.014, Texas Property Code, as amended. In the event a contract of purchase and sale is entered into without the seller providing the notice, the intended purchaser is entitled to terminate the contract of purchase and sale. If the homebuilders within the District do not provide the required notice and prospective purchasers of property within the District terminate a purchase and sale contract, the anticipated absorption schedule may be affected. In addition to the right to terminate the purchase contract, a property owner who did not receive the required notice is entitled, after sale, to sue for damages for (i) all costs relative to the purchase, plus interest and reasonable attorney's fees, or (ii) an amount not to exceed \$5,000, plus reasonable attorney's fees. In a suit filed pursuant to clause (i), any damages awarded must go first to pay any outstanding liens on the property. In such an event, the outstanding Special Assessments on such property should be paid. On payment of all damages respectively to the lienholders and purchaser pursuant to clause (i), the purchaser is required to reconvey the property to the seller. Further, if the homebuilders within the District do not provide the required notice and become liable for monetary damages, the anticipated buildout and absorption schedule may be affected. No assurances can be given that the projected buildout and absorption schedules presented in this Official Statement will be realized.

Potential Future Changes in State Law Regarding Public Improvement Districts

During Texas legislative sessions and interim business of the Texas legislature, various proposals and reports have been presented by committees of Texas Senate and Texas House of Representative which suggest or recommend changes to the PID Act relating to oversight of bonds secured by special assessments, including adopting requirements relating to levels of build out or adding State level oversight in connection with the issuance of bonds secured by special assessments under the PID Act. The 87th Legislative Session of the State ended on May 31, 2021, without any legislation being passed by either chamber of the Texas legislature recommending oversight of bonds secured by assessments. The Governor called three special legislative sessions, which all concluded without any legislation being introduced or passed related to the oversight of bonds secured by assessments. It is impossible to predict what bills may be introduced during upcoming legislative sessions and, if passed, the impact that any future legislation will or may have on the security for the Bonds.

Tax-Exempt Status of the Bonds

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

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

As further described in "TAX MATTERS" below, failure of the City to comply with the requirements of the Code and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of owners of the Bonds for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinions of Bond Counsel are based on current legal authority, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax

purposes. In the past, the IRS has announced audit efforts focused in part on “developer-driven bond transactions,” including certain tax increment financings and certain assessment bond transactions. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit. If an audit of the Bonds is commenced, under current procedures parties other than the City would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the City may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

Bankruptcy

The payment of Special Assessments and the ability of the City to foreclose on the lien of a delinquent unpaid Special Assessment may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the state relating to judicial foreclosure. Although bankruptcy proceedings would not cause the Special Assessments to become extinguished, bankruptcy of a property owner in all likelihood would result in a delay in prosecuting foreclosure proceedings. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, and the possibility that delinquent Special Assessments might not be paid in full.

Direct and Overlapping Indebtedness, Special Assessments and Taxes

The ability of an owner of property within the District to pay the Special Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District currently impose ad valorem taxes on the property within the District and will likely do so in the future. Such entities could also impose assessment liens on the property within the District. The imposition of additional liens, or for private financing, may reduce the ability or willingness of the landowners in the District to pay the Special Assessments. See “OVERLAPPING TAXES AND DEBT.” See also “BONDHOLDERS’S RISKS — Special Assessment Limitations.”

Depletion of the Reserve Fund

Failure of the owners of property within the Northern Improvement Area to pay the Special Assessments when due could result in the rapid, total depletion of the accounts in the Reserve Fund under each Indenture prior to replenishment from the resale of property upon a foreclosure or otherwise or delinquency redemptions after a foreclosure sale, if any. There could be a default in payments of the principal of and interest on the Bonds if sufficient amounts are not available in either Reserve Account. Each Indenture provides that if, after a withdrawal from the applicable Reserve Account, the amount in the Reserve Account is less than the Reserve Account Requirement, the Trustee shall transfer an amount from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund sufficient to cure such deficiency, as described under “SECURITY FOR AND SOURCE OF PAYMENT FOR THE 2022 MAJOR IMPROVEMENT BONDS — Major Improvement Reserve Fund,” and “SECURITY FOR AND SOURCE OF PAYMENT FOR THE NEIGHBORHOOD IMPROVEMENT BONDS — Neighborhood Improvement Reserve Fund,” herein.

Hazardous Substances

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or “Superfund Act,” is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the District be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The value of the land within the District does not take into account the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the parcel. The City has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the District has such a current liability with respect to such parcel;

however, it is possible that such liabilities do currently exist and that the City is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the District resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency.

Exercise of Mineral Rights

The City does not expect the existence or exercise of any mineral rights or related real property rights in or around the District to have a material adverse effect on the Development, the property within the District, or the ability of landowners within the District to pay Special Assessments. However, the City provides no representations, warranties or other assurances with respect to the existence or exercise of any mineral rights or related real property rights in or around the District.

Regulation

Development within the District may be subject to future federal, State and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of development in the District, the nature and extent of public improvements, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect development in the District and property values.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds or the occurrence of any other Event of Default under either Indenture, and upon the written request of the owners of a Quarter in Interest of the Bonds then Outstanding, the Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Bonds under the applicable Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the City's obligations under the Bonds or applicable Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The owners of the Bonds cannot themselves foreclose on property within the Northern Improvement Area or sell property within the Northern Improvement Area in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the owners of the Bonds further may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. In this regard, should the City file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the City to seek judicial foreclosure of its Assessment Lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "BONDHOLDERS' RISKS — Bankruptcy Limitation to Bondholders' Rights" herein.

Any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a property owner within the District pursuant to the Federal Bankruptcy Code could, subject to its discretion, delay or limit any attempt by the City to collect delinquent Special Assessments, or delinquent ad valorem taxes, against such property owner.

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

In *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“*Wasson*”), the Texas Supreme Court (the “Court”) addressed whether the distinction between governmental and proprietary acts (as found in tort-based causes of action) applies to breach of contract claims against municipalities. The Court analyzed the rationale behind the Proprietary-Governmental Dichotomy to determine that “a city’s proprietary functions are not done pursuant to the ‘will of the people’” and protecting such municipalities “via the [S]tate’s immunity is not an efficient way to ensure efficient allocation of [S]tate resources.” While the Court recognized that the distinction between governmental and proprietary functions is not clear, the *Wasson* opinion held that the Proprietary-Governmental Dichotomy applies in a contract-claims context. The Court reviewed *Wasson* for a second time and issued an opinion on October 5, 2018 clarifying that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function when it entered into the contract, not at the time of the alleged breach. Therefore, in regard to municipal contract cases (as in tort claims), it is incumbent on the courts to determine whether a function was proprietary or governmental based upon the statutory and common law guidance at the time of inception of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Notwithstanding the foregoing new case law issued by the Court, such sovereign immunity issues have not been adjudicated in relation to bond matters (specifically, in regard to the issuance of municipal debt). Each situation will be prospectively evaluated based on the facts and circumstances surrounding the contract in question to determine if a suit, and subsequently, a judgement, is justiciable against a municipality.

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

Judicial Foreclosures

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

No Acceleration

Neither Indenture contains a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the applicable Indenture.

No Credit Rating

No credit rating for the Bonds has been sought, nor is it anticipated that any such rating will be applied for. There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or

economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Limited Secondary Market for the Bonds

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

Bankruptcy Limitation to Bondholders' Rights

The enforceability of the rights and remedies of the owners of the Bonds may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the City. The City is authorized under Texas law to voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. 901-946. The City may proceed under Chapter 9 if it (1) is generally not paying its debts, or unable to meet its debts, as they become due, (2) desires to effect a plan to adjust such debts, and (3) has either obtained the agreement of or negotiated in good faith with its creditors, is unable to negotiate with its creditors because negotiation is impracticable, or reasonably believes that a creditor may attempt to obtain a preferential transfer.

If the City decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the City would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the City is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, (5) all regulatory or electoral approvals required under Texas law are obtained and (6) the plan is in the best interests of creditors and is feasible. The rights and remedies of the owners of the Bonds would be adjusted in accordance with the confirmed plan of adjustment of the City's debt.

General Risks of Real Estate Investment and Development

The ability of the homebuilders to construct and sell single-family residential homes within the District may be affected by unforeseen changes in the general economic conditions, fluctuations in the real estate market and other factors beyond the control of the owner of the single-family residential lots. In the event that a large number of single-family projects are constructed outside of the District, and compete with the Development, the demand for residential housing within the District could be reduced, thereby adversely affecting the continued development of the Development, or its attraction to businesses and residents.

Investments in undeveloped or developing real estate are generally considered to be speculative in nature and to involve a high degree of risk. The Development will be subject to the risks generally incident to real estate investments and development. Many factors that may affect the Development, including those derived from the Development, are not within the control of the Developer or any homebuilder. Such factors include changes in national, regional and local economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; changes in local, regional and national market and economic conditions; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the Development, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; acts of God (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; contractor or subcontractor defaults; and other unknown contingencies and factors beyond the control of the Developer or any homebuilder.

The Development cannot be completed without a variety of governmental approvals and permits, some of which have already been obtained. Certain permits are necessary to initiate construction of each phase of the Development and to allow the occupancy of residences and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled.

A slowdown of the development process and the related absorption rate within the Development because of any or all of the foregoing could affect adversely land values. The timely payment of the Bonds depends on the willingness and ability of the homebuilders and any subsequent owners to pay the Special Assessments when due. Any or all of the foregoing could reduce the

willingness and ability of such owners to pay the Special Assessments and could greatly reduce the value of the property within the District in the event such property has to be foreclosed. If Annual Installments of Special Assessments are not timely paid and there are insufficient funds in the accounts of the Reserve Funds, a nonpayment could result in a payment default under the Indentures.

Risks Related to the Current Residential Real Estate Market

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

Risks Related to Recent Increase in Costs of Building Materials

As a result of the Pandemic, and low supply and high demand, there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. If the costs of material continue to increase, it may affect the ability of the homebuilders to construct homes within the Northern Improvement Area. There is no way to predict whether such cost increases or low supply of building materials will continue or if such continuance will affect the development of the District.

Competition in the Housing Industry

The housing industry in the Austin area is very competitive, and none of the Developer, the City, the City's Financial Advisor or the Underwriter can give any assurance that the building programs which are planned will ever commence or be completed. The competitive position of any homebuilder in the construction and sale of single-family residential units is affected by most of the factors discussed in this section, and such competitive position is directly related to maintenance of market values in the District.

TAX MATTERS

Tax Exemption

In the opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel to the City, assuming continuing compliance by the City with the tax covenants described below, under existing law, interest on the Bonds is excludable for federal income tax purposes in the gross income of the owners thereof pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"), and will not constitute a specific item of tax preference under Section 57 of the Code for purposes of calculating the alternative minimum tax imposed on individuals.

In rendering its opinions, Bond Counsel has relied on the City's covenants contained in the Indentures and the City's covenants contained in the Arbitrage and Tax Certificates, that each will comply with the applicable requirements of the Code, relating to, inter alia, the use and operation of the project and the use and investment of proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any, under Section 148(f) of the Code. Failure of the City to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue of the Bonds. Bond Counsel has not undertaken to monitor compliance with such covenants or to advise any party as to changes in the law after the date of issuance of the Bonds that may affect the tax-exempt status of the interest.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are

not binding on the Internal Revenue Service (the “Service”); rather, such opinions represent Bond Counsel’s legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the City as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Collateral Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, holders who may be deemed to have incurred or continued indebtedness to acquire or carry tax-exempt obligations, holders of certain interests in a financial asset securitization investment trust, controlled foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals who otherwise qualify for the earned income credit, and to individuals and families that qualify for a premium assistance credit amount under Section 36B of the Code. The Code denies the earned income credit to an individual who is otherwise eligible if the aggregate amount of disqualified income of the taxpayer for the taxable year exceeds certain limits set forth in Sections 32(i) and (j) of the Code. Interest on the Bonds will constitute disqualified income for this purpose. The Code also provides that for years beginning after December 31, 2010, the earned income credit is phased out if the modified adjusted gross income of the taxpayer exceeds certain amounts. Interest on the Bonds will be included in determining the modified adjusted gross income of the taxpayer. Section 36B of the Code provides that the amount of the premium assistance credit amount is in part determined by the household income. Section 36B(d) of the Code provides that household income consists of the modified adjusted gross income of the taxpayer and certain other individuals. Modified adjusted gross income means adjusted gross income increased by certain amounts, including interest received or accrued by the taxpayer which is exempt from tax, such as the interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to thirty percent (30%) of the “dividend equivalent amount” for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the “dividend equivalent amount” of such corporation.

In addition, passive investment income, including interest on the Bonds, may be subject to federal income taxation under Section 1375 of the Code for any S corporation that has Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporation is passive investment income.

In addition, attention is called to the fact that Section 265(b)(1) of the Code eliminates the interest deduction otherwise allowable with respect to indebtedness deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations acquired after August 7, 1986 other than designated “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

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

Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with “subchapter C” earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the “Premium Bonds”) may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable Bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser’s yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value or marketability of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the Bonds.

Prospective purchasers of the Bonds should consult with their own tax advisors regarding any other federal income tax legislation, whether currently pending or proposed, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

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

LEGAL MATTERS

Legal Proceedings

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

Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, serves as Bond Counsel to the City. Kelly Hart & Hallman LLP serves as Underwriter's Counsel. The legal fees paid to Bond Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

Legal Opinions

The City will furnish the Underwriter transcripts of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcripts will include certified copies of the approving opinions of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Bonds are valid and binding special obligations of the City. The City will also furnish the legal opinions of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, to the effect that, based upon an examination of such transcripts, the Bonds are valid and binding special obligations of the City under the Constitution and laws of the State. The legal opinions of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from and secured by a pledge of and lien on the Major Improvement Pledged Revenues and Neighborhood Improvement Pledged Revenues. Bond Counsel will also provide legal opinions to the effect that interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described above under the caption "TAX MATTERS." Copies of the opinions of Bond Counsel are attached hereto as "APPENDIX D-1 – Form of Opinion of Bond Counsel (2022 Major Improvement Bonds)" and "APPENDIX D-2 – Form of Opinion of Bond Counsel (Neighborhood Improvement Bonds)."

Except as noted below, Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement under the captions or subcaptions "PLAN OF FINANCE – The 2022 Major Improvement Bonds" and " – The Neighborhood Improvement Bonds," "DESCRIPTION OF THE BONDS," "SECURITY FOR AND SOURCE OF PAYMENT OF THE 2022 MAJOR IMPROVEMENT BONDS," "SECURITY FOR AND SOURCE OF PAYMENT OF THE NEIGHBORHOOD IMPROVEMENT BONDS," "SPECIAL ASSESSMENT PROCEDURES" (except for the subcaptions "Special Assessment Methodology" and "Special Assessment Amounts"), "THE DISTRICT," "TAX MATTERS," "LEGAL MATTERS – Legal Proceedings" and " – Legal Opinions," "CONTINUING DISCLOSURE – The City", "REGISTRATION AND QUALIFICATION OF BONDS FOR SALE," "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS" and APPENDIX B-1, APPENDIX B-2, APPENDIX D-1 and APPENDIX D-2, and such firm is of the opinion that the information relating to the Bonds, the Bond Ordinances and the Indentures contained therein fairly and accurately describes the laws and legal issues addressed herein and, with respect to the Bonds, such information conforms to the Bond Ordinances and the Indentures.

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

Litigation

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

SUITABILITY FOR INVESTMENT

Investment in the Bonds poses certain economic risks. See “BONDHOLDERS’ RISKS.” The Bonds are not rated by any nationally recognized municipal securities rating organization. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information will be made available to each prospective investor, including the benefit of a site visit to the City and the opportunity to ask questions of the Developer, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under either Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See “BONDHOLDERS’ RISKS – Bondholders’ Remedies and Bankruptcy.” Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Indentures and the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

NO RATING

No application for a rating of the Bonds has been made to any rating agency, nor is there any reason to believe that the City would have been successful in obtaining an investment grade rating for the Bonds had application been made.

CONTINUING DISCLOSURE

The City

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the City and the Dissemination Agent, RBC Capital Markets, LLC, will enter into a Continuing Disclosure Agreement (the “City Disclosure Agreement”), for the benefit of the owners of the Bonds (including owners of beneficial interests in the Bonds), to provide, by certain dates prescribed in the City Disclosure Agreement, certain financial information and operating data relating to the City (the “City Reports”). The specific nature of the information to be contained in the City Reports is set forth in “APPENDIX E – Form of City Disclosure Agreement.” The City has agreed to update information and to provide notices of specified events only as provided in the City Disclosure Agreement. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided in this Official Statement, except as provided in the City Disclosure Agreement. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of the City Disclosure Agreement or from any statement made pursuant to the City Disclosure Agreement.

Under certain circumstances, the failure of the City to comply with its obligations under the City Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under each Indenture, but such event of default under the City Disclosure Agreement would allow the owners of the Bonds (including owners of beneficial interests in the Bonds) to bring an action for specific performance.

The City’s Compliance With Prior Undertakings

During the last five years, the City has complied in all material respects with all continuing disclosure agreements made by the City in accordance with the Rule except as described below:

Pursuant to a contract between the City and the BCRUA, the City is obligated to make certain payments to the BCRUA, which payments are pledged by BCRUA to the payment and security of the “Brushy Creek Regional Utility Authority, Inc., City of Leander, Texas Contract Revenue Refunding Bonds, Series 2017 (Brushy Creek Regional Water Treatment and Distribution Project)” (the “Contract Refunding Bonds”) and the “Brushy Creek Regional Utility Authority,

Inc., City of Leander, Texas Contract Revenue Bonds, Series 2017 (Brushy Creek Regional Water Treatment and Distribution Project)" (the "Contract Bonds", and together -with the Contract Refunding Bonds, the "Bonds"), Pursuant to the contract and by City Resolution 17-027-00. the City agreed to provide annually to the MSRB (i) certain updated financial information and operating data relating to the Bonds and (ii) if not provided as part of such financial information and operating data, audited financial statements, when and if available. Because of an oversight, the City failed to file the required updated financial information and operating data, with respect to the Bonds, for the fiscal year ended September 30. 2017, On April 23. 2018, the City filed with respect to the Bonds with the MSRB the updated annual financial information and operating data relating to the Bonds for the fiscal year ended September 30, 2017.

Pursuant to a contract (the "Oak Creek Undertaking") related to the City's "Special Assessment Revenue Bonds, Series 2014 (Oak Creek Public Improvement District) (the "Series 2014 PID Bonds"), the City was obligated to file information relating to annual installments invoiced, delinquent installments, foreclosure proceeds and prepaid assessments collected (the "Collection Information") during the immediately preceding billing period October 1 of preceding calendar year through January 31 of the then current calendar year) (the "Collection Period"). Due to an administrative oversight the Collection Information contained in the City's filings for Fiscal Year 2017, Fiscal Year 2018, and Fiscal Year 2019 under the Oak Creek Undertaking was presented for a time period other than the Collection Period. The City filed a notice of failure to file and updated Collection Information for Fiscal Year 2019 on July 22,2020.

Pursuant to contracts (the "Deerbrooke Undertakings") related to the City's "Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Southern Improvement Area Project)" and the City's "Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)", the City was required to provide certain information relating to the "Southern Improvement Area" and the "Northern Improvement Area" of the Deerbrooke Public Improvement District formed by the City. The information the City was required to file pursuant to the Deerbrooke Undertakings included the number of new homes constructed and the current or delinquent status of each parcel or lot's assessment, and the Collection Information during the immediately preceding Collection Period. Due to an administrative oversight, in its annual filings for Fiscal Year 2017, Fiscal Year 2018 and Fiscal Year 2019 under the Deerbrooke Undertakings, the City failed to include the number of new homes constructed and the current or delinquent status of each parcel or lot's assessment on a per parcel basis and the Collection Information included in such annual filings for the Deerbrooke Undertakings for Fiscal Year 2017, Fiscal Year 2018 and Fiscal Year 2019 was presented for a time period other than the Collection Period. The City filed a notice of failure to file and updated information on July 22, 2020.

Pursuant to a contract (the "Crystal Springs Undertaking") related to the City's "Special Assessment Revenue Bonds, Series 2018 (Crystal Springs Public Improvement District Project)", the City was required to provide certain information relating to the Crystal Springs Public Improvement District formed by the City. The information the City was required to file pursuant to the Crystal Springs Undertaking included the number of new homes constructed and the current or delinquent status of each parcel or lot's assessment, and the Collection Information during the immediately preceding Collection Period. Due to an administrative oversight, in its annual filings for Fiscal Year 2018 and Fiscal Year 2019 under the Crystal Springs Undertaking, the City failed to include the number of new homes constructed and the current or delinquent status of each parcel or lot's assessment on a per parcel basis and the Collection Information included in such annual filings for the Crystal Springs Undertaking for Fiscal Year 2018 and Fiscal Year 2019 was presented for a time period other than the Collection Period. The City filed a notice of failure to file and updated information on July 22, 2020.

The City outsources its functions relating to continuing disclosure for public improvement districts to the PID Administrator (as defined in the applicable indenture for the public improvement distinct bonds). The City and the PID Administrator have reviewed the failures described above relating to public improvement district bonds and implemented procedures to ensure timely filing of required information as required by its continuing disclosure undertakings to public improvement districts The City has implemented procedures to ensure timely filing of all future information as required by its continuing disclosure undertakings.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed to purchase the 2022 Major Improvement Bonds from the City at a purchase price of \$____ (the par amount of the 2022 Major Improvement Bonds, less/plus an original issue discount/premium of \$____, and less an underwriting discount of \$____).

The Underwriter has agreed to purchase the Neighborhood Improvement Bonds from the City at a purchase price of \$_____ (the par amount of the Neighborhood Improvement Bonds, less/plus an original issue discount/premium of \$_____, and less an underwriting discount of \$_____).

The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the 2022 Major Improvement Bonds or the Neighborhood Improvement Bonds, the Underwriter will be obligated to purchase all of the Bonds. The Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover pages hereof, and such initial offering prices may be changed from time to time by the Underwriter.

Additionally, there are no assurances that if a secondary market for the Bonds were to develop, that it will not be disrupted by events including, but not limited to, the current pandemic associated with the COVID-19 virus. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes. See "BONDHOLDERS' RISKS — Infectious Disease Outbreak- COVID-19" herein.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

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

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

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

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

INVESTMENTS

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

Legal Investments

Under State law, the City is authorized to make investments meeting the requirements of the PFIA, which currently include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other

political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this state that the City selects from a list the governing body or designated investment committee of the City adopts as required by Section 2256.025, Texas Government Code; or (ii) a depository institution with a main office or branch office in this state that the City selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the City’s account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the City appoints as the City’s custodian of the banking deposits issued for the City’s account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the SEC and operating under SEC Rule 15c3-3; (9) (i) certificates of deposit or share certificates meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and provided for by law for City deposits, or (ii) certificates of deposits where (a) the funds are invested by the City through (A) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law, or (B) a depository institution that has its main office or branch office in the State that is selected by the City, (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, a custodian as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the SEC and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described in clause (1) above or clause (12) below, require the securities being purchased by the City or cash held by the City to be pledged to the City, held in the City’s name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers’ acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least “A-1” or “P-1” or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least “A-1” or “P-1” or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (13) no-load money market mutual funds registered with and regulated by the United States SEC that provide the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and that comply with federal SEC Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.); and (14) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, and either (a) a duration of one year or more and invest exclusively in obligations described in under this heading, or (b) a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities, other than the prohibited obligations described below, in an amount at least equal to the amount of bond proceeds invested under such contract and are pledged to the City and deposited with the City or a third party selected and approved by the City.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAAm” or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than ten (10) years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the

changes in a market index.

Political subdivisions such as the City are authorized to implement securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than “A” or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City’s name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

Investment Policies

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the City’s investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived.” At least quarterly the City’s investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest City funds without express written authority from the City Council.

Additional Provisions

Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt by written instrument a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity’s entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the City’s investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new

disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

INFORMATION RELATING TO THE TRUSTEE

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

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

Additional information about the Trustee may be found at its website at www.bokfinancial.com. Neither the information on the Trustee's website, nor any links from that website, is a part of this Official Statement, nor should any such information be relied upon to make investment decisions regarding the Bonds.

SOURCES OF INFORMATION

General

The information contained in this Official Statement has been obtained primarily from the City's records, the Developer and its representatives and other sources believed to be reliable. In accordance with its responsibilities under the federal securities law, the Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of the transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will create any implication that there has been no change in the financial condition or operations of the City or the Developer described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized. The summaries of the statutes, resolutions, ordinances, the Indentures and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Experts

The information regarding the Service and Assessment Plan and Update to the Service and Assessment Plan in this Official Statement has been provided by David Taussig & Associates, and has been included in reliance upon the authority of such firm as experts in the field of development planning and finance.

Updating of Official Statement

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

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21e of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

AUTHORIZATION AND APPROVAL

The City Council will approve the form and content of this Preliminary Official Statement and the use thereof by the Underwriter in connection with the marketing and sale of the Bonds. In the Bond Ordinances, the City Council will approve the form and content of the final Official Statement.

CITY OF LEANDER, TEXAS

Mayor

ATTEST:

City Secretary

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY AND SURROUNDING AREA

Location

Leander, Texas (the "City" or "Leander"), is located in Williamson and Travis counties on U.S. Highway 183 approximately 24 miles northwest of Austin, Texas. Leander spans 38.37 square miles and has a current estimated population of 86,880.

Educational Facilities

Leander Independent School District (the "District") provides K-12 public education for Leander and other surrounding area cities with an estimated student enrollment of 40,675 for the 2020-2021 school year. Administration facilities for the District are also located in Leander.

Austin Community College (ACC) is a nationally recognized two-year college serving Central Texas. The San Gabriel Campus in Leander opened in 2018 to serve one of the fastest growing areas in the region and relieve crowding at ACC's Cypress Creek Campus. Located on a 100-acre site for future expansion, the campus primarily offers general education courses and includes the college's second ACCelerator learning center, as well as a 3,900 square-foot rooftop terrace.

Transportation

U.S. Highway 183 and 183A Toll Road connects Leander to other neighboring cities north and south, and access to Interstate 35 is 11 miles east. The nearest passenger air service is located 37 miles southeast at Austin-Bergstrom International Airport, and 15 miles northeast at Georgetown Municipal Airport. Leander is also a jurisdiction member of the Capital Metropolitan Transportation Authority, a regional public transportation provider, which provides daily passenger rail service from Leander to downtown Austin.

Utilities

Pedernales Electric Cooperative provides electric utility service to the Leander area, and Atmos Energy provides natural gas utility service. The City primarily provides water and wastewater service.

Development

A U.S. Census report describing national growth trends among cities in the last decade ranked Leander as the nation's fastest-growing city of 50,000 or more in population between 2018 and 2019. The city continues to develop rapidly and has been recognized as "second-hottest" zip code for homebuyers in America by Opendoor.com in 2022.

Several large projects have announced plans for locations in Leander within the last 12 months including:

St. David's Healthcare announcement of a 150,000 s.f. full-service hospital in Leander at an investment of \$142.5 million. The project will create up to 200 full-time jobs in the community.

Cangshan Cutlery announcement of a 700,000 s.f. facility in Leander that will serve as its global headquarters in addition to providing space for manufacturing and distribution services. The facility will allow for the company to create its first made-in-America line of chef's knives and other cutlery items. At full-buildout, the project will create up to 300 new jobs in the community.

Scannell Properties announcement of an 86 acre business park and distribution center along the 183A Toll Road in Leander. The project plans to construct a 340,000 square foot distribution center in its first phase with up to an additional 380,000 square feet of spec space and build-to-suit facilities.

The 116-acre Northline project commenced the start of vertical construction on its first phase in early 2022. The project broke ground on horizontal improvements in March 2020. The first phase of vertical construction will include multi-family, townhomes, office space, retail space, and public space. The first multi-family project will include 343 units which will be followed by approximately 69 townhomes and construction of the town square area in 2022.

Leander's second H-E-B grocery store opened in 2021. The 103,000 square foot store will be joined by approximately 100,000 square feet of additional development that will be completed in 2022. The project also includes 8 pad sites that will serve as locations for new restaurants and retail stores.

APPENDIX B-1

FORM OF MAJOR IMPROVEMENT INDENTURE

APPENDIX B-2

FORM OF NEIGHBORHOOD IMPROVEMENT INDENTURE

APPENDIX C-1
SERVICE AND ASSESSMENT PLAN

APPENDIX C-2

SERVICE AND ASSESSMENT PLAN UPDATE

APPENDIX D-1

FORM OF OPINION OF BOND COUNSEL (2022 MAJOR IMPROVEMENT BONDS)

APPENDIX D-2

FORM OF OPINION OF BOND COUNSEL (NEIGHBORHOOD IMPROVEMENT BONDS)

APPENDIX E
FORM OF CITY DISCLOSURE AGREEMENT

APPENDIX F-1

2017 REIMBURSEMENT AGREEMENT

APPENDIX F-2

2020 REIMBURSEMENT AGREEMENT

CITY OF LEANDER, TEXAS

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT NORTHERN
IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)**

AND

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT NORTHERN
IMPROVEMENT AREA NEIGHBORHOOD IMPROVEMENT PROJECT)**

CONTINUING DISCLOSURE AGREEMENT OF THE ISSUER

This Continuing Disclosure Agreement of the Issuer dated as of ____, 2022 (this “Disclosure Agreement”) is executed and delivered by and between the City of Leander, Texas (the “Issuer”) and RBC Capital Markets, LLC (the “Dissemination Agent”) with respect to the Issuer’s Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the “2022 Major Improvement Bonds”) and “Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project) (the “Neighborhood Improvement Bonds” and, collectively with the Major Improvement Bonds, the “Bonds”). The Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Owners (defined below) and beneficial owners of the Bonds. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Amended and Restated Indenture of Trust dated as of July 1, 2022, relating to the 2022 Major Improvement Bonds, and the Indenture of Trust, dated as of July 1, 2022, relating to the Neighborhood Improvement Bonds (collectively, the “Indentures”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in each Indenture.

“Administrator” shall mean the employee or designee of the City, identified in any indenture of trust relating to the Bonds, the District’s Service and Assessment Plan, or any other agreement or document approved by the Issuer related to the duties and responsibilities of the administration of the District. As of the date of this Agreement, the Administrator is David Taussig & Associates, Inc.

“Annual Financial Information” shall mean annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment” shall have the meaning assigned to such term in each Indenture.

“Annual Issuer Report” shall mean any Annual Bond Disclosure Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Issuer or the Trustee.

“Disclosure Representative” shall mean the Finance Director 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 RBC Capital Markets, LLC, 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 Deerbrooke Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Fiscal Year” shall mean the calendar year from October 1 through September 30.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Northern Improvement Area” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Outstanding” shall have the meaning given to it in each Indenture.”

“Owner” shall mean the registered owner of any Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” shall have the meaning assigned to such term in each Indenture.

“Trustee” shall mean BOKF, NA or any successor trustee pursuant to each Indenture.

SECTION 3. Provision of Annual Bond Disclosure Reports.

(a) The Issuer shall cause and hereby directs the Dissemination Agent to provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, commencing with the Fiscal Year ended September 30, 2022, an Annual Issuer Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer, if prepared and when available, may be submitted separately from the Annual Issuer Report, and later than the date required in this paragraph for the filing of the Annual Issuer Report if audited financial statements are not available by that date; provided further, however, that the Annual Financial Information must be submitted not later than six months after the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ended September 30, 2022. 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 give notice of such change in the same manner as for a Listed Event under Section 5(a). All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(b) The Issuer shall or shall cause the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual Issuer Report on the date required in subsection (a);

(ii) file the Annual Issuer Report (excluding the audited financial statements of the Issuer, if any, which shall be filed by the Issuer or the Dissemination Agent upon receipt from the Issuer) containing or incorporating by reference the information set forth in Section 4 hereof; and

(iii) if the Issuer has provided the Dissemination Agent with the completed Annual Issuer Report and the Dissemination Agent has filed such Annual Issuer Report with the MSRB, then the Dissemination Agent shall file a report with the Issuer certifying that the Annual Issuer Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual Issuer Reports. The Annual Issuer Report for the Bonds shall contain or incorporate by reference, and the Issuer agrees to provide or cause to be provided to the Dissemination Agent, the following:

(a) Within six months after the end of each Fiscal Year (any or all of which may be unaudited),

(i) Tables setting forth the following information, as of the end of such Fiscal Year:

(A) For the Bonds, the CUSIP number, the maturity date or dates, the interest rate or rates, the original aggregate principal amount and principal amount remaining Outstanding; and

(B) The amounts in the funds and accounts securing the Bonds.

(ii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for

levying the Special Assessments in the Northern Improvement Area. Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Special Assessments levied within the Northern Improvement Area, such SAP Update shall include the number of new homes completed in the Northern Improvement Area during such Fiscal Year and the aggregate number of new homes completed within the Northern Improvement Area since filing the initial Annual Issuer Report for Fiscal Year ended September 30, 2022.

(iii) The individual and aggregate taxable assessed valuation for parcels or lots within the Northern Improvement Area based on the most recent certified tax roll available to the Issuer.

(iv) The current or delinquent status of the payment of the Special Assessment for each parcel or lot in the Northern Improvement Area as of February 15 of the calendar year immediately succeeding such Fiscal Year.

(v) The total amount of (A) Annual Installments invoiced, (B) Annual Installments collected (as reported by the County Tax Assessor Collector or the Administrator), (C) delinquent Annual Installments, (D) Foreclosure Proceeds collected, and (E) prepaid Special Assessments collected, as of the February 15 of the calendar year immediately succeeding such Fiscal Year, in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year).

(vi) The total amount of Annual Installments assessed and collected during such Fiscal Year, together with the amount of delinquent Special Assessments collected and Special Assessments prepaid during such Fiscal Year.

(vii) The principal and interest paid on the Bonds during such Fiscal Year and the minimum scheduled principal and interest required to be paid on the Bonds in the next Fiscal Year.

(viii) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the Issuer's audited financial statements during such Fiscal Year.

(b) If not provided with the financial information provided under subsection 4(a) above, if prepared and when available, the audited financial statements of the Issuer for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the Issuer.

See Exhibit B hereto for a form for submitting the information set forth in the preceding paragraph. The Issuer has designated David Taussig & Associates, Inc. as the initial Administrator. The Administrator, and if no Administrator is designated, Issuer's staff, shall prepare the Annual Financial Information.

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

SECTION 5. Reporting of Significant Events.

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

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of Owners, if material.
8. Bond calls, if material.
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 either Indenture or the change of name of a trustee, if material.
15. Incurrence of a financial obligation of the Issuer, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other

proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

The Issuer intends the words used in 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.

Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall promptly notify the Dissemination Agent in writing and the Issuer shall direct the Dissemination Agent to file a notice of such occurrence with the MSRB. The Dissemination Agent shall file such notice no later than the Business Day immediately following the day on which it receives written notice of such occurrence from the Issuer. Any such notice is required to be filed within ten (10) Business Days of the occurrence of such Listed Event.

Additionally, the Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual audited financial statements or Annual Financial Information as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting “Notice To MSRB of Failure To File.”

Any notice under the preceding paragraphs shall be accompanied with the text of the disclosure that the Issuer desires to make, the written authorization of the Issuer for the Dissemination Agent to disseminate such information as provided herein, and the date the Issuer desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file). In all cases, the Issuer shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures. In addition, the Issuer shall have the sole responsibility to ensure that any notice required to be filed under this Section 5 is filed within (10) Business Days of the occurrence of the Listed Event.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any Listed Event with respect to the Bonds, notify the Disclosure Representative of such Listed Event. The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event with the MSRB unless and until it receives written instructions from the Disclosure Representative to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Issuer and not that of the Trustee or the Dissemination Agent. It is agreed and understood that the Dissemination Agent has agreed to give the foregoing notice to the Issuer as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, “actual knowledge” means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to the Issuer or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) If in response to a notice from the Dissemination Agent under subsection (b), the Issuer determines that the Listed Event under number 2, 7, 8, 10, 13, 14 or 15 of subparagraph (a) above is not material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination

Agent and the Trustee (if the Dissemination Agent is not the Trustee) in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with the MSRB.

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

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer discharges the Dissemination Agent, the Issuer shall use best efforts to appoint a successor Dissemination Agent within thirty (30) days of such discharge. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be RBC Capital Markets, LLC.

SECTION 8. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the Issuer), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indentures for amendments to the Indentures with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the Bonds.

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

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Issuer Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Issuer Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Bond Disclosure Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indentures), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Issuer, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indentures 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.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the Issuer agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided from Special Assessments collected from the property owners in the Northern Improvement Area of the District, to the extent available, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the Issuer to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by any other third party. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent

is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the Issuer or any person with whom the Issuer contracts in connection with the transaction described in the Indentures, apart from the relationship created by the Indentures or this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

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

SECTION 12. Special Assessment Timeline. The basic expected timeline for the collection of Special Assessments and the anticipated procedures for pursuing the collection of delinquent Special Assessments is set forth in Exhibit C, which is intended to illustrate the general procedures expected to be followed in enforcing the payment of delinquent Special Assessments. Failure to adhere to such expected timeline shall not constitute a default by the Issuer under this Disclosure Agreement, the Indentures, the Bonds or any other document related to the Bonds.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the Issuer or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the Issuer or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The Dissemination Agent agrees that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the Issuer's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the Issuer under federal and state securities laws.

SECTION 17. Dissemination Agent Compensation. The fees and expenses incurred by the Dissemination Agent for its services rendered in accordance with this Disclosure Agreement constitute 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, but only with funds to be provided from Special Assessments collected from the property owners in the Northern Improvement Area of the District, for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Disclosure Agreement.

SECTION 18. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent represents that neither the Dissemination Agent nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable federal or State law and excludes the Dissemination Agent and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the Dissemination Agent, 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.

SECTION 19. Certification with Respect to Contract Value. The parties hereby certify that this Agreement does not have a value of \$100,000 or more and is therefore exempt from Chapter 2271.002, Texas Government Code, and Chapter 2274, Texas Government Code (as added by Senate Bill 13 and Senate Bill 19 in the 87th Texas Legislature, Regular Session).

SECTION 20. Interested Parties. The Dissemination Agent has previously submitted or is submitting herewith a notarized interested parties disclosure form, completed in accordance with the provisions of Section 2252.908 of the Texas Government Code, as amended (the "Disclosure Form"). The Dissemination Agent and the Issuer understand that neither the Issuer nor its consultants have the ability to verify the information included in the Disclosure Form, and neither the Issuer nor its consultants have an obligation, nor have the Issuer or its consultants undertaken any responsibility, to advise the Dissemination Agent, with respect to the proper completion of the Disclosure Form, other than providing the identification numbers required for the completion of the Disclosure Form.

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.

[remainder of page left blank intentionally]

CITY OF LEANDER, TEXAS

By: _____
Mayor

RBC CAPITAL MARKETS, LLC
(as Dissemination Agent)

By: _____
Authorized Officer

EXHIBIT A

**NOTICE TO MSRB OF FAILURE TO FILE
ANNUAL ISSUER REPORT**

Name of Issuer: City of Leander, Texas

Name of Bond Issues: Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)

and

“Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project)

Date of Delivery: _____, 2022

NOTICE IS HEREBY GIVEN that the City of Leander, Texas, has not provided [an Annual Issuer Report][annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated _____, 2022, between the Issuer and RBC Capital Markets, LLC, as Dissemination Agent. The Issuer anticipates that [the Annual Issuer Report][annual audited financial statements] will be filed by__.

Dated: _____

RBC Capital Markets, LLC
on behalf of the City of Leander, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Leander, Texas

EXHIBIT B

**CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT NORTHERN
IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)**

AND

**CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT NORTHERN
IMPROVEMENT AREA NEIGHBORHOOD IMPROVEMENT PROJECT)**

ANNUAL BOND DISCLOSURE REPORT*

Delivery Date: _____, 20_

DISSEMINATION AGENT

Name: _____
Address: _____
City: _____
Telephone: _____
Contact Person: _____

BONDS OUTSTANDING

CUSIP Number	Maturity Date	Interest Rate	Original Principal Amount	Outstanding Principal Amount	Outstanding Interest Amount

INVESTMENTS

Fund/ Account Name	Investment Description	Par Value	Book Value	Market Value

*Excluding Audited Financial Statements of the Issuer

ASSETS AND LIABILITIES OF PLEDGED TRUST ESTATE

Bonds (Principal Balance)	_____
Funds and Accounts [list]	_____
TOTAL ASSETS	_____

LIABILITIES

Outstanding Bond Principal	_____
Outstanding Program Expenses (if any)	_____
TOTAL LIABILITIES	_____

EQUITY

Assets Less Liabilities	_____
Parity Ratio	_____

Form of Accounting ☐ Cash ☐ Accrual ☐ Modified Accrual

ITEMS REQUIRED BY SECTION 4(a)(ii) - (viii)

[Insert a line item for each applicable listing]

EXHIBIT C

BASIC TIMELINE FOR SPECIAL ASSESSMENT COLLECTIONS AND PURSUIT OF DELINQUENCIES

<u>Date</u>	<u>Delinquency Clock (Days)</u>	<u>Activity</u>
January 31		Special Assessments are due.
February 1	1	Special Assessments Delinquent if not received
February 15	15	Issuer forwards payment to Trustee for all collections received as of February 15, along with detailed breakdown. Subsequent payments and relevant details will follow monthly thereafter. Issuer and/or Administrator should be aware of actual and specific delinquencies. Issuer and/or Administrator should be aware if Reserve Fund needs to be utilized for debt service payment on March 1. If there is to be a shortfall, the Trustee and Dissemination Agent should be immediately notified. Issuer and/or Administrator should also be aware if, based on collections, there will be a shortfall for September payment. Issuer and/or Administrator should determine if previously collected surplus funds, if any, plus actual collections will be fully adequate for debt service in March and September. At this point, if total delinquencies are under 5% and if there is adequate funding for March and September payments, no further action is anticipated for collection of Special Assessments except that the Issuer or Administrator, working with the City Attorney or an appropriate designee, will begin process to cure deficiency. For properties delinquent by more than one year or if the delinquency exceeds \$10,000 the matter will be referred for commencement of foreclosure. If there are over 5% delinquencies or if there is inadequate funding in the Pledged Revenue Fund for transfer to the Principal and Interest Account of such amounts as shall be required for the full March and September payments,

March 1	28/29	the collection-foreclosure procedure will proceed against all delinquent properties. Trustee pays bond interest payments to bondholders. Reserve Fund payment to Bond Fund may be required if Special Assessments are below approximately 50% collection rate. Issuer, or the Trustee on behalf of the Issuer, to notify Dissemination Agent of the occurrence of draw on the Reserve Fund and, following receipt of such notice, Dissemination Agent to notify MSRB of such draw or Fund for debt service.
		Use of Reserve Fund for debt service payment should trigger commencement of foreclosure on delinquent properties. Issuer determines whether or not any Annual Installments are delinquent and, if such delinquencies exist, the Issuer commences as soon as practicable appropriate and legally permissible actions to obtain such delinquent Annual Installments.
March 20	47/48	Issuer and/or Administrator to notify Dissemination Agent for disclosure to MSRB of all delinquencies. If any property owner with ownership of property responsible for more than \$10,000 of the Special Assessments is delinquent or if a total of delinquencies is over 5%, or if it is expected that Reserve Fund moneys will need to be utilized for either the March or September bond payments, the Disclosure Representative shall work with City Attorney's office, or the appropriate designee, to satisfy payment of all delinquent Special Assessments.
April 15	74/75	Preliminary Foreclosure activity commences, and Issuer to notify Dissemination Agent of the commencement of preliminary foreclosure activity. If Dissemination Agent has not received Foreclosure Schedule and Plan of Collections, Dissemination Agent to request same from the Issuer.

May 1	89/90	If the Issuer has not provided the Dissemination Agent with Foreclosure Schedule and Plan of Collections, and if instructed by the bondholders under Section 11.2 of the Indentures, Dissemination Agent requests that the Issuer commence foreclosure or provide plan for collection.
May 15	103/104	The designated lawyers or law firm will be preparing the formal foreclosure documents and will provide periodic updates to the Dissemination Agent for dissemination to those bondholders who have requested to be notified of collections progress. The goal for the foreclosure actions is a filing by no later than June 1 (day 120/121).
June 1	120/121	Foreclosure action to be filed with the court.
June 15	134/135	Issuer notifies Trustee and Dissemination Agent of Foreclosure filing status. Dissemination Agent notifies bondholders.
July 1	150/151	If bondholders and Dissemination Agent have not been notified of a foreclosure action, Dissemination Agent will notify the Issuer that it is appropriate to file action.



EXECUTIVE SUMMARY

07/07/2022

AGENDA SUBJECT:

Conduct a Public Hearing regarding the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Neighborhood Improvement Project).

- Discuss and consider action on an ordinance authorizing the issuance of the City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area / Neighborhood Improvement Project); approving and authorizing an Indenture of Trust, a Bond Purchase Agreement, an Official Statement, a Continuing Disclosure Agreement, and other agreements and documents in connection therewith; making findings with respect to the issuance of such Bonds; providing an effective date; and accepting and approving an Update to the Service and Assessment Plan and updated Northern Improvement Area Assessment Roll.

BACKGROUND:

In 2017, the City Council approved the creation of the Deerbrooke Public Improvement District (PID) and authorized the issuance of two bond issues secured by the levy of special assessments on benefiting property within the PID. The bond proceeds were used to fund authorized public improvements within the PID as approved by the Service and Assessment Plan (SAP). The Deerbrooke PID is divided into two areas - the Southern Improvement Area (SIA) and the Northern Improvement Area (NIA). \$8,650,000 in bonds were issued for the SIA projects and \$2,535,000 were issued for the NIA projects.

In addition to the two bond issues, the SAP also included developer financing of \$2,215,000 for authorized improvements which would be reimbursed over time through collection of the annual assessments on the property in the NIA. The Developer and City entered into a Reimbursement Obligation agreement in 2017. Later, in 2020, a subsequent and final Reimbursement Obligation to the Developer was approved in the amount of \$633,524 for improvements in the NIA. This public hearing pertains to the issuance of bonds to retire the outstanding debt owed to the Developer for the 2020 Reimbursement Obligation.

In total, the previously issued SIA and NIA bonds and the two Reimbursement Obligations amount to \$14,033,524. Since 2018, principal and interest payments have been made on the two bond issues as well as the Developer Reimbursement Obligations.

The purpose of the proposed sale of the 2022 Special Assessment Revenue Bonds is to pay off the balance of the remaining obligation owed to the Developer and reduce interest charges due to tax exempt debt having a lower interest rate than the rate used in the Reimbursement Obligations. Staff began working on this approach last year with the Developer and our legal and financial consultants. Obviously, the interest rate environment last year was much more attractive and the anticipated savings were more tangible. The City Council is under no obligation to approve the bond sale at the Council meeting. In fact, if the benefits are not appreciable, then staff will recommend not going through with the refinancing.

The proposed bonds would impact properties within the Northern Improvement Area only. Although the underlying assessment levied per lot does not change, annual payments would be reduced due to the interest rate savings and converting the developer reimbursement obligations into bonds. The current and projected annual savings per lot over the remaining 25 years of the PID would be as follows:

Northern Improvement Area (NIA)		Current	Projected	Diff.
	Lot Size			
	40'	\$1,036	\$1,014	-\$22
	50'	\$1,308	\$1,281	-\$27
	60'	\$1,529	\$1,498	-\$31
Southern Improvement Area (SIA)				
	Lot Size			
	40'	1,017	1,017	n/c
	50'	1,285	1,285	n/c
	60'	1,503	1,503	n/c
	70'	1,604	1,604	n/c

Although the savings are small on a per lot basis, in total the savings are reasonable and the City will be able to refinance the debt in five years if interest rates decline. Moreover, it is important to note that the Developer has agreed to accept less than the remaining principal they are owed in order for the PID to achieve positive financial savings on the transaction given the current interest rate environment. The remaining principal amount owed to the Developer is \$2,685,682. The estimated net proceeds back to the Developer from the bond sale is estimated at \$2,020,000. In other words, the Developer is foregoing the difference of approximately \$665,000 paid out over the next 25 years plus interest in exchange for receiving a lump sum payment today.

Because the levy of the PID assessments in the Northern Improvement Area is actually comprised of two layers - one for the initial 2017 levy and a second for the 2020 Developer Reimbursement Obligation, the bonds are being sold in two separate transactions so that the supporting legal and financing documents maintain continuity and consistency.

PRESENTER:

Robert G. Powers, Executive Finance Director

Fiscal Impact

Amount requested: n/a
Approved in current budget (Yes / No): n/a
Expenditure (New / Amended): n/a
Recurring or one-time: n/a
Fund source (Operating / Utility / etc.): PID Assessments

Attachments

1. Ordinance
2. Service & Assessment Plan Update
3. Bond Trust Indenture

AN ORDINANCE OF THE CITY OF LEANDER, TEXAS

ORDINANCE NO. 22__-__

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LEANDER, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022 (DEERBROOKE PUBLIC IMPROVEMENT DISTRICT NORTHERN IMPROVEMENT AREA NEIGHBORHOOD IMPROVEMENT PROJECT); APPROVING AND AUTHORIZING AN INDENTURE OF TRUST, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND OTHER AGREEMENTS AND DOCUMENTS IN CONNECTION THEREWITH; MAKING FINDINGS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS; PROVIDING AN EFFECTIVE DATE; AND ACCEPTING AND APPROVING AN UPDATE TO THE SERVICE AND ASSESSMENT PLAN AND UPDATED NORTHERN IMPROVEMENT AREA ASSESSMENT ROLL

WHEREAS, the City of Leander, 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, as amended (the "PID Act"), has previously established the "Deerbrooke Public Improvement District" (the "District"), pursuant to Resolution No. 17-015-00 adopted by the City Council of the City (the "City Council") on June 15, 2017; and

WHEREAS, the authorization creating the District became effective on June 22, 2017 upon publication of Resolution No. 17-015-00 in the *Hill Country News*, a newspaper of general circulation in the City; and

WHEREAS, the City issued its "City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrook Public Improvement District Northern Improvement Area Major Improvement Project) (the "Series 2017 Bonds") on November 14, 2017; and

WHEREAS, the Series 2017 Bonds are payable from the assessments levied against that portion of the District designated as the Northern Improvement Area and are secured by that certain Indenture of Trust, dated November 1, 2017 (the "*2017 Indenture*"), executed and delivered by the City and the Trustee, concurrent with the issuance of the Series 2017 Bonds; and

WHEREAS, pursuant to the PID Act, the City Council published notice and held a public hearing on June 18, 2020 regarding the levy of special assessments for neighborhood improvements within the Northern Improvement Area of the District and on June 18, 2020 adopted Ordinance No. 20-035-00 (the "2020 Assessment Ordinance"); and

WHEREAS, in the 2020 Assessment Ordinance, the City Council approved and accepted the "Annual Update to the Service and Assessment Plan" (as defined and described in the 2020 Assessment Ordinance, the "Service and Assessment Plan") relating to the District and

levied the "Special Assessments" (as defined in the Service and Assessment Plan, the "Special Assessments") against the "Assessment Roll" (as defined and described in the Service and Assessment Plan, the "Assessment Roll"). 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 City Council has found and determined that it is in the best interests of the City to issue Future Northern Improvement Area Bonds (as that term is defined in the 2017 Indenture), and to be designated "City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project)" (the "Bonds"), such series to be payable from and secured by the Trust Estate, as defined in the Indenture (defined below); and

WHEREAS, concurrently with issuance of the Bonds, the City is also issuing Additional Northern Improvement Area Major Improvement Bonds (as that term is defined in the Amended and Restated Indenture of Trust for the 2022 Major Improvement Bonds), to be designated "City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the "2022 Major Improvement Bonds"); and

WHEREAS, the City is authorized by the PID Act to issue the Bonds for the purposes of (i) paying a portion of the Costs of the Authorized Improvements, (ii) funding of the Reserve Fund for payment of principal and interest on the Bonds, and (iii) paying the costs of the issuance of the Bonds; and

WHEREAS, in connection with the issuance of the Bonds for the purposes of paying the costs of the Authorized Improvements, the City has determined such improvements confer a special benefit on the District, as provided in Section III of the Service and Assessment Plan and further depicted on Exhibit C of the Service and Assessment Plan; and

WHEREAS, the City's Home Rule Charter provides that the City may not issue debt other than general obligation bonds approved by a public vote without prior public notice and a public hearing; and

WHEREAS, the City published notice of a public hearing on the issuance of the Bonds on June 23, 2022 in the time and manner required by the City's Home Rule Charter; and

WHEREAS, the meeting at which this Ordinance was considered was open to the public as required by law; the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; and the meeting was conducted pursuant to the public notice required by the City's Home Rule Charter that was published on June 23, 2022, and included a public hearing on the issuance of the Bonds; and

WHEREAS, after conducting the duly noticed public hearing on the issuance of the Bonds, the City Council, as set out this Ordinance, hereby approves the: (i) issuance of the Bonds to finance the Authorized Improvements as identified in the Service and Assessment Plan,

(ii) form, terms and provisions of an Indenture of Trust securing the Bonds authorized hereby (defined below), (iii) form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the purchaser of the Bonds, (iv) an Official Statement (defined below), and (v) Continuing Disclosure Agreement (defined below); and

WHEREAS, pursuant to the PID Act and to the terms of the Service and Assessment Plan, the City Council now desires to update the Service and Assessment Plan, including the Northern Improvement Area Assessment Roll, in the form attached hereto as Exhibit D to reflect the issuance of the Bonds and the 2022 Major Improvement Bonds, the interest rates thereon, and updates to other terms of the Service and Assessment Plan.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEANDER, 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 for the purposes of (i) paying a portion of the Costs of the Northern Neighborhood Improvements (as defined in the Indenture), (ii) funding of the Reserve Fund for payment of principal and interest on the Bonds, and (iii) paying the costs of the 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 July 1, 2022, 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 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 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 Pledged Revenues (as defined in the Indenture) and other assets of the Trust Estate (as defined in the Indenture) pledged to such Bonds, and shall never be payable from ad valorem taxes.

SECTION 3. Sale of Bonds; Approval of Bond Purchase Agreement. The Bonds shall be sold to Stifel, Nicolaus & Company, Incorporated (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. Approval of Official Statement. The City Council finds and determines that the Preliminary Official Statement for the Bonds and the Major Improvement Bonds, dated June 29, 2022 (the "Preliminary Official Statement") was "deemed final" as that term is defined in 17 C.F.R. Section 240.15c2-12, at the time the Preliminary Official Statement was posted on June 29, 2022. The final Official Statement (the "Official Statement") is hereby approved and adopted with such changes and alteration therein as the Mayor, Mayor Pro Tem, the City Manager, the City Secretary, and other appropriate official of the City may approve, such approval to be conclusively evidenced by the delivery thereof. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem, 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 Official Statement and Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of the meeting. The use and distribution of the Preliminary Official Statement in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the execution, approval and delivery of such Preliminary Official Statement and Official Statement by the Mayor or Mayor Pro Tem, the Mayor or Mayor Pro Tem and this City Council are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Official Statement and Official Statement pertaining to the Deerbrooke Public Improvement District, the Developer or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

SECTION 5. Approval of Continuing Disclosure Agreement of the Issuer. That certain Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the City and RBC Capital Markets, LLC (the "Dissemination Agent") is hereby authorized and approved in substantially final form attached hereto as Exhibit C and incorporated herein for all purposes and the Mayor or the 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 as approved by the Mayor or the Mayor Pro Tem, such approval to be evidenced by the execution thereof.

SECTION 6. Update to the Service and Assessment Plan. The Annual Service and Assessment Plan (SAP) Update (2022) attached hereto as Exhibit D is hereby accepted and approved pursuant to the PID Act.

SECTION 7. Additional Actions. The Mayor, the Mayor Pro Tem, the Executive Finance Director, the City Manager, Assistant City Manager, 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 Executive Finance Director, the City Manager, Assistant City Manager, 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 8. 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 9. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 11. Construction of Terms. If appropriate in the context of this Ordinance, words of the plural shall be considered to include the singular, and words of the masculine, feminine or neutral gender shall be considered to include the other genders.

SECTION 12. Effective Date. This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, as amended, and shall be effective immediately upon its passage and adoption.

SECTION 13. Open Meetings. It is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

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PASSED, APPROVED AND EFFECTIVE THIS 7TH DAY OF JULY, 2022.

Christine DeLisle, Mayor
City of Leander, Texas

ATTEST:

Dara Crabtree, City Secretary
City of Leander, Texas

[CITY SEAL]

[SIGNATURE PAGE]

EXHIBIT A
INDENTURE OF TRUST

EXHIBIT B
BOND PURCHASE AGREEMENT

EXHIBIT C

CONTINUING DISCLOSURE AGREEMENT
OF THE ISSUER

EXHIBIT D

ANNUAL SERVICE AND ASSESSMENT PLAN (SAP) UPDATE (2022)
WITH UPDATED ASSESSMENT ROLLS



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ANNUAL SERVICE AND ASSESSMENT PLAN (SAP) UPDATE (2022)

CITY OF LEANDER

DEERBROOKE PUBLIC IMPROVEMENT
DISTRICT

Report Date: June 29, 2022

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CITY OF LEANDER



ANNUAL SERVICE AND ASSESSMENT PLAN (SAP) UPDATE (2022)

DEERBROOKE PUBLIC IMPROVEMENT DISTRICT

Prepared for:

City of Leander

105 North Brushy Street

Leander, TX 78641

Attention: Robert Powers, Finance Director

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I INTRODUCTION

The Deerbrooke Public Improvement District (the “PID”) was created on June 15, 2017, by Resolution No. 17-015-00 of the City of Leander (the “City”) in accordance with the Public Improvement District Act, being Chapter 372 of the Texas Local Government Code (the “PID Act”) to finance and/or reimburse the costs of certain Authorized Improvements for the benefit of the property in the PID. A Service and Assessment Plan (the “Service and Assessment Plan” or “SAP”) was subsequently prepared at the direction of the City identifying the Authorized Improvements and their estimated costs, the manner of assessing the property in the PID for the costs of the Authorized Improvements, and the indebtedness to be incurred. Following a public hearing held on October 19, 2017, the City accepted and approved the Service and Assessment Plan and levied Northern Improvement Area Special Assessments (the “NIA Special Assessments”) and Southern Improvement Area Special Assessments (the “SIA Special Assessments”) with the adoption of Ordinance No. 17-051-00 (the “2017 Assessment Ordinance”). The \$8,650,000 Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Southern Improvement Area Major Improvement Project) (the “Series 2017 SIA Bonds”) were issued on November 14, 2017, pursuant to Ordinance No. 17-071-00 adopted by the City Council on October 19, 2017. The \$2,535,000 Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the “Series 2017 NIA Bonds”) were issued on November 14, 2017, pursuant to Ordinance No. 17-072-00 also adopted by the City Council on October 19, 2017.

The City and Deerbrooke Austin Land, LLC (the “Developer”) entered into a Reimbursement Agreement dated as of August 17, 2017 (the “Reimbursement Obligation”) pursuant to which the City agreed to reimburse the Developer for the costs of certain Major Improvements benefiting the Northern Improvement Area.

The City and the Developer entered into a separate Reimbursement Agreement dated as of June 18, 2020 (the “2020 Reimbursement Obligation”) pursuant to which the City agreed to reimburse the Developer for the costs of certain Northern Neighborhood Improvements benefiting the Northern Improvement Area. Following a public hearing held on June 18, 2020, the City levied separate Future Northern Improvement Area Assessments (referred to hereinafter as the “2020 NIA Special Assessments”) for the payment of the 2020 Reimbursement Obligation with the adoption of Ordinance No. 20-012-00 (the “2020 Assessment Ordinance”).

The \$1,960,000¹ aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the “2022 Major Improvement Bonds”) are being issued by the City pursuant to its ordinance authorizing the issuance of the 2022 Major Improvement Bonds adopted by the City Council on July 7, 2022 (the “Major Improvement Bond Ordinance”),

¹ Preliminary, subject to change.

and an Amended and Restated Indenture of Trust, dated as of July 1, 2022 (the "Major Improvement Indenture"), entered into by and between the City and BOKF, NA, as trustee (the "Trustee"), amending and restating the Indenture of Trust dated November 1, 2017 (the "2017 Indenture"). The 2022 Major Improvement Bonds will be issued on par with the Series 2017 NIA Bonds to refinance the outstanding Reimbursement Obligation and are secured by the NIA Special Assessments.

The \$555,000² aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project) (the "Neighborhood Improvement Bonds") are being issued by the City pursuant to its ordinance authorizing the issuance of the Neighborhood Improvement Bonds adopted by the City Council on July 7, 2022 (the "Neighborhood Improvement Bond Ordinance"), and an Indenture of Trust, dated as of July 1, 2022 (the "Neighborhood Improvement Indenture"), entered into by and between the City and the Trustee. The Neighborhood Improvement Bonds will be issued to refinance the outstanding 2020 Reimbursement Obligation and are secured by the 2020 NIA Special Assessments. The Series 2017 SIA Bonds, the Series 2017 NIA Bonds, the 2022 Major Improvement Bonds, and the Neighborhood Improvement Bonds shall hereafter be collectively referred to as the "Bonds".

Pursuant to Sections 372.013 and 372.014 of the PID Act and the ordinance approving this Annual Service and Assessment Plan (SAP) Update (2022) to the Service and Assessment Plan (the "Annual Service Plan Update"), the Service and Assessment Plan is to be reviewed and updated annually by August of each year or as soon as thereafter practical and is to include an Assessment Plan. This Annual Service Plan Update for 2022 is comprised of the following parts:

- Annual Service Plan Update;
- Assessment Plan; and
- Assessment Roll.

² Preliminary, subject to change.

II ANNUAL SERVICE PLAN UPDATE

Section 372.013 of the PID Act requires that the Annual Service Plan Update (i) define the annual indebtedness and the projected costs of the Authorized Improvements and (ii) cover a period of at least 5 years.

A PID Bonded Indebtedness

The sources and uses of funds for the Bonds are shown in **Table II-1** below.

Table II-1: Sources and Uses of Funds

		NIA			SIA
	Total	NIA Series 2017	2022 Major Improvement Bonds ³	Neighborhood Improvement Bonds ³	SIA Series 2017
Sources of Funds					
Bond Proceeds	\$13,700,000	\$2,535,000	\$1,960,000	\$555,000	\$8,650,000
Mandatory Prepayment Proceeds	\$0	\$0	\$0	\$0	\$0
Original Issue Discount	(\$160,140)	(\$28,625)	(\$34,201)	(\$10,814)	(\$86,500)
Total Sources of Funds	\$13,539,860	\$2,506,375	\$1,925,799	\$544,186	\$8,563,500
Uses of Funds					
Owner-Funded Infrastructure	\$0	\$0	\$0	\$0	\$0
Bond-Funded Infrastructure					
Major	\$6,449,875	\$2,000,425	\$1,550,753	\$0	\$2,898,697
Neighborhood	\$4,501,815	\$0	\$0	\$444,037	\$4,057,778
Costs of Issuance	\$761,729	\$127,713	\$150,832	\$58,019	\$425,165
Underwriting	\$437,631	\$78,152	\$77,966	\$21,034	\$260,479
Reserve Fund	\$908,833	\$175,150	\$146,249	\$21,096	\$566,338
Capitalized Interest	\$435,229	\$106,185	\$0	\$0	\$329,044
Administrative Expenses	\$44,750	\$18,750	\$0	\$0	\$26,000
Total Uses of Funds	\$13,539,860	\$2,506,375	\$1,925,799	\$544,186	\$8,563,500

Note: May not sum due to rounding.

B 5-Year PID Cash Flow Projections

Projected debt service and assessment installments for a 5-year period are shown in **Tables II-2** and **II-3**.

³ Preliminary, subject to change.

Table II-2: 5-Year Cash Flow Projections (Series 2017 NIA Bonds⁴, 2022 Major Improvement Bonds, and Neighborhood Improvement Bonds)

Description	Total	2022	2023	2024	2025	2026
Revenues						
Assessment Installments	\$2,090,465	\$418,736	\$416,047	\$419,211	\$416,944	\$419,527
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$2,090,465	\$418,736	\$416,047	\$419,211	\$416,944	\$419,527
Expenditures						
Interest	\$1,236,434	\$263,321	\$251,311	\$246,185	\$240,651	\$234,966
Principal	\$534,000	\$92,000	\$101,000	\$109,000	\$112,000	\$120,000
Additional Interest Reserve	\$116,995	\$24,400	\$23,940	\$23,435	\$22,890	\$22,330
Administrative Expenses	\$203,036	\$39,015	\$39,795	\$40,591	\$41,403	\$42,231
Total Expenditures	\$2,090,465	\$418,736	\$416,047	\$419,211	\$416,944	\$419,527

Note: May not sum due to rounding. Additionally, administrative expenses have been reset to pre-escalated levels.

Table II-3: 5-Year Cash Flow Projections (Series 2017 SIA Bonds)

Description	Total	2022	2023	2024	2025	2026
Revenues						
Assessment Installments	\$3,121,000	\$626,323	\$623,570	\$625,544	\$622,127	\$623,436
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$3,121,000	\$626,323	\$623,570	\$625,544	\$622,127	\$623,436
Expenditures						
Interest	\$1,842,256	\$383,838	\$376,413	\$368,781	\$360,738	\$352,488
Principal	\$970,000	\$180,000	\$185,000	\$195,000	\$200,000	\$210,000
Additional Interest Reserve	\$184,825	\$38,900	\$37,975	\$37,000	\$36,000	\$34,950
Administrative Expenses	\$140,771	\$27,050	\$27,591	\$28,143	\$28,706	\$29,280
Total Expenditures	\$3,137,853	\$629,788	\$626,979	\$628,924	\$625,444	\$626,718

Note: Due to prepayment of assessments, expenditures exceed revenues in the short-term. Additional bond calls will be made in order to remedy the shortfall. Additionally, administrative expenses have been reset to pre-escalated levels.

⁴ Based on the revised debt service schedule after the anticipated bond call on September 1, 2022.

C Description of Authorized Improvements

A description of each of the Authorized Improvements is listed below.

C.1 Major Improvements

- Deer Rim Road/Stone Branch Drive – These improvements consist of the construction of the full distance of Deer Rim Road and Stone Branch Drive up to the intersection with Sage Ranch Drive. These Major Improvements will provide road and thoroughfare access to all phases of the Project and consist of the construction of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/waste water trunk mains, pipes, valves, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.
- Sage Ranch Drive – These improvements consist of the construction of the full distance of Sage Ranch Drive. These Major Improvements will provide road and thoroughfare access to all phases of the Project and consist of the construction of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/waste water trunk mains, pipes, valves, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.
- Collector Creek Crossing Drainage Improvements – The Collector Creek Crossing is a bridge along Stone Branch Drive, which will include the construction of retaining wall, box culvert, head wall, and pedestrian handrail improvements all of which benefit the entire Assessed Property within the PID. The retaining wall, box culvert, head wall, and pedestrian handrail improvements have been constructed according to City standards, determined in the City's sole discretion.
- Lift Station – The improvements consist of the construction and installation of a lift station and the pipes, service lines, manholes, encasements, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.
- Off-Site Force Main – These improvements consist of the construction and installation of a force main and the pipes, service lines, manholes, encasements, and associated appurtenances, all of which benefit the entire Assessed Property within the PID.

C.2 Southern Neighborhood Improvements

- Water Quality Ponds – These improvements consist of the construction of detention ponds with associated appurtenances to appropriately control and convey storm water, all of which benefit the entire Assessed Property within the SIA.

- Enhanced Landscaping – These improvements consist of the installation of landscaping along Halsey Way, at both entrances to Deerbrooke, at the trailhead park, on trails and in other open spaces and common areas in the SIA. The entryway monuments and associated signage will be constructed and installed in a manner consistent with those typically associated with master planned communities. The entryway monuments and signage are of high quality and low profile displaying neighborhood name and indicating directional information to the Project. These improvements will be constructed according to City standards, determined in the City’s sole discretion.

C.3 Northern Neighborhood Improvements

- Water Quality Ponds – These improvements consist of the construction of detention ponds with associated appurtenances to appropriately control and convey storm water all of which benefit the entire Assessed Property within the NIA.
- Stone Branch Drive – These improvements consist of the construction of Stone Branch Drive north of the intersection with Sage Ranch Drive. These improvements will provide road access to the NIA and consist of related earthwork, paving, sidewalks, retaining walls, signage, traffic control devices, manholes, storm drainage systems, water/waste water trunk mains, pipes, valves, and associated appurtenances, all of which benefit the entire Assessed Property within the NIA.
- Enhanced Landscaping – These improvements consist of the installation of landscaping along Sage Ranch Road north of the creek and in other open spaces and common areas in the NIA. The entryway monuments and associated signage have been constructed and installed in a manner consistent with those typically associated with master planned communities. The entryway monuments and signage are of high quality and low profile displaying neighborhood name and indicating directional information to the Project. These improvements have been constructed according to City standards, determined in the City’s sole discretion.

D Estimated Cost of Authorized Improvements

The Bonds will fund all or a portion of the costs of the Authorized Improvements. The estimated costs of the Authorized Improvements are shown in **Tables II-4 and II-5**. The information within the following tables was provided by the Developer.

Table II-4: SIA Progress and Milestone Forecast Table

Construction Budget and Completed/Reimbursed to Date							
Description	Total Budget	Actual Complete as of 6/29/2022	% Actual Complete	Reimbursed as of 6/29/2022	% Reimbursed	Unreimbursed Amount	% Unreimbursed
Major Improvements							
Deer Rim Road/ Stone Branch Drive	\$1,155,881	\$1,155,881	100.00%	\$1,155,881	100.00%	\$0	0.00%
Sage Ranch Drive	\$495,074	\$495,074	100.00%	\$495,074	100.00%	\$0	0.00%
Collector Creek Crossing	\$555,457	\$555,457	100.00%	\$555,457	100.00%	\$0	0.00%
Lift Station	\$240,483	\$240,483	100.00%	\$240,483	100.00%	\$0	0.00%
Off-Site Force Main	\$451,801	\$451,801	100.00%	\$451,801	100.00%	\$0	0.00%
Southern Neighborhood Improvements							
Water Quality Ponds	\$3,307,778	\$3,307,778	100.00%	\$3,307,778	100.00%	\$0	0.00%
Enhanced Landscaping	\$750,000	\$750,000	100.00%	\$750,000	100.00%	\$0	0.00%
Total	\$6,956,474	\$6,956,474	100.00%	\$6,956,474	100.00%	\$0	0.00%

Note: May not sum due to rounding

Table II-5: NIA Progress and Milestone Forecast Table

Construction Budget and Completed/Reimbursed to Date							
Description	Total Budget	Actual Complete as of 6/29/2022	% Actual Complete	Reimbursed as of 6/29/2022	% Reimbursed	Unreimbursed Amount	% Unreimbursed
Major Improvements							
Deer Rim Road/ Stone Branch Drive	\$789,052	\$789,052	100.00%	\$785,882	99.60%	\$3,170	0.40%
Sage Ranch Drive	\$2,180,295	\$2,180,295	100.00%	\$599,608	27.50%	\$1,580,687	72.50%
Collector Creek Crossing	\$379,178	\$379,178	100.00%	\$288,498	76.09%	\$90,680	23.91%
Lift Station	\$164,164	\$164,164	100.00%	\$164,164	100.00%	\$0	0.00%
Off-Site Force Main	\$308,418	\$308,418	100.00%	\$308,418	100.00%	\$0	0.00%
Northern Neighborhood Improvements							
Water Quality Ponds	\$822,578	\$822,578	100.00%	\$0	0.00%	\$822,578	100.00%
Stone Branch Drive	\$331,309	\$311,309	100.00%	\$0	0.00%	\$331,309	100.00%
Enhanced Landscaping	\$80,000	\$80,000	100.00%	\$0	0.00%	\$80,000	100.00%
Total	\$5,054,994	\$5,054,994	100.00%	\$2,146,570	42.46%	\$2,908,424	57.54%

Note: May not sum due to rounding.

E Prepayments

Debt service on the Bonds reflects the redemption of bonds from Assessment prepayments and/or from funds transferred to the Redemption Fund. Early redemption of bonds results in interest savings over the life of the PID.

Table II-6: Principal Redeemed from Prepayments

Redemption Date	Bonds Redeemed
Series 2017 SIA Bonds	
July 20, 2021	\$50,000
Total Amount Redeemed	\$50,000
Series 2017 NIA Bonds	
September 1, 2022 ⁵	\$10,000
Total Amount Redeemed	\$10,000

⁵ Anticipated bond call date.

III HOME COMPLETION DATA

Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Special Assessments levied within the district, the below table shall reflect the number of new units completed within the District within the current fiscal year, as well as aggregate number of new units. The Southern Improvement Area has passed the 95% building permit threshold, however the Northern Improvement Area has not.

Table III-1: Northern Improvement Area Development Status as of May 27, 2022

Fiscal Year	Units Completed During Prior Fiscal Year	Cumulative Units Completed to Date
2016-17	0	0
2017-18	0	0
2018-19	0	0
2019-20	0	0
2020-21	95	95
2021-22	30	125

IV ASSESSMENT PLAN

Section 372.015 of the PID Act states that the governing body of the municipality shall apportion the cost of an improvement to be assessed against property in an improvement district, and the apportionment shall be made on the basis of special benefits accruing to the property because of the improvement. More specifically, the PID Act provides that the costs of the 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 benefitted.

A Method of Assessment

The Service and Assessment Plan provides that the cost of the Authorized Improvements be assessed to residential property in proportion to estimated average build-out value (i.e., estimated completed home values). Residential build-out values for the NIA are estimated for the following three (3) lot types:

- 40' wide lots;
- 50' wide lots; and
- 60' wide lots.

Residential build-out values for the SIA are estimated for the following five (5) lot types:

- 40' wide lots;
- 50' wide lots;
- 60' wide lots;
- 70' wide lots; and
- 80' wide lots.

The special assessments by lot type are shown in **Tables IV-1** and **IV-2** on the following page.

Table IV-1: NIA Special Assessments and 2020 NIA Special Assessments

Lot Type	Lots	Estimated Build-Out Total	Percent of Total	Total Assessment	Assessment Per Lot
40' Lots	47	\$13,150,990	11.31%	\$607,162	\$12,918.33
50' Lots	266 ⁶	\$94,008,979	80.87%	\$4,340,253	\$16,316.74
60' Lots	22	\$9,092,602	7.82%	\$419,792	\$19,081.45
Total	335	\$116,252,571	100.00%	\$5,367,206	N/A

Note: May not sum due to rounding.

Table IV-2: SIA Special Assessments

Phase	Lot Type	Lots	Estimated Build-Out Total	Percent of Total	Total Assessment	Assessment Per Lot
1	40'	21	\$5,875,974	3.43%	\$296,788	\$14,132.77
1	50'	79	\$27,919,960	16.30%	\$1,410,202	\$17,850.67
1	60'	50	\$20,665,005	12.07%	\$1,043,763	\$20,875.28
1	70'	12	\$5,292,000	3.09%	\$267,292	\$22,274.36
1	80'	16	\$8,064,000	4.71%	\$407,302	\$25,456.42
2 and 3	50'	155	\$54,779,668	31.99%	\$2,766,853	\$17,850.67
2 and 3	60'	106	\$43,809,810	25.58%	\$2,212,779	\$20,875.28
2 and 3	70'	11	\$4,851,000	2.83%	\$245,018	\$22,274.36
Total		450	\$171,257,418	100%	\$8,650,000	N/A

Note: May not sum due to rounding.

⁶ Reflects the loss of one lot.

B Annual Assessment Installments

The SIA Special Assessments, the NIA Special Assessments, and the 2020 NIA Special Assessments will be levied on each Parcel or Lot according to the NIA Assessment Roll and SIA Assessment Roll, as applicable, subject to any revisions made pursuant to an Annual Service Plan Update and/or amended and restated SAP. The Annual Installments for the SIA Special Assessments levied for the Series 2017 SIA Bonds, the NIA Special Assessments levied for the Series 2017 NIA Bonds and the 2022 Major Improvement Bonds, and the 2020 NIA Special Assessments levied for the Neighborhood Improvement Bonds will be due no later than January 31 of each year beginning in 2023, in the amounts shown on the respective 2022 Assessment Roll, subject to any revisions made pursuant to an Annual Service Plan Update.

The Special Assessments may be paid in full or in part at any time. If not paid in full, the Special Assessments are payable in annual installments of principal and interest (the "Annual Installments") along with administrative expenses ("Administrative Expenses"). In regard to the Special Assessments securing the Bonds, pursuant to the Service and Assessment Plan and in accordance with Section 372.018 of the PID Act, the SIA Special Assessments, the NIA Special Assessments, and the 2020 NIA Special Assessments bear interest at the rate of interest⁷ on the Series 2017 SIA Bonds, the Series 2017 NIA Bonds and the 2022 Major Improvement Bonds, and the Neighborhood Improvement Bonds, respectively, plus an additional interest rate which will not exceed 0.50%. The interest in excess of the interest on the Bonds (the "Additional Interest Reserve") will be used to fund prepayment and delinquency reserves relating to each respective bond series. Administrative Expenses will be allocated to each tax parcel in proportion to its Special Assessment balance. Annual Installments for each parcel set forth in the Assessment Roll shall be due on October 1st of the year in which the particular annual installment amount is listed and shall be delinquent if not paid by January 31st of the following year.

Pursuant to Section 372.018(e) of the PID Act, a Special Assessment lien may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the governing body of the City. Foreclosure of accrued installments does not eliminate the outstanding principal balance of the Special Assessment. Any purchaser of the property in foreclosure takes the property subject to the Assessment lien and any associated obligations. Furthermore, in accordance with Section 372.018(f) delinquent installments of the Assessment shall incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes. The owner of assessed property may pay at any time all or any part of the Special Assessment, with interest that has accrued on the Special Assessment, on any lot or parcel in the PID.

⁷ The rate of interest for the NIA Special Assessments represents the weighted average rates of interest on the Series 2017 NIA Bonds and the 2022 Major Improvement Bonds.

C Amended Assessment Roll

The Assessment Roll is to be updated each year to reflect (i) the Special Assessments and Annual Installments for each tax parcel in the PID and (ii) prepayments of the Special Assessments, if any. The Special Assessments in the Assessment Roll reflect the number and type of lots projected for each tax parcel as shown in the Service and Assessment Plan. The 2022 Assessment Rolls are attached as Appendices A and B.

APPENDIX A

City of Leander

Annual Service and Assessment Plan (SAP) Update (2022)

Deerbrooke Public Improvement District



NIA ASSESSMENT ROLL

40' Lot Type

Table A-1: Assessment Roll of 40' Lot Type

Parcel ID
R592577
R614272

Revised Annual Installments in Northern Improvement Area

Number of Units:	30
Lot Type:	40

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.
[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.
[3] Assumes tax bill for the Tax Year is already paid.

Revised Annual Installments in Northern Improvement Area

Number of Units:	17
Lot Type:	40

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.
[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.
[3] Assumes tax bill for the Tax Year is already paid.

50' Lot Type

Table A-2: Assessment Roll of 50' Lot Type

Parcel ID						
R592435	R592475	R592515	R592555	R614224	R618854	R618909
R592436	R592476	R592516	R592556	R614225	R618855	R618910
R592437	R592477	R592517	R592557	R614226	R618857	R618911
R592438	R592479	R592518	R592558	R614227	R618858	R618912
R592439	R592480	R592520	R592560	R614228	R618859	R618913
R592440	R592481	R592521	R592561	R614229	R618860	R618914
R592441	R592482	R592522	R592562	R614230	R618861	R618915
R592443	R592483	R592523	R592563	R614233	R618862	R618916
R592444	R592484	R592524	R592564	R614234	R618863	R618917
R592445	R592485	R592525	R592565	R614235	R618864	R618918
R592446	R592486	R592526	R592566	R614236	R618865	R618919
R592447	R592487	R592527	R592567	R614237	R618866	R618920
R592448	R592488	R592528	R592568	R614238	R618883	R618921
R592449	R592489	R592529	R592569	R614239	R618884	R618922
R592450	R592491	R592530	R592570	R614240	R618885	R618923
R592451	R592492	R592531	R592571	R614241	R618886	R618924
R592452	R592493	R592532	R592572	R614242	R618887	R618925
R592453	R592494	R592533	R592573	R614243	R618888	R618926
R592454	R592495	R592534	R592574	R614244	R618889	R618927
R592455	R592496	R592535	R592575	R614245	R618890	R618928
R592456	R592497	R592536	R592576	R614246	R618891	R618929
R592457	R592498	R592537	R592578	R614247	R618892	R618930
R592458	R592499	R592538	R592579	R614248	R618893	R618931
R592459	R592500	R592539	R592580	R614249	R618894	R618932
R592460	R592501	R592540	R592581	R614250	R618895	R618933
R592461	R592502	R592541	R592582	R614251	R618896	R618934
R592463	R592503	R592542	R592583	R614252	R618897	R618935
R592464	R592504	R592543	R592584	R614253	R618898	R618936
R592465	R592505	R592544	R592585	R614254	R618899	R618937
R592466	R592506	R592545	R592586	R614255	R618900	R618938
R592467	R592507	R592546	R592587	R614256	R618901	R618939
R592468	R592508	R592547	R592588	R614264	R618902	R618940
R592469	R592509	R592548	R614218	R614265	R618903	R618941
R592470	R592510	R592549	R614219	R614266	R618904	R618942
R592471	R592511	R592550	R614220	R614267	R618905	R618943
R592472	R592512	R592551	R614221	R618851	R618906	R618944
R592473	R592513	R592553	R614222	R618852	R618907	R618945
R592474	R592514	R592554	R614223	R618853	R618908	R618946

Deerbrooke PID

Revised Annual Installments in Northern Improvement Area

Improvement Area:

NIA

Lot Type:

50

		NIA Series 2017 [2]				2022 Major Improvement Bonds [2]				Neighborhood Improvement Bonds [2]				Administrative Expenses	Annual Installments	Assessment Balance [3]
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve			
		Total	Interest	Principal		Total	Interest	Principal		Total	Interest	Principal				
2022	2023	\$527.20	\$375.66	\$151.54	\$35.84	\$428.74	\$328.72	\$100.02	\$29.70	\$120.99	\$93.71	\$27.28	\$8.41	\$118.25	\$1,269.13	\$14,481.47
2023	2024	\$519.43	\$367.89	\$151.54	\$35.08	\$427.65	\$306.42	\$121.23	\$29.20	\$120.72	\$87.38	\$33.34	\$8.27	\$120.61	\$1,260.97	\$14,175.36
2024	2025	\$526.82	\$360.12	\$166.70	\$34.32	\$427.66	\$300.36	\$127.30	\$28.60	\$122.04	\$85.67	\$36.37	\$8.11	\$123.03	\$1,270.57	\$13,844.99
2025	2026	\$518.28	\$351.58	\$166.70	\$33.49	\$427.35	\$293.99	\$133.36	\$27.96	\$123.21	\$83.81	\$39.40	\$7.93	\$125.49	\$1,263.71	\$13,505.53
2026	2027	\$524.89	\$343.04	\$181.85	\$32.66	\$429.78	\$287.33	\$142.45	\$27.29	\$121.19	\$81.79	\$39.40	\$7.73	\$128.00	\$1,271.54	\$13,141.83
2027	2028	\$515.57	\$333.72	\$181.85	\$31.75	\$431.74	\$280.20	\$151.54	\$26.58	\$122.20	\$79.77	\$42.43	\$7.53	\$130.56	\$1,265.93	\$12,766.01
2028	2029	\$521.41	\$324.40	\$197.01	\$30.84	\$430.24	\$272.63	\$157.61	\$25.82	\$123.05	\$77.59	\$45.46	\$7.32	\$133.17	\$1,271.85	\$12,365.93
2029	2030	\$526.46	\$314.30	\$212.16	\$29.85	\$431.45	\$264.75	\$166.70	\$25.03	\$123.75	\$75.26	\$48.49	\$7.09	\$135.83	\$1,279.47	\$11,938.58
2030	2031	\$515.59	\$303.43	\$212.16	\$28.79	\$432.20	\$256.41	\$175.79	\$24.20	\$124.30	\$72.78	\$51.52	\$6.85	\$138.55	\$1,270.48	\$11,499.11
2031	2032	\$519.87	\$292.55	\$227.32	\$27.73	\$432.50	\$247.62	\$184.88	\$23.32	\$121.66	\$70.14	\$51.52	\$6.59	\$141.32	\$1,272.99	\$11,035.39
2032	2033	\$523.37	\$280.90	\$242.47	\$26.60	\$435.39	\$238.38	\$197.01	\$22.40	\$122.06	\$67.50	\$54.56	\$6.33	\$144.15	\$1,280.30	\$10,541.35
2033	2034	\$526.10	\$268.48	\$257.62	\$25.38	\$434.13	\$228.03	\$206.10	\$21.41	\$122.29	\$64.70	\$57.59	\$6.06	\$147.03	\$1,282.40	\$10,020.04
2034	2035	\$528.05	\$255.27	\$272.78	\$24.10	\$435.43	\$217.21	\$218.22	\$20.38	\$122.37	\$61.75	\$60.62	\$5.77	\$149.97	\$1,286.08	\$9,468.42
2035	2036	\$529.22	\$241.29	\$287.93	\$22.73	\$436.11	\$205.76	\$230.35	\$19.29	\$125.32	\$58.64	\$66.68	\$5.47	\$152.97	\$1,291.11	\$8,883.46
2036	2037	\$514.47	\$226.54	\$287.93	\$21.29	\$439.16	\$193.66	\$245.50	\$18.14	\$124.94	\$55.23	\$69.71	\$5.14	\$156.03	\$1,279.17	\$8,280.32
2037	2038	\$514.87	\$211.78	\$303.09	\$19.85	\$441.43	\$180.78	\$260.65	\$16.91	\$124.22	\$51.48	\$72.74	\$4.79	\$159.15	\$1,281.22	\$7,643.84
2038	2039	\$528.89	\$195.49	\$333.40	\$18.34	\$439.87	\$167.09	\$272.78	\$15.61	\$126.37	\$47.57	\$78.80	\$4.43	\$162.33	\$1,295.83	\$6,958.86
2039	2040	\$526.12	\$177.57	\$348.55	\$16.67	\$443.73	\$152.77	\$290.96	\$14.25	\$125.16	\$43.33	\$81.83	\$4.03	\$165.58	\$1,295.54	\$6,237.52
2040	2041	\$522.54	\$158.84	\$363.70	\$14.93	\$443.62	\$137.50	\$306.12	\$12.79	\$126.84	\$38.94	\$87.90	\$3.62	\$168.89	\$1,293.23	\$5,479.80
2041	2042	\$518.15	\$139.29	\$378.86	\$13.11	\$445.34	\$121.04	\$324.30	\$11.26	\$125.14	\$34.21	\$90.93	\$3.18	\$172.27	\$1,288.45	\$4,685.71
2042	2043	\$528.09	\$118.92	\$409.17	\$11.21	\$446.10	\$103.61	\$342.49	\$9.64	\$126.31	\$29.32	\$96.99	\$2.73	\$175.71	\$1,299.79	\$3,837.06
2043	2044	\$521.25	\$96.93	\$424.32	\$9.17	\$448.90	\$85.20	\$363.70	\$7.93	\$127.16	\$24.11	\$103.05	\$2.24	\$179.23	\$1,295.88	\$2,945.99
2044	2045	\$513.60	\$74.12	\$439.48	\$7.05	\$450.57	\$65.65	\$384.92	\$6.11	\$127.68	\$18.57	\$109.11	\$1.73	\$182.81	\$1,289.54	\$2,012.48
2045	2046	\$520.28	\$50.50	\$469.78	\$4.85	\$451.10	\$44.96	\$406.14	\$4.18	\$127.88	\$12.71	\$115.17	\$1.18	\$186.47	\$1,295.94	\$1,021.39
2046	2047	\$495.03	\$25.25	\$469.78	\$2.50	\$453.51	\$23.13	\$430.38	\$2.15	\$127.75	\$6.52	\$121.23	\$0.61	\$190.20	\$1,271.75	\$0.00
		\$13,025.55	\$5,887.86	\$7,137.69	\$558.13	\$10,943.70	\$5,003.20	\$5,940.50	\$470.16	\$3,104.60	\$1,422.48	\$1,682.12	\$133.15	\$3,787.60	\$32,022.89	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

60' Lot Type

Table A-3: Assessment Roll of 60' Lot Type

Parcel ID	
R614257	R618872
R614258	R618873
R614259	R618874
R614260	R618875
R614261	R618876
R614262	R618877
R614263	R618878
R614270	R618879
R618869	R618880
R618870	R618881
R618871	R618882

		NIA Series 2017 [2]				2022 Major Improvement Bonds [2]				Neighborhood Improvement Bonds [2]				Administrative Expenses	Annual Installments	Assessment Balance [3]
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve	Gross Debt Service			Additional Interest Reserve			
		Total	Interest	Principal		Total	Interest	Principal		Total	Interest	Principal				
2022	2023	\$616.53	\$439.31	\$177.22	\$41.91	\$501.39	\$384.42	\$116.97	\$34.74	\$141.49	\$109.59	\$31.90	\$9.84	\$138.29	\$1,484.18	\$16,935.26
2023	2024	\$607.45	\$430.23	\$177.22	\$41.03	\$500.12	\$358.34	\$141.78	\$34.15	\$141.18	\$102.19	\$38.99	\$9.68	\$141.05	\$1,474.66	\$16,577.27
2024	2025	\$616.08	\$421.14	\$194.94	\$40.14	\$500.12	\$351.25	\$148.87	\$33.44	\$142.72	\$100.19	\$42.53	\$9.48	\$143.87	\$1,485.85	\$16,190.93
2025	2026	\$606.09	\$411.15	\$194.94	\$39.17	\$499.76	\$343.81	\$155.95	\$32.70	\$144.09	\$98.01	\$46.08	\$9.27	\$146.75	\$1,477.83	\$15,793.96
2026	2027	\$613.82	\$401.16	\$212.66	\$38.19	\$502.60	\$336.01	\$166.59	\$31.92	\$141.73	\$95.65	\$46.08	\$9.04	\$149.68	\$1,486.98	\$15,368.63
2027	2028	\$602.92	\$390.26	\$212.66	\$37.13	\$504.90	\$327.68	\$177.22	\$31.08	\$142.90	\$93.28	\$49.62	\$8.81	\$152.68	\$1,480.42	\$14,929.13
2028	2029	\$609.75	\$379.36	\$230.39	\$36.06	\$503.13	\$318.82	\$184.31	\$30.20	\$143.91	\$90.74	\$53.17	\$8.56	\$155.73	\$1,487.34	\$14,461.26
2029	2030	\$615.67	\$367.56	\$248.11	\$34.91	\$504.54	\$309.60	\$194.94	\$29.28	\$144.73	\$88.02	\$56.71	\$8.29	\$158.85	\$1,496.27	\$13,961.50
2030	2031	\$602.95	\$354.84	\$248.11	\$33.67	\$505.44	\$299.86	\$205.58	\$28.30	\$145.37	\$85.11	\$60.26	\$8.01	\$162.02	\$1,485.76	\$13,447.55
2031	2032	\$607.95	\$342.12	\$265.83	\$32.43	\$505.79	\$289.58	\$216.21	\$27.27	\$142.28	\$82.02	\$60.26	\$7.71	\$165.26	\$1,488.69	\$12,905.25
2032	2033	\$612.05	\$328.50	\$283.55	\$31.10	\$509.16	\$278.77	\$230.39	\$26.19	\$142.73	\$78.93	\$63.80	\$7.41	\$168.57	\$1,497.21	\$12,327.51
2033	2034	\$615.25	\$313.97	\$301.28	\$29.68	\$507.69	\$266.67	\$241.02	\$25.04	\$143.00	\$75.66	\$67.34	\$7.09	\$171.94	\$1,499.69	\$11,717.87
2034	2035	\$617.53	\$298.53	\$319.00	\$28.18	\$509.22	\$254.02	\$255.20	\$23.84	\$143.10	\$72.21	\$70.89	\$6.75	\$175.38	\$1,504.00	\$11,072.78
2035	2036	\$618.90	\$282.18	\$336.72	\$26.58	\$510.00	\$240.62	\$269.38	\$22.56	\$146.56	\$68.58	\$77.98	\$6.40	\$178.89	\$1,509.89	\$10,388.70
2036	2037	\$601.64	\$264.92	\$336.72	\$24.90	\$513.58	\$226.48	\$287.10	\$21.21	\$146.10	\$64.58	\$81.52	\$6.01	\$182.46	\$1,495.90	\$9,683.36
2037	2038	\$602.11	\$247.67	\$354.44	\$23.22	\$516.23	\$211.41	\$304.82	\$19.78	\$145.27	\$60.20	\$85.07	\$5.60	\$186.11	\$1,498.32	\$8,939.03
2038	2039	\$618.50	\$228.61	\$389.89	\$21.44	\$514.40	\$195.40	\$319.00	\$18.25	\$147.78	\$55.63	\$92.15	\$5.17	\$189.84	\$1,515.39	\$8,137.99
2039	2040	\$615.27	\$207.66	\$407.61	\$19.49	\$518.92	\$178.66	\$340.26	\$16.66	\$146.38	\$50.68	\$95.70	\$4.71	\$193.63	\$1,515.06	\$7,294.42
2040	2041	\$611.08	\$185.75	\$425.33	\$17.46	\$518.78	\$160.79	\$357.99	\$14.96	\$148.32	\$45.53	\$102.79	\$4.24	\$197.51	\$1,512.34	\$6,408.31
2041	2042	\$605.94	\$162.89	\$443.05	\$15.33	\$520.80	\$141.55	\$379.25	\$13.17	\$146.34	\$40.01	\$106.33	\$3.72	\$201.46	\$1,506.76	\$5,479.68
2042	2043	\$617.57	\$139.07	\$478.50	\$13.11	\$521.69	\$121.17	\$400.52	\$11.27	\$147.71	\$34.29	\$113.42	\$3.19	\$205.48	\$1,520.02	\$4,487.24
2043	2044	\$609.57	\$113.35	\$496.22	\$10.72	\$524.97	\$99.64	\$425.33	\$9.27	\$148.71	\$28.20	\$120.51	\$2.62	\$209.59	\$1,515.45	\$3,445.18
2044	2045	\$600.62	\$86.68	\$513.94	\$8.24	\$526.92	\$76.78	\$450.14	\$7.14	\$149.32	\$21.72	\$127.60	\$2.02	\$213.79	\$1,508.05	\$2,353.50
2045	2046	\$608.44	\$59.06	\$549.38	\$5.67	\$527.53	\$52.58	\$474.95	\$4.89	\$149.55	\$14.86	\$134.69	\$1.38	\$218.06	\$1,515.52	\$1,194.48
2046	2047	\$578.92	\$29.53	\$549.39	\$2.92	\$530.36	\$27.05	\$503.31	\$2.52	\$149.40	\$7.62	\$141.78	\$0.71	\$222.42	\$1,487.25	\$0.00
		\$15,232.60	\$6,885.50	\$8,347.10	\$652.68	\$12,798.04	\$5,850.96	\$6,947.08	\$549.83	\$3,630.67	\$1,663.50	\$1,967.17	\$155.71	\$4,429.31	\$37,448.84	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the NIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

APPENDIX B

City of Leander

Annual Service and Assessment Plan (SAP) Update (2022)

Deerbrooke Public Improvement District



SIA ASSESSMENT ROLL

40' Lot Type

Table B-1: Assessment Roll of 40' Lot Type

Parcel ID	
R556752	R612803
R556753	R612804
R556754	R612805
R556755	R612806
R612796	R612807
R612797	R612808
R612798	R612809
R612799	R612810
R612800	R612811
R612801	R612812
R612802	

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 40

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$925.31	\$631.22	\$294.09	\$65.44	\$44.20	\$1,034.94	\$12,793.02
2023	2024	\$921.35	\$619.08	\$302.26	\$63.97	\$45.08	\$1,030.39	\$12,490.75
2024	2025	\$925.22	\$606.62	\$318.60	\$62.45	\$45.98	\$1,033.65	\$12,172.15
2025	2026	\$920.24	\$593.47	\$326.77	\$60.86	\$46.90	\$1,028.01	\$11,845.39
2026	2027	\$923.10	\$580.00	\$343.11	\$59.23	\$47.84	\$1,030.17	\$11,502.28
2027	2028	\$925.29	\$565.84	\$359.45	\$57.51	\$48.80	\$1,031.60	\$11,142.83
2028	2029	\$918.63	\$551.01	\$367.62	\$55.71	\$49.77	\$1,024.12	\$10,775.22
2029	2030	\$917.14	\$533.19	\$383.95	\$53.88	\$50.77	\$1,021.78	\$10,391.26
2030	2031	\$923.02	\$514.56	\$408.46	\$51.96	\$51.78	\$1,026.76	\$9,982.80
2031	2032	\$919.57	\$494.77	\$424.80	\$49.91	\$52.82	\$1,022.30	\$9,558.00
2032	2033	\$923.47	\$474.16	\$449.31	\$47.79	\$53.87	\$1,025.14	\$9,108.69
2033	2034	\$918.04	\$452.39	\$465.65	\$45.54	\$54.95	\$1,018.53	\$8,643.05
2034	2035	\$919.98	\$429.82	\$490.15	\$43.22	\$56.05	\$1,019.24	\$8,152.89
2035	2036	\$920.71	\$406.05	\$514.66	\$40.76	\$57.17	\$1,018.65	\$7,638.23
2036	2037	\$920.26	\$381.09	\$539.17	\$38.19	\$58.32	\$1,016.77	\$7,099.06
2037	2038	\$918.63	\$354.95	\$563.68	\$35.50	\$59.48	\$1,013.61	\$6,535.39
2038	2039	\$923.12	\$326.77	\$596.35	\$32.68	\$60.67	\$1,016.47	\$5,939.03
2039	2040	\$917.81	\$296.95	\$620.86	\$29.70	\$61.89	\$1,009.39	\$5,318.17
2040	2041	\$919.45	\$265.91	\$653.54	\$26.59	\$63.12	\$1,009.16	\$4,664.63
2041	2042	\$919.45	\$233.23	\$686.22	\$23.32	\$64.39	\$1,007.16	\$3,978.42
2042	2043	\$917.81	\$198.92	\$718.89	\$19.89	\$65.67	\$1,003.38	\$3,259.52
2043	2044	\$922.71	\$162.98	\$759.74	\$16.30	\$66.99	\$1,006.00	\$2,499.78
2044	2045	\$917.40	\$124.99	\$792.42	\$12.50	\$68.33	\$998.23	\$1,707.37
2045	2046	\$918.63	\$85.37	\$833.26	\$8.54	\$69.69	\$996.86	\$874.11
2046	2047	\$917.81	\$43.71	\$874.11	\$4.37	\$71.09	\$993.27	\$0.00
Total		\$23,014.17	\$9,927.06	\$13,087.11	\$1,005.80	\$1,415.62	\$25,435.58	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

50' Lot Type

Table B-2: Assessment Roll of 50' Lot Type

Parcel ID						
R556644	R556704	R556746	R591684	R591722	R592129	R614187
R556645	R556705	R556747	R591685	R591723	R592130	R614188
R556646	R556706	R556748	R591686	R591724	R592131	R614189
R556647	R556707	R556749	R591687	R591725	R592132	R614190
R556648	R556709	R556794	R591688	R591726	R592133	R614191
R556649	R556710	R556795	R591689	R591727	R592134	R614192
R556650	R556711	R556796	R591690	R591914	R592135	R614193
R556651	R556712	R556797	R591691	R591915	R592136	R614194
R556652	R556713	R556798	R591692	R591916	R592137	R614195
R556657	R556714	R591657	R591693	R591917	R592138	R614196
R556658	R556715	R591658	R591695	R591918	R592139	R614197
R556659	R556716	R591659	R591696	R591919	R592140	R614198
R556660	R556723	R591660	R591697	R591920	R592141	R614199
R556661	R556724	R591661	R591698	R591921	R592142	R614200
R556662	R556725	R591662	R591699	R591922	R592143	R614201
R556663	R556726	R591663	R591700	R591923	R592144	R614202
R556664	R556727	R591664	R591701	R591924	R592145	R614203
R556665	R556728	R591665	R591703	R591925	R592146	R614204
R556666	R556729	R591666	R591704	R591926	R592147	R614205
R556667	R556730	R591667	R591705	R591927	R592148	R614206
R556668	R556731	R591668	R591706	R591928	R592151	R614207
R556669	R556732	R591669	R591707	R592115	R592152	R614208
R556670	R556733	R591671	R591708	R592116	R592153	R614209
R556671	R556734	R591672	R591710	R592117	R592154	R614211
R556672	R556735	R591673	R591711	R592118	R592155	R614212
R556673	R556736	R591674	R591712	R592119	R592156	R614213
R556674	R556737	R591675	R591713	R592120	R592157	R614214
R556696	R556738	R591676	R591714	R592121	R592158	R614215
R556697	R556739	R591677	R591715	R592122	R592159	R614216
R556698	R556740	R591678	R591716	R592123	R592160	R614217
R556699	R556741	R591679	R591717	R592124	R614182	
R556700	R556742	R591680	R591718	R592125	R614183	
R556701	R556743	R591681	R591719	R592126	R614184	
R556702	R556744	R591682	R591720	R592127	R614185	
R556703	R556745	R591683	R591721	R592128	R614186	

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 50

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,168.73	\$797.27	\$371.46	\$82.65	\$55.82	\$1,307.20	\$16,158.46
2023	2024	\$1,163.72	\$781.95	\$381.78	\$80.79	\$56.94	\$1,301.46	\$15,776.69
2024	2025	\$1,168.61	\$766.20	\$402.41	\$78.88	\$58.08	\$1,305.57	\$15,374.27
2025	2026	\$1,162.33	\$749.60	\$412.73	\$76.87	\$59.24	\$1,298.44	\$14,961.54
2026	2027	\$1,165.94	\$732.57	\$433.37	\$74.81	\$60.42	\$1,301.17	\$14,528.17
2027	2028	\$1,168.70	\$714.70	\$454.01	\$72.64	\$61.63	\$1,302.98	\$14,074.17
2028	2029	\$1,160.29	\$695.97	\$464.32	\$70.37	\$62.87	\$1,293.53	\$13,609.84
2029	2030	\$1,158.41	\$673.45	\$484.96	\$68.05	\$64.12	\$1,290.58	\$13,124.88
2030	2031	\$1,165.84	\$649.92	\$515.92	\$65.62	\$65.41	\$1,296.87	\$12,608.97
2031	2032	\$1,161.48	\$624.93	\$536.55	\$63.04	\$66.71	\$1,291.24	\$12,072.42
2032	2033	\$1,166.41	\$598.90	\$567.51	\$60.36	\$68.05	\$1,294.82	\$11,504.91
2033	2034	\$1,159.55	\$571.40	\$588.14	\$57.52	\$69.41	\$1,286.48	\$10,916.77
2034	2035	\$1,162.00	\$542.90	\$619.10	\$54.58	\$70.80	\$1,287.38	\$10,297.67
2035	2036	\$1,162.92	\$512.87	\$650.05	\$51.49	\$72.21	\$1,286.63	\$9,647.61
2036	2037	\$1,162.36	\$481.35	\$681.01	\$48.24	\$73.66	\$1,284.25	\$8,966.61
2037	2038	\$1,160.29	\$448.33	\$711.96	\$44.83	\$75.13	\$1,280.26	\$8,254.64
2038	2039	\$1,165.97	\$412.73	\$753.24	\$41.27	\$76.63	\$1,283.87	\$7,501.41
2039	2040	\$1,159.26	\$375.07	\$784.19	\$37.51	\$78.17	\$1,274.93	\$6,717.22
2040	2041	\$1,161.33	\$335.86	\$825.46	\$33.59	\$79.73	\$1,274.64	\$5,891.75
2041	2042	\$1,161.33	\$294.59	\$866.74	\$29.46	\$81.32	\$1,272.11	\$5,025.01
2042	2043	\$1,159.26	\$251.25	\$908.01	\$25.13	\$82.95	\$1,267.34	\$4,117.00
2043	2044	\$1,165.45	\$205.85	\$959.60	\$20.59	\$84.61	\$1,270.65	\$3,157.40
2044	2045	\$1,158.75	\$157.87	\$1,000.88	\$15.79	\$86.30	\$1,260.83	\$2,156.53
2045	2046	\$1,160.29	\$107.83	\$1,052.47	\$10.78	\$88.03	\$1,259.10	\$1,104.06
2046	2047	\$1,159.26	\$55.20	\$1,104.06	\$5.52	\$89.79	\$1,254.57	\$0.00
Total		\$29,068.48	\$12,538.56	\$16,529.92	\$1,270.39	\$1,788.02	\$32,126.89	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

60' Lot Type

Table B-3: Assessment Roll of 60' Lot Type

Parcel ID			
R556618	R556688	R591868	R591908
R556619	R556689	R591869	R591909
R556620	R556690	R591870	R591910
R556621	R556691	R591871	R591911
R556622	R556692	R591872	R591912
R556623	R556693	R591873	R591913
R556624	R556694	R591874	R591930
R556626	R556695	R591875	R591931
R556627	R556718	R591876	R591932
R556628	R556719	R591877	R591933
R556630	R556720	R591878	R591934
R556631	R556721	R591879	R591935
R556632	R591830	R591880	R591936
R556633	R591831	R591881	R591937
R556634	R591832	R591882	R592089
R556635	R591833	R591883	R592090
R556636	R591834	R591886	R592091
R556638	R591835	R591887	R592092
R556639	R591848	R591888	R592093
R556640	R591849	R591889	R592094
R556642	R591850	R591890	R592095
R556643	R591851	R591891	R592096
R556654	R591852	R591892	R592097
R556655	R591853	R591893	R592098
R556656	R591854	R591894	R592099
R556675	R591855	R591895	R592100
R556676	R591856	R591896	R592102
R556677	R591857	R591897	R592103
R556678	R591858	R591898	R592104
R556679	R591859	R591899	R592105
R556680	R591860	R591900	R592106
R556681	R591861	R591901	R592107
R556682	R591862	R591902	R592108
R556683	R591863	R591903	R592109
R556684	R591864	R591904	R592110
R556685	R591865	R591905	R592111
R556686	R591866	R591906	R592112
R556687	R591867	R591907	

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 60

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,366.76	\$932.36	\$434.40	\$96.65	\$65.28	\$1,528.69	\$18,896.35
2023	2024	\$1,360.91	\$914.44	\$446.47	\$94.48	\$66.59	\$1,521.97	\$18,449.88
2024	2025	\$1,366.62	\$896.02	\$470.60	\$92.25	\$67.92	\$1,526.79	\$17,979.28
2025	2026	\$1,359.28	\$876.61	\$482.67	\$89.90	\$69.28	\$1,518.45	\$17,496.62
2026	2027	\$1,363.50	\$856.70	\$506.80	\$87.48	\$70.66	\$1,521.65	\$16,989.82
2027	2028	\$1,366.73	\$835.80	\$530.93	\$84.95	\$72.08	\$1,523.75	\$16,458.89
2028	2029	\$1,356.89	\$813.89	\$543.00	\$82.29	\$73.52	\$1,512.70	\$15,915.89
2029	2030	\$1,354.69	\$787.56	\$567.13	\$79.58	\$74.99	\$1,509.26	\$15,348.76
2030	2031	\$1,363.38	\$760.05	\$603.33	\$76.74	\$76.49	\$1,516.61	\$14,745.43
2031	2032	\$1,358.28	\$730.82	\$627.46	\$73.73	\$78.02	\$1,510.03	\$14,117.96
2032	2033	\$1,364.04	\$700.38	\$663.66	\$70.59	\$79.58	\$1,514.21	\$13,454.30
2033	2034	\$1,356.02	\$668.22	\$687.80	\$67.27	\$81.17	\$1,504.46	\$12,766.50
2034	2035	\$1,358.88	\$634.89	\$724.00	\$63.83	\$82.79	\$1,505.51	\$12,042.50
2035	2036	\$1,359.97	\$599.77	\$760.20	\$60.21	\$84.45	\$1,504.63	\$11,282.30
2036	2037	\$1,359.31	\$562.91	\$796.40	\$56.41	\$86.14	\$1,501.86	\$10,485.90
2037	2038	\$1,356.89	\$524.30	\$832.60	\$52.43	\$87.86	\$1,497.18	\$9,653.31
2038	2039	\$1,363.53	\$482.67	\$880.86	\$48.27	\$89.62	\$1,501.41	\$8,772.44
2039	2040	\$1,355.69	\$438.62	\$917.06	\$43.86	\$91.41	\$1,490.96	\$7,855.38
2040	2041	\$1,358.10	\$392.77	\$965.33	\$39.28	\$93.24	\$1,490.61	\$6,890.05
2041	2042	\$1,358.10	\$344.50	\$1,013.60	\$34.45	\$95.10	\$1,487.65	\$5,876.45
2042	2043	\$1,355.69	\$293.82	\$1,061.86	\$29.38	\$97.00	\$1,482.07	\$4,814.59
2043	2044	\$1,362.93	\$240.73	\$1,122.20	\$24.07	\$98.94	\$1,485.94	\$3,692.39
2044	2045	\$1,355.08	\$184.62	\$1,170.46	\$18.46	\$100.92	\$1,474.47	\$2,521.93
2045	2046	\$1,356.89	\$126.10	\$1,230.80	\$12.61	\$102.94	\$1,472.44	\$1,291.13
2046	2047	\$1,355.69	\$64.56	\$1,291.13	\$6.46	\$105.00	\$1,467.14	\$0.00
Total		\$33,993.83	\$14,663.09	\$19,330.75	\$1,485.64	\$2,090.98	\$37,570.46	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

70' Lot Type

Table B-4: Assessment Roll of 70' Lot Type

Parcel ID	
R556759	R591836
R556760	R591837
R556761	R591838
R556762	R591839
R556763	R591840
R556764	R591841
R556765	R591842
R556766	R591843
R556767	R591844
R556780	R591845
R556781	R591846
R556782	R591836

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 70

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,458.36	\$994.85	\$463.51	\$103.13	\$69.66	\$1,631.15	\$20,162.81
2023	2024	\$1,452.11	\$975.73	\$476.39	\$100.81	\$71.05	\$1,623.98	\$19,686.42
2024	2025	\$1,458.21	\$956.08	\$502.14	\$98.43	\$72.47	\$1,629.12	\$19,184.28
2025	2026	\$1,450.38	\$935.36	\$515.01	\$95.92	\$73.92	\$1,620.22	\$18,669.26
2026	2027	\$1,454.88	\$914.12	\$540.76	\$93.35	\$75.40	\$1,623.63	\$18,128.50
2027	2028	\$1,458.33	\$891.81	\$566.52	\$90.64	\$76.91	\$1,625.88	\$17,561.98
2028	2029	\$1,447.83	\$868.44	\$579.39	\$87.81	\$78.44	\$1,614.09	\$16,982.59
2029	2030	\$1,445.48	\$840.34	\$605.14	\$84.91	\$80.01	\$1,610.41	\$16,377.45
2030	2031	\$1,454.75	\$810.99	\$643.77	\$81.89	\$81.61	\$1,618.26	\$15,733.68
2031	2032	\$1,449.31	\$779.80	\$669.52	\$78.67	\$83.25	\$1,611.23	\$15,064.16
2032	2033	\$1,455.46	\$747.32	\$708.14	\$75.32	\$84.91	\$1,615.69	\$14,356.02
2033	2034	\$1,446.90	\$713.00	\$733.90	\$71.78	\$86.61	\$1,605.29	\$13,622.13
2034	2035	\$1,449.96	\$677.44	\$772.52	\$68.11	\$88.34	\$1,606.41	\$12,849.60
2035	2036	\$1,451.12	\$639.97	\$811.15	\$64.25	\$90.11	\$1,605.47	\$12,038.46
2036	2037	\$1,450.41	\$600.64	\$849.77	\$60.19	\$91.91	\$1,602.51	\$11,188.68
2037	2038	\$1,447.83	\$559.43	\$888.40	\$55.94	\$93.75	\$1,597.53	\$10,300.28
2038	2039	\$1,454.92	\$515.01	\$939.90	\$51.50	\$95.62	\$1,602.04	\$9,360.38
2039	2040	\$1,446.55	\$468.02	\$978.53	\$46.80	\$97.54	\$1,590.88	\$8,381.86
2040	2041	\$1,449.12	\$419.09	\$1,030.03	\$41.91	\$99.49	\$1,590.52	\$7,351.83
2041	2042	\$1,449.12	\$367.59	\$1,081.53	\$36.76	\$101.48	\$1,587.36	\$6,270.30
2042	2043	\$1,446.55	\$313.51	\$1,133.03	\$31.35	\$103.51	\$1,581.40	\$5,137.27
2043	2044	\$1,454.27	\$256.86	\$1,197.41	\$25.69	\$105.58	\$1,585.53	\$3,939.86
2044	2045	\$1,445.90	\$196.99	\$1,248.91	\$19.70	\$107.69	\$1,573.29	\$2,690.95
2045	2046	\$1,447.83	\$134.55	\$1,313.29	\$13.45	\$109.84	\$1,571.13	\$1,377.66
2046	2047	\$1,446.55	\$68.88	\$1,377.66	\$6.89	\$112.04	\$1,565.47	\$0.00
Total		\$36,272.14	\$15,645.83	\$20,626.32	\$1,585.21	\$2,231.12	\$40,088.48	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.

80' Lot Type

Table B-5: Assessment Roll of 80' Lot Type

Parcel ID	
R556768	R556778
R556770	R556785
R556771	R556786
R556773	R556787
R556774	R556788
R556775	R556789
R556776	R556791
R556777	R556792

Deerbrooke PID
Revised Annual Installments in Southern Improvement Area

Improvement Area: SIA

Lot Type: 80

		SIA Series 2017 [2]						
Tax Year [1]	Bond Year	Gross Debt Service			Additional Interest Reserve	Administrative Expenses	Annual Installments	Assessment Balance [3]
		Total	Interest	Principal				
2022	2023	\$1,666.70	\$1,136.97	\$529.73	\$117.86	\$79.61	\$1,864.17	\$23,043.21
2023	2024	\$1,659.56	\$1,115.12	\$544.44	\$115.22	\$81.20	\$1,855.98	\$22,498.76
2024	2025	\$1,666.53	\$1,092.66	\$573.87	\$112.49	\$82.82	\$1,861.85	\$21,924.89
2025	2026	\$1,657.57	\$1,068.99	\$588.59	\$109.62	\$84.48	\$1,851.68	\$21,336.30
2026	2027	\$1,662.72	\$1,044.71	\$618.02	\$106.68	\$86.17	\$1,855.57	\$20,718.28
2027	2028	\$1,666.66	\$1,019.21	\$647.45	\$103.59	\$87.89	\$1,858.14	\$20,070.84
2028	2029	\$1,654.67	\$992.51	\$662.16	\$100.35	\$89.65	\$1,844.67	\$19,408.68
2029	2030	\$1,651.98	\$960.39	\$691.59	\$97.04	\$91.44	\$1,840.47	\$18,717.09
2030	2031	\$1,662.58	\$926.84	\$735.73	\$93.59	\$93.27	\$1,849.43	\$17,981.35
2031	2032	\$1,656.36	\$891.20	\$765.16	\$89.91	\$95.14	\$1,841.40	\$17,216.19
2032	2033	\$1,663.39	\$854.08	\$809.31	\$86.08	\$97.04	\$1,846.51	\$16,406.88
2033	2034	\$1,653.60	\$814.86	\$838.74	\$82.03	\$98.98	\$1,834.62	\$15,568.14
2034	2035	\$1,657.09	\$774.21	\$882.88	\$77.84	\$100.96	\$1,835.90	\$14,685.26
2035	2036	\$1,658.42	\$731.39	\$927.03	\$73.43	\$102.98	\$1,834.83	\$13,758.24
2036	2037	\$1,657.61	\$686.44	\$971.17	\$68.79	\$105.04	\$1,831.44	\$12,787.07
2037	2038	\$1,654.67	\$639.35	\$1,015.31	\$63.94	\$107.14	\$1,825.74	\$11,771.75
2038	2039	\$1,662.76	\$588.59	\$1,074.17	\$58.86	\$109.28	\$1,830.90	\$10,697.58
2039	2040	\$1,653.20	\$534.88	\$1,118.32	\$53.49	\$111.47	\$1,818.15	\$9,579.26
2040	2041	\$1,656.14	\$478.96	\$1,177.18	\$47.90	\$113.70	\$1,817.73	\$8,402.09
2041	2042	\$1,656.14	\$420.10	\$1,236.03	\$42.01	\$115.97	\$1,814.12	\$7,166.05
2042	2043	\$1,653.20	\$358.30	\$1,294.89	\$35.83	\$118.29	\$1,807.32	\$5,871.16
2043	2044	\$1,662.02	\$293.56	\$1,368.47	\$29.36	\$120.66	\$1,812.04	\$4,502.70
2044	2045	\$1,652.46	\$225.13	\$1,427.33	\$22.51	\$123.07	\$1,798.05	\$3,075.37
2045	2046	\$1,654.67	\$153.77	\$1,500.90	\$15.38	\$125.53	\$1,795.58	\$1,574.47
2046	2047	\$1,653.20	\$78.72	\$1,574.47	\$7.87	\$128.04	\$1,789.11	\$0.00
Total		\$41,453.88	\$17,880.94	\$23,572.94	\$1,811.67	\$2,549.86	\$45,815.41	

[1] Tax Year 2022 corresponds to Bond Year 2023. Assessments are due January 31 of Bond Year.

[2] Bears interest at the rate of interest on the Series 2017 SIA Bonds plus an additional 0.50% for purposes of the Additional Interest Reserve plus Administrative Expenses.

[3] Assumes tax bill for the Tax Year is already paid.



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INDENTURE OF TRUST

By and Between

CITY OF LEANDER, TEXAS

and

**BOKF, NA,
as Trustee**

DATED AS OF JULY 1, 2022

SECURING

**\$ _____
CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA
NEIGHBORHOOD IMPROVEMENT PROJECT)**

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INDENTURE OF TRUST

THIS INDENTURE, dated as of July 1, 2022 is by and between the CITY OF LEANDER, TEXAS (the “City”), and BOKF, NA, as trustee (together with its successors, the “Trustee”). Capitalized terms used in the preambles, recitals and granting clauses and not otherwise defined shall have the meanings assigned thereto in Article I.

WHEREAS, a petition (the “*Petition*”) was submitted by the Developer (defined herein) and filed with the City Secretary of the City (the “*City Secretary*”) on February 7, 2017 pursuant to the Public Improvement District Assessment Act, Texas Local Government Code, Chapter 372, as amended (the “*PID Act*”), requesting the creation of a public improvement district located in the City to be known as the Deerbrooke Public Improvement District (the “*District*”); and

WHEREAS, the Petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of the Williamson Central Appraisal District, and the signatures of property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property that is liable for assessment by the District; and

WHEREAS, on June 1, 2017, after due notice, the City Council of the City (“*City Council*”) held a public hearing in the manner required by law on the advisability of the improvement projects and services described in the Petition as required by Sec. 372.009 of the PID Act;

WHEREAS, the public hearing was continued and reconvened on June 15, 2017, the City Council made the findings required by Sec. 372.009(b) of the PID Act and, by Resolution No. 17-015-00 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 June 22, 2017, the City published notice of its authorization of the District in the *Hill Country News*, a newspaper of general circulation in the City; and

WHEREAS, no written protests of the District from any owners of record of property within the District were filed with the City Secretary within 20 days after June 22, 2017; and

WHEREAS, the City Council, pursuant to Section 372.016(b) of the PID Act, published notice of a public hearing on August 3, 2017 in the *Hill Country News*, a newspaper of general circulation in the City, to consider the proposed “Assessment Roll” and the “Service and Assessment Plan” and the levy of the “Special Assessments” on property in the District; and

WHEREAS, the City Council, pursuant to Section 372.016(c) of the PID Act, received notice of the public hearing to consider the proposed Assessment Roll and the Service and Assessment Plan and the levy of Special Assessments on property in the District to the last known address of the owners of the property liable for the Special Assessments; and

WHEREAS, on August 17, 2017, the City Council convened the public hearing, and at such public hearing all persons who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the proposed Assessment Roll and the Special

Assessments, and to offer testimony pertinent to any issue presented on the amount of the Special Assessment, the allocation of Costs, the purposes of the Special Assessment, the special benefits of the Special Assessment, and the penalties and interest on annual installments and on delinquent annual installments of the Special Assessment; and

WHEREAS, at the August 17, 2017 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, the Assessment Roll, or the levy of the Special Assessments; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City Secretary or the City; and

WHEREAS, on August 17, 2017, the City approved and accepted the Service and Assessment Plan in conformity with the requirements of the PID Act and adopted Ordinance No. 17-051-00 (the “*Assessment Ordinance*”) and therein levied the Special Assessments; and

WHEREAS, the City Council is authorized by the PID Act to issue its revenue bonds payable from the Special Assessments for the purposes of (i) paying a portion of the costs of the Authorized Improvements, (ii) paying capitalized interest on bonds during and after the period of acquisition and construction of the Authorized Improvements, (iii) funding a reserve account for payment of principal and interest on Bonds, (iv) paying a portion of the costs incidental to the organization and administration of the District, and (v) paying costs of issuance; and

WHEREAS, on November 4, 2017, the City Council, in accordance with the Authority granted to it by the PID Act and other applicable laws, issued its “City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)” (the “*2017 NIA Bonds*”); and

WHEREAS, the 2017 NIA Bonds are payable from the assessments levied against that portion of the District designated as the Northern Improvement Area and are secured by that certain Indenture of Trust, dated November 1, 2017 (the “*2017 Indenture*”), executed and delivered by the City and the Trustee, concurrent with the issuance of the 2017 NIA Bonds; and

WHEREAS, on June 18, 2020, the City and the Deerbrooke Land Austin, LLC (the “Developer”) entered into the Deerbrooke Public Improvement District Reimbursement Agreement pursuant to which the City agreed to reimburse the Developer for the costs of certain Northern Neighborhood Improvements (as defined herein) benefiting the Northern Improvement Area; and

WHEREAS, following a public hearing held on June 18, 2020, the City levied a separate assessment in the Northern Improvement Area for the payment of the 2020 Reimbursement Obligation with the adoption of Ordinance No. 20-035-00 (the “*2020 Assessment Ordinance*”); and

WHEREAS, pursuant to the Act and other laws, and by Articles X and XIII of the 2017 Indenture, the City is authorized to issue Future Northern Improvement Area Neighborhood Improvement Bonds upon the satisfaction of the requirements stated in Article XIII of the 2017

Indenture pertaining to the progress of the development of the District (the “*Future Bonds Test*”), and is authorized to enter into this Indenture; and

WHEREAS, the requirements of the Future Bonds Test have been accomplished and the City now desires to issue its Future Northern Improvement Area Bonds for the purposes of: (i) paying a portion of the costs of the Authorized Improvements, (ii) funding a reserve account for payment of principal and interest on Bonds, and (iii) paying costs of issuance, and such series of Bonds are to be entitled “City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project)” (the “*Bonds*”), such Bonds being payable solely from the Special Assessment Revenue and other funds pledged under this Indenture to the payment of Bonds and for the purposes set forth in the preamble of this Indenture; and

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

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

FIRST GRANTING CLAUSE

The Pledged Revenues, as herein defined, and all moneys and investments held in the Pledged Funds, as herein defined, 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;

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 and products of the foregoing property described in the above granting clauses;

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the benefit of all present and future Owners of the Bonds from time to time issued under and secured by this Indenture, and for enforcement of the payment of the Bonds in accordance with their terms, and for the performance of and compliance with the obligations, covenants, and conditions of this Indenture;

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

PROVIDED, FURTHER, HOWEVER, if the City or its assigns shall well and truly pay, or cause to be paid, the principal or redemption price of and the interest on all the Bonds at the times and in the manner stated in the Bonds, according to the true intent and meaning thereof, then this Indenture and the rights hereby granted shall cease, terminate and be void; otherwise this Indenture is to be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and the Trust Estate hereby created, assigned, and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners from time to time of the Bonds as follows:

ARTICLE I DEFINITIONS, FINDINGS AND INTERPRETATION

Section 1.1. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise in this Indenture, the following terms shall have the meanings specified below:

“*2017 Indenture*” means Indenture of Trust dated as of November 1, 2017 between the City and BOKF, NA, securing the 2017 NIA Bonds.

“*2017 NIA Bonds*” means the City’s bonds issued by Section 3.1 of the 2017 Indenture entitled “City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)”.

“*2020 Assessment Ordinance*” means Ordinance No. 20-035-00, adopted by the City Council on June 18, 2020, that levied a separate assessment in the Northern Improvement Area for the payment of the 2020 Reimbursement Obligation.

“*2020 Reimbursement Agreement*” means the Deerbrooke Public Improvement District Reimbursement Agreement (Northern Improvement Area Neighborhood Improvements) entered into between the City and the Developer on June 18, 2020.

“*2020 Reimbursement Obligation*” shall have the meaning set forth in the Annual Update to the Service and Assessment Plan.

“2022 Amended and Restated Service and Assessment Plan” means the Service and Assessment Plan, as amended and restated by the Annual Service and Assessment Plan (SAP) Update (2022), passed and approved by City Council on July 7, 2022, by Ordinance No. 22-__-__, as same may be further amended, updated, supplemented or otherwise modified from time to time.

“Account” means any of the accounts established pursuant to Section 6.1 of this Indenture.

“Additional Interest” means the revenue generated from the Additional Interest Rate permitted to be charged and collected under the PID Act.

“Additional Interest Rate” means the incremental interest rate charged on the Special Assessments, in excess of the interest rate charged on the Bonds, not to exceed one-half of one percent (0.50%) as authorized pursuant to the PID Act.

“Additional Interest Reserve Account” means the Account established pursuant to Section 6.1 hereof.

“Additional Interest Reserve Requirement” means, initially, an amount equal to 5.5% of the principal amount of the Outstanding Bonds which will be funded from revenues received from the payment of the Additional Interest deposited to the Bond Pledged Revenue Account of the Pledged Revenue Fund.

“Additional Obligations” means any bonds or obligations, including specifically, any installment contracts, reimbursement agreements, temporary note or time warrant secured in whole or in part by an assessment, other than the Special Assessments securing the Bonds, levied against property within the District in accordance with the PID Act.

“Administrative Expenses” means the following actual or budgeted costs, as applicable, relating to the administrative, organizational, operation costs and expenses associated with, or incident to, the administration, organization and operation of the District (whether incurred by the City or by a third party administrator), including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, including a third party administrator, (ii) organizing the District and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting to the Trustee the Special Assessments or Annual Installments thereof, including Delinquent Collection Costs, (iv) maintaining the record of Special Assessments, including payments, reallocations and/or cancellations of the Special Assessments or Annual Installments thereof, (v) issuing, paying and redeeming the Bonds, (vi) investing or depositing the Special Assessments or other monies, (vii) complying with the PID Act with respect to the Bonds including any continuing disclosure requirements, (viii) paying the Paying Agent/Registrar’s and Trustee’s fees and expenses (including the fees and expenses of its legal counsel related to the Bonds), and (ix) administering the construction of Authorized Improvements, in accordance with the terms of this Agreement. Administrative Expenses collected and not expended for actual Administrative Expenses shall be carried forward and applied to reduce annual Administrative Expenses in subsequent years to avoid the over-collection of annual Administrative Expenses.

“Administrative Fund” means that Fund established by Section 6.1 and administered pursuant to Section 6.9 hereof.

“Administrator” means an officer, employee or designee of the City or third-party designee of the City who is not an officer or employee thereof, who shall have the responsibilities provided in the 2022 Amended and Restated Service and Assessment Plan, this Indenture, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District. The initial Administrator will be David Taussig & Associates, Inc.

“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, with respect to each Assessed Parcel, each annual payment of the Special Assessments as shown on the Assessment Roll attached to the 2022 Amended and Restated Service and Assessment Plan as Appendix A or in any Annual Service Plan Update and related to the Bonds and the Northern Improvement Area Neighborhood Improvements, shown under the column heading “Annual Installments,” which annual payment includes (i) the annual payment of the Special Assessment (including interest thereon at the interest rate on the Bonds); (ii) the Additional Interest; and (iii) Administrative Expenses (as described and calculated in the 2022 Amended and Restated Service and Assessment Plan or in any Annual Service Plan Update).

“Annual Service Plan Update” means the annual review and update of the Amended and Restated Service and Assessment Plan required by the PID Act and the 2022 Amended and Restated Service and Assessment Plan.

“Applicable Laws” means the PID Act, and all other laws or statutes, rules, or regulations, and any amendments thereto, of the State of Texas or of the United States, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

“Assessed Parcel” means each respective parcel of land located within Northern Improvement Area of the District against which a Special Assessment is levied by the 2020 Assessment Ordinance in accordance with the 2022 Amended and Restated Service and Assessment Plan.

“Assessment Roll” means the Assessment Roll attached as Appendix A to the 2022 Amended and Restated Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or in an Annual Service Plan Update, showing the total amount of the Special Assessment against each Assessed Parcel related to the Bonds and the Northern Neighborhood Improvements, under the column heading “Assessment Balance,” as updated, modified, or amended from time to time in accordance with the terms of the 2022 Amended and Restated Service and Assessment Plan and the PID Act.

“Authorized Denomination” means \$5,000 and any integral multiple of \$1,000 in excess thereof, or such smaller amount authorized by Section 4.5(c).

“*Authorized Improvements*” means those public improvements authorized by Section 372.003 of the PID Act including those listed in Section II.C of the 2022 Amended and Restated Service and Assessment Plan.

“*Bond Counsel*” means Bickerstaff Heath Delgado Acosta LLP or any other attorney or firm of attorneys designated by the City that are nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“*Bond Date*” means the date designated as the initial date of the Bonds by Section 3.2(a) of this Indenture.

“*Bond Fund*” means the Fund established pursuant to Section 6.1 and administered as provided in Section 6.4 hereof.

“*Bond Ordinance*” means Ordinance No. 22-__-__ adopted by the City Council on July 7, 2022 authorizing the issuance of the Bonds pursuant to this Indenture.

“*Bond Pledged Revenue Account*” means the Account established pursuant to Section 6.1 hereof.

“*Bond Year*” means the one-year period beginning on September 1 in each year and ending on August 31 in the following year.

“*Bonds*” or “*Bond*” means the City’s bonds authorized to be issued by Section 3.1 of this Indenture entitled “City of Leander, Texas Special Assessment Revenue Bonds, Series 2022 (Deerbrooke Public Improvement District Northern Improvement Area Neighborhood Improvement Project).”

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

“*Certification for Payment*” means a certification for payment substantially in the form of Exhibits E-1 and E-2 attached to the PID Financing Agreement executed by the Developer and submitted to the City and approved by the City Representative, specifying the amount of work performed and the Costs thereof, and requesting payment for such Costs from money on deposit in accounts of the Common Project Fund as further described in the PID Financing Agreement and Section 6.5 herein.

“*City*” means the City of Leander, Texas.

“*City Certificate*” means a certificate signed by the City Representative and delivered to the Trustee, certifying that the Trustee is authorized to take the action specified in the City Certificate, and a form of City Certificate is included as *Exhibit B* to this Indenture.

“*City Engineer*” means the civil engineer or firm of civil engineers selected by the City to perform the duties set forth herein and in the PID Financing Agreement.

“*City Representative*” means any official or agent of the City authorized by the City Council to undertake the action referenced herein.

“*Closing Date*” means the date of the initial delivery of and payment for the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions.

“*Costs*” means the costs of the Authorized Improvements.

“*Costs of Issuance Account*” means the Account of such name established pursuant to Section 6.1 hereof.

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

“*Delinquent Collection Costs*” means the costs related to the foreclosure on an Assessed Parcel and the costs of collection of a delinquent Special Assessment, including penalties and reasonable attorney’s fees actually paid.

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

“*Designated Successors and Assigns*” means (i) an entity to which Developer, as defined in this Article I, assigns in writing its rights and obligations contained in the PID Financing Agreement, as defined in this Article I, pursuant to Section 8.03 of the PID Financing Agreement related to all or a portion of the Property, as defined in this Article I, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Developer’s assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or ownership of the Developer.

“*Developer*” means Deerbrooke Land Austin LLC, a Delaware limited liability company (including its Designated Successors and Assigns).

“*District*” shall have the meaning set forth in the first recital.

“*District Administration Account*” means the Account of such name established pursuant to Section 6.1 hereof.

“*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.

“*Event of Default*” shall have the meaning set forth in Section 11.1 hereof.

“*Excess Additional Interest Reserve Amount*” shall have the meaning set forth in Section 6.7(e) hereof.

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

“*Fund*” means any of the funds established pursuant to Section 6.1 of this Indenture. For sake of clarity, unless the context otherwise requires, any transfer from or to a Fund, or any deposit in a Fund, shall mean a transfer from or to or deposit in, as the case may be, the applicable accounts(s) in such Fund.

“*Improvements Account*” means the account of such name established within the Project Fund pursuant to Section 6.1 hereof and is the “Bond Improvement Account” within the Project Fund as described in Section 4.02(e) of the PID Financing Agreement.

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

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

“*Initial Bond*” means the Initial Bond as set forth in *Exhibit A* to this Indenture.

“*Interest Payment Date*” means the date or dates upon which interest on the Bonds is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being on March 1 and September 1 of each year, commencing March 1, 2023.

“*Investment Securities*” means those authorized investments described in the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; and provided further investments are, at the time made, included in and authorized by the City’s official investment policy as approved by the City Council from time to time.

“*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. The

City will provide the amount of Maximum Annual Debt Service to the Trustee in a City Certificate from time to time. The Trustee may rely on the most recent City Certificate as to the correct Maximum Annual Debt Service.

“*Neighborhood Project Collection Fund*” means that Fund established by Section 6.1 and administered pursuant to Section 6.10 herein.

“*Northern Improvement Area*” means that portion of the property in the District defined as Phase 4 and generally shown on Figure II-B of the Service and Assessment Plan and as specifically described in Exhibit B of the Service and Assessment Plan.

“*Northern Neighborhood Improvements*” means those Authorized Improvements constructed that benefit the Northern Improvement Area which are more particularly described in Section II.C.3 of the 2022 Amended and Restated Service and Assessment Plan.

“*Outstanding*” means, as of any particular date when used with reference to Bonds, all Bonds authenticated and delivered under this Indenture except (i) any Bond that has been canceled by the Trustee (or has been delivered to the Trustee for cancellation) at or before such date, (ii) any Bond for which the payment of the principal or Redemption Price of and interest on such Bond shall have been made as provided in Article IV, and (iii) any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered pursuant to Section 3.11 herein.

“*Owner*” means the Person who is the registered owner of a Bond or Bonds, as shown in the Register, which shall be Cede & Co., as nominee for DTC, so long as the Bonds are in book-entry only form and held by DTC as securities depository in accordance with Section 3.13 herein.

“*Paying Agent/Registrar*” means initially the Trustee, or any successor thereto as provided in this Indenture.

“*Person*” or “*Persons*” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“*PID Act*” means Texas Local Government Code, Chapter 372, Improvement Districts in Municipalities and Counties, Subchapter A, Public Improvement Districts, as amended.

“*PID Financing Agreement*” means the “*Deerbrooke Public Improvement District Financing Agreement*” between the City and the Developer and consented to by Sitterle Homes – Austin, LLC; The Brohn Group, LLC; Perry Homes, LLC; and Monticello Custom Homes of Central Texas, LLC, dated as of August 17, 2017, which provides, in part, for the deposit of proceeds from the issuance and sale of the Bonds and the payment of costs of Authorized Improvements within in the District, the issuance of bonds, the reimbursement of costs to the Developer from the proceeds of the Bonds for funds advanced by the Developer and used to pay costs of Authorized Improvements and other matters related thereto.

“*Pledged Funds*” means the Pledged Revenue Fund, the Bond Fund, the Project Fund, the Reserve Fund, and the Redemption Fund.

“*Pledged Revenue Fund*” means that fund established pursuant to Section 6.1 hereof and administered pursuant to Section 6.3 herein.

“*Pledged Revenues*” means the sum of (i) Special Assessment Revenue less (a) the Administrative Expenses and (b) Foreclosure Proceeds; (ii) the moneys held in any of the Pledged Funds; and (iii) any additional revenues that the City may pledge to the payment of Bonds.

“*Prepayment*” means the payment of all or a portion of a Special Assessment, with interest that has accrued to the date of prepayment, before the due date thereof.

“*Principal and Interest Account*” means the Account of such name established pursuant to Section 6.1 hereof.

“*Project Fund*” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.5 herein and is the Project Fund as described in Section 5.02 of the PID Financing Agreement.

“*Property*” means those approximately 262 acres of land described on Exhibit B to the PID Financing Agreement, as defined in this Article I.

“*Purchaser*” means the initial underwriter of the Bonds.

“*Quarter in Interest*” means as of any particular date of calculation, the Owners of no less than twenty-five percent (25%) of the principal amount of the then Outstanding Bonds. In the event that two or more groups of Owners satisfy the percentage requirement set forth in the immediately preceding sentence and act (or direct the Trustee in writing to act) in a conflicting manner, only the group of Owners with the greatest percentage of Outstanding Bonds (as measured in accordance with the immediately preceding sentence) shall, to the extent of such conflict, be deemed to satisfy such requirement.

“*Rebate Amount*” has the meaning set forth in section 1.148-1(b) of the Regulations.

“*Rebate Fund*” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.8 herein.

“*Record Date*” means the close of business on the fifteenth calendar day (whether or not a Business Day) of the month next preceding an Interest Payment Date.

“*Redemption Account*” means that account established pursuant to Section 6.1 herein.

“*Redemption Fund*” means that fund established pursuant to Section 6.1 and administered pursuant to Section 6.6 herein.

“*Redemption Price*” means, when used with respect to any Bond or portion thereof, the redemption price, as applicable, shown in Article IV of this Indenture.

“*Refunding Bonds*” means Bonds secured by a parity lien, with the Outstanding Bonds, on the Trust Estate issued pursuant to Section 3.6 hereof, as more specifically described in a

Supplemental Trust Indenture, authorizing the refunding or advance refunding of all or any portion of the Outstanding Bonds.

“*Register*” means the register specified in Article III of this Indenture.

“*Regulations*” shall have the meaning set forth in Section 7.5(a) hereof.

“*Reserve Account*” means the Account of such name established pursuant to Section 6.1 hereof.

“*Reserve Account Requirement*” means 50% of Maximum Annual Debt Service on the Bonds as of the date of issuance; provided, however, that such amount shall be reduced by the amount of any transfers made pursuant to subsections (c) and (d) of Section 6.7; and provided further that as a result of an optional redemption pursuant to Section 4.3, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of Bonds redeemed by such optional redemption divided by the total principal amount of the Outstanding Bonds prior to such redemption. As of the date of delivery of the Bonds, the Reserve Account Requirement is \$_____. The City will provide the amount of the Reserve Account Requirement to the Trustee in a City Certificate from time to time. The Trustee may conclusively rely on the most recent City Certificate after the date of this Indenture as to the Reserve Account Requirement.

“*Reserve Fund*” means that fund established pursuant to Section 6.1 and administered in Section 6.7 herein.

“*SEC*” means the United States Securities and Exchange Commission.

“*Series*” means any designated series of Bonds issued under this Indenture.

“*Service and Assessment Plan*” means the original Service and Assessment Plan approved by the City Council on August 17, 2017, as plan is amended and updated from time to time, including any annual updates thereto.

“*Sinking Fund Installment*” means the amount of money to redeem or pay at maturity the principal of the Bonds payable from such installments at the times and in the amounts provided in Section 4.2 herein.

“*Special Assessment Revenue*” means monies collected by or on behalf of the City from any one or more of the following: (i) a Special Assessment levied against an Assessed Parcel, or Annual Installment payment thereof, including any interest on such Special Assessment or Annual Installment thereof during any period of delinquency, (ii) a Prepayment, (iii) Delinquent Collection Costs, and (iv) Foreclosure Proceeds.

“*Special Assessments*” means the aggregate assessments shown on the Assessment Roll. The singular of such term means the assessment levied against an Assessed Parcel, as shown on the Assessment Roll, subject to reallocation upon the subdivision of an Assessed Parcel or reduction according to the provisions of the 2022 Amended and Restated Service and Assessment Plan and the PID Act.

“*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 the City Representative pursuant to an ordinance adopted by the City Council and which indenture amends or supplements this Indenture, but only if and to the extent that such indenture is specifically authorized hereunder.

“*Tax Certificate*” means the Certificate as to Tax Exemption delivered by the City on the Closing Date for the Bonds setting forth the facts, estimates and circumstances in existence on the Closing Date which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the interest on such Bonds to be included in the gross income of the Owners thereof for Federal income tax purposes.

“*Trust Estate*” means the Trust Estate described in the granting clauses of this Indenture.

“*Trustee*” means BOKF, NA, a national banking association, and its successors, and any other corporation or association that may at any time be substituted in its place, as provided in Article IX, such entity to serve as Trustee and Paying Agent/Registrar for the Bonds.

Section 1.2. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Indenture are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.3. Table of Contents, Titles and Headings.

The table of contents, titles, and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.4. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) 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.

The Bonds, as to both principal and interest, are and shall be equally and ratably secured by and payable from a first lien on and pledge of the Trust Estate.

The lien on and pledge of the Pledged Revenues shall be valid and binding and fully perfected from and after the Closing Date, without physical delivery or transfer of control of the Pledged Revenues, the filing of this Indenture or any other act; all as provided in Texas Government Code, Chapter 1208, as amended, which applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under this Indenture, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the City under this Indenture is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Texas Business and Commerce Code, Chapter 9, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 2.2. Limited Obligations.

The Bonds are special and limited obligations of the City, payable solely from and secured solely by the Trust Estate, including the Pledged Revenues and the Pledged Funds; and the Bonds shall never be payable out of funds raised or to be raised by taxation or from any other revenues, properties or income of the City.

Section 2.3. Authorization for Indenture.

The terms and provisions of this Indenture and the execution and delivery hereof by the City to the Trustee have been duly authorized by official action of the City Council of the City. The City has ascertained and it is hereby determined and declared that the execution and delivery of this Indenture is necessary to carry out and effectuate the purposes set forth in the preambles of this Indenture and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and is a contract or agreement necessary, useful and convenient to carry out and effectuate the purposes herein described.

Section 2.4. 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 Owners, and shall be deemed to be and shall constitute a contract among the City, the Owners, and the Trustee.

ARTICLE III AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.1. Authorization.

The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly the PID Act, as amended. The Bonds shall be issued in the aggregate principal amount of \$_____ for the purpose of (i) paying a portion of the Costs of the Northern Neighborhood Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds.

Section 3.2. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated _____, 2022 (the “*Bond Date*”) and shall be issued in Authorized Denominations. The Bonds shall be in fully registered form, without coupons, and shall be numbered separately from R-1 upward, except the Initial Bond, which shall be numbered T-1.

(b) Interest shall accrue and be paid on each Bond from the later of the date of initial delivery of the Bonds or the most recent Interest Payment Date to which interest has been paid or provided for, at the rate per annum set forth below until the principal thereof has been paid on the maturity date specified below or otherwise provided for. Such interest shall be payable semiannually on March 1 and September 1 of each year, commencing March 1, 2023, computed on the basis of a 360-day year of twelve 30-day months.

(c) The Bonds shall mature on September 1 in the year and in the principal amount and shall bear interest as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$	%
20__		%

(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 herein, and shall otherwise have the terms, tenor, denominations, details, and specifications as set forth in the form of Bond set forth in *Exhibit A* to this Indenture.

Section 3.3. Conditions Precedent to Delivery of Bonds.

The Bonds shall be executed by the City and delivered to the Trustee, whereupon the Trustee shall authenticate the Bonds and, upon payment of the purchase price of the Bonds, shall deliver the Bonds upon the order of the City, but only upon delivery (which delivery may be via electronic mail in portable document (PDF) or similar format) to the Trustee of:

- (a) a copy of the executed 2020 Assessment Ordinance;
- (b) a copy of the executed Bond Ordinance;
- (c) a copy of the executed PID Financing Agreement;
- (d) a copy of the 2017 Indenture;
- (e) a copy of this Indenture executed by the Trustee and the City;
- (f) a City Certificate directing the authentication and delivery of the Bonds, describing the Bonds to be authenticated and delivered, designating the purchasers to whom the Bonds are to be delivered, stating the purchase price of the Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the City;
- (g) a copy of the executed opinion of Bond Counsel; and
- (h) 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; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "*Special Payment Date*," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.
- (c) Interest on the Bonds shall be paid by check, dated as of the Interest Payment Date, and sent, first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address of each as such appears in the Register or by such

other customary banking arrangement acceptable to the Paying Agent/Registrar and the Owner; provided, however, the Owner shall bear all risk and expense of such other banking arrangement.

(d) The principal of each Bond shall be paid to the Owner of such Bond on the due date thereof, whether at the maturity date or the date of prior redemption thereof, upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in Section 3.2 of this Indenture.

(f) Unclaimed payments of amounts due hereunder shall be held uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which such unclaimed payments pertain, subject to the escheat laws of the State of Texas.

Section 3.5. Execution and Registration of Bonds.

(a) The Bonds shall be executed on behalf of the City by the Mayor and City 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 of Public Accounts of the State of Texas, or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas, is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas, including the provisions of Title 6 of the Texas Property Code, as amended.

(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, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Trustee shall cancel the Initial Bond and deliver to DTC on behalf of the Purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC.

Section 3.6. Refunding Bonds

(a) Notwithstanding any contrary provision of this Indenture, the City shall not issue additional bonds, notes or other obligations under this Indenture, payable from Special Assessment Revenues on parity with the Bonds, other than Refunding Bonds. 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 of Texas. The City reserves the right to incur debt payable solely from revenue derived from contracts with other entities, including private corporations, municipalities and political subdivisions issued particularly for the purchase, construction, improvement, extension, replacement, enlargement or repair of the facilities needed in performing any such contract.

(b) The principal of all Refunding Bonds must be scheduled to be paid, be subject to mandatory sinking fund redemption or mature on September 1 of the years in which such principal is scheduled to be paid, subject to mandatory sinking fund redemption or maturity. All Refunding Bonds must bear interest at a fixed rate and any interest payment dates for Refunding Bonds must be March 1 and September 1. The date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of Refunding Bonds shall be set forth in a Supplemental Indenture.

(c) Upon their authorization by the City, the Refunding Bonds of a Series issued under this Section 3.6 shall be issued and shall be delivered to the purchasers or owners thereof, but before, or concurrently with, the delivery of said Refunding Bonds to such purchasers or owners there shall have been filed with the Trustee (1) a copy, certified by the City Secretary of the City, of the ordinance or ordinances of the City authorizing the issuance, sale, execution and delivery of the Refunding Bonds and the execution and delivery of a Supplemental Indenture establishing, among other things, the date, rate or rates of interest on, interest payment dates, maturity dates, redemption and all other terms and provisions of such Refunding Bonds, and (2) an original executed counterpart of the Supplemental Indenture for such Refunding Bonds.

Section 3.7. Ownership.

(a) The City, the Trustee, the Paying Agent/Registrar and any other Person may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment as provided herein (except interest shall be paid to the Person in whose name such Bond is registered on the relevant Record Date) and for all other

purposes, whether or not such Bond is overdue, and neither the City nor the Trustee, nor the Paying Agent/Registrar, shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond shall be valid and effectual and shall discharge the liability of the City, the Trustee and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.8. 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, upon written request from the City, file with the City, and shall cause the Register to be current with all registration and transfer information as from time to time may be applicable.

(b) A Bond shall be transferable only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. The Trustee is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) The Trustee is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each transferred Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such transferred Bond is delivered.

(e) Each exchange Bond delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Indenture to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(f) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different Authorized Denomination of any of the Bonds. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(g) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond or portion thereof called for redemption prior to maturity within 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 3.9. [RESERVED]

Section 3.10. 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 canceled, and proper records shall be made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall dispose of canceled Bonds in accordance with the records retention requirements of the Trustee.

Section 3.11. 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 therefore 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 3.12. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Trustee shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Trustee, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Trustee to save them and the City harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Trustee and the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Trustee.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the Person to whom it was delivered or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the City, the Paying Agent/Registrar or the Trustee in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, 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 3.13. Book-Entry Only System.

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the Person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners as shown in the Register, as provided in this Indenture, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Indenture. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the relevant Record Date, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

Section 3.14. Successor Securities Depository: Transfer Outside Book-Entry-Only System.

In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the letter of representations from the City to DTC, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds 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 3.15. 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 are subject to mandatory sinking fund redemption prior to their maturity and will be redeemed by the City in part at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption (the “*Redemption Price*”) from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI, on the dates and in the respective Sinking Fund Installments as set forth in the following schedule:

Term Bonds Maturing September 1, 20

[illegible]

** Stated Maturity

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__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	
September 1, 20__	

** Stated Maturity

(b) At least 45 days prior to each mandatory sinking fund redemption date, the Trustee shall select a principal amount of Bonds (in accordance with Section 4.5) of such maturity equal to the Sinking Fund Installment amount of such Bonds to be redeemed, shall call such Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.6.

(c) The principal amount of Bonds of a stated maturity 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 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 Bonds plus accrued unpaid interest to the date of purchase thereof, and delivered to the Trustee for cancellation.

(d) The principal amount of 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 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.

Section 4.3. Optional Redemption.

The City reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20__, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption at the Redemption Price. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.6.

Section 4.4. Extraordinary Optional Redemption.

(a) The City reserves the right and option to redeem the Bonds before their respective scheduled maturity dates, in whole or in part, on any day, at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption at the Redemption Price from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments (including related transfers to the Redemption Account of the Redemption Fund as provided in this Indenture) or as a result of unexpended amounts transferred from the Improvements Account of the Project Fund pursuant to the terms of this Indenture. The Trustee shall receive written notice from the City of the City's intention to conduct an optional redemption of Bonds not less than forty-five (45) days prior to the required notice mailing date provided in Section 4.6.

Notwithstanding the foregoing, the Trustee will not be required to make an extraordinary optional redemption pursuant to this Section 4.4 unless it has at least \$1,000 available in the Redemption Fund with which to redeem the Bonds.

(b) In lieu of redeeming the Bonds with the funds described in this Section, the City may purchase the Bonds in the open market of the maturity to be redeemed at the price not in excess of that provided in Section 4.7.

Section 4.5. Partial Redemption.

(a) Unless otherwise provided herein, if less than all of the Bonds are to be redeemed at any time pursuant to either Section 4.2, 4.3 or 4.4, the particular maturities and amounts of Bonds to be redeemed shall be selected by the City. If less than all of the Bonds of a particular maturity are to be redeemed, the Trustee shall select the Bonds of such maturity to be redeemed by lot. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

(b) A portion of a single Bond may be redeemed, but only in a principal amount equal to: (i) for redemptions made pursuant to Section 4.3, an Authorized Denomination or any integral of \$1,000 in excess thereof, or (ii) for redemptions made pursuant to Section 4.2 or 4.4, \$1,000 or any integral multiple thereof. The Trustee shall treat each \$1,000 portion of such Bond as though it were a single bond for purposes of selection for redemption.

(c) Notwithstanding any provision of this Indenture to the contrary, including Section 4.5(b) above, if any Bonds are to be redeemed pursuant to Section 4.2, 4.3 or 4.4 above and such redemption results in the unredeemed portion of a single Bond in an amount less than the Authorized Denomination, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued (unless the Owners of such Bond owns other Bonds of the same maturity which could be combined with such Bond to form an Authorized Denomination, as herein set forth).

(d) Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.8 of this Indenture, shall authenticate and deliver and exchange the Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so

surrendered, which shall be an Authorized Denomination. A new Bond representing the unredeemed balance of such Bond shall be issued to the Owner thereof, 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 hereof, an identification of the Bonds or portions thereof to be redeemed, any conditions to such redemption and that on the redemption date, if all conditions, if any, to such redemption have been satisfied, such Bond shall become due and payable.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) The City has the right to rescind any optional redemption or extraordinary optional redemption described in Section 4.3 or 4.4 by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds are not available and deposited with the Trustee on the Business Day prior to 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.

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

Section 4.7. Purchase Price for Bonds

Upon receipt of written notice from the City specifying the Bonds to be purchased, the Trustee shall apply moneys available for redemption to the purchase of Bonds which were otherwise to be redeemed in such order or priority and subject to such restrictions as may be prescribed in this Indenture in the manner provided in this Section. The purchase price paid by the Trustee (excluding accrued and unpaid interest but including any brokerage and other charges) for any Bond purchased by the City shall not exceed the principal amount of such Bond.

Section 4.8. Payment Upon Redemption.

(a) The Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Redemption Fund or otherwise received by the Trustee from the City and shall use such funds solely for the purpose of paying the Redemption Price on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the designated corporate trust office of the Trustee on or after the date fixed for redemption, the Trustee shall pay the Redemption Price on such Bond to the date of redemption from the moneys set aside for such purpose.

Section 4.9. 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 or the principal of and interest on such Bonds, as applicable, to the date fixed for redemption are on deposit with the Trustee; thereafter, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

ARTICLE V
FORM OF THE BONDS

Section 5.1. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Trustee, and the Assignment to appear on each of the Bonds, (i) shall be substantially in the form set forth in *Exhibit A* to this Indenture with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Indenture, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 5.2. CUSIP Registration.

The City may secure identification numbers through the CUSIP 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 Trustee, or the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds. The Trustee may include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Owners of the Bonds and that neither the City nor the Trustee shall be liable for any inaccuracies of such numbers.

Section 5.3. Legal Opinion.

The approving legal opinion of Bond Counsel may be printed on or attached to each Bond over the certification of the City Secretary of the City, which may be executed in facsimile.

Section 5.4. Statement of Insurance

A statement relating to municipal bond insurance policy, if any, to be issued for the Bonds may be printed on or attached to each Bond.

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) Redemption Fund;
- (v) Reserve Fund;
- (vi) Rebate Fund;
- (vii) Administrative Fund; and
- (viii) Neighborhood Project Collection Fund.

(b) Creation of Accounts.

(i) The following Account is hereby created and established under the Pledged Revenue Fund: Bond Pledged Revenue Account.

(ii) The following Account is hereby created and established under the Bond Fund: Principal and Interest Account.

(iii) The following Account(s) are hereby created and established under the Project Fund:

(A) Improvements Account; and

(B) Costs of Issuance Account.

(iv) The following Account is hereby created and established under the Redemption Fund: Redemption Account.

(v) The following Account(s) are hereby created and established under the Reserve Fund:

(A) Reserve Account; and

(B) Additional Interest Reserve Account.

(vi) The following Account is hereby created and established under the Administrative Fund: District Administration Account.

(c) Each Fund and Account created within such Fund shall be maintained by the Trustee separate and apart from all other funds and accounts of the City. The Pledged Funds shall constitute trust funds which shall be held in trust by the Trustee as part of the Trust Estate solely for the benefit of the Owners of the Bonds.

(d) Except as otherwise provided herein, interest earnings and profit on each respective Fund and Account established by this Indenture, including the Neighborhood Project Collection Fund, shall be applied or withdrawn for the purposes of such Fund or Account as specified below.

Section 6.2. Initial Deposits to Funds and Accounts.

The proceeds from the sale of the Bonds shall be paid to the Trustee and deposited or transferred by the Trustee as follows:

(i) to the Reserve Account of the Reserve Fund: \$_____;

(ii) to the Costs of Issuance Account of the Project Fund: \$_____;
and

(iii) to the Improvements Account of the Project Fund: \$_____.

Section 6.3. Pledged Revenue Fund.

(a) On or before February 20, 2023, and on or before each February 20 and August 20 of each year thereafter while the Bonds are Outstanding, the City shall deposit or cause to be deposited the Pledged Revenues, other than the Pledged Revenues on deposit in the Neighborhood Project Collection Fund which revenues shall be transferred in accordance with Section 6.10 hereof, into the Pledged Revenue Fund. Specifically, the City shall deposit or cause to be deposited Special Assessment Revenues to be used in the following order of priority:

(i) first, deposit in the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to pay debt service on the Bonds next coming due in such calendar year;

(ii) second, deposit to the Reserve Account of the Reserve Fund an amount to cause the amount in the Reserve Account to equal the Reserve Account Requirement;

(iii) third, deposit to the Additional Interest Reserve Account in an amount equal to the Additional Interest;

(iv) fourth, to pay other Costs of Authorized Improvements; and

(v) fifth, to pay other costs permitted by the PID Act.

Along with each deposit of Pledged Revenues to the Pledged Revenue Fund, the City shall provide a City Certificate to the Trustee as to (i) the Funds and Accounts into which the amounts are to be deposited or retained, as applicable, and (ii) the amounts of any payments to be made from such Funds and Accounts.

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

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 6.7 herein, there are insufficient funds to make the payments provided in paragraph (b) above, the Trustee shall apply the available funds in the Principal and Interest Account of the Bond Fund first to the payment of interest, then to the payment of principal (including any Sinking Fund Installments) on the Bonds.

(d) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Prepayments to the Bond Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments to the Redemption Fund.

(e) Notwithstanding Section 6.3(a) hereof, the Trustee shall deposit Foreclosure Proceeds (as such are identified in a City Certificate) to the Bond Pledged Revenue Account of the Pledged Revenue Fund and as soon as practicable after such deposit shall transfer Foreclosure Proceeds, as directed by the City pursuant to a City Certificate, first to the Reserve Fund to restore any transfers from the Reserve Fund made with respect to the Assessed Parcel or Assessed Parcels to which the Foreclosure Proceeds relate (*first*, to replenish the Reserve Account Requirement, and *second*, to replenish the Additional Interest Reserve Requirement), and second, to the Redemption Account of the Redemption Fund.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Bonds and to fund any deficiency that may exist in any Account of the Reserve Fund and transfer of funds pursuant to Section 6.3(i) – (iv) above, the City may direct the Trustee by City Certificate to apply Special Assessments for any lawful purposes permitted by the PID Act for which Special Assessments may be paid.

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.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Trustee shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 6.7(f) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account of the Bond Fund and transferred to the Paying Agent/Registrar.

Section 6.5. Project Fund.

(a) Money on deposit in the Improvements Account and the Costs of Issuance Account of the Project Fund shall be used for the purposes specified herein.

(b) Disbursements from the Costs of Issuance Account of the Project Fund shall be made by the Trustee to pay costs of issuance of the Bonds pursuant to one or more City Certificates. Disbursements from the Improvements Account of the Project Fund to pay Costs shall be made by the Trustee upon receipt by the Trustee of one or more City Certificates containing a properly executed and completed Certification for Payment. The disbursement of funds from the Improvements Account of the Project Fund pursuant to a City Certificate delivered under this Section 6.5 shall be pursuant to and in accordance with the disbursement procedures described in the PID Financing Agreement. Such provisions and procedures related to such disbursement contained in the PID Financing Agreement are herein incorporated by reference and deemed set forth herein in full.

(c) If the City Representative determines in his or her sole discretion that amounts then on deposit in the Improvements Account of the Project Fund are not expected to be expended for purposes of the Improvements Account of the Project Fund due to the abandonment, or constructive abandonment, of the Northern Neighborhood Improvements, as the case may be, such that, in the opinion of the City Representative, it is unlikely that the amounts in the

Improvements Account of the Project Fund will ever be expended for the purposes of the Improvements Account of the Project Fund, the City Representative shall file a City Certificate with the Trustee which identifies the amounts then on deposit in the Improvements Account of the Project Fund that are not expected to be used for purposes of the Improvements Account of the Project Fund. If such City Certificate is so filed, the amounts identified on the City Certificate on deposit in the Improvements Account of the Project Fund shall be transferred to the Redemption Account of the Redemption Fund to redeem Bonds on the earliest practicable date after notice of redemption has been provided in accordance with this Indenture.

(d) In making any determination pursuant to this Section, the City Representative may conclusively rely upon a report issued by the City Engineer or a certificate of an Independent Financial Consultant.

(e) 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 Improvements Account of the Project Fund and used to pay Costs or to the Principal and Interest Account of the Bond Fund and used to pay interest on the Bonds, as directed by the City in a City Certificate filed with the Trustee, and the Costs of Issuance Account of the Project Fund shall be closed. If the City does not provide a City Certificate as to the determination within ninety (90) days, the Trustee is instructed to transfer the funds to the Improvements Account of the Project Fund, and the Costs of Issuance Account of the Project Fund shall be closed.

(f) Upon the filing of a City Certificate stating that all Northern Neighborhood Improvements have been completed and that all Costs of the Northern Neighborhood Improvements allocable to the Assessed Parcels have been paid, or that any such Costs are not required to be paid from the Improvements Account of the Project Fund, the Trustee shall (i) transfer the amount, if any, remaining within the Improvements Account of the Project Fund to the Principal and Interest Account of the Bond Fund, and (ii) close the Improvements Account of the Project Fund.

Section 6.6. Redemption Fund.

The Trustee, as directed by City Certificate, shall cause to be deposited to the Redemption Account of the Redemption Fund from the Bond Pledged Revenue Account of the Pledged Revenue Fund an amount sufficient to redeem Bonds as provided in Sections 4.3 and 4.4 on the dates specified for redemption as provided in Sections 4.3 and 4.4. Amounts on deposit in the Redemption Account of 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 Reserve Account will be initially funded with a deposit of \$_____ from the proceeds of the Bonds and the City agrees with the Owners of the Bonds to accumulate from the deposits outlined in Section 6.3(a) hereof, 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. The Trustee will transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the Additional Interest Reserve Account, to the extent that the Reserve Account contains the Reserve Account Requirement and funds are available after application of the deposit priority in Section 6.3(a) hereof, an amount equal to the Additional Interest in the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has been accumulated in the Additional Interest Reserve Account; provided, however, that at any time the amount on deposit in the Additional Interest Reserve Account is less than Additional Interest Reserve Requirement, the Trustee shall resume depositing the Additional Interest into the Additional Interest Reserve Account until the Additional Interest Reserve Requirement has accumulated in the Additional Interest Reserve Account.

(b) Whenever a transfer is made from an account of the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the City, specifying the amount withdrawn and the source of said funds.

(c) Whenever Bonds are to be redeemed with the proceeds of Prepayments pursuant to Section 4.4, a proportionate amount in the Reserve Account of the Reserve Fund shall be transferred on the Business Day prior to the redemption date by the Trustee to the Redemption Account of the Redemption Fund to be applied to the redemption of the Bonds as detailed in the City's written direction. The amount so transferred from the Reserve Account of the Reserve Fund shall be equal to an amount representing the difference between (i) the lesser of (A) the Reserve Account Requirement prior to redemption and (B) the amount actually on deposit in the Reserve Account prior to redemption, and (ii) the Reserve Account Requirement after such redemption; provided, however, no such transfer from the Reserve Account shall cause the amount on deposit therein to be less than the Reserve Account Requirement to be in effect after such redemption. If after such transfer, and after applying investment earnings on the Redemption Account of the Redemption Fund toward payment of accrued and unpaid interest to the date of redemption on the Bonds to be redeemed, 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 Additional Interest Reserve Account to the Redemption Account of the Redemption Fund to be applied to the redemption of the Bonds.

(d) Whenever, on any Interest Payment Date, or on any other date at the written request of a City Representative, the amount in the Reserve Account exceeds the Reserve Account Requirement, the Trustee shall provide written notice to the City Representative of the amount of the excess by use of online portfolio access. Such excess shall be transferred to the Principal and Interest Account of the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 6.4 hereof, unless within 45 days of such notice to the City Representative, the Trustee receives a City Certificate instructing the Trustee to apply such excess: (i) to pay amounts due under Section 6.8 hereof, (ii) to the District Administration Account of the Administrative Fund in an amount not more than the Administrative Expenses for the Bonds, or (iii) to the Improvements Account of the Project Fund if such application and the expenditure of funds is expected to occur within three years of the date hereof.

(e) Whenever, on any Interest Payment Date, or on any other date at the written request of the City Representative, the amount on deposit in the Additional Interest Reserve

Account exceeds the Additional Interest Reserve Requirement, the Trustee shall provide written notice to the City of the amount of the excess (the “*Excess Additional Interest Reserve Amount*”). Such excess on deposit in the Additional Interest Reserve Account shall be transferred, at the direction of the City pursuant to a City Certificate, to the District Administration Account of the Administrative Fund for the payment of Administrative Expenses or to the Redemption Account of the Redemption Fund in order to effect the redemption of Bonds pursuant to Section 4.4. In the event that the Trustee does not receive a City Certificate directing the transfer of the Excess Additional Interest Reserve Amount to the District Administration Account of the Administrative Fund within 45 days of providing notice to the City of such Excess Additional Interest Reserve Amount, the Trustee shall transfer the Excess Additional Interest Reserve Amount to the Redemption Account of the Redemption Fund and redeem Bonds pursuant to Section 4.4 hereof.

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

(g) At the final maturity of the Bonds, the amount on deposit in the Reserve Account and the Additional Interest Reserve Account shall be transferred to the Redemption Account of the Redemption Fund and applied to the payment of the principal of the Bonds.

(h) If, after a Reserve Fund withdrawal, the amount on deposit in the Reserve Account of the Reserve Fund is less than the Reserve Account Requirement, the Trustee shall transfer from the Pledged Revenue Fund to the Reserve Account of the Reserve Fund the amount of such deficiency, in accordance with Section 6.3.

(i) If the amount held in the Reserve Fund together with the amount held in the Bond Fund and Redemption Fund is sufficient to pay the principal amount and of all Outstanding Bonds on the next Interest Payment Date, together with the unpaid interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Redemption Account of the Redemption Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

Section 6.8. Rebate Fund: Rebate Amount.

(a) There is hereby established a special fund of the City to be designated “City of Leander, Texas Rebate Fund” (the “Rebate Fund”) to be held by the Trustee in accordance with the terms and provisions of this Indenture. Amounts on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due the United States Government in accordance with the Code. The Trustee shall transfer from the Bond Pledged Revenue Account of the Pledged Revenue Fund to the credit of the Rebate Fund each amount instructed by City Certificate to be transferred thereto.

(b) In order to assure that Rebate Amount is paid to the United States rather than to a third party, investments of funds on deposit in the Rebate Fund shall be made as directed pursuant to the City’s written direction in accordance with the Code and the Tax Certificate. The

Trustee shall withdraw from the Rebate Fund and pay to the United States the amounts instructed by City Certificate.

(c) The Trustee conclusively shall be deemed to have complied with the provisions of this Section and Section 7.5(h) hereof 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 and Section 7.5(h) hereof in the absence of written instructions from the City.

(d) If, on the date of each annual calculation, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the City may direct the Trustee, pursuant to a City Certificate, to transfer the amount in excess of the Rebate Amount to the Principal and Interest Account of the Bond Fund.

Section 6.9. Administrative Fund.

(a) The City shall deposit or cause to be deposited to the District Administration Account of the Administrative Fund a portion of the amounts collected each year to pay Administrative Expenses and Delinquent Collection Costs. Moneys in the District Administration Account of the Administrative Fund shall be held by the Trustee separate and apart from the other Funds created and administered hereunder and used as directed by a City Certificate solely for the purposes set forth in the 2022 Amended and Restated Service and Assessment Plan.

(b) The Administrative Fund is not a Pledged Fund.

Section 6.10. Neighborhood Project Collection Fund.

While any Bonds are Outstanding, another taxing unit or an appraisal district, by agreement with the City, may collect Special Assessment Revenue on the City's behalf. If such taxing unit or appraisal district presents or otherwise tenders to the Trustee such collected Assessment Revenue for deposit on the City's behalf, the Trustee shall accept such Special Assessment Revenue and deposit the same into the Neighborhood Project Collection Fund. The Trustee shall, as directed by the City pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Special Assessment Revenue deposited into the Neighborhood Project Collection Fund that consists of the Administrative Expenses and Delinquent Collection Costs to the Administrative Fund and, as directed pursuant to a City Certificate, deposit or cause to be deposited all of that portion of the Special Assessment Revenue deposited into the Neighborhood Project Collection Fund that consists of Pledged Revenue into the Pledged Revenue Fund. The City shall provide such City Certificate on or before February 20, 2023 and every August 20 and February 20 thereafter while the Bonds are Outstanding. The Neighborhood Project Collection Fund is not a Pledged Fund.

Section 6.11. Investment of Funds.

(a) Money in any Fund established pursuant to this Indenture shall be invested by the Trustee only as directed by the City pursuant to a City Certificate filed with the Trustee at least two (2) days in advance of the making of such investment (or as directed below) in time deposits or certificates of deposit secured in the manner required by law for public funds, or be invested in direct obligations of, including obligations the principal and interest on which are

unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities thereof, or in such other investments as are permitted under the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, or any successor law, as in effect from time to time, including funds for which the Trustee and/or its affiliates provide investment advisory or other management services; the City Certificate shall direct investment in such deposits and investments (which may include repurchase agreements for such investment with any primary dealer of such agreements) so that the money required to be expended from any Fund will be available at the proper time or times. Such investments shall be valued each year in terms of current market value as of September 30. For purposes of maximizing investment returns, to the extent permitted by law, money in such Funds may be invested in common investments of the kind described above, or in a common pool of such investment which shall be kept and held at an official depository bank, which shall not be deemed to be or constitute a commingling of such money or funds provided that safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Fund are held by or on behalf of each such Fund. If necessary, such investments shall be promptly sold to prevent any default. In the event the City does not provide written investment directions, which may include electronic direction, the Trustee is instructed to invest funds into the Federated Treasury Obligations Fund (CUSIP No. 60934N120, TOTXX).

(b) Obligations purchased as an investment of moneys in any Fund shall be deemed to be part of such Fund or Account, subject, however, to the requirements of this Indenture for transfer of interest earnings and profits resulting from investment of amounts in Funds and Accounts. Whenever in this Indenture any moneys are required to be transferred by the City to the Trustee, such transfer may be accomplished by transferring a like amount of Investment Securities.

(c) The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses (including depreciation of value) arising from any investments or the sale of any investments made pursuant to this Section. The Trustee shall not be required to determine the suitability or legality of any investments or whether investments comply with Section 6.11(a) above.

(d) Investments in any and all Funds and Accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular Funds or Accounts of amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the Funds and Accounts to which they are credited and otherwise as provided in this Indenture.

(e) The Trustee will furnish the City monthly cash transaction statements via access to its online portfolio system which include detail for all investment transactions made by the Trustee hereunder. The Trustee is not required to provide brokerage confirmations so long as the Trustee is providing such online access.

Section 6.12. Advances from Available Funds

In the event of a delinquency in the payment of any installment of the Special Assessment levied upon any property for the payment of the principal portion of an Annual Installment, the City may, but is not obligated to, be the purchaser of the delinquent property upon which any of said Special Assessments are levied in like manner in which it may become the purchaser of property sold for the nonpayment of general ad valorem property taxes, and in the event the City does so become the purchaser of such property, shall pay and transfer and deposit into the Bond Pledged Revenue Account of the Pledged Revenue Fund the amount of any remaining amount of unpaid Special Assessment, delinquent Special Assessment installments and interest thereon. The City may also pay and transfer from available funds and deposit into the Bond Pledged Revenue Account of the Pledged Revenue Fund, but shall not be so obligated, the amount of any such Special Assessment pending redemption or sale. Any amounts so advanced by the City shall be recoverable upon sale or redemption of the property. The City shall not be obligated to advance available funds to cure any deficiency in the Bond Pledged Revenue Account of the Pledged Revenue Fund, or any other Fund created hereunder, and has determined that it would not obligate itself to advance available funds from other funds of the City to cure any such deficiency.

Section 6.13. [RESERVED].

Section 6.14. 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 Special Assessments.

The City hereby confirms, covenants, and agrees that, in the 2020 Assessment Ordinance, it has levied the Special Assessments against the respective Assessed Parcels from which the Pledged Revenues will be collected and received.

Section 7.2. Collection and Enforcement of Special Assessments.

(a) For so long as any Bonds are Outstanding, the City covenants, agrees and warrants that it will take and pursue all actions permissible under Applicable Laws to cause the Special Assessments to be collected and the liens thereof enforced continuously, in the manner and to the maximum extent permitted by Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Special Assessments.

(b) The City will determine or cause to be determined, no later than February 15 of each year, whether or not any Annual Installment is delinquent and, if such delinquencies exist, the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and

interest thereon, including diligently prosecuting an action in district court to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Special Assessment or the corresponding Assessed Parcel.

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 Pledged Revenues, 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 Pledged Revenues or other property pledged under this Indenture, other than a lien or pledge subordinate to the lien and pledge of such property related to the Bonds.

Section 7.4. Records, Accounts, Accounting Reports.

The City hereby covenants and agrees that so long as any of the Bonds or Outstanding Bonds or any interest thereon remain outstanding and unpaid, and the obligation to the Developer to reimburse it for funds it has contributed to pay costs of the Authorized Improvements remain outstanding and unpaid, it will keep and maintain a proper and complete system of records and accounts pertaining to the Special 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, but not the responsibility or duty to inspect the project and 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 the project and such books and records relating to the Bonds during the City's regular business hours and on a mutually agreeable date not later than thirty days after the City receives such request.

Section 7.5. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“*Code*” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Issue Date.

“*Computation Date*” has the meaning set forth in section 1.148 1(b) of the Regulations.

“*Gross Proceeds*” means any proceeds as defined in section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in section 1.148-1(c) of the Regulations, of the Bonds.

“*Investment*” has the meaning set forth in section 1.148-1(b) of the Regulations.

“*Issue Date*” for the Tax-Exempt Bonds or other obligations of the District is the respective date on which such bonds or other obligations of the District is delivered against payment therefor.

“*Net Sale Proceeds*” has the meaning stated in section 1.148-1(b) of the Regulations.

“*Nonpurpose Investment*” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“*Proceeds*” has the meaning stated in section 1.148-1(b) of the Regulations.

“*Rebate Amount*” has the meaning set forth in Section 1.148 1(b) of the Regulations.

“*Regulations*” means any proposed, temporary or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of (1) any Investment has the meaning set forth in section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(i) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(ii) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan.

(i) Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(ii) The City covenants and agrees that the levied Special Assessments will meet the requirements of the “tax assessment loan exception” within the meaning of section 1.141-5(d) of the Regulations on the date the Bonds are delivered and will ensure that the Special Assessments continue to meet such requirements for so long as the Bonds are outstanding hereunder.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Issue Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any

action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the final Computation Date. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall, pursuant to a City Certificate, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the regulations and rulings thereunder.

(iv) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (ii) and (iii), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) *Not to Divert Arbitrage Profits.* Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this

Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) *Not Hedge Bonds.* The City will not invest more than 50 percent of the Proceeds of each series of the Bonds in Nonpurpose Investments having a substantially guaranteed yield for four years or more. On the Issue Date of each series of the Bonds, the City reasonably expects that at least 85 percent of the Net Sale Proceeds of each series of the Bonds will be used to carry out the governmental purpose of such series within three years after the respective Issue Date of such series.

(k) *Elections.* The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Finance Director, or City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Tax Certificate or similar or other appropriate certificate, form or document.

ARTICLE VIII LIABILITY OF CITY

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.

The City shall not incur any responsibility in respect of the Bonds or this Indenture other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own willful default or act of bad faith. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Trustee herein or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the City may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the City and conforming to the requirements of this Indenture. The City shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of this Indenture, the Bonds, the 2020 Assessment Ordinance, or any agreement, document, instrument, or certificate executed, delivered or approved in connection with the issuance, sale, delivery, or administration of the Bonds (the "*Bond Documents*"), shall require the City to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Pledged Revenues and the Administrative Expenses) in the performance of any of its obligations hereunder, or in the exercise of any of its rights or powers,

if in the judgment of the City there are reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it.

Neither the Owners nor any other Person shall have any claim against the City or any of its officers, officials, agents, or employees for damages suffered as a result of the City's failure to perform in any respect any covenant, undertaking, or obligation under any Bond Documents or as a result of the incorrectness of any representation in, or omission from, any of the Bond Documents, except to the extent that any such claim relates to an obligation, undertaking, representation, or covenant of the City, in accordance with the Bond Documents and the PID Act. Any such claim shall be payable only from Pledged Revenues or the amounts collected to pay Administrative Expenses on deposit in the District Administration Account of the Administrative Fund. Nothing contained in any of the Bond Documents shall be construed to preclude any action or proceeding in any court or before any governmental body, agency, or instrumentality against the City or any of its officers, officials, agents, or employees to enforce the provisions of any of the Bond Documents or to enforce all rights of the Owners of the Bonds by mandamus or other proceeding at law or in equity.

The City may rely on and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The City may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Indenture the City shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the City, be deemed to be conclusively proved and established by a certificate of the Trustee, an Independent Financial Consultant, an independent inspector or the City Manager or other person designated by the City Council to so act on behalf of the City, and such certificate shall be full warrant to the City for any action taken or suffered under the provisions of this Indenture upon the faith thereof, but in its discretion the City may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations, and directions of such persons or entities.

ARTICLE IX THE TRUSTEE

Section 9.1. Trustee as Registrar and Paying Agent.

The Trustee is hereby designated and agrees to act as Registrar and Paying Agent for and in respect to the Bonds. The Trustee hereby 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 Owners of the Bonds agree. No implied covenants or obligations shall be read into this Indenture against the Trustee.

Section 9.2. Trustee Entitled to Indemnity.

The Trustee shall be under no obligation to spend its own funds, 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 or exercise of any rights and powers hereunder, until it shall be indemnified to its satisfaction and to the extent permitted by law 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 required hereunder, or to deliver any notice when required hereunder. Nevertheless, the Trustee may begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as the Trustee, without indemnity, and in such case the Trustee may make transfers from the District Administration Account of the Administrative Fund, and to the extent money in the Administrative Fund is insufficient, from the Pledged Revenue 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 this Indenture or the Bonds, or the right, title or interest of the City therein, or with respect to the security afforded by this Indenture, or the technical or financial feasibility of the project, or the compliance of the project with the PID Act or the tax-exempt status of the Bonds, and the Trustee shall incur no liability with respect thereto. Except as otherwise expressly provided in this Indenture, the Trustee shall have no responsibility or duty with respect to: (i) the issuance of Bonds for value; (ii) the application of the proceeds thereof, except to the extent that such proceeds are received by it in its capacity as Trustee; (iii) the application of any moneys paid to the City or others in accordance with this Indenture, except as to the application of any moneys paid to it in its capacity as Trustee; iv) any calculation of arbitrage or rebate under the Code; (v) undertaking any other action unless specifically authorized pursuant to a written direction by the City or pursuant to this Indenture; or (vi) the use of Bond proceeds or sufficiency of said proceeds or cash flow to accomplish the intended objective of the financing..

(b) The duties and obligations of the Trustee shall be determined by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture. The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or obligation and, with respect to such permissive rights, the Trustee shall not be answerable for other than its 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 or 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 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. The permissive right of the Trustee to take actions (or to refrain from taking actions) shall not be construed as a duty.

(d) The Trustee (i) may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be responsible for misconduct or negligence of any such attorneys, agents, receivers or employees, and (ii) shall be entitled to the advice of counsel concerning all matters of trusts hereof and duties hereunder, and (iii) may pay at the expense of the Owners reasonable compensation in all cases to all of those attorneys, agents, receivers and employees employed by it in connection with the trusts hereof. The Trustee may act upon the opinion or advice of its own counsel concerning all matters of trust hereof and the duties hereunder. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion or advice.

(e) The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except a default in payment when due of the principal, premium, if any, or interest on any Bond or the failure of the Issuer or the Borrower to file with the Trustee any documents required by this Indenture, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Issuer or by the Owners of at least 75% in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default or Event of Default except as aforesaid.

(f) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises granted in this Indenture.

(g) The immunities and protections from liability extended to the Trustee also extend to its directors, officers, employees, attorneys and agents.

(h) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal, discharge of this Indenture and the final payment or the defeasance of the Bonds (or the discharge of the Bonds or the defeasance of the lien of this Indenture).

(i) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any liability financial or otherwise, in the performance of any of its duties or in the exercise of any of its rights or powers. The Trustee shall not be required to make any disbursement of funds until having collected funds.

(j) The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum, financial report or other disclosure material prepared or distributed with respect to the issuance of the Bonds and makes no representation as to the accuracy or completeness of any information contained therein.

(k) The Trustee shall have the right but not the obligation to act as directed by the Owners of at least a majority of the aggregate outstanding principal of the Bonds and shall not be liable in taking any action so directed if the Trustee acts in the absence of bad faith.

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.

The Trustee may require and conclusively rely upon any order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond, or other document provided to the Trustee in accordance with the terms of this Indenture to be paid for by the Issuer or holders of the Bonds. The Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument or verify any calculations in connection therewith. The Trustee may consult with counsel, who may or may not be Bond Counsel, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted to be taken by it in good faith and in accordance therewith. The cost of any such opinion or advice shall be borne by the Issuer.

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

In the absence of bad faith, the Trustee 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 Trustee and conforming to the requirements of this Indenture. The Trustee shall not be liable for any error of judgment made in good faith.

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

Section 9.6. Compensation.

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

Section 9.7. Permitted Acts.

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

Section 9.8. Resignation of Trustee.

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

Section 9.9. Removal of Trustee.

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

Section 9.10. Successor Trustee.

If the Trustee shall resign, be removed, be dissolved, or become incapable of acting, or shall be adjudged 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.

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 a Quarter in Interest of the Bonds by an instrument or concurrent instruments in writing signed and acknowledged by such Owners or their attorneys-in-fact, duly authorized and delivered to such successor Trustee, with notification thereof being given to the predecessor Trustee and the City.

Until such successor Trustee shall have been appointed by the Owners of the Bonds, the City shall forthwith appoint a Trustee to act hereunder. Copies of any instrument of the City providing for any such appointment shall be delivered by the City to the Trustee so appointed. 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.

If in a proper case no appointment of a successor Trustee shall be made within 30 days after the giving by any Trustee of any notice of resignation in accordance with Section 9.8 herein or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner of Bonds may apply to any court of competent jurisdiction for the appointment of such a successor, and the court may thereupon, after such notice, if any, as the court may deem proper, appoint such successor and the City shall be responsible for the costs of such appointment process. Any duties and obligations of such predecessor Trustee shall thereafter cease and terminate, and the payment of the fees and expenses owed to the predecessor Trustee shall be paid in full.

Any successor Trustee appointed under the provisions of this Section shall be a commercial bank or trust company or national banking association (i) having a capital and surplus and

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

Each successor Trustee shall mail, in accordance with the provisions of the Bonds, 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 of such Trustee and all the right, title, and interest of such Trustee in and to the Trust Estate, and shall pay over, assign, and deliver to such successor any moneys or other properties subject to the trusts and conditions herein set forth. Should any deed, conveyance, or instrument in writing from the City be required by such successor for more fully and certainly vesting in and confirming to it any such moneys, estates, properties, rights, powers, duties, or obligations, any and all such deeds, conveyances, and instruments in writing, on request and so far as may be authorized by law, shall be executed, acknowledged, and delivered by the City.

Section 9.12. Merger, Conversion or Consolidation of Trustee.

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

Section 9.13. Trustee to File Continuation Statements.

The City shall cause to be filed all appropriate initial financing statements, if any, to ensure that the Trustee (for the benefit of the Owners of the Bonds) is granted a valid and perfected first priority lien on the entire Trust Estate. Nothing herein shall obligate the Trustee to file any initial financing statements. Upon the City's timely delivery of a copy of such filed initial financing statement, naming the Trustee as secured party or additional secured party, if any, to the Trustee, the Trustee shall file continuation statements of such initial financing statement.

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 any 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. Permissive rights of the Trustee are not to be construed as duties or obligations. Whether or not therein expressly so provided, every provision of this Indenture or any other financing document relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article IX.

ARTICLE X
MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 10.1. Amendments Permitted.

This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture, except as provided below, pursuant to the affirmative vote at a meeting of Owners of the Bonds, or with the written consent without a meeting, of the Owners of at least fifty-one percent (51%) of the aggregate principal amount of the Bonds then Outstanding. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the principal of or 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, (ii) permit the creation by the City of any pledge or lien upon the Pledged Revenues superior to or on parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by Applicable Laws or this Indenture), or (iii) reduce the percentage of Bonds required for the amendment hereof. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

This Indenture and the rights and obligations of the City and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the City in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power herein reserved to or conferred upon the City;
- (ii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

(iii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in regard to questions arising under this Indenture, as the City and the Trustee may deem necessary or desirable and not inconsistent with this Indenture, and that shall not adversely affect the rights of the Owners of the Bonds;

(iv) to authorize a Series of Refunding Bonds; and

(v) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Bonds.

Section 10.2. Owners' Meetings.

The City may at any time call a meeting of the Owners of the Bonds. In such event the City is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 10.3. Procedure for Amendment with Written Consent of Owners.

The City and the Trustee may at any time adopt a Supplemental Indenture amending the provisions of the Bonds or of this Indenture, to the extent that such amendment is permitted by Section 10.1 herein, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Trustee to each Owner of Bonds from whom consent is required under this Indenture, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when assented to as in this Section provided.

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

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Indenture, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). Proof of the mailing of such notice shall be filed with the Trustee. A record, consisting of the papers required by this Section 10.3 to be filed with the Trustee, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Indenture shall become effective upon the filing with the Trustee of the proof of mailing of such notice, and the Supplemental Indenture shall be deemed

conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of ninety (90) 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 ninety-day period.

Section 10.4. Effect of Supplemental Indenture.

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

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

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

Section 10.6. Amendatory Endorsement of Bonds.

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

Section 10.7. Waiver of Default.

With the written consent of the Owners of at least fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, the Owners may waive compliance by the City with certain past defaults under the Indenture and their consequences. Any such consent shall be conclusive and binding upon the Owners and upon all future Owners.

Section 10.8. Execution of Supplemental Indenture.

In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article or the modification thereby of the trusts created by this Indenture, the Trustee shall receive, and shall be fully protected in relying upon, an opinion of counsel addressed and delivered to the Trustee and the City stating that the execution of such Supplemental Indenture is permitted by and in compliance with this Indenture. The Trustee may, but shall not be obligated

to, enter into any such Supplemental Indenture which affects the Trustee's own rights, duties and immunities under this Indenture or otherwise. Any such amendment shall not modify any of the rights or obligations of the Trustee without its written consent. In executing or accepting any Supplemental Indenture, the Trustee shall be fully protected in relying upon an opinion of Bond Counsel addressed and delivered to the Trustee in accordance with this Article X.

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 Bond Pledged Revenue Account of the Pledged Revenue Fund;

(ii) The failure of the City to enforce the collection of the Special Assessments including the prosecution of foreclosure proceedings;

(iii) The failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable and such failure is not remedied within thirty (30) days thereafter; provided, however, that the payments are to be made only from Pledged Revenues or other funds currently available in the Pledged Funds and available to the City to make any such payments; and

(iv) Default in the performance or observance of any other covenant, agreement or obligation of the City under this Indenture and the continuation thereof for a period of ninety (90) days after written notice to the City by the Trustee, or by the Owners of a Quarter in Interest of the Bonds with a copy to the Trustee, specifying such default by the Owners of a Quarter in Interest of the Bonds at the time Outstanding requesting that the failure be remedied.

The Trustee will not be deemed to have notice of an Event of Default under Section 11.1(ii) unless notified in writing by the Issuer or the Owners of a Quarter in Interest of the Bonds.

Section 11.2. Immediate Remedies for Default.

(a) Subject to Article VIII, upon the happening and continuance of any of the Events of Default described in Section 11.1, the Trustee may, and at the written direction of the Owners of a Quarter in Interest of the Bonds then Outstanding, and its receipt of indemnity satisfactory to it, shall proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Indenture, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by Applicable Laws, including, but not limited to, the specific performance of any covenant or agreement contained herein, or injunction; provided, however, that no action for

money damages against the City may be sought or shall be permitted. The Trustee retains the right to obtain the advice of counsel in its exercise of remedies for default.

(b) THE PRINCIPAL OF THE BONDS SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

(c) If the assets of the Trust Estate are sufficient to pay all amounts due with respect to all 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 Certificate, which Trust Estate assets shall be applied to such payment and shall not be liable to any Owner or other Person by reason of such selection and application. In the event that the City shall fail to deliver to the Trustee such City Certificate, the Trustee shall select and liquidate or sell Trust Estate assets as provided in the following paragraph, and shall not be liable to any Owner, or other Person, or the City by reason of such selection, liquidation or sale. The Trustee shall have no liability for its selection of Trust Estate assets to liquidate or sell.

(d) Whenever moneys are to be applied pursuant to this Article XI, irrespective of and whether other remedies authorized under this Indenture shall have been pursued in whole or in part, the Trustee may cause any or all of the assets of the Trust Estate, including Investment Securities, to be sold. The Trustee may so sell the assets of the Trust Estate and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Trustee may deem appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Trustee may make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the City, and all other Persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Trustee, the City shall ratify and confirm any sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Trustee, proper for the purpose which may be designated in such request.

Section 11.3. Restriction on Owner's Action.

(a) No Owner shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust thereof or any other remedy hereunder, unless (i) a default has occurred and is continuing of which the Trustee has been notified in writing, (ii) such default has become an Event of Default and the Owners of a Quarter in Interest of the Bonds then Outstanding have made written request to the Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (iii) the Owners have furnished to the Trustee indemnity as provided in Section 9.2 herein, (iv) the Trustee has for ninety (90) days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name, (v) no direction inconsistent with such written request has been given to the Trustee during such 90-day period by the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, and (vi) notice of such

action, suit, or proceeding is given to the Trustee; however, no one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice this Indenture by its, his 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 shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owners, then and in every such case the City, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 11.4. Application of Revenues and Other Moneys After Default.

(a) All moneys, securities, funds and Pledged Revenues and the income therefrom received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Trustee and the fees of the Trustee in carrying out this Indenture, during the continuance of an Event of Default, notwithstanding Section 11.2 hereof, shall be applied by the Trustee, on behalf of the City, to the payment of interest and principal or Redemption Price then due on Bonds, 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 or Redemption Price due and to the Owners entitled thereto, without any discrimination or preference.

Within ten (10) days of receipt of such good and available funds, the Trustee may fix a record and payment date for any payment to be made to Owners pursuant to this Section 11.4.

(b) In the event funds are not adequate to cure any of the Events of Default described in Section 11.1, the available funds shall be allocated to the Bonds that are Outstanding in proportion to the quantity of Bonds that are currently due and in default under the terms of this Indenture.

(c) The restoration of the City to its prior position after any and all defaults have been cured, as provided in Section 11.3, shall not extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 11.5. Effect of Waiver.

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

Section 11.6. Evidence of Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(i) The fact and date of the execution of such instruments by any Owner of Bonds or the duly appointed attorney authorized to act on behalf of such Owner may be provided by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority.

(ii) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the Register.

(b) Except as otherwise provided in this Indenture with respect to revocation of a consent, any request or consent by an Owner of Bonds shall bind all future Owners of the same

Bonds in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 11.7. No Acceleration.

In the event of the occurrence of an Event of Default under Section 11.1 hereof, the right of acceleration of any Stated Maturity is not granted as a remedy hereunder and the right of acceleration under this Indenture is expressly denied.

Section 11.8. Mailing of Notice.

Any provision in this Article for the mailing of a notice or other document to Owners shall be fully complied with if it is mailed, first class postage prepaid, only to each Owner at the address appearing upon the Register.

Section 11.9. Exclusion of Bonds.

Bonds owned or held by or for the account of the City will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Indenture, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Indenture.

ARTICLE XII
GENERAL COVENANTS AND REPRESENTATIONS

Section 12.1. Representations as to Pledged Revenues.

(a) The City represents and warrants that it is authorized by Applicable Laws to authorize and issue the Bonds, to execute and deliver this Indenture and to pledge the Pledged Revenues in the manner and to the extent provided in this Indenture, and that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Indenture except as expressly provided herein.

(b) The City shall at all times, to the extent permitted by Applicable Laws, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners and the Trustee, under this Indenture against all claims and demands of all Persons whomsoever.

(c) The City will take all steps reasonably necessary and appropriate, to collect all delinquencies in the collection of the Special Assessments and any other amounts pledged to the payment of the Bonds to the fullest extent permitted by the PID Act and other Applicable Laws.

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

Section 12.2. Accounts, Periodic Reports and Certificates.

The Trustee shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Funds and Accounts established by this Indenture and which shall at all times be subject to inspection by the City, and the Owner or Owners of not less than 10% in principal amount of any Bonds then Outstanding or their representatives duly authorized in writing.

Section 12.3. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Indenture.

Section 12.4. No Israel Boycott.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 12.5. No Terrorist Organization.

The Trustee represents that neither it nor any of its parent company, wholly- or majority- owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Trustee and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Trustee

understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 12.6. No Discrimination Against Fossil Fuel Companies.

To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies,” a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Trustee understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

Section 12.7. No Discrimination Against Firearm Entities and Firearm Trade Associations.

(a) To the extent this Indenture constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Trustee hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Indenture. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification and the following definitions:

(i) discriminate against a firearm entity or firearm trade association,’ a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade

association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association;

(ii) 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and

(iii) 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

(b) The Trustee understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Trustee within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

ARTICLE XIII SPECIAL COVENANTS

Section 13.1. Further Assurances; Due Performance.

(a) At any and all times the City will duly execute, acknowledge and deliver, or will cause to be done, executed and delivered, all and every such further acts, conveyances,

transfers, and assurances in a manner as the Trustee shall reasonably require for better conveying, transferring, pledging, and confirming unto the Trustee, all and singular, the revenues, Funds, Accounts and properties constituting the Pledged Revenues, and the Trust Estate hereby transferred and pledged, or intended so to be transferred and pledged.

(b) The City will duly and punctually keep, observe and perform each and every term, covenant and condition on its part to be kept, observed and performed, contained in this Indenture.

Section 13.2. Additional Obligations or Other Liens; Refunding Bonds.

(a) The City reserves the right, subject to the provisions contained in this Section 13.2, to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on any portion of the Trust Estate and are not payable from any portion of the Trust Estate.

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

Section 13.3. Books of Record.

(a) The City shall cause to be kept full and proper books of record and accounts, in which full, true and proper entries will be made of all dealing, business and affairs of the City, which relate to the Pledged Revenues, the Pledged Funds, and the Bonds.

(b) The Trustee shall have no responsibility with respect to the financial and other information received by it pursuant to this Section 13.3 except to receive and retain same, subject to the Trustee's document retention policies, and to distribute the same in accordance with the provisions of this Indenture. Specifically, but without limitation, the Trustee shall have no duty to review such information, is not considered to have notice of the contents of such information or a default based on such contents, and has no duty to verify the accuracy of such information.

ARTICLE XIV
PAYMENT AND CANCELLATION OF THE BONDS 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 the 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.

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

payment for Defeasance Securities purchased for the purpose of reinvesting cash as aforesaid shall be made only against delivery of such Defeasance Securities.

ARTICLE XV MISCELLANEOUS

Section 15.1. Benefits of Indenture Limited to Parties.

Nothing in this Indenture, expressed or implied, is intended to give to any Person other than the City, the Trustee and the Owners, any right, remedy, or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture by and on behalf of the City shall be for the sole and exclusive benefit of the Owners and the Trustee.

Section 15.2. Successor is Deemed Included in All References to Predecessor.

Whenever in this Indenture or any Supplemental Indenture either the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.3. Execution of Documents and Proof of Ownership by Owners.

Any request, declaration, or other instrument which this Indenture may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys duly appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration, or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the Person signing such request, declaration, or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number, and date of holding the same shall be proved by the Register.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or the Trustee in good faith and in accordance therewith.

Section 15.4. Waiver of Personal Liability.

No member, officer, agent, or employee of the City shall be individually or personally liable for the payment of the principal of, or interest or any premium on, the Bonds; but nothing

herein contained shall relieve any such member, officer, agent, or employee from the performance of any official duty provided by law.

Section 15.5. Notices to and Demands on City and Trustee.

(a) Except as otherwise expressly provided in this Indenture, all notices or other instruments required or permitted under this Indenture, including any City Certificate, shall be in writing and shall be delivered by hand, mailed by first class mail, postage prepaid, or transmitted by facsimile or e-mail and addressed as follows:

If to the City:	City of Leander, Texas P.O. Box 319 (mailing address) Leander, Texas 78646 105 N. Brushy Street (physical address) Leander, Texas 78641 Attention: Rick Beverlin, City Manager Fax No.: 512.690.2193 Email: rbeverlin@leandertx.gov
With copy to:	The Knight Law Firm, LLP 223 West Anderson Suite A-105 Austin, Texas 78752 Attention: Paige Saenz, City Attorney Fax No.: 512.323.5773 Email: Paige@cityattorneytexas.com
If to the Trustee or the Paying Agent/Registrar:	BOKF, NA Corporate Trust Services 1401 McKinney, Suite 1000 Houston, Texas 77010 Attention: Rachel Roy E-Fax No.: 713.354.0279 Email: Rachel.Roy@bankoftexas.com

Any such notice, demand, or request may also be transmitted to the appropriate party by telephone and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change. Notices and consents given by mail in accordance with this Section shall be deemed to have been given five Business Days after the date of dispatch; notices and consents given by any other means shall be deemed to have been given when received.

(b) The Trustee shall mail to each Owner of a Bond notice of (i) any substitution of the Trustee; or (ii) the redemption or defeasance of all Bonds Outstanding.

(c) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the City shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions and their authorized e-mail addresses from which such instruction may be sent, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method), the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 15.6. Partial Invalidity.

If any Section, paragraph, sentence, clause, or phrase of this Indenture shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The City hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause, or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid, or unenforceable.

Section 15.7. Applicable Laws.

This Indenture shall be governed by and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas.

Section 15.8. Payment on Business Day.

In any case where the date of the maturity of interest 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.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the City and the Trustee have caused this Indenture of Trust to be executed all as of the date hereof.

CITY OF LEANDER, TEXAS

By: _____
Mayor

Attest:

City Secretary

[CITY SEAL]

BOKF, NA
as Trustee

By: _____
Authorized Officer

EXHIBIT A

(a) Form of Bond.

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

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas

CITY OF LEANDER, TEXAS
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2022
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA NEIGHBORHOOD IMPROVEMENT PROJECT)

<u>INTEREST RATE</u> _____%	<u>MATURITY DATE</u> _____, 20__	<u>DATE OF DELIVERY</u> _____, 2022	<u>CUSIP NUMBER</u> _____
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The City of Leander, Texas (the “City”), for value received, hereby promises to pay, solely from the Trust Estate, to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Date of Delivery, as specified above, or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing March 1, 2023, until maturity or prior redemption.

Capitalized terms appearing herein that are defined terms in the Indenture defined below, have the meanings assigned to them in the Indenture. Reference is made to the Indenture for such definitions and for all other purposes.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Houston, Texas (the “*Designated Payment/Transfer Office*”), of BOKF, NA, as trustee and paying agent/registrar (the “*Trustee*”, which term includes any successor trustee under the Indenture), or, with respect to a successor trustee and paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Trustee to the registered owner at the address shown on the registration books kept by the Trustee or by such other customary banking arrangements acceptable to the Trustee, requested by, and at the risk and expense of, the Person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the Person in whose name this Bond is registered at the close of business on the “*Record Date*,” which shall be the fifteenth 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 or more thereafter, a new record date for such interest payment (a “*Special Record Date*”) will be established by the Trustee, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “*Special Payment Date*,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Trustee at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a duly authorized issue of special assessment revenue bonds of the City having the designation specified in its title (herein referred to as the “*Bonds*”), dated _____, 2022 and issued in the aggregate principal amount of \$_____ and issued, with the limitations described herein, pursuant to an Indenture of Trust, dated as of July 1, 2022 (the “*Indenture*”), by and between the City and the Trustee, to which Indenture reference is hereby made for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder to the holders of the Bonds, the Trustee, and the City, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which each holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. The Bonds are being issued for the purpose of (i) paying a portion of the Costs of the Northern Neighborhood Improvements, (ii) funding a reserve fund for payment of principal and interest on the Bonds, and (iii) paying the costs of issuance of the Bonds.

The Bonds are special, limited obligations of the City payable solely from the Trust Estate as defined in the Indenture. Reference is hereby made to the Indenture, copies of which are on file with and available upon request from the Trustee, for the provisions, among others, with respect to the nature and extent of the duties and obligations of the City, the Trustee and the Owners. The

Owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms, conditions and provisions of the Indenture.

Notwithstanding any provision hereof, the Indenture may be released and the obligation of the City to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Defeasance Securities sufficient for such purpose as described in the Indenture.

The Bonds are issuable as fully registered bonds only in Authorized Denominations, subject to the provisions of the Indenture authorizing redemption in Authorized Denominations.

The Bonds are subject to sinking fund redemption prior to their respective maturities and will be redeemed by the City in part at a price equal to 100% of the principal amount thereof, or portions thereof, to be redeemed plus accrued interest thereon to the date set for redemption from moneys available for such purpose in the Principal and Interest Account of the Bond Fund pursuant to Article VI of the Indenture, on the dates and in the Sinking Fund Installment amounts as set forth in the following schedule:

[Insert tables from Section 4.2]

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

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

The principal amount of Bonds required to be redeemed on any mandatory sinking fund redemption date shall be reduced on a pro rata basis among Sinking Fund Installments by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date, shall have been redeemed pursuant to the optional redemption or extraordinary optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

The City reserves the right and option to redeem the Bonds before their scheduled maturity dates, in whole or in part, in amounts equal to Authorized Denominations, on or after September 1, 20__, such redemption date or dates to be fixed by the City, at 100% of the principal amount of such Bonds, or portions thereof, to be redeemed plus accrued interest to the date of redemption.

The Bonds are subject to extraordinary optional redemption prior to maturity in whole or in part, on any day, at a Redemption Price equal to at 100% of the principal amount of such Bonds called for redemption, or portions thereof, to be redeemed plus accrued interest to the date of

redemption from amounts on deposit in the Redemption Account of the Redemption Fund as a result of Prepayments, other transfers to the Redemption Account of the Redemption Fund pursuant to the Indenture, or as a result of unexpended amounts transferred from the Improvements Account of the Project Fund as provided in the Indenture.

Upon surrender of any Bond for redemption in part, the Trustee in accordance with the Indenture, shall authenticate and deliver and exchange the Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, which shall be an Authorized Denomination. A new Bond representing the unredeemed balance of such Bond shall be issued to the Owner thereof, such exchange being without charge. If any Bonds are to be redeemed and such redemption results in the unredeemed portion of a single Bond in an amount less than the Authorized Denomination, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued.

If less than all of the Bonds are to be redeemed at any time pursuant to either Section 4.2, 4.3 or 4.4 of the Indenture, the particular maturities and amounts of Bonds to be redeemed shall be selected by the City. If less than all of the Bonds of a particular maturity are to be redeemed, the Trustee shall select the Bonds of such maturity to be redeemed by lot. Each Bond shall be treated as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by the smallest Authorized Denomination for such Bond.

A portion of a single Bond may be redeemed, but only in a principal amount equal to: (i) for redemptions made pursuant to Section 4.3 of the Indenture, an Authorized Denomination or any integral of \$1,000 in excess thereof, or (ii) for redemptions made pursuant to Section 4.2 or 4.4 of the Indenture, \$1,000 or any integral multiple thereof. The Trustee shall treat each \$1,000 portion of such Bond as though it were a single bond for purposes of selection for redemption.

Notwithstanding any provision of the Indenture to the contrary, including Section 4.5(b), if any Bonds are to be redeemed pursuant to Sections 4.2, 4.3 or 4.4 of the Indenture and such redemption results in the unredeemed portion of a single Bond in an amount less than the Authorized Denomination, a Bond in the principal amount equal to the unredeemed portion, but not less than \$1,000, may be issued (unless the Owners of such Bond owns other Bonds of the same maturity which could be combined with such Bond to form an Authorized Denomination, as herein set forth).

Upon surrender of any Bond for redemption in part, the Trustee in accordance with Section 3.8 of the Indenture, shall authenticate and deliver and exchange the Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, which shall be an Authorized Denomination. A new Bond representing the unredeemed balance of such Bond shall be issued to the Owner thereof, such exchange being without charge.

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

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

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

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

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

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

The City reserves the right to issue Additional Obligations under other indentures, assessment ordinances, or similar agreements or other obligations which do not constitute or create a lien on the Trust Estate and are not payable from Pledged Revenues.

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

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

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

Mayor, City of Leander, Texas

City Secretary, City of Leander, Texas

[City Seal]

(b) Form of Comptroller's Registration Certificate.

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY THAT there is on file and of record in my office an opinion 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, address and zip code of transferee):

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

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

Authorized Signatory

(e) The Initial Series 2022 NIA Bond shall be in the form set forth in paragraphs (a), (b), (d) and (e) of this Exhibit A, except for the following alterations:

(i) immediately under the name of the Bond the heading "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As Shown Below," and the reference to the "CUSIP NUMBER" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date 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 amounts and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u> ”
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(Information to be inserted from Section 3.2(c) hereof); and

(iii) the Initial Bond shall be numbered T-1.

[City Letterhead]



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Discuss and consider action on a Resolution authorizing redemption of City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area / Major Improvement Project); and authorizing and approving other matters related thereto.

BACKGROUND:

In 2017, the Deerbrooke PID was approved by City Council and the first assessments were levied on properties within development. The total assessment levy is divided by the number of anticipated lots at full build-out and individual assessments vary based on lot size. During the course of development, the Developer has reduced their total lot count by one. Consequently, the Developer is required to payoff the full amount of the lost assessment that was assigned to that lot. The payoff amount is \$15,308.15.

RECOMMENDATION:

Recommend Approval.

PRESENTER:

Robert G. Powers, Executive Finance Director

Fiscal Impact

Amount requested: n/a
Approved in current budget (Yes / No): n/a
Expenditure (New / Amended): n/a
Recurring or one-time: n/a
Fund source (Operating / Utility / etc.): PID Assessments

Attachments

1. Resolution

ORDINANCE NO. 22 -__-__

**ORDINANCE AUTHORIZING REDEMPTION OF CERTAIN CITY OF
LEANDER, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES
2017 (DEERBROOKE PUBLIC IMPROVEMENT DISTRICT NORTHERN
IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT) AND
APPROVING OTHER MATTERS RELATED THERETO**

WHEREAS, the City of Leander, Texas (the “City”) has previously issued its Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) (the “2017 NIA Bonds”); and

WHEREAS, there currently remains outstanding \$2,410,000 of the 2017 NIA Bonds; and

WHEREAS, the City intends to utilize approximately \$10,000 to partially redeem on September 1, 2022 the following maturity of its outstanding 2017 NIA Bonds (the “Redeemed Bonds”):

**SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2017
(DEERBROOKE PUBLIC IMPROVEMENT DISTRICT
NORTHERN IMPROVEMENT AREA MAJOR IMPROVEMENT PROJECT)**

<u>Maturity Redeemed</u>	<u>Principal Amount</u>	<u>Amount Being Redeemed</u>	<u>Amount Remaining</u>
September 1, 2047*	\$165,000	\$10,000	\$155,000

*Term Bond maturing September 1, 2047

WHEREAS, the City pursuant to Sections 4.4 and 4.5 of the Indenture of Trust for the 2017 NIA Bonds by and between the City and BOKF, NA, as Trustee, dated as of November 1, 2017 (the “Indenture”), desires to redeem the Redeemed Bonds with the funds to be provided therefor by the City from available funds in its Redemption Fund which has been established under the Indenture; and

WHEREAS, Chapter 1207, Texas Government Code, as amended (“Chapter 1207”), authorizes the City to deposit available funds or resources, directly with a place of payment (paying agent) for the Redeemed Bonds, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Redeemed Bonds; and

WHEREAS, BOKF, NA is the paying agent for the Redeemed Bonds (the “Paying Agent”), and the redemption may be accomplished by depositing the amount necessary with the Paying Agent, as permitted by said Chapter 1207;

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

Section 1. Definitions. In addition to other words and terms defined in this Ordinance and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“City” – City of Leander, Texas.

“City Council” – The duly constituted City Council for the City, or any predecessor thereof or successor thereto.

“Ordinance” – This Ordinance as revised and completed as herein permitted.

“Paying Agent” – BOKF, NA (or any successor thereto).

Section 2. Execution of Ordinance. The Mayor and City Secretary are authorized to execute this Ordinance on behalf of the City and to do any and all things proper and necessary to carry out the intent thereof.

Section 3. Approval of Redemption. The City Council hereby approves the redemption of the Redeemed Bonds through funds provided from the Redemption Fund and hereby directs the Mayor, City Manager, Executive Finance Director and other appropriate officials of the City to take all steps necessary to accomplish the redemption of the Redeemed Bonds as set forth in this Ordinance.

Section 4. Use of Funds. The City will use available funds from its Redemption Fund to redeem the Redeemed Bonds.

Section 5. Matters Related to Redemption. Authorization of Officers. The City shall satisfy in a timely manner all of its obligations under this Ordinance. The Mayor and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the redemption of the Redeemed Bonds, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices (see Form of Notice of Extraordinary Partial Redemption attached as *Exhibit A*), and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

Section 6. Miscellaneous Provisions.

(a) Titles Not Restrictive. The titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(b) Inconsistent Provisions. All Ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(c) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City Council hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(d) Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(e) Open Meeting. The City Council officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

(f) Incorporation of Recitals. The recitals to this Ordinance are hereby incorporated by reference herein as if copied in full.

[The remainder of this page intentionally left blank]

PASSED AND APPROVED this 7th day of July, 2022.

Mayor
City of Leander, Texas

ATTEST:

City Secretary
City of Leander, Texas

[CITY SEAL]

EXHIBIT "A"

NOTICE OF EXTRAORDINARY PARTIAL REDEMPTION City of Leander, Texas Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project)

NOTICE IS HEREBY GIVEN that the City of Leander, Texas has called for redemption a portion outstanding series of Special Assessment Revenue Bonds, Series 2017 (Deerbrooke Public Improvement District Northern Improvement Area Major Improvement Project) described as follows:

<u>CUSIP</u>	<u>Rate</u>	<u>Bonds Maturing</u>	<u>Outstanding Principal Amount</u>	<u>Principal Amount Refunded</u>	<u>Redemption Date</u>
521842AH7	5.375%	09/01/2047*	\$165,000	\$10,000	09/01/2022

*Term Bond maturing September 1, 2047

Redemption will occur **September 1, 2022**, and interest thereon shall cease to accrue from and after said redemption date. The Bonds will be redeemed at par plus accrued interest.

The above-described Bonds should be surrendered on the redemption date for payment of the redemption price of the principal amount thereof plus accrued interest. In the case of any Bond to be redeemed in part only, upon presentation of such Bond for redemption, there will be issued in lieu of the unredeemed portion of the principal thereof a new registered Bond or Bonds in principal amount equal to such unredeemed portion. Called Bonds should be presented at the following addresses:

Delivery Instructions

BOKE, NA
Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

1-866-429-7481

IMPORTANT TAX NOTICE

Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**Note: The Issuer and Trustee shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

CITY OF LEANDER, TEXAS



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Discuss and consider action regarding Subdivision Case 21-PP-013 to approve the Leander Estates Preliminary Plat on three (3) parcels of land approximately 210.6 acres $\pm$ in size, more particularly described by Williamson Central Appraisal District Parcels R560185 and R560184; and Travis Central Appraisal District Parcel 905245; generally located at the north-west corner of CR 280 and the future extension of Lakeline Boulevard, Leander, Williamson and Travis Counties, Texas.

BACKGROUND:

This request is the second step in the subdivision process.

HISTORY/TIMELINE:

11/04/2021 – Concept Plan Approved

APPLICANT/AGENT:

Jones Carter (Eric Vann) on behalf of Leander 210, LLC (James McVaugh).

RECOMMENDATION:

This preliminary plat includes one hundred sixty-nine (169) single-family lots. This proposal meets all the requirements of the Subdivision Ordinance. Staff recommends approving the preliminary plat.

This proposal includes the removal of a twenty-nine (29")- inch Heritage Tree within the ROW, and twenty-six (26")- inch and twenty (27")- inch Heritage Trees in the detention ponds. The Preliminary Plat includes five hundred ninety-six (596") inches of preserved Heritage Tree inches and forty-one thousand seventy-two (41,072") inches of preserved Significant Tree inches.

The Heritage Tree removal fee is \$24,600.00 (\$300.00 per caliper inch removed). The developer is also paying a fee in lieu of mitigation trees in the amount of \$36,900.00 {\$150.00 per mitigation inch (3:1 for Heritage Tree)}.

PRESENTER:

Robin M Griffin, AICP, Executive Director of Development Services

Attachments

1. Preliminary Plat
2. Location Exhibit

DEVELOPER: LEANDER 210, LLC
11200 RICHMOND AVE. #100
HOUSTON, TX 77082
PH 281-216-9630

LAND OWNER: LEANDER 210, LLC
11200 RICHMOND AVE. #100
HOUSTON, TX 77082
PH 281-216-9630

ENGINEER/SURVEYOR/PLANNER/AGENT:
J|C JONES | CARTER
Texas Board of Professional Engineers Registration No. F-439

3100 Alvin Devane Boulevard, Suite 150
Austin, Texas 78741-7425
(512) 441-9493 (Phone)
(512) 445-2286 (Fax)

PROJECT NUMBER: 21-PP-013
ZONING: SFR-1-B
FUTURE LAND USE: RURAL/NEIGHBORHOOD RESIDENTIAL
SUBMITTAL DATE: 10/26/2021

NOTES:

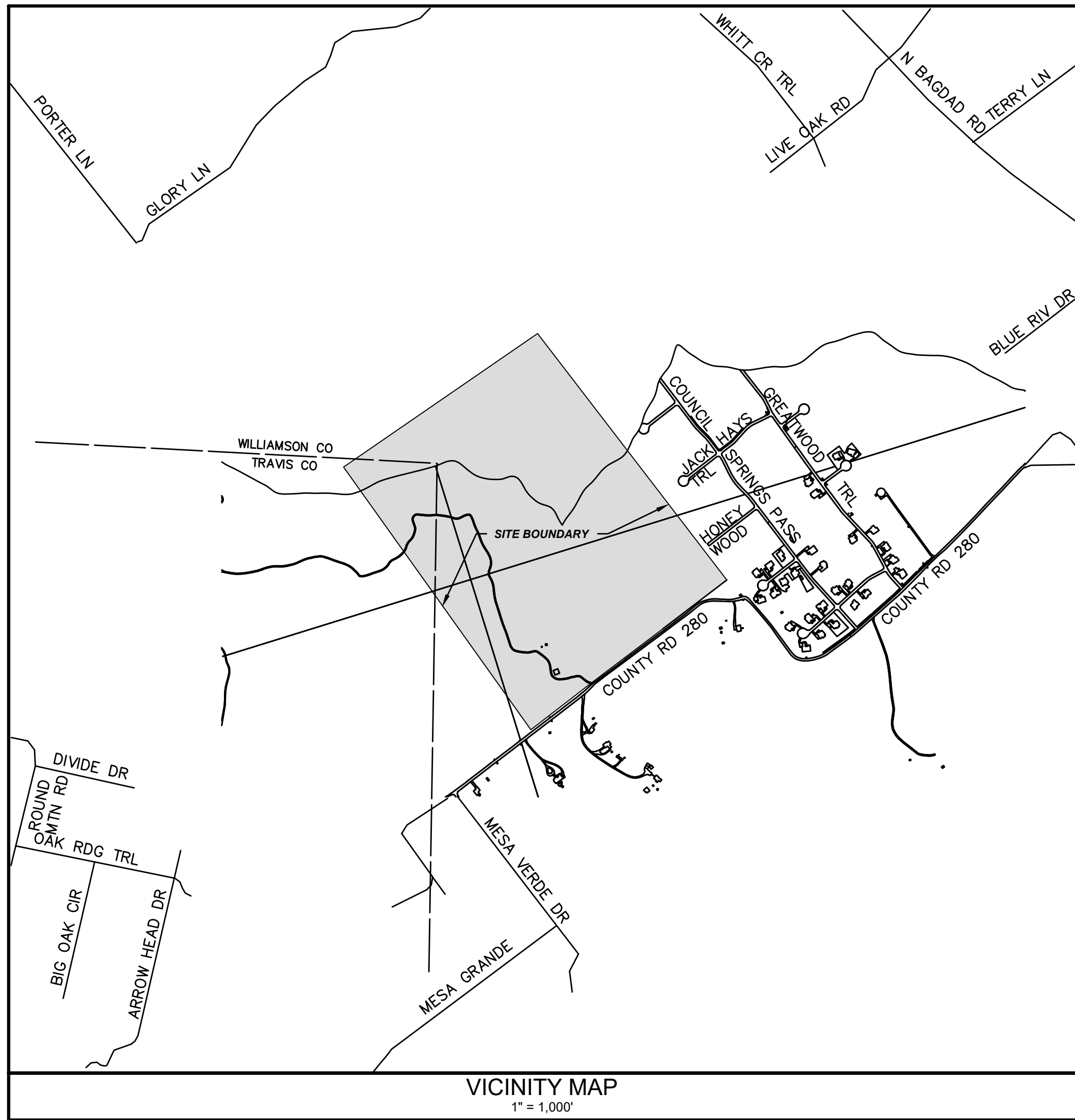
1. BASED ON CURRENT LOT YIELD, THIS DEVELOPMENT WILL GENERATE AN ESTIMATED 1,584 AVERAGE DAILY TRIPS. AT THE TIME OF THE FINAL PLAT STAGE, A FEE IN LIEU PAYMENT WILL BE PAID FOR THE TIA.
2. SIDEWALKS SHALL BE INSTALLED ON THE SUBDIVISION SIDE OF LAKELINE AND COUNTY ROAD 280. THOSE SIDEWALKS NOT ABUTTING A RESIDENTIAL, COMMERCIAL OR INDUSTRIAL LOT (INCLUDING SIDEWALKS ALONG STREET FRONTAGES OF LOTS PROPOSED FOR SCHOOLS, CHURCHES, PARK LOTS, DETENTION LOTS, DRAINAGE LOTS, LANDSCAPE LOTS, OR SIMILAR LOTS), SIDEWALKS ON ARTERIAL STREETS TO WHICH ACCESS IS PROHIBITED, SIDEWALKS ON DOUBLE FRONTAGE LOTS ON THE SIDE TO WHICH ACCESS IS PROHIBITED, AND ALL SIDEWALKS ON SAFE SCHOOL ROUTES SHALL BE INSTALLED WHEN THE ADJOINING STREET IS CONSTRUCTED.
3. THIS SUBDIVISION IS WHOLLY CONTAINED WITHIN THE CURRENT CORPORATE LIMITS OF THE CITY OF LEANDER, TEXAS.
4. APPROVAL OF THIS FINAL PLAT DOES NOT CONSTITUTE THE APPROVAL OF VARIANCES OR WAIVERS TO ORDINANCE REQUIREMENTS.
5. NO LOT IN THIS SUBDIVISION SHALL BE OCCUPIED UNTIL CONNECTED TO THE CITY OF LEANDER WATER DISTRIBUTION AND ON-SITE SEPTIC COLLECTION FACILITIES.
6. A BUILDING PERMIT IS REQUIRED FROM THE CITY OF LEANDER PRIOR TO CONSTRUCTION OF ANY BUILDING OR SITE IMPROVEMENTS ON ANY LOT IN THIS SUBDIVISION.
7. NO BUILDINGS, FENCES, LANDSCAPING OR OTHER STRUCTURES ARE PERMITTED WITHIN DRAINAGE EASEMENTS SHOWN EXCEPT AS APPROVED BY THE CITY OF LEANDER PUBLIC WORKS DEPARTMENT.
8. PROPERTY OWNER SHALL PROVIDE FOR ACCESS TO DRAINAGE EASEMENTS AS MAY BE NECESSARY AND SHALL NOT PROHIBIT ACCESS BY THE CITY OF LEANDER.
9. ALL EASEMENTS ON PRIVATE PROPERTY SHALL BE MAINTAINED BY THE PROPERTY OWNER OR HIS OR HER ASSIGNS.
10. IN ADDITION TO THE EASEMENTS SHOWN HEREON, A TEN (10') FOOT WIDE PUBLIC UTILITY, LANDSCAPE AND ACCESS EASEMENT (PULAE) IS DEDICATED ALONG AND ADJACENT TO ALL RIGHT-OF WAY OF NONRESIDENTIAL LOTS, AND A TEN (10') FOOT WIDE PUBLIC UTILITY EASEMENT (PUE) IS DEDICATED ALONG AND ADJACENT TO ALL RIGHT-OF WAY OF RESIDENTIAL LOTS, AND A TWO AND ONE-HALF (2.5') FOOT WIDE PUBLIC UTILITY EASEMENT (PUE) IS DEDICATED ALONG ALL SIDE LOT LINES.
11. ALL UTILITY LINES MUST BE LOCATED UNDERGROUND.
12. ALL DRIVE LANES, FIRE LANES, AND DRIVEWAYS WITHIN THIS SUBDIVISION SHALL PROVIDE FOR RECIPROCAL ACCESS FOR INGRESS AND EGRESS TO ALL OTHER LOTS WITHIN THE SUBDIVISION AND TO ADJACENT PROPERTIES.
13. THE HOA WILL OWN AND MAINTAIN THE FOLLOWING LOTS: 9 LOT 1 BLK -A-, LOT 10 BLK -B-, LOT 17 BLK -D-, LOT 10 BLK -E-, LOT 10 BLK -D-, LOT 11 BLK -F-, LOT 12 BLK -Z-, LOT 27 BLK -F-, LOT 17 BLK -G-, LOT 16 BLK -J-, LOT 15 BLK -J-, LOT 8 BLK -J-, LOT 17 BLK -H-, LOT 19 BLK -C-, LOT 36 BLK -F-, LOT 17 BLK -E-.
14. THE HOA BYLAWS ARE RECORDED UN THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS UNDER DOCUMENT NUMBER _____.
15. THE HOMEOWNERS ASSOCIATION IS REQUIRED TO MOW AND MAINTAIN LANDSCAPING IN THE OPEN CHANNELS, DETENTION AND WATER QUALITY AREAS.
16. BUILDING SETBACKS NOT SHOWN HEREON SHALL COMPLY WITH THE MOST CURRENT ZONING ORDINANCE OF THE CITY OF LEANDER. ADDITIONAL RESIDENTIAL GARAGE SETBACKS MAY BE REQUIRED AS LISTED IN THE CURRENT ZONING ORDINANCE.
17. THE CITY ACCEPTS AND MAINTAINS DRAINAGE AND WATER QUALITY IMPROVEMENTS CONTAINED IN OPEN CHANNELS AND WATER QUALITY AREAS.
18. ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) FLOOD INSURANCE RATE MAP (FIRM) NO. 48491C04735F, REVISED DATE 12/20/2019, THE SUBJECT PROPERTY IS IN ZONE X (UNSHADED), DEFINED AS AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN. THE SURVEYOR MAKES NO REPRESENTATION AS TO THE ACCURACY OF SAID FIRM OR THAT IT IS THE MOST CURRENT PUBLISHED FLOOD MAP.
19. THIS SITE LIES OVER THE EDWARDS AQUIFER CONTRIBUTING ZONE.
20. BOUNDARY STREET IMPROVEMENTS:
 - A. LAKELINE BLVD. : ½ STREET SECTION, INCLUDES 45' RIGHT-OF-WAY DEDICATION, 2 - 12-FT LANES AND 8' MEDIAN, RAISED CURB & GUTTER, BOTH SIDES.
 - B. C.R. 280 : ½ STREET SECTION, INCLUDES 25' RIGHT-OF-WAY DEDICATION, 1 - 12-FT (MIN) LANE, RAISED CURB & GUTTER, NO. SIDE ONLY.
21. NO DRIVEWAY SHALL BE CONSTRUCTED CLOSER THAN 50' OR 60% OF PARCEL FRONTAGE, WHICHEVER IS LESS, TO THE ROW OF AN INTERSECTING LOCAL OR COLLECTOR STREET OR 100' OR 60% OF PARCEL FRONTAGE, WHICHEVER IS LESS TO THE ROW OF AN INTERSECTING ARTERIAL STREET.
22. IF SINGLE FAMILY OR TWO FAMILY RESIDENTIAL LOTS ARE PROPOSED TO BACK OR SIDE UP TO AN ARTERIAL STREET, THE FOLLOWING IS PROVIDED:

A LANDSCAPE LOT IS PROVIDED BETWEEN THE LOT(S) AND THE SPECIFIED ROADWAY. SUCH LANDSCAPE LOT IS AT LEAST TEN (10) FEET WIDE.

FOR EVERY SIX HUNDRED (600) SQUARE FEET OF AREA IN THE LANDSCAPE LOT (BLOCK H, LOT 17 - BLOCK J, LOT 9 - BLOCK I, LOT 15 AND 16 - BLOCK F, LOT 11, 27 AND 36 - BLOCK G, LOT 17 - BLOCK D, LOT 10 - BLOCK E, LOT 10 AND 17 - BLOCK C, LOT 19). TWO (2) SHADE TREES (TWO-INCH CALIPER OR LARGER) AND FOUR (4) SHRUBS (FIVE GALLON CONTAINER SIZE OR LARGER) SHALL BE PLANTED AND MAINTAINED. TWO ORNAMENTAL TREES PER SHADE TREE MAY BE SUBSTITUTED FOR UP TO FIFTY PERCENT OF THE SHADE TREES IF DESIRED. A SIX-FOOT PRIVACY FENCE, BUT NO HIGHER THAN THREE FEET WITHIN TWENTY FIVE FEET OF AN INTERSECTING STREET, SHALL BE CONSTRUCTED WITH THE SUBDIVISION IMPROVEMENTS AT THE COMMON LOT LINE BETWEEN THE LANDSCAPE LOT AND THE SINGLE-FAMILY OR TWO-FAMILY LOTS. THE FENCE IS REQUIRED TO BE CONSTRUCTED OF ONE OR MORE OF THE FOLLOWING MATERIALS: BRICK, STONE, CAST STONE, STUCCO, FACTORY TINTED (NOT PAINTED) SPLIT-FACED CONCRETE MASONRY UNIT, OR OTHER SIMILAR MATERIAL APPROVED BY THE DIRECTOR OF PLANNING. IN ADDITION TO THE MATERIALS LISTED ABOVE, TEXTURED PRE-CAST CONCRETE (E.G. WOODCRETE) IS ALSO PERMITTED WHEN THE PRIVACY FENCE IS ADJACENT TO COLLECTORS. ALL COLUMNS ARE REQUIRED TO HAVE CONCRETE FOOTINGS. THE LANDSCAPE LOT IS REQUIRED TO BE MAINTAINED BY A PRIVATE ASSOCIATION.
23. NO STRUCTURE IN THIS SUBDIVISION SHALL BE OCCUPIED UNTIL CONNECTED TO A PUBLIC SEWER SYSTEM OR A PRIVATE ON-SITE WASTEWATER (SEPTIC) SYSTEM THAT HAS BEEN APPROVED AND LICENSED FOR OPERATION BY THE TRAVIS COUNTY ON-SITE WASTEWATER PROGRAM.
24. THIS SUBDIVISION IS SUBJECT TO ALL THE TERMS AND CONDITIONS OF CHAPTER 448, TRAVIS COUNTY CODE, RULES OF TRAVIS COUNTY, TEXAS FOR ON-SITE SEWAGE FACILITIES. THESE RULES REQUIRE, AMONG OTHER THINGS, THAT A CONSTRUCTION PERMIT BE OBTAINED FROM TRAVIS COUNTY BEFORE AN ON-SITE SEWAGE FACILITY CAN BE CONSTRUCTED, ALTERED, MODIFIED, OR REPAIRED IN THE SUBDIVISION AND THAT A LICENSE TO OPERATE BE OBTAINED FROM TRAVIS COUNTY BEFORE AN ON-SITE SEWAGE FACILITY CAN BE OPERATED IN THE SUBDIVISION.
25. EACH RESIDENTIAL LOT IN THIS SUBDIVISION IS RESTRICTED TO NO MORE THAN ONE SINGLE FAMILY DWELLING PER ACRE.
26. THESE RESTRICTIONS ARE ENFORCEABLE BY THE TRAVIS COUNTY ON-SITE WASTEWATER PROGRAM.

LEANDER ESTATES PRELIMINARY PLAT

CITY OF LEANDER 21-PP-013



BEARING BASIS NOTE:

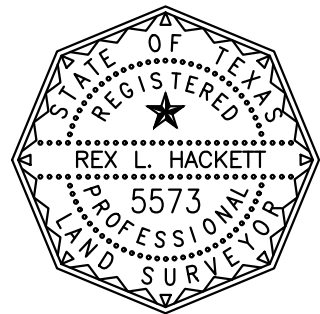
The basis of bearing is Texas State Plane Coordinate System, Central Zone, NAD 83, utilizing Trimble Continually Operating Reference Station (CORS) Network. The distances shown are Grid distances.

This survey substantially complies with the current Texas Society of Professional Surveyors Standards and Specification for a Category 1B, Condition IV Survey.

Rex L. Hackett
Registered Professional Land Surveyor No. 5573

6/3/22
Date

THIS SURVEY PLAT IS VALID ONLY IF IT BEARS THE ORIGINAL SEAL OF THE ABOVE SURVEYOR



William A.C. McAshan, P.E.

Date

LAND USE TABLE		
USE	LOTS	SIZE (AC.)
SINGLE FAMILY	169	168.07
HOA		
DETENTION/PARKLAND	1	2.36
HOA DETENTION	3	5.67
HOA LANDSCAPE	12	3.40
PARKLAND TOTAL		2.36
STREET ROW		31.11
TOTALS	185	210.60

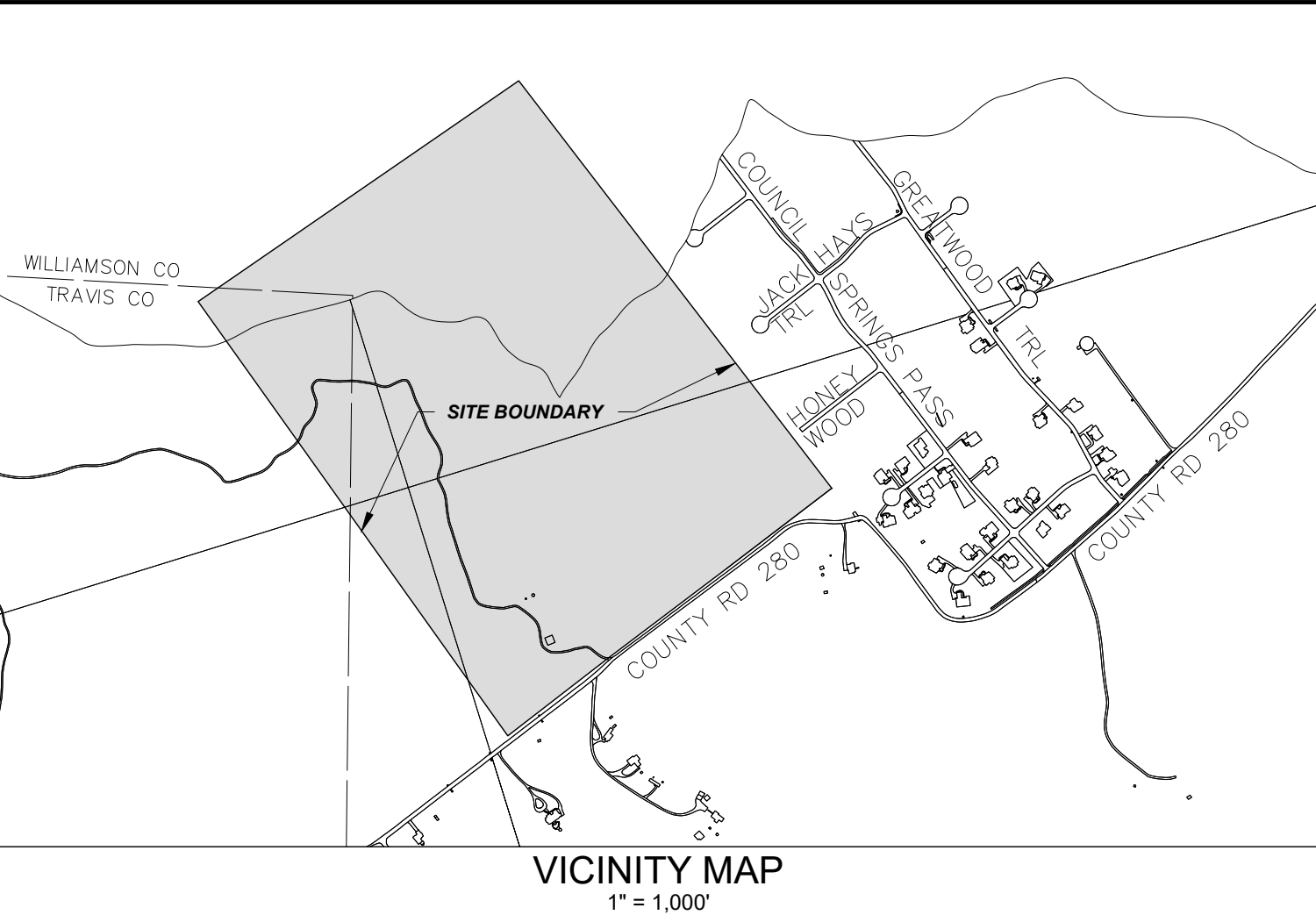
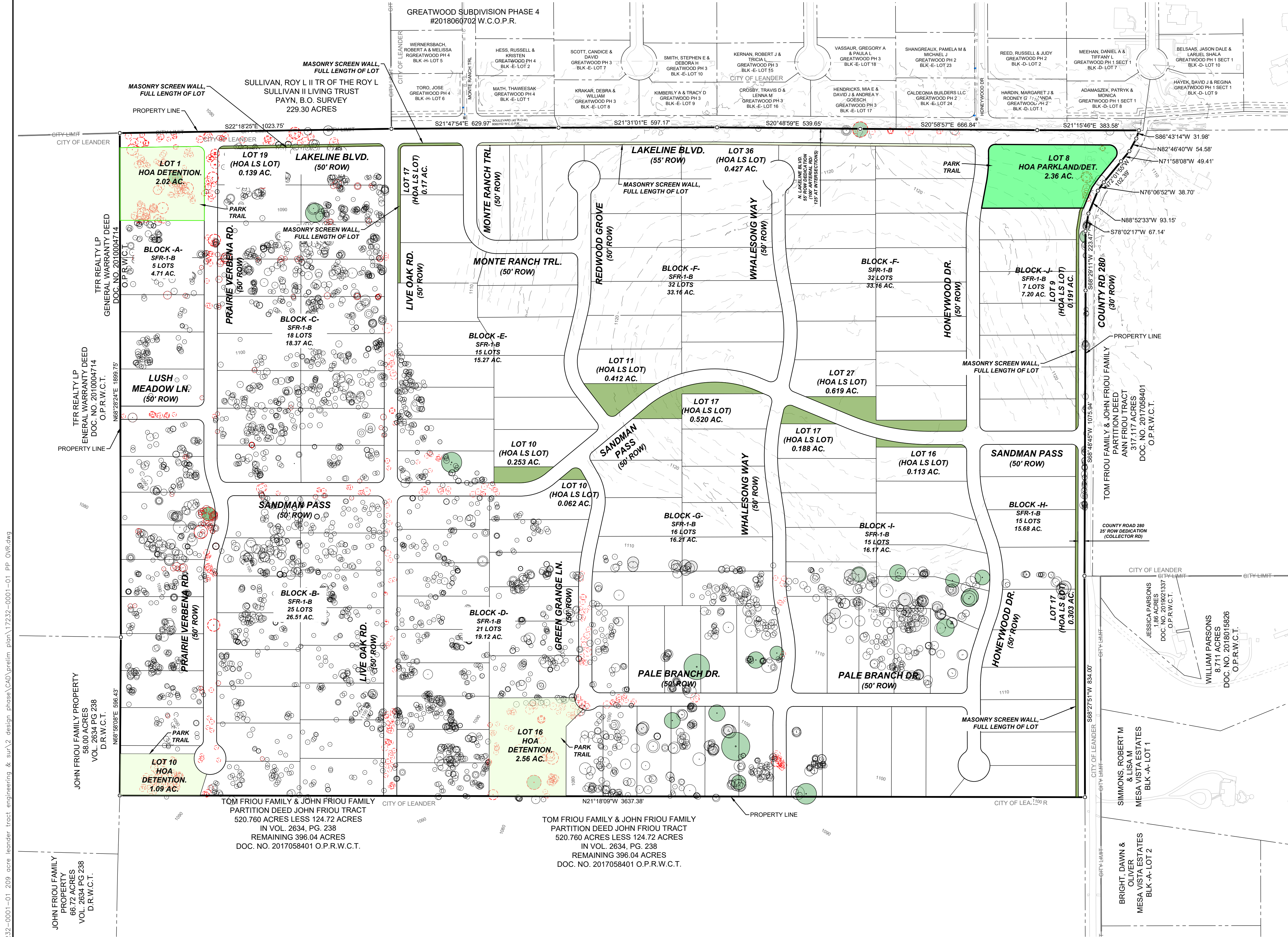
INDEX OF DRAWINGS

SHEET NO.	SHEET TITLE
1	COVER SHEET
2	EXISTING CONDITION PLAN
3	OVERALL PP
4	PRELIMINARY PLAT 1
5	PRELIMINARY PLAT 2
6	PRELIMINARY PLAT 3
7	PRELIMINARY PLAT 4
8	UTILITY SCHEMATIC 1
9	UTILITY SCHEMATIC 2
10	UTILITY SCHEMATIC 3
11	UTILITY SCHEMATIC 4
12	PARKS PLAN
13	EXISTING DRAINAGE AREA MAP
14	PROPOSED DRAINAGE AREA MAP
15	OVERALL TREE PRESERVATION PLAN
16	TREE PRESERVATION PLAN 1
17	TREE PRESERVATION PLAN 2
18	TREE PRESERVATION PLAN 3
19	TREE PRESERVATION PLAN 4
20	HERTIAGE TREE PLAN
21	TREE LIST (1 of 7)
22	TREE LIST (2 of 7)
23	TREE LIST (3 of 7)
24	TREE LIST (4 of 7)
25	TREE LIST (5 of 7)
26	TREE LIST (6 of 7)
27	TREE LIST (7 of 7)

STREET TABLE	
PUBLIC STREETS	
NAME	LENGTH(LF)
PRAIRIE VERBENA RD.	2,363
LUSH MEADOW LN.	340
SANDMAN PASS	1,165
LIVE OAK RD.	2,514
GREEN GRANGE LN.	935
PALE BRANCH DR.	1,447
MONTE RANCH TRL.	846
REDWOOD GROVE	1,005
WHALESONG WAY	2,345
HONEWOOD DR.	2,400
LAKELINE BLVD. (1/2 STR.)	3,840
C.R. 280 (1/2 STR.)	2,570
TOTAL	21,770

DENSITY TABLE (PROPOSED LEANDER ESTATES)

SINGLE FAMILY LOTS 169 LOTS
PROPOSED DENSITY 169 HOMES/210.597 ACRES SFR ZONING = 0.80 HOMES PER ACRE



STREET TABLE	
PUBLIC STREETS	
NAME	LENGTH(LF)
PRAIRIE VERBENA RD.	2,363
LUSH MEADOW LN.	340
SANDMAN PASS	1,165
LIVE OAK RD.	2,514
GREEN GRANGE LN.	935
PALE BRANCH DR.	1,447
MONTE RANCH TRL.	846
REDWOOD GROVE	1,005
WHALESONG WAY	2,345
HONEYWOOD DR.	2,400
LAKELINE BLVD. (1/2 STR.)	3,840
C.R. 280 (1/2 STR.)	2,570
TOTAL	21,770

PARKLAND TABLE	
LOT	SIZE(AC)
8	2.36
TOTAL	2.36

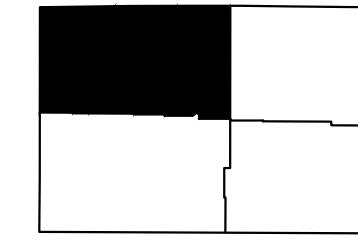
- NOTES:
- NO PORTION OF THIS SITE IS LOCATED WITHIN THE 100-YR FLOODPLAIN, AS SHOWN ON FEMA FIRM PANEL 48491C435F WILLIAMSON COUNTY, TEXAS AND INCORPORATED AREAS, DECEMBER 20, 2019.
 - ZONING FOR THIS PROJECT IS SFR-1-B.
 - NO LOTS THAT ADJOIN LAKELINE BLVD WILL HAVE ACCESS TO LAKELINE BLVD.
 - GEOMETRIC DESIGNS FOR THE ROADWAYS WILL BE REVIEWED DURING THE CONSTRUCTION PLAN PHASE.
 - SINGLE FAMILY RESIDENTIAL CORNER LOTS ON UNEQUAL CLASS STREETS SHOULD ONLY HAVE ACCESS TO THE STREET WITH THE LOWER CLASSIFICATION. ACCESS TO THE HIGH CLASSIFICATION STREET IS PROHIBITED.

LEANDER ESTATES
OVERALL PRELIMINARY
PLAN
CITY OF LEANDER
6/3/2022

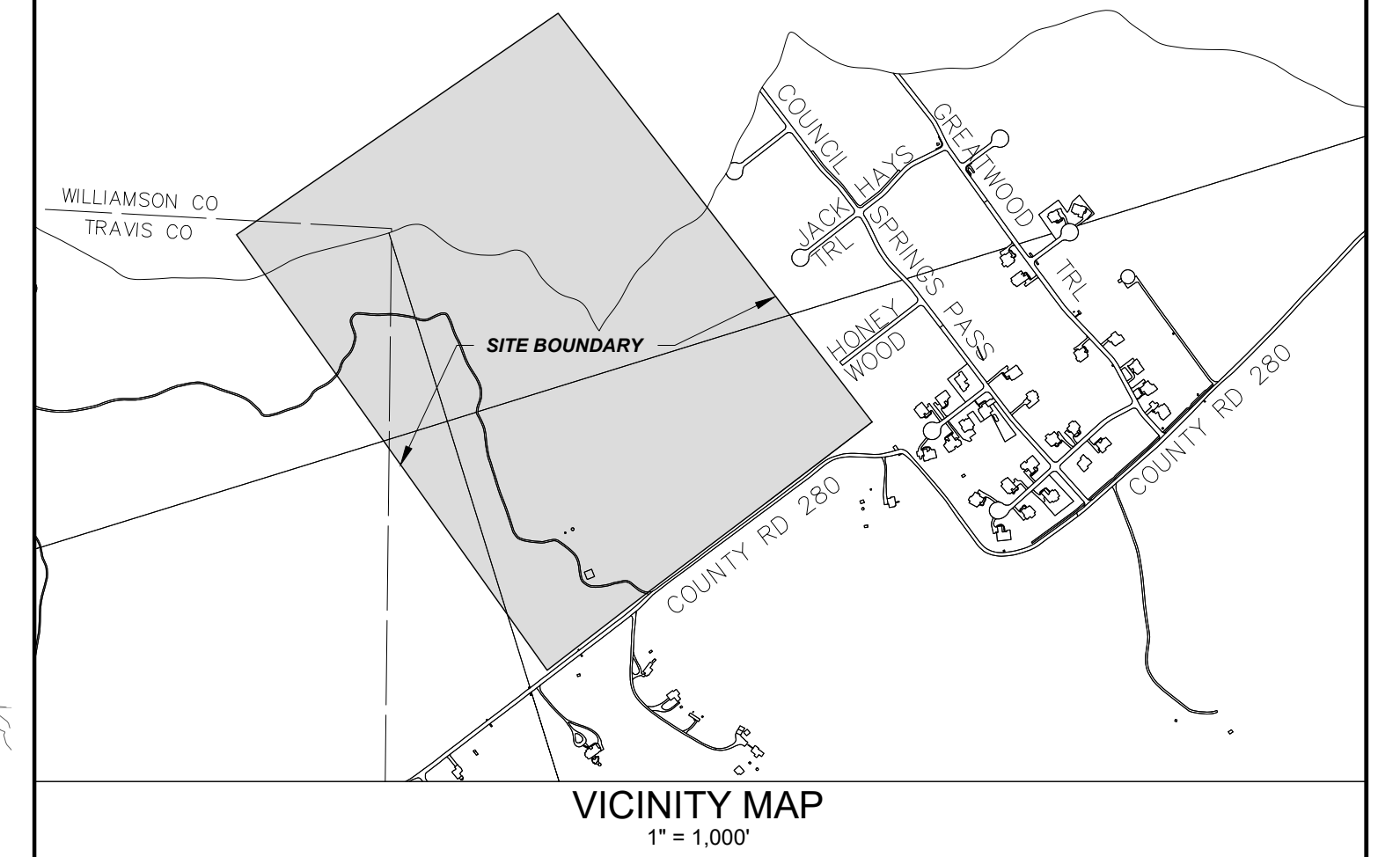
ENGINEER/SURVEYOR/PLANNER:



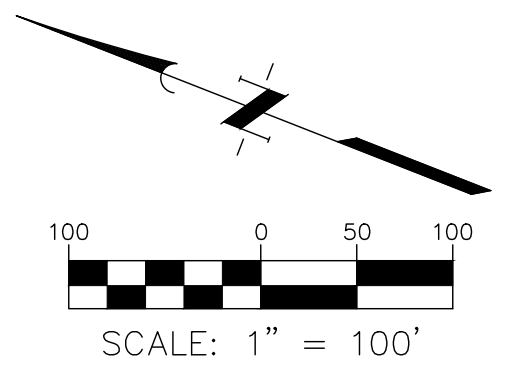
1701 DIRECTORS BLVD, STE. 400
AUSTIN, TEXAS 78744
(512) 441-9493 (Phone)
(512) 445-2286 (Fax)



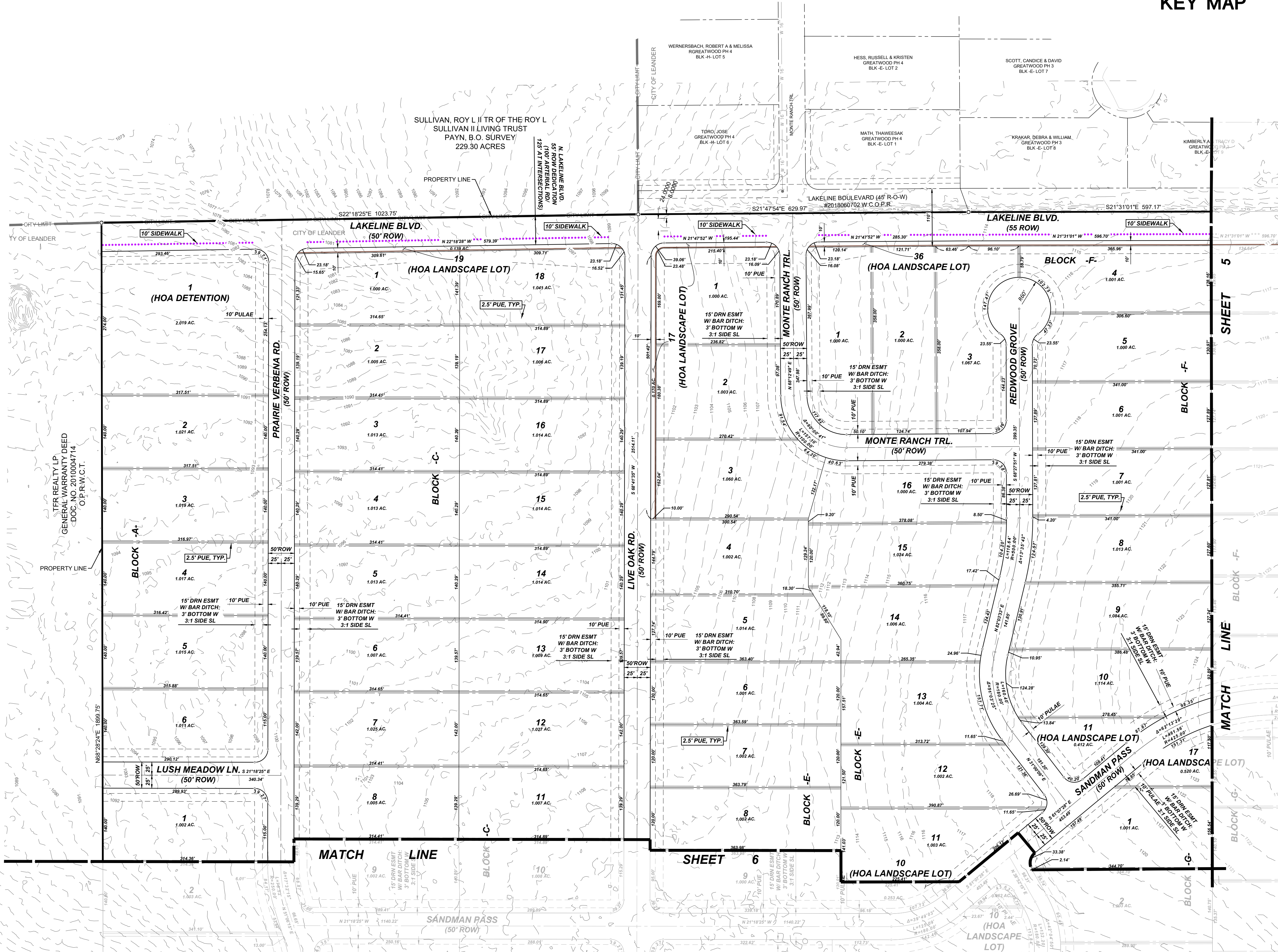
KEY MAP



VICINITY MAP
1" = 1,000'

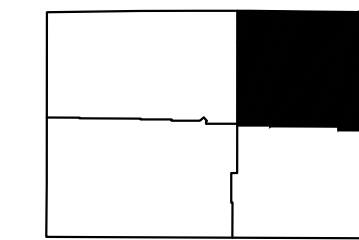


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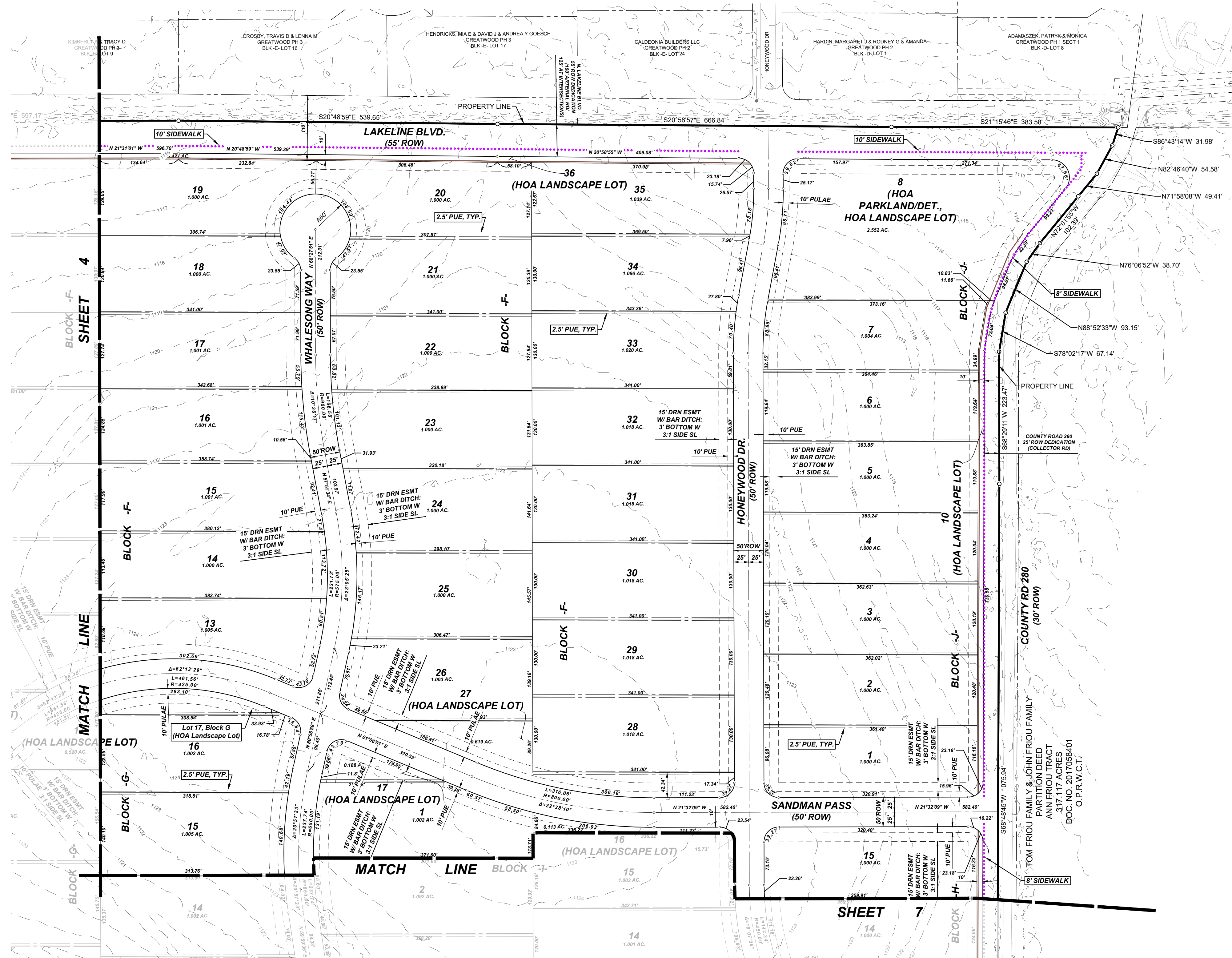
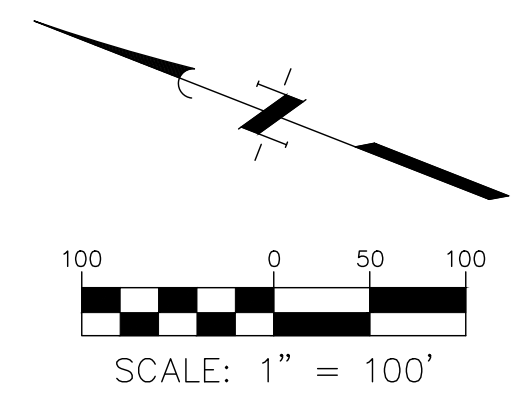
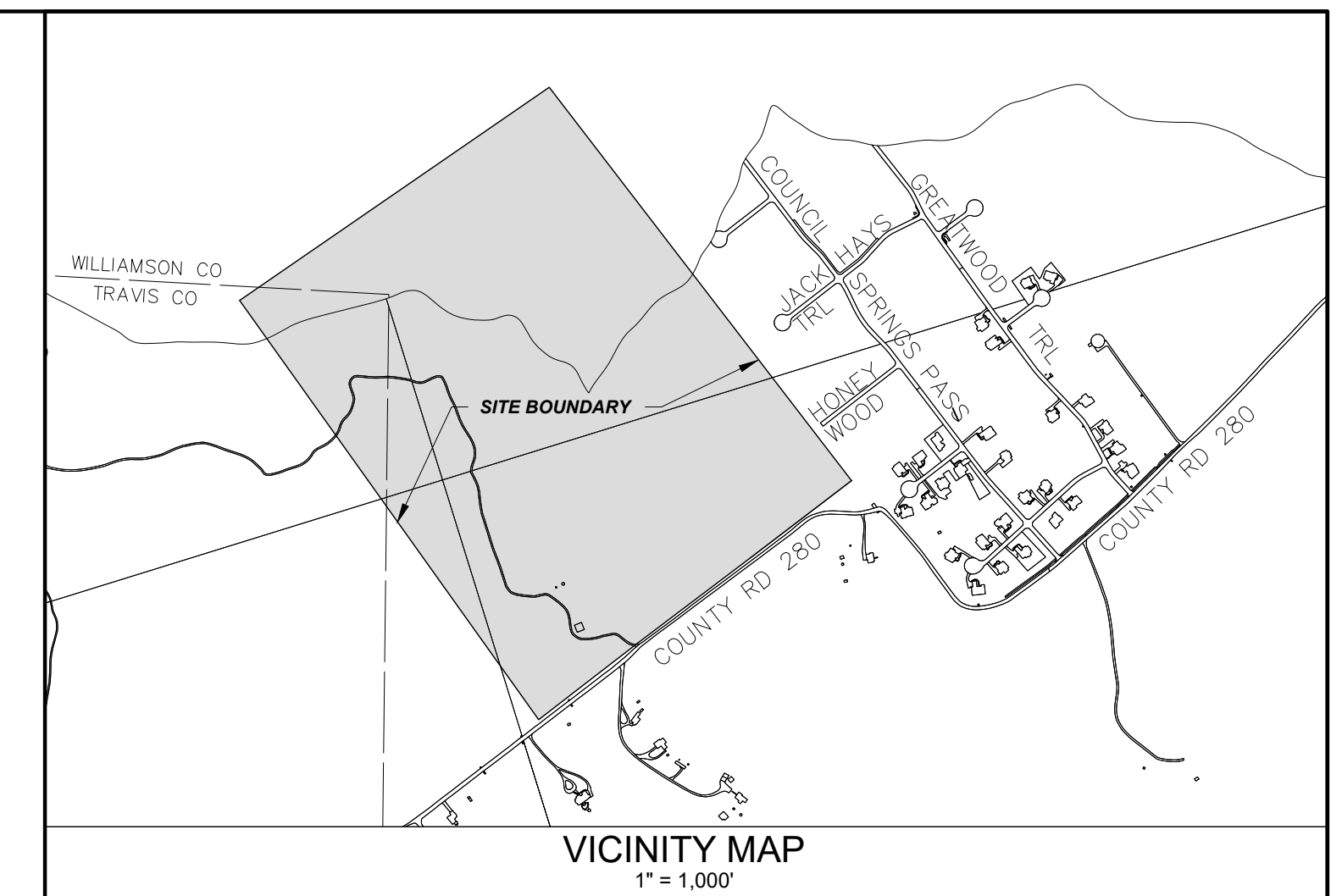


LEANDER ESTATES
PRELIMINARY PLAT
(1 OF 4)
CITY OF LEANDER
6/3/2022

1701 DIRECTORS BLVD, STE. 400
AUSTIN, TEXAS 78744
(512) 441-9493 (Phone)
(512) 445-2286 (Fax)



KEY MAP

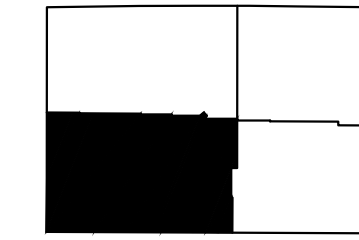


LEANDER ESTATES
PRELIMINARY PLAT
(2 OF 4)

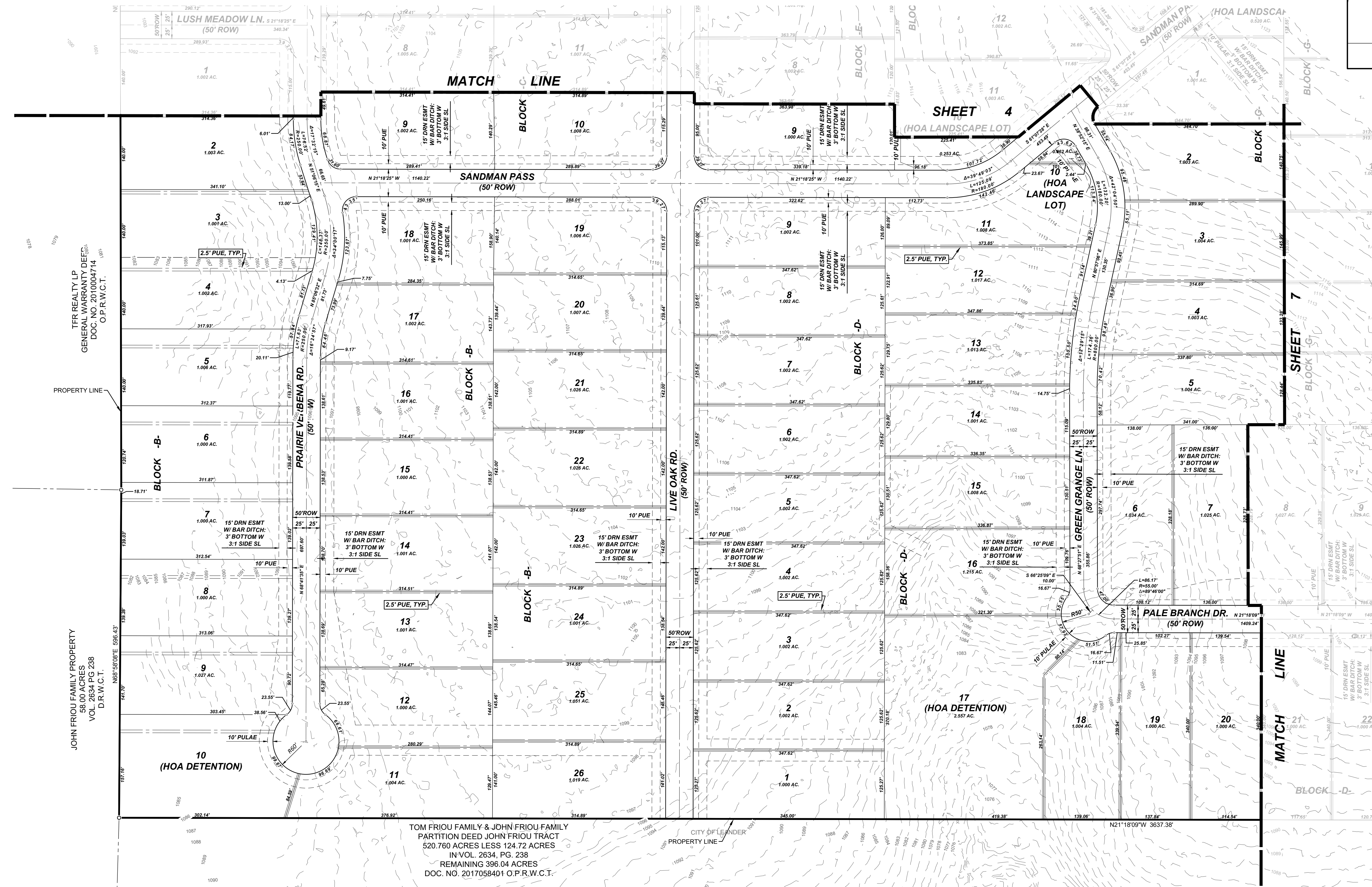
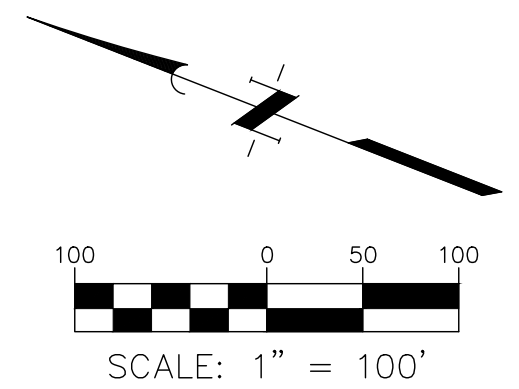
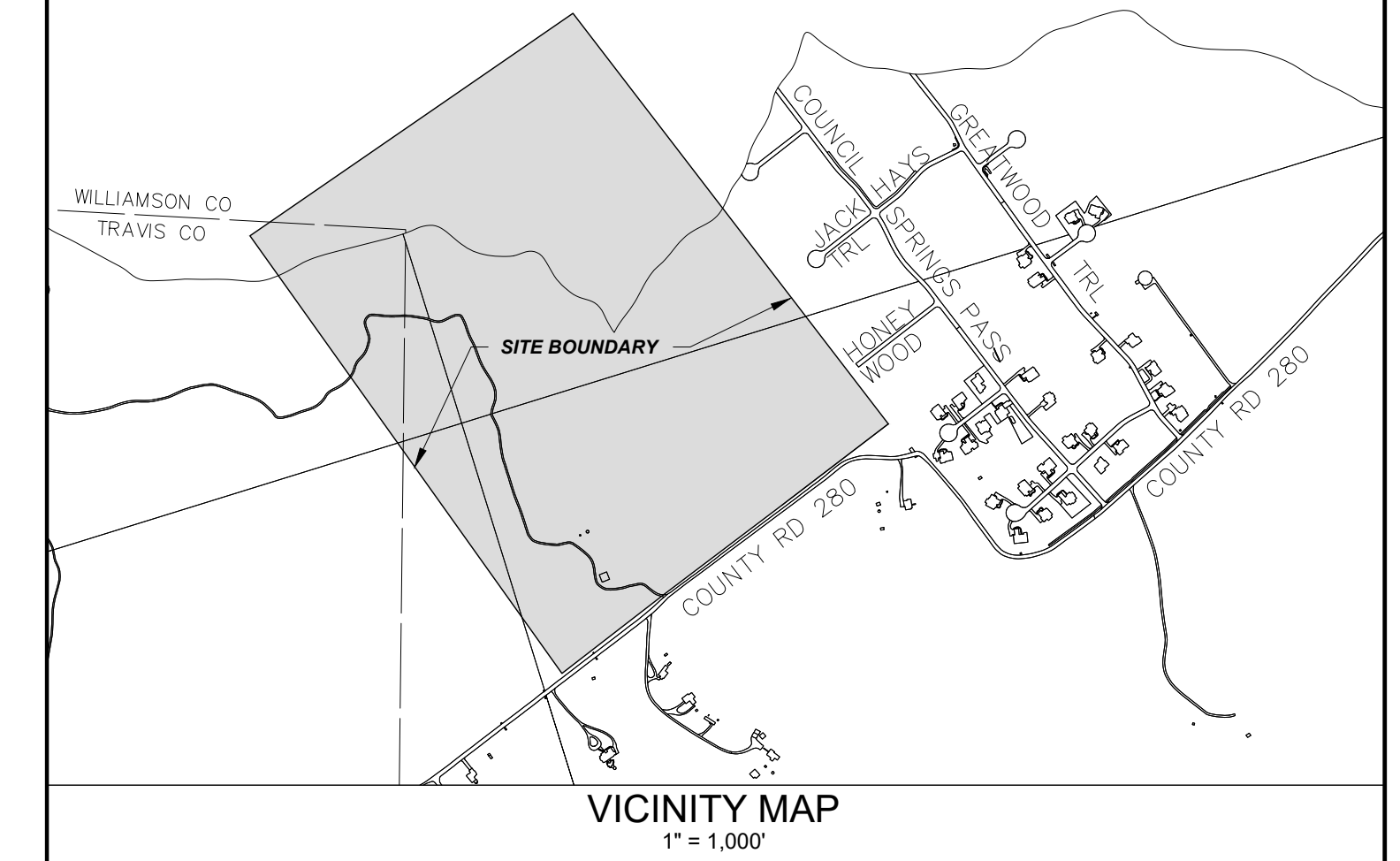
CITY OF LEANDER
6/3/2022

5 OF 27

1701 DIRECTORS BLVD, STE. 400
AUSTIN, TEXAS 78744
(512) 441-9493 (Phone)
(512) 445-2286 (Fax)



KEY MAP

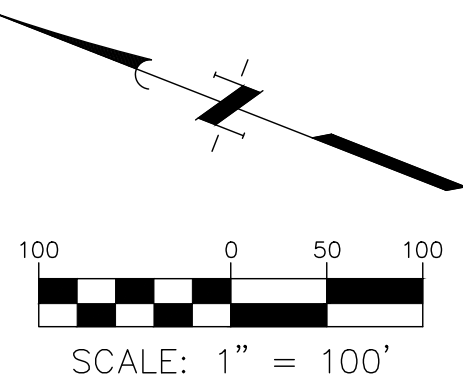
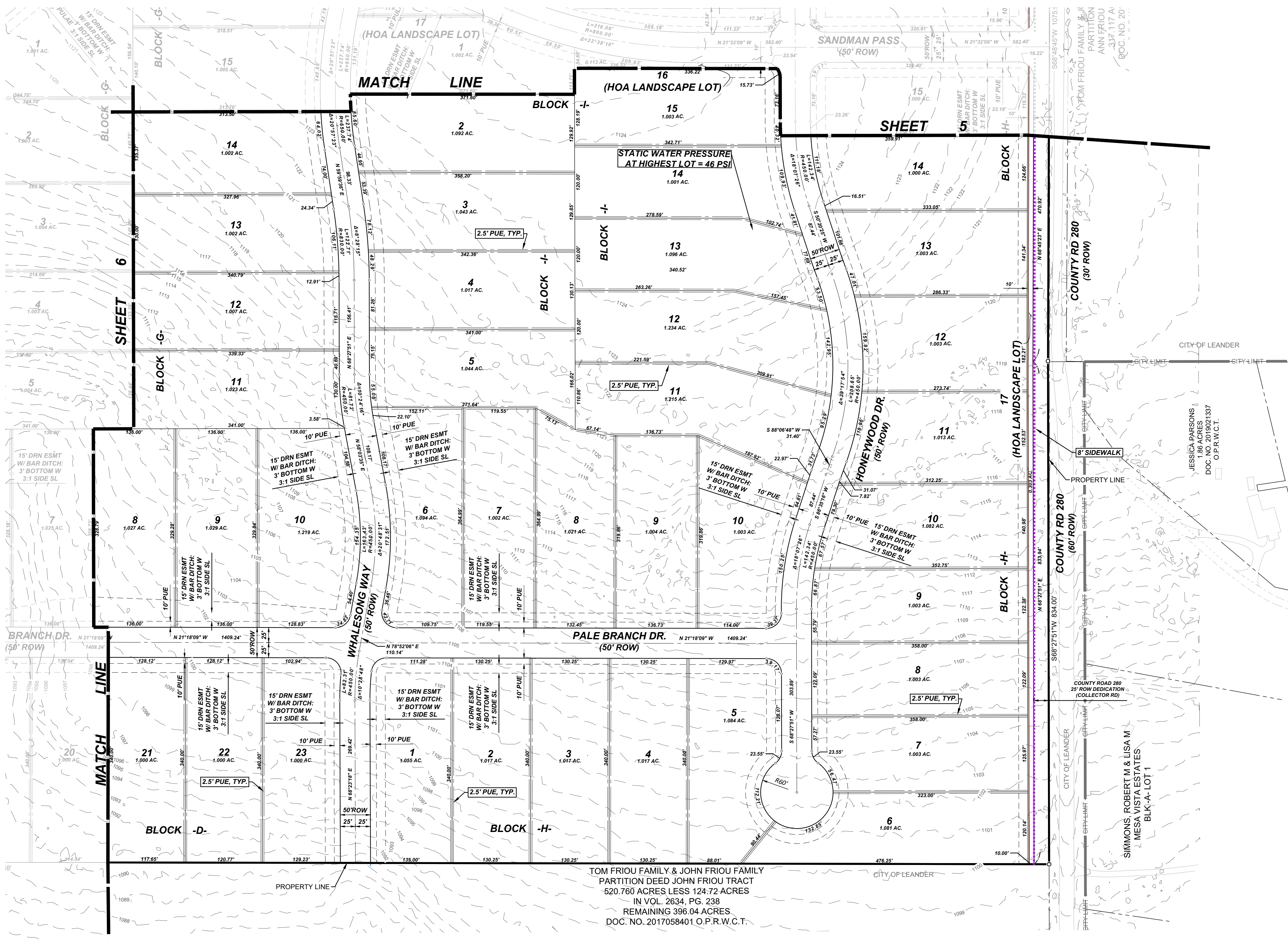
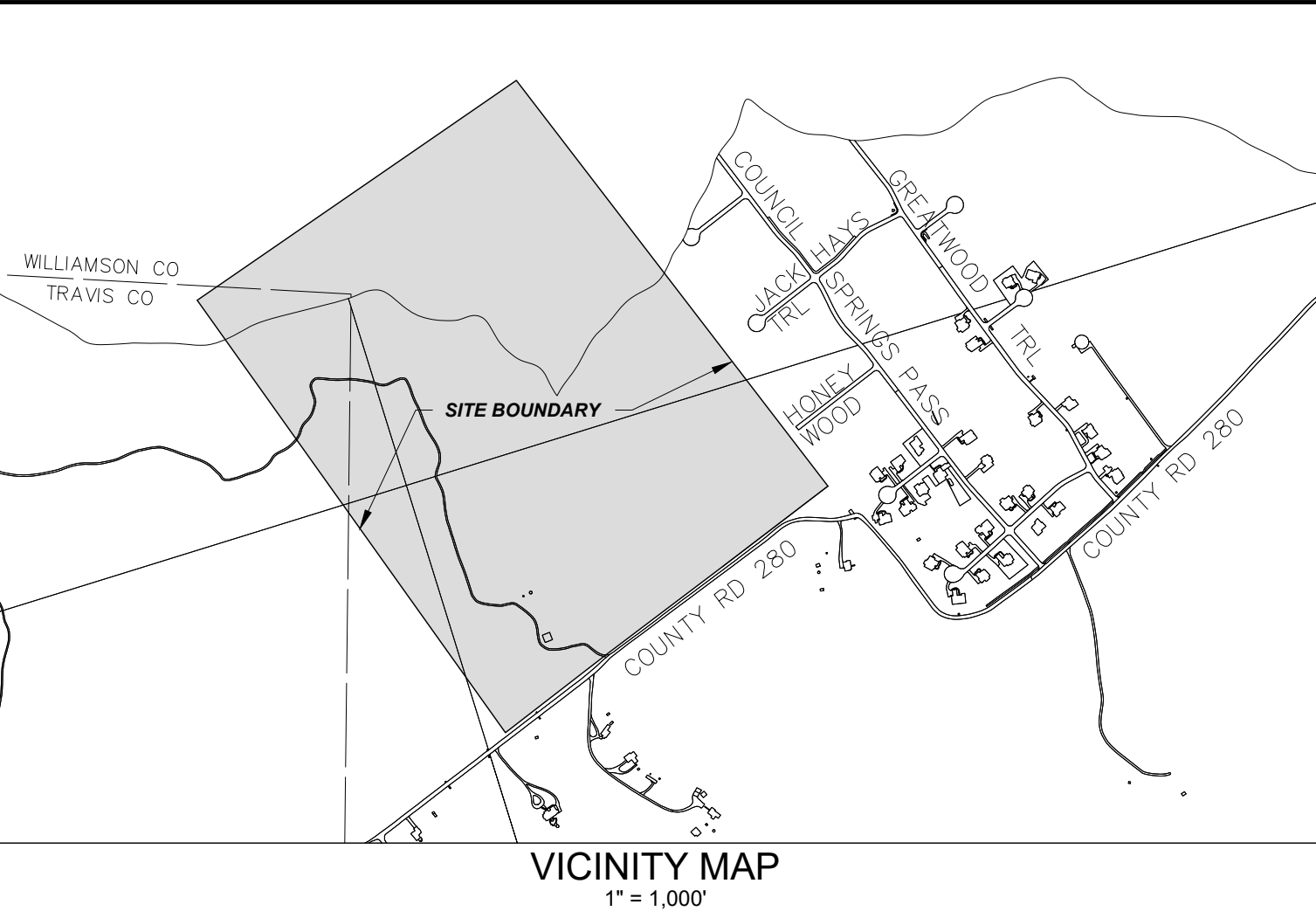
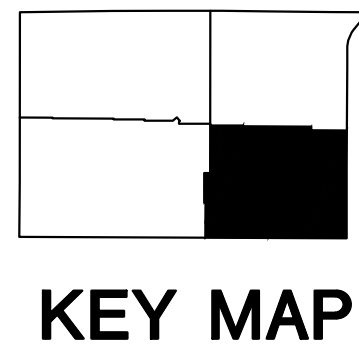


LEANDER ESTATES
PRELIMINARY PLAT
(3 OF 4)

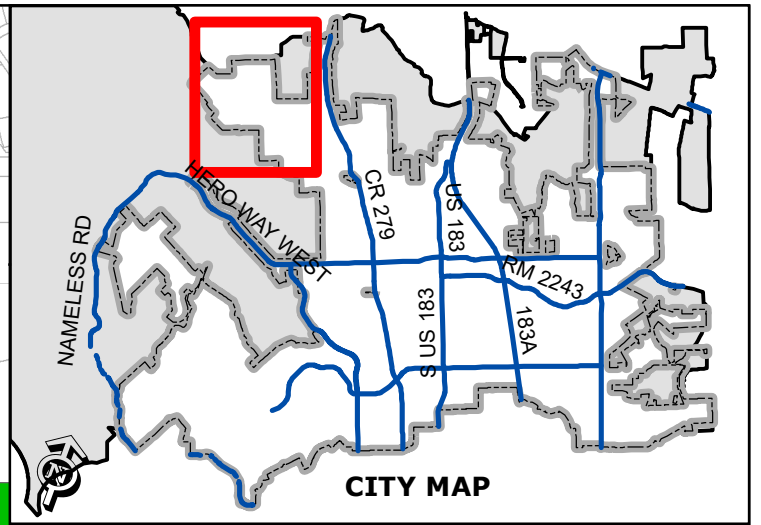
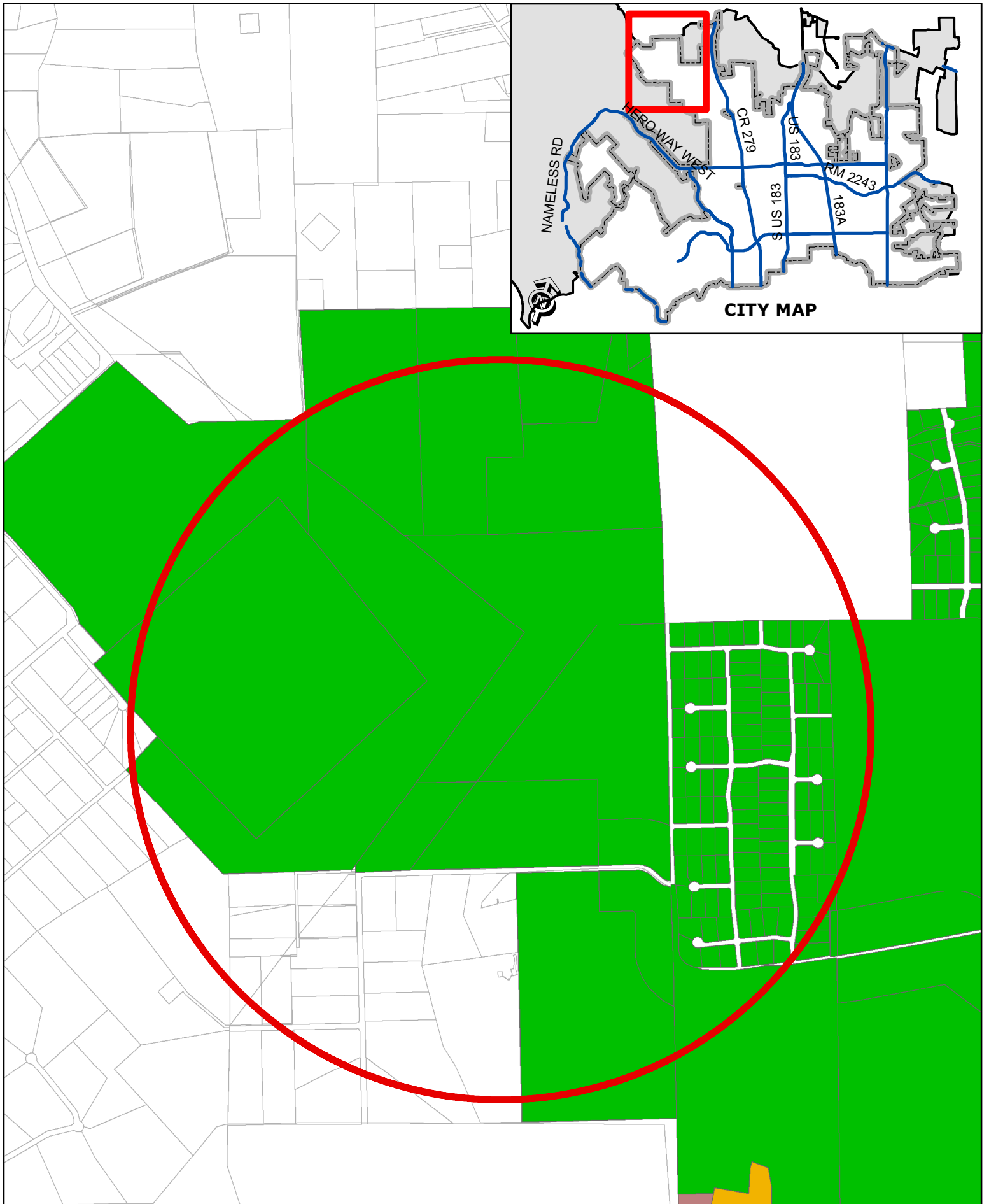
CITY OF LEANDER

6/3/2022

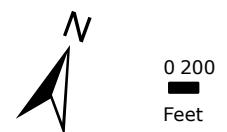
6 OF 27



LEANDER ESTATES
PRELIMINARY PLAT
(4 OF 4)
CITY OF LEANDER
6/3/2022



Leander Estates - Location Exhibit
Attachment #2 - Location Exhibit





EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Discuss and consider action on authorizing the BCRUA President to award the New Hope Drive 72-Inch Water Main Trench Settlement Mitigation Construction Contract to Austin Underground, Inc.

BACKGROUND:

BCRUA owns and operates a 72-inch treated water transmission main within the New Hope Drive Right-of-Way (ROW). The transmission main serves Leander and Round Rock but is located in Cedar Park. The transmission main was constructed in conjunction with the East and West New Hope Drive improvement projects and completed in 2008. Significant settlement along the transmission main trench in Segment 2B/2C has been observed over the past several years between Clover Lane and Discovery Boulevard (approximately 1.5 miles) and continues to worsen.

K Friese & Associates, Inc. (KFA) completed design to repair areas of settlement along New Hope Drive, to protect the transmission main and repair the roadway pavement and sidewalk structure. Bids were opened for this project on June 8, 2022. Responsive bids were received from five construction companies. The rank order of the total base bids are as follows:

Austin Underground, Inc.	\$607,634.00
Green Dream International	\$622,377.60
David-Tehoungue, Ltd.	\$635,202.25
Gage and Cade Construction	\$836,837.55
Smith Contracting Company	\$998,187.85

Based on evaluation of the bids and the recommendation of KFA, Austin Underground, Inc. is the selected construction firm with a total base bid of \$607,634.00.

This pipeline is owned by Round Rock (51.78%) and Leander (48.22%). Each city is providing City-cash funding for this contract. Leander's share of the cost is \$293,001.11. Round Rock's share of the cost is \$314,632.89

Since the contract award will exceed the BCRUA's authorized maximum of \$500,000.00, per the Master Agreement, Board approval of this contract will need to be contingent on approval by Round Rock and Leander city councils.

RECOMMENDATION:

Staff recommends approval of authorizing the BCRUA President to award the New Hope Drive 72-Inch Water Main Trench Settlement Mitigation Construction Contract to Austin Underground, Inc.

PRESENTER:

Daniel Grimsbo, Executive Director of Infrastructure

Fiscal Impact

Amount requested:

\$293,001.11

Approved in current budget (Yes / No): Yes

Expenditure (New / Amended): New

Recurring or one-time: one-time

Fund source (Operating / Utility / etc.): Utility 20-02-5760

Attachments

1. BCRUA Summary
2. Bid Recommendation
3. Bid Tabulation

DATE: June 17, 2022

SUBJECT: BCRUA Board Meeting – June 22, 2022

ITEM: 6D. Consider a resolution authorizing the President to execute the New Hope Drive 72-Inch Water Main Trench Settlement Mitigation Construction Contract to Austin Underground, Inc.

PRESENTER: Karen Bondy, General Manager

BACKGROUND/JUSTIFICATION:

BCRUA owns and operates a 72-inch treated water transmission main within the New Hope Drive Right-of-Way (ROW). The transmission main serves Leander and Round Rock but is located in Cedar Park. The transmission main was constructed in conjunction with the East and West New Hope Drive improvement projects and completed in 2008. Significant settlement along the transmission main trench in Segment 2B/2C has been observed over the past several years between Clover Lane and Discovery Boulevard (approximately 1.5 miles) and continues to worsen.

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David-Tehoungue, Ltd.	\$635,202.25
Gage and Cade Construction	\$836,837.55
Smith Contracting Company	\$998,187.85

Based on evaluation of the bids and the recommendation of KFA, Austin Underground, Inc. is the selected construction firm with a total base bid of \$607,634.00.

FUNDING:

This pipeline is owned by Round Rock (51.78%) and Leander (48.22%). Each city is providing city cash funding for this contract.

Since the contract award will exceed the BCRUA's authorized maximum of \$500,000, per the Master Agreement, Board approval of this contract will need to be contingent on approval by Round Rock and Leander city councils.

Staff, Operating Committee representatives, and representatives of KFriese & Associates will be available to answer any Board questions.

June 14, 2022

Karen Bondy, General Manager
Brushy Creek Regional Utility Authority (BCRUA)
City of Round Rock
221 E. Main St.
Round Rock, TX 78664

RE: New Hope Dr 72-Inch Water Main Trench Settlement Remediation Project

Dear Karen,

Proposals were opened for the New Hope Dr 72-Inch Water Main Trench Settlement Remediation Project on June 8th, 2022 at 2:00 pm at Round Rock City Hall. Five responsive, competitive sealed proposals were submitted by Gage and Cade Construction of Bertram, TX, Austin Underground, Inc of Lago Vista, TX, Green Dream International of Irving, TX, Smith Contracting Co Inc of Austin, TX, David-Tehoungue Ltd Co of Killeen, TX.

The proposals were evaluated and ranked based on the following selection criteria: Cost Proposal (60%), Contractor Relevant Experience (30%), and Proposed Schedule (10%). After reviewing the unit prices provided in the proposals the Proposal Costs Amounts differed from as-read about, resulting in proposal amounts ranging from \$607,634.00 to \$998,187.85. The table below presents a summary of the evaluation ranking of the three (3) criteria for the proposals.

Proposal	Cost Proposal (60%)	Contractor Relevant Experience (30%)	Proposed Schedule (10%)	Overall Rank	Proposal Cost Amount
Gage and Cade Construction	4	3	1	3	\$ 836,837.55
Austin Underground, Inc	1	2	2	1	\$ 607,634.00
Green Dream International	2	5	4	4	\$ 622,377.60
Smith Contracting Co Inc	5	4	4	5	\$ 998,187.85
David-Tehoungue Ltd Co	3	1	3	2	\$ 635,502.25

Based off the proposal evaluations, which resulted in the rankings above, K Friese + Associates recommends awarding the contract to Austin Underground, Inc, for their Base Bid amount of \$607,634.00. Should you have any questions, please feel free to contact me.

Sincerely,

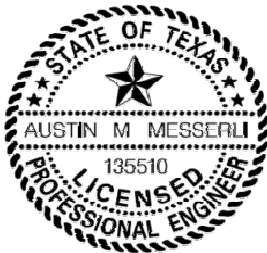


Austin Messerli, PE
K Friese + Associates

Brushy Creek Regional Utility Authority
New Hope Dr 72-Inch Water Main Trench Settlement Remediation Project
Competitive Sealed Proposal - Proposal Opening
Proposals Opened June 8, 2022, 2:00 PM

Proposer		Austin Underground, Inc.			
Attachments:					
Proposal Form (Section 00300, Item 3.0)				X	
Proposer Profile (Section 00300, Item 4.0)				X	
References (Section 00300, Item 5.0)				X	
Deviation or Compliance Form (Section 00300, Item 6.0)				X	
Release & Indemnification (Section 00300, Item 5.0)				X	
Non-Collusion Acknowledgement (Section 00300, Item 8.0)				X	
Suspension or Debarment Certificate (Section 00300, Item 9.0)				X	
W-9				X	
Conflict of Interest Questionnaire				X	
Statement of Proposers Experience				X	
BASE PROPOSAL ITEMS					
Item No.	Item Description	Unit	Quantity	Unit Price	Amount
1	MOBILIZATION AND DEMOBILIZATION	LS	1	\$ 24,000.00	\$ 24,000.00
2	REMOVE P.C. CONCRETE CURB	LF	442	\$ 23.00	\$ 10,166.00
3	REMOVE P.C. CONCRETE SIDEWALKS AND DRIVEWAYS	SF	4275	\$ 4.50	\$ 19,237.50
4	STREET EXCAVATION	CY	941	\$ 52.00	\$ 48,932.00
5	HOT MIX ASPHALT CONC PVMT (18")(TY B)(BASE)(50%)	SY	584	\$ 170.00	\$ 99,280.00
6	HOT MIX ASPHALT CONC PVMT (22")(TY B)(BASE)(25%)	SY	292	\$ 210.00	\$ 61,320.00
7	HOT MIX ASPHALT CONC PVMT (26")(TY B)(BASE)(25%)	SY	292	\$ 250.00	\$ 73,000.00
8	12-INCH COMP THICKNESS FLEX BASE	CY	158	\$ 200.00	\$ 31,600.00
9	PRIME COAT (MC-30)	GAL	495	\$ 19.00	\$ 9,405.00
10	SURFACE MILLING	SY	1308	\$ 20.00	\$ 26,160.00
11	HOT MIX ASPHALT CONC PVMT (2")(TY C)(SURF)	SY	2476	\$ 29.50	\$ 73,042.00
12	P.C. CONC CURB AND GUTTER	LF	442	\$ 45.00	\$ 19,890.00
13	P.C. CONC SIDEWALK	SF	4275	\$ 9.50	\$ 40,612.50
14	P.C. SIDEWALK CURB RAMP W/PAVERS (TY I)	EA	3	\$ 2,700.00	\$ 8,100.00
15	MULCH SOCK	LF	95	\$ 14.00	\$ 1,330.00
16	FURNISH AND INSTALL SILT FENCE	LF	1200	\$ 4.00	\$ 4,800.00
17	BERMUDA BLOCK SODDING	SY	475	\$ 7.00	\$ 3,325.00
18	REFL PAV MRK TY II PREFERENTIAL (DIRECTIONAL ARROW) SYMBOL (W)	EA	2	\$ 350.00	\$ 700.00
19	REFL PAV MRK TY II BICYCLE LANE (BIKE RIDER) SYMBOL (W)	EA	2	\$ 350.00	\$ 700.00
20	REFL PAV MRK TY II (W)(BRK)(4")	LF	295	\$ 2.50	\$ 737.50
21	REFL PAV MRK TY II (W)(DOT)(4")	LF	149	\$ 2.50	\$ 372.50
22	REFL PAV MRK TY II (W)(SLD)(6")	LF	482	\$ 2.50	\$ 1,205.00
23	REFL PAV MRK TY II (W)(SLD)(8")	LF	291	\$ 3.00	\$ 873.00
24	REFL PAV MRK TY II (W)(SLD)(12")	LF	285	\$ 8.00	\$ 2,280.00
25	REFL PAV MRK TY II (W)(SLD)(24")	LF	89	\$ 15.00	\$ 1,335.00
26	REFL PAV MRK TY II (W)(WORD)	EA	1	\$ 400.00	\$ 400.00
27	REFL PAV MRK TY II (W)(W)(ARROW)	EA	1	\$ 400.00	\$ 400.00
28	REFL PAV MRK TY II (W)(RR XING)	EA	2	\$ 700.00	\$ 1,400.00
29	REFL PAV MRK TY I-C	EA	18	\$ 15.00	\$ 270.00
30	ELIM EXIST PAV MRK & MRKS (4")	LF	444	\$ 1.00	\$ 444.00
31	ELIM EXIST PAV MRK & MRKS (6")	LF	482	\$ 1.50	\$ 723.00
32	ELIM EXIST PAV MRK & MRKS (8")	LF	291	\$ 1.50	\$ 436.50
33	ELIM EXIST PAV MRK & MRKS (12")	LF	285	\$ 2.50	\$ 712.50
34	ELIM EXIST PAV MRK & MRKS (24")	LF	89	\$ 5.00	\$ 445.00
35	BARRICADES, SIGNS, AND TRAFFIC HANDLING	MO	1	\$ 40,000.00	\$ 40,000.00
TOTAL BASE PROPOSAL					\$ 607,634.00

I, Austin M. Messerli, Texas P.E. #135510,
do hereby certify that this proposal tab is accurate and true.



Austin M. Messerli
June 14, 2022

Prepared by:



1120 S. Capital of Texas Highway, CityView 2, Suite 100
Austin, Texas 78746
Ph. 512.338.1704
Fax. 512.338.1784
TBPE Firm #6535



EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Discuss and consider action on Lakewood Park Sculpture Trail art pieces as recommended by the Leander Public Art Commission and the Parks and Recreation Department.

BACKGROUND:

The FY 21-22 budget included funding for Sculptures and Public Art to be placed at Lakewood Park for Leander's Sculpture Walking Trail. In May 2022 the Leander Public Art Commission (LPAC) went out for a "Call for Art". The art pieces were submitted and the LPAC reviewed for feasibility, durability, aesthetics, and installation timeline/requirements and selected the pieces identified in the attached presentation.

RECOMMENDATION:

It is the recommendation of both, LPAC and the Department of Parks and Recreation, that City Council approve the art pieces identified.

PRESENTER:

Mark Tummons, Parks and Recreation Director

Fiscal Impact

<u>Amount requested:</u>	\$46,000.00
<u>Approved in current budget (Yes / No):</u>	Yes
<u>Expenditure (New / Amended):</u>	New
<u>Recurring or one-time:</u>	one-time
<u>Fund source (Operating / Utility / etc.):</u>	Public Art Fund

Attachments

1. Leander Public Art Commission Presentation

LPAC



FY 2021 - 2022

Sculpture Garden Trail at Lakewood Park

Presented by:

Deanna Ramirez, project Founder &

LPAC Commissioner

Leander Public Arts Foundation July 2022



Project Background

The Sculpture Garden Trail at Lakewood Park is comprised of 13 acres of at-grade, natural trails within the forests of Lakewood Park. There are currently 3 entry points, with availability for 2-3 more to be added, as well as connector paths in the future. It is a partnership between the Public Arts Commission and the Parks and Recreation Department of Leander. Lakewood Park opened in 2020, and the Sculpture Project kicked off shortly thereafter!

This is the 3rd round of installations for the Sculpture Garden trail at Lakewood Park. We had 1 formal first round last year, and then with the gracious donations from Northline Development of concrete and rebar, had enough funding left over for an additional short round. There are presently ten permanent pieces installed, and two on loan. This number includes both sculptures and art benches.

This year marks the 2nd formal art call we have had for the sculpture garden, and will bring our total permanent collection to 18 items. This brings us not only up to pace with the local community displays of Cedar Park, Liberty Hill, and Georgetown, but (provided our funding continues) on track to surpass Round Rock within the end of the decade (who happens to have full time staff working on funding, project management & development, communications, and more). As we should - the Sculpture Garden Trail is the largest public arts park in all of Texas acreage-wise, so we should have the art to fill it!

Selection Process & Budget

Method:

The Leander Public Arts Commission held an open arts call for approximately 6 weeks, after which we had 24 submissions, and a volunteer community committee comprised of professionals from within the local arts profession rank each sculpture 1st-24th. Those totals were then added up, averaged, and the rankings put into a budget sheet. Top artists were contacted to ensure they were available to deliver and install on time. Additionally, at this time some artists offered a discount off of the original submission in their pricing.

From there, recommendations based on ranking and available budget were presented to the LPAC, and on Wednesday, June 8th, the LPAC voted to formally approve 6 sculptures and 2 art benches and table to be permanently installed within the Sculpture Garden Trail at Lakewood Park. Additionally, we approved 3 sculptures on loan, and allocated \$2,100 for way-finding & signage.

Budget:

\$42,400 for 8 permanent sculptures, bench, & table

\$1,500 for 3 on loan

\$2,100 way-finding & signage *(includes signage for prior installations from FY 2020-2021)*

Total: \$46,000



Permanent Additions

6 Sculptures 2 Art Benches



Botanical of Feather & Bone

John Mark Luke

John Mark Luke has always been drawn to the aesthetic nature of things since childhood. While he is a fan of all things creative, it is the process of creating art in space that inspires him most. He considers himself more of a “blue-collar” artist, as he puts it, "I like to build stuff". Chuck Close is famous for saying, "Inspiration is for amateurs, work comes from work”.

John is based in Austin, Texas, and the LPAC presently has his piece entitled “Step On Up” on loan at Lakewood Park. This will be his first permanent sculpture installed within the Sculpture Garden Trail.





Wilfred & Belle combine experience and contemporary design elements with every project they create. The most notable project the pair has done was this past July 2021 for Jeff Bezos's space travel company Blue Origin.

Willfred Leighton Bergeaux has 30 years of functional and artistic metal sculpture experience. He has long standing relationships with interior designers in Dallas Design District.

Belle Peña-Lancaster is a gallery owner in Marfa, Texas and has a business background. Having earned a BBA in Marketing, a MBA in Management and teaching certificate from the University of Cambridge in the UK she is co-owner of Marfa Cement Works.

Moon, Sky, Rain

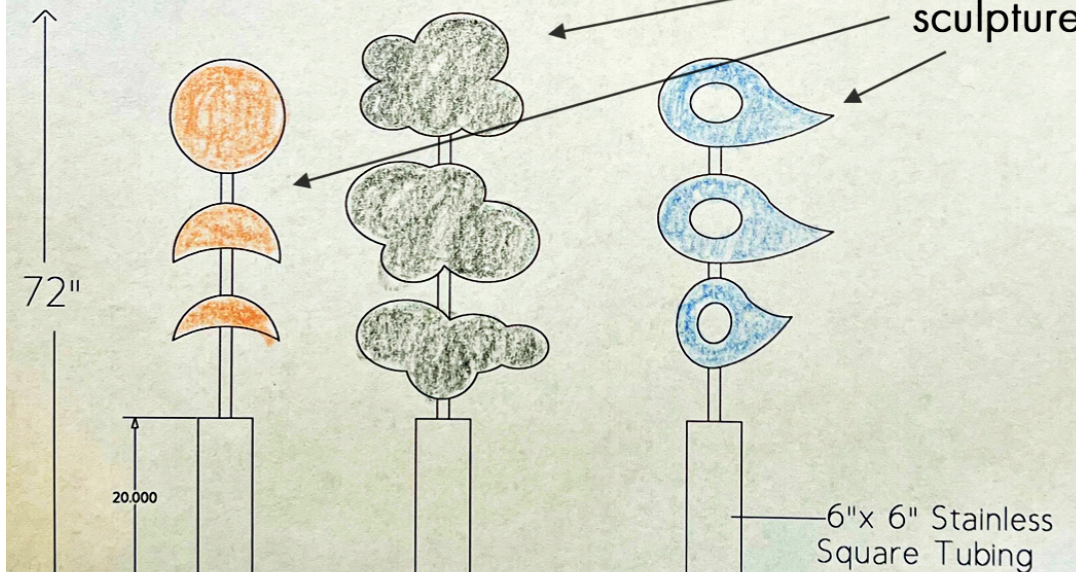
Wilfred Leighton Bergeaux & Belle Peña Lancaster

Mild & Stainless Steel Sculptures

1/4" Steel

Multi-color powder coated

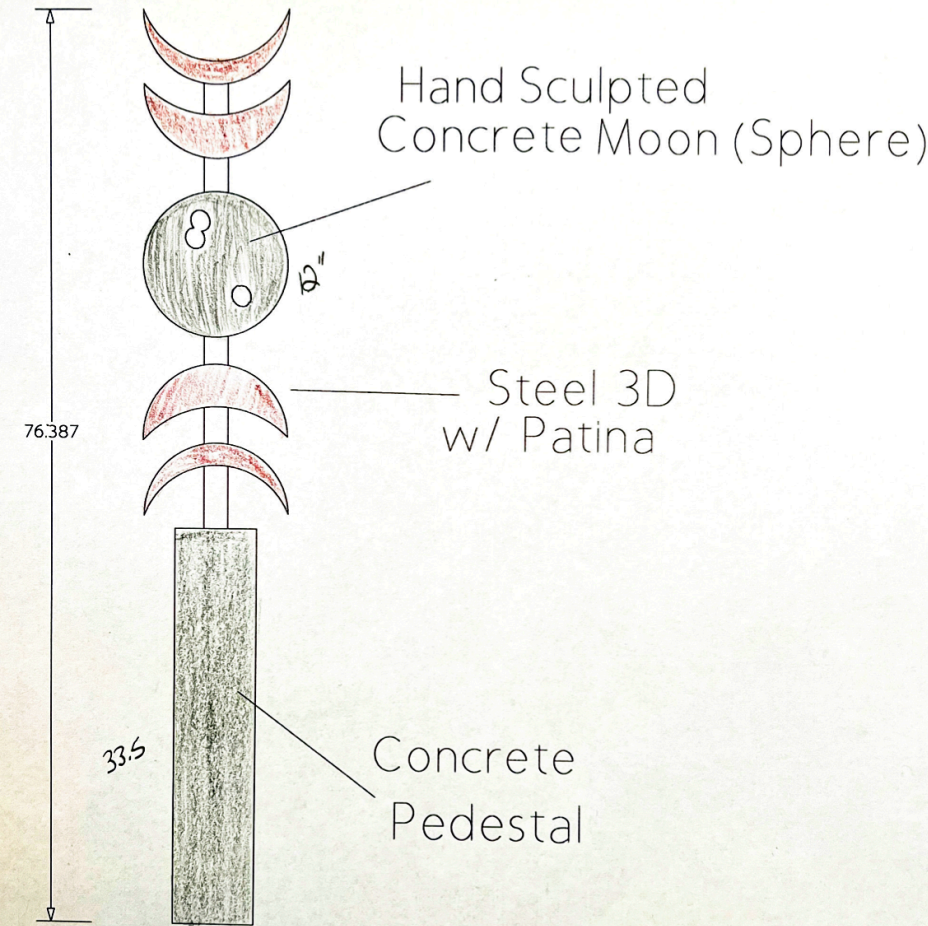
2D steel sculptures





3D Moon Cycle

Wilfred Leighton Bergeaux &
Belle Peña Lancaster





Pride & Joy

Russ Connell

Art is an exploration of form, I love building things. Whether it's painted, polished, hammered, welded, or rusted I like getting into the studio and playing with metal. Pieces I build for myself usually have an organic formation, I don't often sketch or have an end result in mind. Instead I'll build parts individually and let them naturally flow in relation to each other.

This is the first time Russ will be exhibited publicly in Leander, Texas. Russ is represented by Freeman Gallery, Santa Fe, NM and Art on Henderson, in Dallas, TX.



Texas Boot Bench

Thomas Russell Lancaster III

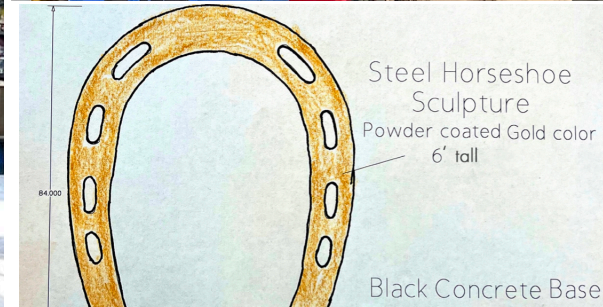
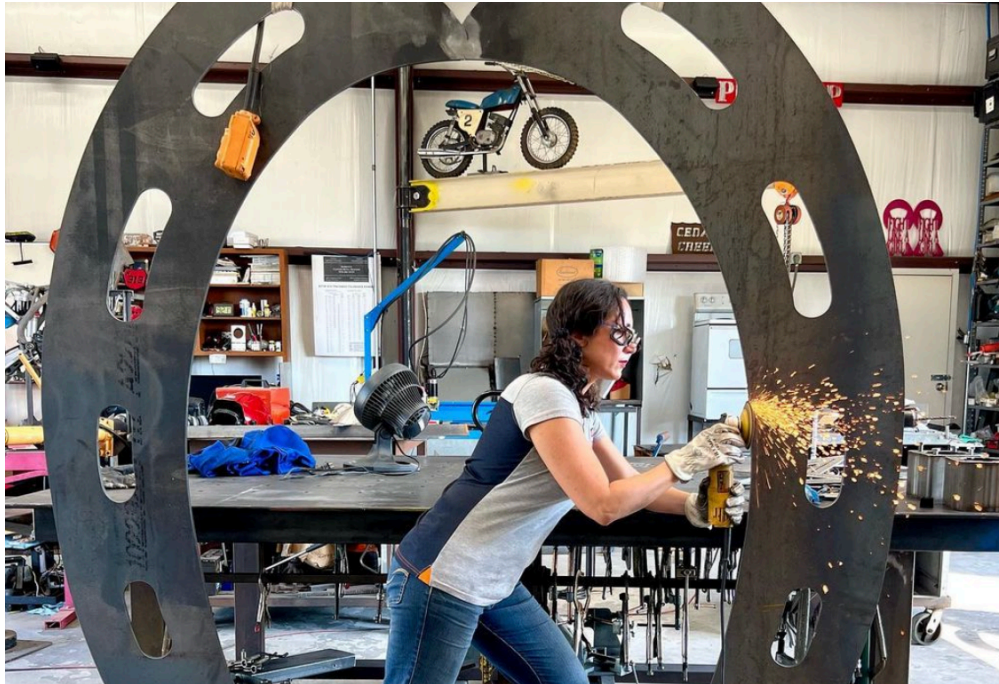
Thomas Russell Lancaster III is an American artist, born in Ft. Worth Texas in 1976. Minimalist lines integrated with sacred geometric sequences are often seen in his work. Thomas began his creative journey with computer generated designs he manipulated from his photography. To further develop his creativity while making a living, he began a design business called Lancaster Designs after earning an Associates Degree in Digital Integrated Image Communications.

Ancient symbolism and sacred geometric sequences are often found in my work. Through close examination of the natural world and meditation, geometric shapes and designs begin to be revealed. My quest to understand the origin of my designs drives my work. With each piece I create my understanding of self and the universe around me deepens.

I'm also motivated by the almost limitless possibilities of my preferred medium, concrete. Chemistry, engineering, and logistics are all important factors I consider when designing new work. I enjoy working with concrete due to its challenging nature. Precision is paramount to develop highly refined structural works of concrete.

Just My Luck

Wilfred Leighton Bergeaux &
Belle Peña Lancaster





Mars Honor IV

Rollin Karg

The heat from glass furnaces, which run around 2200 degrees, can be physically challenging. It's not for everyone, but it is in his nature to seek out such challenges.

He was lucky enough to be one of a very small group of glass blowers that were designing and creating their own studios. It was a groundbreaking and exciting time in his career. He began making and selling paperweights, and as his business grew his ideas and designs grew with it.

He created a metal stand as a better way to display his signature Satellite Discs, which ultimately grew into building large outdoor metal sculptures. He found the combination of metal and glass very complimentary. His public works sculpture has been and continues to be displayed and sold across the country.

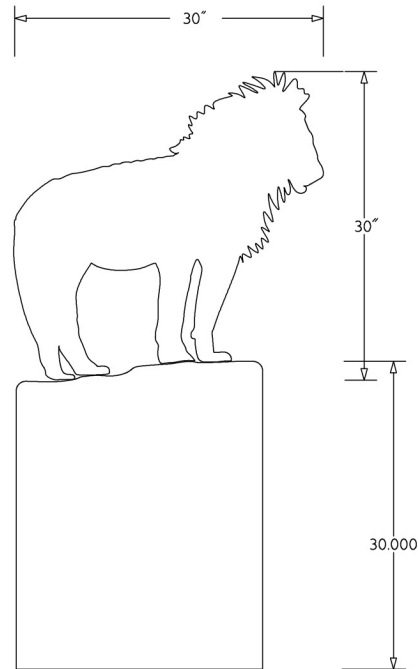
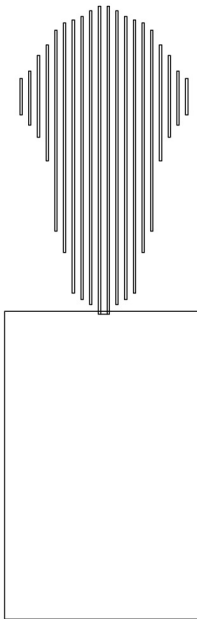
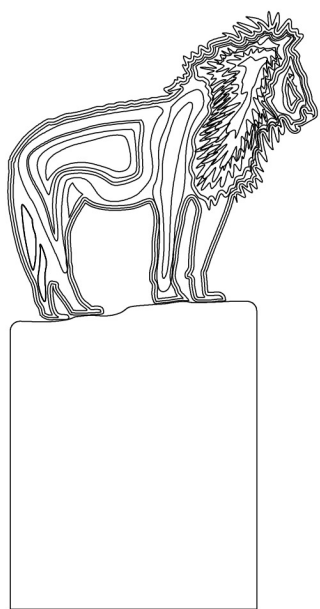
Rollin has won many awards and accolades over a career spanning almost 40 years. He continues to have loyal collectors that seek out his work.

This will be Rollins 5th installation in Leander, Texas - with 3 at the Sculpture Garden trail and 1 at the Leander Public Library.

Leander Lion

Wilfred Leighton Bergeaux &
Belle Peña Lancaster

3/16" carbon steel



On Loan

3 Sculptures

Artist: Laura Sturtz

Flying Fish



Bird In Blue



Cheshire Cat





EXECUTIVE SUMMARY
07/07/2022

AGENDA SUBJECT:

Discuss and consider the selection of Mayor Pro Tem for 2022-2023.

BACKGROUND:

Section 4.02, Mayor Pro Tem of the Home Rule Charter states “At its first regular meeting after each general election or a vacancy in the office of Mayor Pro Tem, the council shall elect one of its members to be Mayor Pro Tem for a one (1) year term, or to fill the unexpired term resulting from the vacancy. Nominations for Mayor Pro Tem shall require a second and the Mayor Pro Tem shall be the councilmember who receives a majority of the votes cast but not less than four votes. In the absence of the mayor, the Mayor Pro Tem shall perform the duties of the office of the mayor and in such capacity shall be vested with all powers conferred on such office. In the event of the failure, inability, or refusal of the mayor to act in respect to any matter or duty, the Mayor Pro Tem shall act. In the event the office of mayor becomes vacant, the Mayor Pro Tem shall serve as mayor until an election is held to elect a mayor to serve the unexpired term.”

Past Mayor Pro Tems

2020-2021	Becki Ross
2019-2020	Chris Czernek

PRESENTER:

Dara Crabtree, City Secretary

Attachments

1. Charter Section 4.02

ARTICLE IV. THE AUTHORITY AND LIMITATIONS OF THE CITY COUNCIL

Section 4.02. Mayor Pro Tem.

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